

LEASE AGREEMENT

THE STATE OF TEXAS §

COUNTY OF CROSBY §

DATE: January 1, 2013

LESSOR: WHITE RIVER MUNICIPAL WATER DISTRICT

LESSOR'S MAILING ADDRESS: 2880 FM 2794
Spur, Texas 79370

LESSEE:

LESSEE'S MAILING ADDRESS:

PROPERTY: SURFACE ONLY of Lot(s) _____ of the subdivision of the land owned by the White River Municipal Water District ("District), the plat of which is on file in the District offices located at White Rive Lake ("Lake").

FOR AND IN CONSIDERATION of promises and covenants to be performed by Lessee as stated herein, Lessor hereby leases the Property to Lessee, subject to the terms, restrictions, covenants and conditions hereinafter set forth.

LEASE TERM

This Lease will begin on the date stated above and will automatically terminate at the end of the calendar year of its inception, unless renewed by Lessee. Provided Lessee is not in violation of any of the covenants and conditions stated herein, or is not otherwise in default hereunder, Lessee may renew this lease annually for successive periods of one (1) year, effective on the first day of each calendar year, by paying the annual rental assessed by Lessor.

RENTAL

The annual rental charge for the Property shall be as established by the Board of Directors of the District. The District reserves the right to adjust at any time the rent charged for Property, which adjustment shall become effective upon the next succeeding renewal date.

Not less than thirty (30) days prior to the end of each calendar year Lessor will notify Lessee in writing of the amount of the rental due for the next succeeding year, such notice to be given to Lessee at Lessee's address stated herein (or at such other address as Lessee shall direct by written instruction to Lessor). The rental sum stated in the notice shall be due and payable to Lessor in

advance on or before January 1 of the following year. LESSEE'S FAILURE TO PAY THE ANNUAL RENTAL WITHIN THIRTY (30) DAYS OF THE DUE DATE WILL RESULT IN THE AUTOMATIC TERMINATION OF THIS LEASE WITHOUT FURTHER NOTICE FROM LESSOR.

RESTRICTIONS, COVENANTS AND CONDITIONS

This Lease is subject to and conditioned upon the following restrictions, covenants and conditions, and Lessee hereby expressly agrees to be bound by and to perform same:

(1) It is expressly understood and agreed that Lessee shall use the Property for single family residential purposes only. No commercial or agricultural activity of any nature shall be permitted on the Property, without first obtaining the written consent of Lessor.

(2) Lessee accepts the Property in its present condition "AS IS", and hereby acknowledges that the Property is suitable for the permitted use. Lessee acknowledges and accepts the Property with the full understanding that ingress and egress to and from the Property may be limited or impeded during times of adverse weather. Lessee agrees that the District has no obligation or duty to assist Lessee in Lessee's efforts to travel to or from the Property.

(3) No residence, storage building, out buildings, boat house, boat dock, or other buildings may be constructed or placed on the Property without first obtaining a permit for same from the District. Prior to constructing any improvements on the Property, the plans and specifications for same must be approved by the District.

(4) All buildings and other improvements constructed or placed on the Property by Lessee shall be constructed and maintained in accordance with the rules and ordinances established or promulgated by the District, as such may be amended from time to time.

(5) No excavation or alteration of the natural surface of the Property shall be permitted without first obtaining a permit from the District. For lakefront lots, no dredging of the shoreline is permitted.

(6) Any improvements constructed or placed upon the Property by Lessee shall be at Lessee's sole risk and peril. **LESSEE HEREBY RELEASES, INDEMNIFIES, AND HOLDS LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER, (INCLUDING WITHOUT LIMITATION COURT COSTS, EXPENSES AND REASONABLE ATTORNEY FEES INCURRED BY LESSOR) ARISING OUT OF OR IN ANY MANNER RELATED TO THE LOSS OR DESTRUCTION OF PROPERTY RESULTING FROM OR OCCASIONED BY THE RISING AND LOWERING OF THE WATER IN THE LAKE.**

(7) Lessee shall promptly pay for all utility services used by Lessee that are provided by Lessor, including without limitation water service and garbage disposal. Lessee agrees to abide by all rules and ordinances established by the District regarding the disposal of garbage.

(8) Lessor reserves the right of ingress and egress over and across the Property at all times for the purposes of constructing, replacing, or maintaining power lines, water lines, gas lines or for any other reasonable purpose deemed necessary by Lessor.

(9) Lessee takes the Property with notice of and subject to (i) all easements, rights of way, and prescriptive rights, whether of record or not, (ii) all oil, gas and mineral leases, whether existing or future, and (iii) all rules and ordinances of the District, and/or any other governmental authority having jurisdiction over the Property.

(10) Lessee acknowledges and agrees that neither this Lease, nor any part thereof, may be assigned or sublet by Lessee, without first obtaining the written consent of the Lessor.

(11) Lessee shall not create or permit a nuisance on the Property, or interfere with any neighbor's use of any adjoining property.

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(12) Lessee shall not be permitted to harbor or keep any cattle, horses, or other livestock on the Property. Should Lessee keep dogs on the Property, they must be confined at all times by sufficient enclosure or leash. While present in any recreational area around the Lake, dogs must be controlled by leash. No dog or other pet on the Property shall be left unattended for more than twenty four (24) hours.

(13) Lessee shall keep the Property clean and free of trash and debris at all times. No material or chemicals shall be stored on the Property, except as may reasonably contained within the residence or other buildings located on the Property. Should Lessor determine, in its discretion, that Lessee has failed to comply with this provision, Lessor may have the materials or chemicals removed and the Property cleaned, and all costs and expense of same shall be charged to Lessee.

(14) Lessee shall reasonably maintain the weeds, brush, and other vegetation on the Property, and shall keep the Property free of noxious and harmful insects. Should Lessor determine, in its discretion, that Lessee has failed to comply with this provision, Lessor may have such work performed, and all costs and expense of same shall be charged to Lessee.

(15) Lessee shall not remove, destroy, deface or vandalize any of the property or buildings of the District.

(16) Lessee shall be subject to and shall comply with all rules and ordinances that may be established by the District, now or in the future.

(17) This Lease does not grant to Lessee any rights, privileges or permits for the use of the Lake, or any facilities, land or other amenities of the District. For the exercise of any other rights or privileges for which the District makes a charge, Lessee will be charged the same fee as other members of the public.

(18) **In addition to any landlord's lien that may arise under Subchapter C of Chapter 54, Texas Property Code, Lessee hereby expressly grants to Lessor a contractual lien upon all non-exempt personal property in the residence or any other buildings located on the Property to secure the payment of any unpaid rent. Lessor may seize and sell such non-exempt personal property in accordance with Sections 54.044 and 5.045, Texas Property Code. Lessor may collect a charge for packing, removing, or storing property seized in addition to any other amounts Lessor is entitled to receive.**

(19) In the event of Lessee's violation or default of any restriction, covenant, or condition stated herein, Lessor may, at its discretion, declare this Lease forfeited and cancelled, and Lessor shall have the right without further notice or demand to re-enter the Property and remove all persons

and property therefrom without being guilty of any manner of trespass and without prejudice to any remedies Lessor may have for the collection of unpaid rent or for breach of covenant.

(20) In the event of cancellation or termination of this Lease, either by reason Lessee's default or Lessee's surrender of the Property, Lessee agrees to immediately remove from the Property all buildings, structures, fixtures, and personal property located thereon, and to restore the Property to a clean, usable condition. In the event Lessee fails to comply with this provision within thirty (30) days from the date of cancellation or termination, then Lessor may, at its discretion and after giving Lessee thirty (30) days written notice to Lessee of its intentions so to do, cause the same to be (i) removed therefrom, without liability for loss or damages thereto and without being deemed guilty of any manner of trespass, and sold, either at private sale or public auction, or (ii) sold as is on the premises, either at private sale or public auction. Any sums received from such sale shall be applied (i) first to costs of removal and sale and the restoration of the Property, and (ii) next, to any deficiency in the rent or other debt owing by Lessee to Lessor. Any excess then remaining shall be delivered to Lessee by either depositing same in the U.S. Mails addressed to Lessee at Lessee's address stated herein (or at such other address as Lessee shall direct by written instruction to Lessor), or interpleading same into the registry of the 72nd Judicial District Court of Crosby county, Texas.

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(21) Any notice required or permitted to be given to Lessee under this Lease shall be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to Lessee at the address provided herein (or at such other address as Lessee shall direct by written instruction to Lessor). Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received.

(22) LESSEE HEREBY RELEASES, INDEMNIFIES, AND HOLDS LESSOR HARMLESS FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DEMANDS, LIABILITY OR CAUSES OF ACTION OF ANY NATURE WHATSOEVER, (INCLUDING COURT COSTS, EXPENSES AND REASONABLE ATTORNEY FEES INCURRED BY LESSOR IN THE DEFENSE OF SAME) ARISING OUT OF OR IN ANY MANNER RELATED TO (1) ANY BODILY INJURY SUFFERED OR SUSTAINED BY LESSEE, OR ANY FAMILY MEMBER OR INVITEE OF LESSEE, WHILE ON THE PROPERTY OR OTHER LAND OWNED OR CONTROLLED BY LESSOR AROUND THE LAKE, AND/OR (2) THE LOSS OR DESTRUCTION OF ANY PROPERTY SUFFERED OR SUSTAINED BY LESSEE, OR ANY FAMILY MEMBER OR INVITEE OF LESSEE, WHILE ON THE PROPERTY OR OTHER LAND OWNED OR CONTROLLED BY LESSOR AROUND THE LAKE. THIS INDEMNITY SHALL SURVIVE THE TERMINATION OF THIS LEASE AND WILL APPLY EVEN IF AN INJURY OR LOSS OF PROPERTY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LESSOR, BUT WILL NOT APPLY TO THE EXTENT ANY SUCH INJURY OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LESSOR.

(23) This Lease shall be binding upon and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns.

(24) This Lease constitutes the entire and only agreement between the parties, and there are not oral representations, warranties, agreements, or promises pertaining to this Lease not incorporated in writing herein.

Lessee hereby acknowledges the receipt of a copy of the rules and ordinances of the District, and agrees to abide by same, as well as any and all future rules and ordinances that may be adopted by the District, at all times. Lessee acknowledges that failure to comply with the rules and ordinances of the district may result in the cancellation of this Lease.

LESSOR:

WHITE RIVER MUNICIPAL WATER DISTRICT

LESSEE: _____

Date signed by Lessee:

SAMPLE