

STATE OF TEXAS

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**LEASE AGREEMENT
AMENDMENT NO. 1**

COUNTY OF BELL

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WHEREAS, the City of Killeen (Lessor) and Killeen Civic Art Guild (Lessee) entered into a Lease Agreement effective August 1, 2011, for the lease of real property at 802 N. Second Street, Suite D100 in Killeen, Bell County, Texas, and the structure commonly known as the Killeen Arts and Activities Center; and

WHEREAS, pursuant to the provisions of this Amendment, the parties desire to amend and extend the term of the Original Lease Agreement as previously amended.;

NOW, THEREFORE, WITNESSETH:

Effective August 1, 2016, the Lease Agreement, as further amended herein, will continue in full force and effect, for an additional term of three (3) years, beginning August 1, 2016, and continuing until July 31, 2019, unless sooner terminated under the terms of the Original Lease. Lessor and Lessee agree that the Original Lease is further amended as follows:

I. Article I, Paragraph A is hereby amended to read as follows:

A. Parties

This lease is made and executed in duplicate by and between the City of Killeen, P.O. Box 1329, Killeen, Bell County, Texas, 76540, herein called Lessor, and Killeen Civic Art Guild, 802 North Second Street, Suite D100 Killeen, TX 76541, hereinafter called Lessee.

II. Article III, Paragraph A of the Original Lease, as previously amended, is hereby amended to read as follows:

A. Monthly Rent

~~No monthly rent is required~~ On or before the first of each month during this lease, beginning August 1, 2016, Lessee will pay Lessor one dollar (\$1.00) as base rent, with the first month's rent due on or before the fifth day of each month.

III. Article III, Paragraph B is hereby amended to read as follows:

B. Place of Payment

All payments to Lessor under this lease shall be payable to Lessor at the following, unless Lessor shall specify otherwise in writing:

By mail:
City of Killeen
Attn: Finance Department
P.O. Box 1329
Killeen, TX 76540

In Person:
City of Killeen
Finance Department
802 North Second Street –Building E
Killeen, TX 76541

IV. Article III, Paragraph D is hereby amended to read as follows:

D. Utilities

(1) ~~Lessor~~ Lessee shall pay and be responsible for the following utility charges: water, sewer, electric, gas, trash, telephone, cable, any other utilities not listed herein. The responsible party shall pay the charges directly to the utility service provider or Lessor, if Lessor holds the account for metering devices. If so, Lessee will be charged proportionately for those utilities on a square foot cost of rentable area usage. The responsible party may select the utility service provider, except that if Lessee selects the provider, any access or alterations to the property or leased premises necessary for the utilities may only be with Lessor's prior consent, which will not be unreasonably withheld. If Lessor incurs any liability for charges, including but not limited to service, connection or maintenance, for a utility service for which Lessee is responsible, and Lessor pays said amount, Lessee shall immediately upon written notice from Lessor reimburse Lessor such amount.

V. Article VI, Paragraph C is hereby amended to read as follows:

C. Locks and Security Devices

Lessee may not alter any locks or any security devices on the property or the leased premises without Lessor's consent. If Lessor authorizes the changing, addition or rekeying of any locks or other security devices, Lessee must immediately deliver the

new keys and access devices to Lessor. Lost key replacement will be charged to Lessee in accordance with the Rents and Fees Schedule depicted on Exhibit "B" attached hereto and incorporated herein by reference.

VI. Article IV, Paragraph E is hereby amended to read as follows:

The property maintains operating hours as follows:

- Monday through Friday 7:00 am to 7:00 pm
- Saturday 8:00am to 2:00pm

VII. Article VI, Paragraph F is hereby amended to read as follows:

F. Maintenance and Repair Obligations

(1) Lessee shall permit Lessor and Lessor's agents, representatives and employees to enter into and on the premises at reasonable times to inspect them, to perform required preventive maintenance, and repair, to make additions or alterations to any part of the property in which the leased premises are located, to remodel the premises, to perform any other action necessary to protect Lessor's interest in the property, or to perform any of Lessor's duties under this lease. Lessor may, in connection with such alterations, additions or repairs, erect scaffolding, fences and similar structures, post relevant notices, and place movable equipment without any obligation to reduce Lessee's rent for the leased premises during such period. Lessor agrees to make a reasonable effort to avoid substantial interference with Lessee's ordinary use of the leased premises, but Lessor shall not incur any liability to Lessee for disturbance of quiet enjoyment of the leased premises, or loss of occupation thereof.

(2) Lessee must keep the leased premises clean and sanitary, and promptly dispose of all garbage and recyclables in appropriate receptacles. The accumulation of trash or recycling materials is not allowed in any room, closet, stairwell or other undesignated locations on the property. Lessee will maintain any grease trap on the property which Lessee uses, including but not limited to periodic emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

(4) Lessee shall be responsible, at its expense, to maintain and repair the following specific items in the leased premises, except for damage caused by wind, storm or fire: windows, all flooring and floor coverings, all walls, doors, and ceiling free from holes, dents, scratches or other damage, interior doors, including closure devices, frames, molding, locks and hardware, signs, such as pylon, fascia, monument and door/suite, lighting to include light bulbs and tubes, permanent fixtures on the property, i.e. drinking fountains, toilet room fixtures, sinks, cabinetry, and light fixtures. The Lessee is responsible for sewer clean outs that are not the result of a damaged sewer

line. These items must be maintained in cleaned and good operable condition. Repairs must be completed by trained, qualified and insured repair persons. Lessee is responsible for the repair and maintenance of its personal property.

VIII. Article VII, Paragraph A(1) is hereby amended to read as follows:

A. Liability and Property Insurance

(1) Without limiting Lessee's obligation to indemnify the Lessor, Lessee shall provide, pay for, and maintain in full force at all times during the term of the lease agreement insurance coverage from an insurance carrier admitted to do business in the State of Texas that has at least an "A" rating with AM Best Company of its equivalent in the types and amounts as listed below. Lessee agrees to procure and maintain in force during Lessee's occupancy of the premises, at Lessee's expense, insurance of the types and in the amounts required below, and such other insurance coverage and/or higher policy limits as may be required by any holder of a deed of trust, security interest, or mortgage that may now or hereafter affect the leased premises.

IX. Article VII, Paragraph (B) is hereby amended to read as follows:

B. Indemnity and Hold Harmless Provisions

(1) AFTER ALL LIABILITY OR CASUALTY INSURANCE COVERAGE OF EITHER LESSOR OR LESSEE IS EXHAUSTED, LESSEE AGREES TO INDEMNIFY, DEFEND AND HOLD LESSOR HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES FOR THE DEFENSE OF SUCH CLAIMS AND DEMANDS, RESULTING IN ANY INJURY OCCURRING ON ANY PORTION OF THE LEASED PREMISES, OR ARISING FROM THE CONDUCT OR MANAGEMENT OF LESSEE'S BUSINESS ON THE LEASED PREMISES, OR FROM LESSEE'S USE OF THE LEASED PREMISES, OR FROM ANY BREACH ON THE PART OF LESSEE OF ANY CONDITION OF THIS LEASE, OR FROM ANY ACT OF NEGLIGENCE OF LESSEE, ITS AGENTS, CONTRACTORS, EMPLOYEES, SUBTENANTS, CONCESSIONAIRES, LICENSEES OR INVITEES IN OR ABOUT THE LEASED PREMISES. IN CASE OF ANY ACTION OR PRECEEDING BROUGHT AGAINST LESSOR BY REASON OF ANY SUCH CLAIM, LESSEE, UPON NOTICE FROM LESSOR, AGREES TO DEFEND THE ACTION OR PROCEEDING BY COUNSEL ACCEPTABLE TO LESSOR. Lessee's obligations under this paragraph are independent of Lessee's obligation to maintain insurance herein, and will not be limited by cooperative negligence statutes or damages paid under worker's compensation or similar employee benefit acts. This paragraph shall survive the expiration or termination of this lease agreement.

(2) Landlord and Tenant agree and covenant that neither shall be liable for

loss arising out of damage to or destruction of the Demised Premises or contents thereof when such loss is caused by any perils included within the State of Texas standard fire and extended coverage policy and on the condition that such a policy exists and affords coverage at the time of the loss; this agreement shall be binding whether or not such damage or destruction be caused by negligence of either party, or their agents, employees or visitors.

X. Article XIII, Paragraph A is hereby amended to read as follows:

A. Notices

Notices given pursuant to the provisions of this lease, or necessary to carry out its provisions, shall be in writing and delivered personally to the person to whom the notice is to be given, or given by certified or registered mail, return receipt requested, addressed to the proper party. Lessor's address for this purpose shall be the address specified herein for payment of rent, or such other address as Lessor may in writing designate to Lessee. Notices to Lessee may be addressed to Lessee at the premises leased.

LESSOR:

City of Killeen
Attn: City Manager
P.O. Box 1329
Killeen, TX 76540
(254) 501-7700
Fax: (254) 634-2484

LESSEE:

Killeen Civic Art Guild.
Attn: President
802 N. Second Street, Suite D100
Killeen, Texas 76541
(254) 290-2928

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on this ____ day of _____, 2016.

CITY OF KILLEEN:

Lillian Ann Farris
Interim City Manager

Killeen Civic Art Guild.

Stephen Culver
President

Exhibit "B"

Basic Rent

802 North Second Street, Suite D100
2,016 square feet \$1.00

Sundry charges

Key replacement \$15.00

Late Payment Penalty

Late payment penalties shall be assessed on the total monthly rent payment: 5% of total monthly rent if paid ten (10) days after the first day of each month