

LEASE AGREEMENT

This Lease Agreement ("Lease") is made and entered into this 24 day of July, 2008 by and between HIDE-A-WAY LAKE CLUB, INC. ("Lessor") and HIDE-A-WAY LAKE COMMUNITY CHURCH ("Lessee", sometimes called "Church").

Background. Lessee has constructed improvements on Lessor's property, but Lessor's board of directors has not formally approved or agreed in writing to such improvements or for the use of its property. The purpose of this Lease is to formalize the mutual agreements of the parties, under the requirements of the Lessor's dedicatory instruments (as the term is defined in the Texas Property Code), including any restrictive covenants, rules and regulations and/or bylaws of the Lessor, in order to facilitate continued use of the Premises by the Attendees.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements herein set forth, it is agreed as follows:

1. Leased Premises.

- a. Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby lease and demise to Lessee, and Lessee does hereby rent and accept from Lessor, the real property more particularly described in Exhibit "A" attached hereto and incorporated herein, together with the existing parking lot, elevator, elevator shaft, septic spray field, steps, walkways and other improvements currently located thereon (such real property and improvements herein collectively referred to as the "Premises") shown on the plat attached hereto and incorporated herein as Exhibit "A" which is a copy of a plat dated effective January 8, 2008 prepared by Warren Surveying, save and except the central channel (the "Central Channel") of the Hide-A-Way Lake Spillway, more particularly described on Exhibit "B" attached hereto, it being the intent of the parties that the Central Channel not be included in and specifically be excluded from the Premises. The elevator and appurtenances thereto constitute the personal property of the Lessee and are not a part of the premises except to the extent that it is located on the real property premises of the Lessor. Lessee will have control of the elevator at all times to ensure safety and security.
- b. The Lessee, its members, employees, invitees and guests are hereinafter, collectively, referred to as the "Attendees." The Attendees may use the bridge and sidewalks that are located across the Central Channel and the drive that runs through the Central Channel as they enter and leave Lessee's property and the Premises.
- c. This Lease shall be non-exclusive with respect to the existing parking lot and the bridges, walkways and drives within the parking lot area.
 - 1) Lessee shall have use of the parking lot area for all church functions, including but not limited to major church events and funerals.
 - 2) At all other times, Lessor's members, guests, and their invitees and the Lessee shall have the mutual right to use the parking lot area and appurtenances for

parking and for other uses approved by the Lessor, in writing, on a first come, first serve basis.

- d. Lessee accepts the Premises in its current condition on an "as is" basis with all faults and without any warranty, express or implied and acknowledges that the Premises are suitable for the Lessee' use.
- e. Lessee shall not expand its area of use or construct improvements on the Premises without the prior written approval of the Lessor, which approval may be given or withheld in the Lessor's sole discretion.

2. Term.

- a. This Lease shall be for a term of five (5) years (the "Term") commencing on July 24, 2008, and ending on July 23, 2013; provide, however, this Lease may be terminated at any time by either party upon one hundred eighty (180) days prior written notice to the other party.
- b. The lease shall automatically renew under the same rental and other terms as set forth herein for succeeding terms of five years each (collectivity the "Extended Terms" and individually an "Extended Term") unless either party furnishes written notice to the other party, at any time at least 180 calendar days in advance, of its intent to terminate the lease on a specific date.

3. Rent.

Lessee also agrees to pay Lessor, as rental for the use and occupancy of the balance of the Premises, the sum of Fifty Dollars (\$ 50.00) per month.

4. Taxes.

In addition to the rental, Lessee shall pay and discharge all taxes (if any), general and special assessment, and other charges of every description which, during the Term or any Extended Term of this Lease that may be levied on or assessed against the Premises. Lessee shall pay all such taxes, charges and assessments before the same shall become delinquent, and Lessee shall indemnify and save harmless Lessor from all such taxes, charges, and assessments or any claims for the same. Lessee shall have the right in good faith, at its sole cost and expense, to contest any such taxes, charges, and assessments, and shall be obligated to pay the contested amount only if and when finally determined to be due. If Lessee fails to pay any such taxes, charges and assessments when they become due, then Lessor shall have the right, without the obligation, at the Lessor's option, to pay the same or any portion thereof without inquiry as to the validity thereof and any amounts so paid, including expenses and interest, shall be additional indebtedness hereunder due from Lessee to the Lessor and shall be repaid to the Lessor immediately on rendition of a bill therefore, together with interest at ten percent (10%) per annum until paid.

5. Utilities

Lessee shall pay or cause to be paid all charges for electricity and any and all other utilities, if any, use on the Premises throughout the term or Extended Term of this Lease, including any connection fees.

6. Use of Premises.

- a. The sole purposes for which the Premises may be used by Lessee are (1) as a parking lot with related improvements to be used for vehicular parking and ingress and egress by Attendees in connection with a nondenominational community church and (2) in specific part, as a septic tank spray field in connection with the operation of the Church. Lessee and its Attendees must follow all reasonable rules and regulations adopted by the Lessor and communicated to Lessee by written notice. If Lessee shall fail or cease to use the Premises for such purpose, this Lease shall immediately automatically terminate. The Lessee shall indemnify, defend, and hold Lessor harmless from any loss, attorney's fees, expenses, damage, or claims arising out of use of the Premises, including, but not limited to, any demands, claims, causes of action, loss, damage (whether alleged or real) arising out of the septic tank spray field.
- b. Lessee shall not make any improvements that will adversely change the hydraulics and hydroponics of the spillway located on and/or near the Premises or that violates the regulations of the Texas Commission on Environmental Quality.

7. Alterations, Improvements and Repairs.

- a. Lessee may resurface and/or construct improvements (not to exceed one foot in height) to the existing parking lot during the existence of this Lease, including improving or repairing drainage facilities, constructing driveways, and resurfacing of parking lots and driveways, provided that such resurface and/or construction of improvements is approved, in writing by the Lessor and due consideration is given to providing drainage of surface water such that no erosion, subsidence, or other damage to the Premises or any other property of Lessor will occur and provided further that Lessee shall comply with all applicable laws and regulations of any governmental entity, including, but not limited to, laws and regulations dealing with the disposal or other handling of surface water. The design of any improvements must be approved by Lessor's general manager or his designee prior to construction; provided, however, the Indemnities (as defined below) shall have no liability and Lessee hereby releases the Indemnities from any claims regarding the resurfacing and/or construction of improvements to the existing parking lot as provided herein. Lessee shall indemnify and shall hold harmless Lessor, its offices, directors, agents, employees and members (the "Indemnities"), from any and all claims, causes of action, damages, liabilities, fines, penalties or other costs or charges (including reasonable attorney's fees) made against or suffered by any of the Indemnities due to Lessee's resurface and/or construction of improvements to the existing parking lot as provided above or Lessee's construction and/or repair of the parking lot in violation of the provisions of this Section 7.

- b. In the event of the proposed construction of any improvements the written approval of Lessor, which may be given or withheld in the Lessor's discretion, must be obtained prior to Lessee beginning construction. Lessee shall comply at all times with Lessor's building codes and all rules and regulations of Lessor as they exist from time to time.
- c. Prior to commencement of any work permitted hereunder, Lessee shall require that its contractors and subcontractors maintain and carry insurance at least of the type and the amounts required of the Lessee herein. In addition, Lessee prior to commencement of the work permitted hereunder, Lessee shall obtain workers compensation insurance, which insurance must cover liability arising out of Lessee's employment of workers and anyone for whom Lessee may be liable for workers' compensation claims for a so long as such work is being performed on the Premises. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted. Lessee shall provide Lessor certificates of workers' compensation insurance prior to beginning any work hereunder.
- d. Lessee, at its expense, shall maintain the Premises and the bridges, parking areas, walkways, and driveways over and across the Central Channel in good repair and in a neat, clean condition at all time. All repairs and maintenance of the Premises shall be at Lessee's sole responsibility and shall be at Lessee's expense, provided, however, such repair and maintenance shall be subject to Lessor's approval.
- e. At the expiration of the Lease, all improvements located on the Premises, with the exception of any personal property, shall become the property of Lessor. Lessor may require the removal of any personal property at the expiration of this Lease and upon such removal, if any; Lessee shall return the Premises to substantially the same condition in which it was prior to the placement of the personal property.

8. Insurance and Indemnity.

- a. Lessor shall not be liable for any injury to or death of persons or damage to or loss of property sustained by Lessee, Lessee's invitees, agents, employees, guests, or assigns resulting from the use or existence of the Premises or any part of it, or any injury or death resulting any portion of the property or appurtenances being out of repair, or resulting directly or indirectly from any act or neglect of any Lessee or any person. Further, Lessor shall not be liable to Lessee or to Lessee's Attendees for any damage to person or property caused by any act, omission or neglect of Lessor in connection with the condition of the Premises and/or the bridges, walkways and driveways over and through the Central Channel, and Lessor shall not be liable to Lessee, Lessee's Attendees, or any other party for any damage or injury to person or property caused by Lessee's, its Attendees' or its invitees' use of the Premises or any of Lessee's, its Attendees, or invitees' act, omission or neglect. Lessee shall indemnify, defend, and hold Lessor harmless from any loss, attorney's fees, expenses, or claims arising out of use of the Premises. Further, Lessee hereby releases and agrees to hold Lessor, its officers, directors, agents, employees and members harmless and indemnify them from all claims, causes of action, damages, costs (including attorneys' fees), loss, and/or injury to person or property caused as a result of Lessee's, its Attendees' or

invitees' use of the Premises and/or Lessee's breach of any covenants contained in this Lease.

- b. Lessee shall keep the Premises (and any improvements thereon) insured against loss or damage by fire, with extended-coverage endorsement or its equivalent. Insurance on the Premises and any improvements thereon must be paid for by Lessee and will be in amounts not less than one hundred percent (100%) of the full insurable value of the Premises, including buildings and other improvements. The insurance policy must provide that any loss of \$5,000.00 or less will be payable solely to Lessee and Lessee will use that sum for repair and restoration purposes. The minimum insurance limits expressed above shall not be construed as limiting the amount of Lessee's indemnity of Lessor hereunder. Any loss over \$5,000 will be made payable jointly to Lessor and Lessee. Lessee shall, at Lessee's own expense, carry public liability insurance covering the Premises with Lessor as an additional named insured, appropriately endorsed for contractual liability under this paragraph, with minimum limits of \$1,000,000.00 for death or injury per occurrence, \$ 3,000,000.00 aggregate for death or injury to more than one person, \$1,000,000.00 per occurrence for property damage and an umbrella policy with limits of not less than \$2,000,000.00 (which insurance shall be excess over and be no less broad than all coverages described above and shall include a drop-down provision for exhaustion of underlying limits). Lessee shall furnish Lessor with a certificate from Lessee's insurance company, evidencing such insurance coverage, and Lessee shall maintain such coverage during the Term and any extender Term of this Lease. The minimum insurance limits expressed above shall not be construed as limiting the amount of Lessee's indemnity of Lessor hereunder. For the insurance required herein, additional insured status shall be provided in favor of Lessor and its officers, directors, agents, and employees. Additional insured status on the general liability insurance shall be provided on ISO form CG 20 26 11 85 or its equivalent, without modification. It is the intent of the parties to this Agreement that all insurance coverage required in this Section 9(b) shall be primary to and shall seek no contribution from all insurance available to Lessor, its officers, directors, agents, and/or employees (collectively, the "Lessor Parties"), with the Lessor Parties' insurance being excess, secondary and non-contributing. The commercial general liability coverages shall be endorsed to provide such primary and non-contributing liability. Further, the Lessee hereby agrees to waive its rights of recovery from the Lessor Parties with regard to all causes of property and/or liability loss and shall cause a waiver of subrogation endorsement to be provided in favor of the Lessor Parties on all insurance coverage carried by the Lessee, whether required herein or not.
- c. Evidence of insurance coverage required to be maintained by Lessee, represented by certificates of insurance, evidence of insurance, and endorsements issued by the insurance company or its legal agent, and must be furnished to Lessor prior to commencement of the Term and not later than fifteen (15) days after receipt of this Lease. New certificates of insurance, evidence of insurance, and endorsements shall be provided to Lessor prior to the termination date of the current certificates of insurance, evidence of insurance and endorsements.

- d. All insurance coverage shall be written through insurance companies authorized to do business in the State of Texas and rated no less than A-; VII in the most current edition of *A.M. Best's Key Rating Guide*.
- e. All insurance coverage required herein shall contain the following express provision:
- f. In the event of cancellation, non-renewal, or material reduction in coverage affecting the certificate holder, thirty (30) days prior written notice shall be given to the certificate holder.

9. Default and Remedies.

Should Lessee default in the performance of any covenant, condition or agreement in this Lease, and such default is not corrected within thirty (30) days after receipt of written notice from Lessor to Lessee, Lessor may declare this Lease, and all rights and interests created by it, to be terminated. Upon Lessor's electing to terminate, this Lease shall cease and come to an end as if that were the day originally fixed herein for the expiration of the Term hereof.

10. Warranties.

- a. Lessor hereby represents and warrants that it is the owner in fee simple absolute of the leases premises subject to covenants, conditions, restrictions, easements and other matters of record.
- b. Lessor covenants and agrees that Lessee, on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term or any Extended Term of this Lease except such portion of the Premises, if any, as shall be taken under the power of eminent domain.
- c. Each of the persons signing this Lease warrant and represent that he/she is duly authorized to execute and deliver this Lease on behalf of the party for whom he/she is acting.

11. General Provisions.

- a. Lessor and Lessee expressly agree that this Lease shall be subject to the following: (i) that certain Declaration of Covenants, Conditions, and Restrictions recorded under Instrument No. R00004200 in the Official Public Records of Smith County, Texas, (ii) that certain deed recorded in Volume 1313, Page 582 of the Official Public Records of Smith County, Texas, (iii) that certain Easement for Underground Facilities recorded under Instrument No. R00024177 in the Official Public Records of Smith County, Texas; and (iv) the terms of any other recorded or unrecorded instruments (including easements) affecting the Premises.

- b. Lessee shall not permit any mechanics' lien or liens to be placed upon the Premises or the improvements thereon during the Term of this Lease or any Extended Term thereof and in case of the filing of any such lien, Lessee will promptly pay same. If default in payment to any vendor, contractor or subcontractor who is performing work or supplying materials to the Lessee for work or materials on the Leased Premises or any improvements thereon continues for twenty (20) days after written notice thereof from the Lessor to Lessee, the Lessor shall have the right and privilege, at the Lessor's option, to pay the same or any portion thereof without inquiry as to the validity thereof and any amounts so paid, including expenses and interest, shall be additional indebtedness hereunder due from Lessee to the Lessor and shall be repaid to the Lessor immediately on rendition of a bill therefor, together with interest at ten percent (10%) per annum until paid.
- c. No waiver by Lessor of any default or breach of any covenant, condition, or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition or stipulation hereof.
- d. Lessee agrees not to assign or sublease the Premises or any part thereof.
- e. Lessee agrees for itself and its Attendees, to observe and comply with the by-laws and rules and regulations of Lessor, which are made a part hereof, and with such further amendments to the by-laws and rules and regulations as Lessor may adopt and prescribe.
- f. There are no implied warranties of fitness for the particular purpose, or of any other kind arising out of this Lease, and there are no warranties that extend beyond those expressly stated in this Lease.
- g. All rents or other sums, notices, demands, notices or requests from one party to another may be personally delivered or sent by mail, certified or registered, return receipt requested, postage prepaid, to the addresses stated in this paragraph, and shall be deemed to have been given at the time of personal delivery or at the time of mailing, to-wit:

If to Lessor:

Hide-A-Way Lake Club, Inc.
Attention: President, Board of Directors
101 Hide-A-Way Lane Central
Hideaway, Texas 75771

If to Lessee:

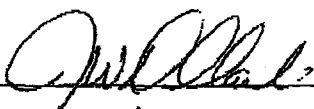
Hide-A-Way Lake Community Church
1500 Lake Park Circle
Hideaway, Texas 75771.

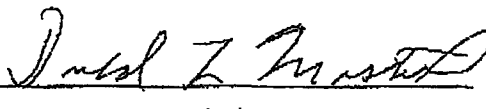
- h. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Lease.

- i. This Agreement shall be construed under and in accordance with the Laws of the State of Texas, and all obligations of the parties created hereunder are performable in Smith County, Texas.
- j. Lessor and Lessee shall submit in good faith to mediation before filing a suit for damages.
- k. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Lease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- l. This Lease constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter.
- m. No amendments, modifications or alteration of the terms hereof shall be binding unless the same are in writing, dated subsequent to the date hereof and duly executed by both the Lessor and the Lessee.
- n. In the event Lessor or Lessee breaches any of the terms of this Lease whereby the party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting party agrees to pay the other party reasonable attorney's fees so incurred by such other party.
- o. Time is of the essence of this Lease.
- p. There shall be no holding over by Lessee. If Lessee does not vacate the Leased Premises following termination of this Lease, Lessee shall be a lessee at will and shall vacate the Leased Premises on receipt of notice from Lessor. No holding over by Lessee, whether with or without the consent of the Lessor, will extend the Term.
- q. Lessor and Lessee are not engaging into a partnership or any other venture and their relationship is that of Lessee - Lessor only. No other relationship is meant, intended or created by this Lease or any other act of the parties. Neither party shall have the authority to bind the other.
- r. If either party retains an attorney to enforce this Lease, the prevailing party is entitled to recover reasonable attorney's fees. Venue shall in the county in which the Premises are located. This Lease shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Smith County, Texas.
- s. This Lease may be amended only by an instrument in writing signed by Lessor and Lessee.

THIS LEASE has been executed by the parties on the date and year first above written.

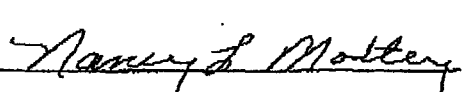
HIDE-A-WAY LAKE CLUB, INC.

By: 
Print Name: JOE W. DILLARD
Title: President

By: 
Print Name: DONALD L. MASTAL
Title: Secretary

LESSEE:

HIDE-A-WAY LAKE COMMUNITY CHURCH

By: 
Print Name: NANCY L. MOTLEY
Title: Trustee

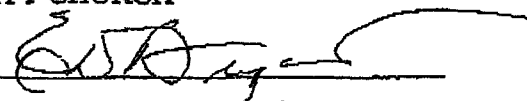
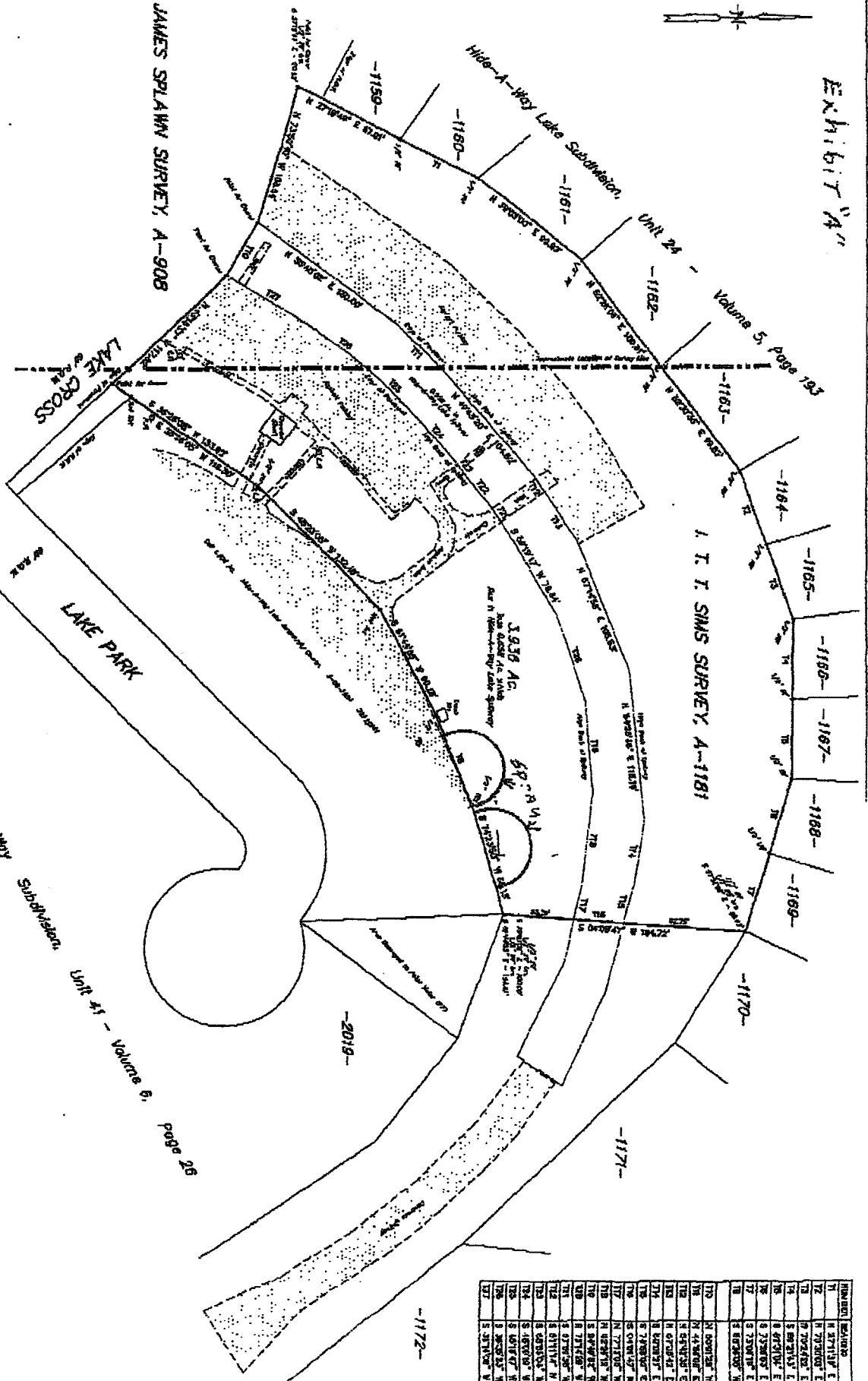
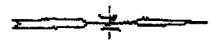
By: 
Print Name: E.D. BRYANT
Title: Trustee

Exhibit "A"



NO.	BEARING	DISTANCE
1	N 32° 11' 00" E	117.0
2	N 79° 00' 00" E	117.0
3	N 70° 21' 00" E	117.0
4	N 87° 21' 00" E	117.0
5	N 87° 00' 00" E	117.0
6	N 73° 00' 00" E	117.0
7	N 32° 11' 00" E	117.0
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27	N 32° 11' 00" E	117.0

HAWLCI 0157

JAMES SPLANN SURVEY, A-908

The survey shown herein is for use in the transaction dated January, 1908, and is not valid for use in any other transaction involving the above described property. The bearings herein were obtained by means of the Direct Azimuth method using the astronomical meridian line of the State of Texas established in 1896 and 1904. This survey substantially complies with the survey laws of the State of Texas and the provisions of the act of the Legislature of the State of Texas, approved March 1, 1907, relating to the location of the corners of the sections of the public lands, and the provisions of the act of the Legislature of the State of Texas, approved March 1, 1907, relating to the location of the corners of the sections of the public lands, and the provisions of the act of the Legislature of the State of Texas, approved March 1, 1907, relating to the location of the corners of the sections of the public lands.



DEBORAH D.B. OGBURN
 6420 LINDEN AVE
 LINDEN, TEXAS 75703

WARREN SURVEYING
 15200 E. FM. RD. 829
 LINDEN, TEXAS 75703

PLAT OF SURVEY
 SURVEYS AS SHOWN
 SMITH COUNTY, TEXA.
 SCALE: 1" = 100'

