

LEASE AGREEMENT

THIS MEMORANDUM OF AGREEMENT AND LEASE CONTRACT is made and entered into by and between Centex Meat Company, L.P. d/b/a Taylor Meat Company of Taylor, Williamson County, Texas, and hereinafter referred to as LESSOR, and The City of Taylor, Texas a home rule political subdivision in Williamson County, Texas, hereinafter referred to as LESSEE.

W I T N E S S E T H:**1. LEASED PROPERTY:**

Lessor does hereby lease to Lessee a tract of land being approximately six feet by three feet and located approximately three feet from the north and east property lines in the northeast corner of the property described in Exhibit "A" attached hereto and incorporated by reference herein ("Lease Property").

2. TERM OF LEASE:

The term of lease shall be for ten (10) years commencing June 2, 2003, and ending midnight June 1, 2013, both dates inclusive.

Lessee is granted one renewal option for an additional ten (10) year term commencing June 2, 2013 and ending midnight June 1, 2023, both dates inclusive. Lessee shall be entitled to exercise the renewal option by written notice to Lessor thirty (30) days prior to expiration of the original term of the lease that Lessee is exercising the renewal option. The renewal term shall be under

the same terms and conditions provided herein for the original

3. RENTAL:

This Lease is granted to Lessee by Lessor without consideration from Lessee.

4. LESSEES ACCEPTANCE OF PROPERTY:

At the commencement of this lease, Lessee shall accept the Lease Property in its existing condition. No representation, statement, or warranty expressed or implied has been made by or on behalf of the Lessor as to the condition, or to the use that may be made of the Lease Property. In no event shall the Lessor be liable for any defect in the Lease Property or for any limitation on its use.

5. USE OF LEASE PROPERTY:

The Lease Property shall be used for construction of a City welcome sign having the content written thereon as the City deems appropriate for a greeting sign to the general public ("Sign"). Lessor shall not prevent or restrict the view of the Sign from Highway 79.

6. REPAIRS AND MAINTENANCE:

Lessee shall make when needed, in its opinion, any repairs, maintenance, replacements, or restorations to the Sign located on the Lease Property. Lessee shall cut the grass around and adjacent to the Sign. Lessee shall maintain the sign in good and neat condition.

7. SUBLEASE OR ASSIGNMENT.

Lessee shall not be permitted to assign this Lease or the Lease Property.

8. SURRENDER OF LEASE PROPERTY:

The Lessees shall surrender the Lease Property leaving it in as good order and condition as when received by Lessee under this Lease.

9. UTILITIES:

Lessee shall provide power for lighting the Sign and sprinkler irrigation for the landscaping associated with the Sign. Lessor shall not be required to furnish any utilities to the Lease Property and for the Sign.

10. SUBORDINATION OF EXISTING LIEN:

This lease shall be subject and subordinate at all times to the lien of any existing mortgage or mortgages upon the Lease Property.

11. NOTICES:

Whenever written notice is required or permitted under this lease, such notice shall be in writing and shall be either (a) hand delivered personally to the party being notified, (b) forwarded by certified mail, return receipt requested, postage prepaid, to such party at such party's mailing address set forth below.

12. HEIRS, EXECUTORS AND SUCCESSORS MADE PARTIES:

This lease shall be binding upon Lessor and Lessee, their respective heirs, successors and assigns and by all persons claiming by, through or under either Lessor or Lessee.

13. GOVERNING LAW:

This lease shall be governed by, construed and enforced in accordance with the laws of the State of Texas and performance and venue for any action shall lie within Williamson County, Texas.

14. COVENANT TO EXECUTE ADDITIONAL INSTRUMENTS:

The parties hereto agree to execute and deliver any instruments in writing necessary to carry out any agreement, term or condition within this lease agreement whenever needed.

15. SEVERABILITY:

If any provision of this lease shall be declared invalid or unenforceable, the remainder of the lease shall continue in full force and effect. This lease contains the entire agreement between the parties and shall not be modified in any manner except by an instrument in writing executed by the parties.

WITNESS OUR HANDS in duplicate originals this the 8th day of June, 2003.

LESSOR:

CENTEX MEAT COMPANY, L.P.
D/B/A TAYLOR MEAT COMPANY

BY: _____
R. L. Ivy Management,
Inc., General Partner
By Ron Ivy, President

LESSEE:

CITY OF TAYLOR, TEXAS

BY: FRANK SALVATO
ITS: CITY MANAGER

STATE OF TEXAS,
COUNTY OF WILLIAMSON.

This instrument was acknowledged before me on this the _____ day of June, 2003, by R. L. Ivy Management, Inc., General Partner, by Ron Ivy, President, a partner on behalf of Centex Meat Company, L.P. d/b/a Taylor Meat Company, a partnership.

Notary Public in and for
The State of Texas

STATE OF TEXAS,
COUNTY OF WILLIAMSON.

This instrument was acknowledged before me on this the _____ day of June, 2003, by Frank Salvato, Manger, City of Taylor, Texas, on behalf of the City of Taylor, Texas.

Notary Public in and for
The State of Texas

LEGAL DESCRIPTION FOR LILLIAN IVY AND RON Q.

EXHIBIT "A"

BEING 6.48 acres of land, situated in the William R. Williams Survey, Abstract No. 665, Williamson County, Texas, said land being the remainder of that certain Second Tract of land, called Eight Acres, Less a portion of that certain tract of land, called 0.483 of an acre, as conveyed to the State of Texas, by deed as recorded in Volume 374, Page 153, of the Deed Records of Williamson County, Texas, as conveyed to Taylor Meat Company, Inc. by deed as recorded in Volume 632, Page 90, of the Deed Records of Williamson County, Texas. Surveyed on the ground in the month of June, 1999, under the supervision of Don H. Bizzell, Registered Professional Land Surveyor, and being more particularly described as follows;

BEGINNING at a broken concrete monument found at the intersection of the east line of Loop No. 427 and the north line of the Missouri-Pacific Railroad right-of-way, marking the Southwest corner of the above-referenced Taylor Meat Company, Inc. tract, for the Southwest corner hereof;

THENCE, along the said east line of Loop No. 427, being the west line of the said Taylor Meat Company, Inc. tract, N 19° 58' W, 299.71 feet to an iron pin found in the remains of a concrete monument marking the most southerly corner of that certain tract of land, called 0.998 of an acre, as conveyed to the State of Texas, by deed as recorded in Volume 522, Page 502, of the Deed Records of Williamson County, Texas, for the most westerly Northwest corner hereof;

THENCE, along the Southeast line of Loop No. 427, N 40° 00' E 366.99 feet to an iron pin set on the south line of State Highway No. 79, marking the most easterly corner of the said 0.998 of an acre State of Texas tract, being on the south line of the above-referenced 0.483 of an acre State of Texas tract, being the north line of the said Taylor Meat Company, Inc. tract, for the most northerly Northwest corner hereof, from said point a broken concrete monument found bears N 43° 20' 30" E, 4.86 feet;

THENCE, along the said south line of State Highway No. 79, along a curve to the right, (Radius = 4533.75 feet, Long Chord bears N 87° 43' 30" E, 78.78 feet), an arc distance of 78.79 feet to an iron pin set for the Southeast corner of the said 0.483 of an acre State of Texas tract and N 88° 43' E, 186.30 feet to an iron pin set for the Northeast corner of the said Taylor Meat Company, Inc. tract, being the Northwest corner of that certain tract of land, called 2 acres, as conveyed to J.D. Ashley by deed as recorded in Volume 331, Page 99, of the Deed Records of Williamson County, Texas, for the Northeast corner hereof;

THENCE, S 19° 34' 30" E, 567.06 feet to an iron pin found on the said north right-of-way of the Missouri-Pacific Railroad, marking the Southeast corner of the said Ashley tract, for the Southeast corner hereof;

THENCE, along the said north line of the Missouri-Pacific Railroad, S 86° 31' W, 589.62 feet to the Place of BEGINNING and containing 6.48 acres of land.

STATE OF TEXAS)

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF WILLIAMSON)

I, Don H. Bizzell, Registered Professional Land Surveyor, do hereby certify that this survey was made on the ground of the property legally described hereon and is correct, and that there are no apparent discrepancies, conflicts, overlapping of improvements, visible utility lines or roads in place, except as shown on the accompanying plat, and that said property has access to and from a dedicated roadway, to the best of my knowledge and belief.

To certify which, witness my hand and seal at Georgetown, Williamson County, Texas, this the 9th day of May, 2000, A.D.

Don H. Bizzell

Don H. Bizzell

Registered Professional Land Surveyor, No. 2218
State of Texas



UPDATED: May 8, 2000

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RETURN TO
Bingham Title Co., Inc.



Steger Engineering, Inc.
Consulting Engineers
1070 South 41st Avenue
Houston, Texas 77049
Surveyors
Telephone: (281) 916-8216
Facsimile: (281) 916-8216