

LEASE AGREEMENT

THIS LEASE is made as of 02/7/2023, by and between City of Leon Valley ("Lessor"), whose address is 6400 El Verde Road, Leon Valley, Texas 78238, and HdroGeoLogic, Inc. (HGL) ("Lessee"), whose address is 6340 Glenwood, Suite 200, Overland Park, KS 66202.

WITNESSETH, THAT FOR AND IN CONSIDERATION of the covenants and agreements herein contained to be observed, kept and performed by the aforementioned respective parties hereto, the Lessor does hereby lease, let and demise unto the Lessee and the Lessee does hereby lease and hire for the Lessor the premises located and situated at 6401 El Verde Road, Leon Valley, Texas 78238 (the "Premises") in the County of Bexar.

USE OF PREMISES

The premises shall be used only as or for the purpose of office space during the upcoming remedial action construction at the Bandera Road Super Fund Site. The office will be occupied by HGL personnel, HGL Subcontractors, and/or EA Engineering on behalf of EPA.

LEASE TERM

The term of this lease shall begin on March 1, 2023, and will end on September 30, 2023, at 11:59 PM (the "Term"). If the Lessee vacated the premises prior to the end of the lease term, the Lessee shall be liable for the balance amount of the lease for the remainder of the lease term.

In the event that the Lessee desires to vacate the premises, the Lessee shall provide the Lessor with ten (10) days advance written notice of intent to vacate. Advance notice shall be provided to ensure termination ensues at the end of the month. Prior to vacating the premises, the Lessee shall make sure that the premises are clean and free and clear of any dirt, trash, waste and/or debris, with the exception of normal wear and tear. The Lessor shall have the right to perform a walk through prior to the Lessee vacating to ensure the premise complies with the aforementioned requirements.

RENT/LEASE PAYMENT

The Lessee agrees to and shall pay monthly installment payments to the Lessor at 6400 El Verde Road, Leon Valley, Texas 78238.

Lessee shall pay to the Lessor a monthly base rent in the amount of \$300.00 per month without setoff, abatement, or deduction, due and payable on the first day of each month.

Any payments received after the aforementioned day shall be deemed late and delinquent. On the 5th day of the month if rent remains unpaid the Lessee shall pay a late charge of twenty-five and no/100 dollars (\$25.00) and a ten and no/100 dollars (\$10.00) late fee every day thereafter that the rent or lease payment remains unpaid.

In the event a check for rent or lease payment is returned for non-sufficient funds (NSF), the Lessee shall pay a return check fee in the amount of \$40.00, and the Lessor shall reserve the right to only accept further payments made in certified funds (e.g. certified check or money order).

POSSESSION

The Lessee shall take possession of the premises on March 1, 2023, unless otherwise stipulated. The Lessor shall use due diligence to ensure Lessee is provided possession of the premises at the beginning of the Term of this Lease Agreement. The first month's rent shall be prorated by Lessor for the period of any delay in providing or turning over possession of the premises to the Lessee; however, the length of the term of this Agreement shall not be extended as a result of any such delay. The Lessee shall bring no claim against the Lessor for any delay in obtaining possession.

In the event that the Lessee fails to take possession of the premises within ten (10) days after the beginning of this Lease, then the Lessor may terminate this Agreement.

LEASE TERM EXPIRATION

Upon expiration of the initial lease term, the Lessee will become a month-to-month tenancy, and all other terms, conditions, provisions, and obligations of the Lease insofar as the same are applicable to a tenancy from month-to-month shall inure.

INSURANCE ON PREMISE

The Lessee shall obtain and pay for, at his/her own cost and expense, fire and extended coverage casualty insurance for the building and other improvements on the leased premises, with such comprehensive or so called "all-risk" endorsements and in such amounts as the Lessor, may, from time to time, deem reasonably necessary, and showing the Lessee, the Lessor and the Lessor's Lender or Lien Holder, if any, as the insured parties.

LESSEE INDEMNITY & LIABILITY INSURANCE

The Lessee shall at all times indemnify, defend and hold the Lessor harmless from all loss, liability, costs, damage and expenses that may occur or be claimed with respect to any person or persons, property on or about the Premises or to the Premises resulting from any act done or omission by or through the Lessee, the Lessee's agents, employees, staff, invitees or any person on the Premises by reason of the Lessee's use or occupancy or resulting from the Lessee's non-use or possession of said property and any and all loss, cost, liability or expense resulting therefrom. Lessee shall maintain at all times during the lease term comprehensive general liability insurance with an insurance company that is licensed to do business in the state in which the Premises are located and is satisfactory to Lessor, properly protecting and indemnifying Lessor with single limit coverage of not less than \$500,000 for injury or \$1,000,000.00 for death of persons with a \$2,000,000 general aggregate or its equivalent in umbrella or excess liability coverage and \$500,000.00 for property damage. During the lease term, Lessee shall furnish the Lessor with a certificate or certificates of insurance, in a form acceptable to the Lessor, covering such insurance

so maintained by the Lessee and naming the Lessor and Lessor's mortgagees, if any, as additional insureds.

OPERATING EXPENSES

It is the intention of the parties, and they hereby agree, that the Lessor shall have no obligation to provide any services, perform any acts or pay any expenses, charges, obligations, or costs of any kind whatsoever with respect to the Premises, and Lessee hereby agrees to pay one hundred and fifty dollars (\$150) a month for water, electricity and natural gas. The Lessee also agrees to maintain the Premises and related parking areas, and shall include, waste disposal, operating materials and supplies, service agreements and charges, cleaning and custodial, security, internet services, insurance, and all other direct operating costs of operating and maintaining the Premises and related parking areas at their own expense.

ASSIGNMENT AND SUBLETTING

The Lessee shall not assign, transfer or encumber this Lease and shall not sublease the Premises or any part thereof or allow any other person to be in possession thereof without prior written consent of the Lessor, in each and every instance. Notwithstanding any permitted assignment or subletting, Lessee shall at all times remain directly, primarily and fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under the terms and provisions of this Lease.

CONDITION OF PREMISES

Lessee acknowledges that it has had the opportunity to inspect the Premises and, with the exception of any notations or provisions herein provided otherwise in this Lease, the Lessee accepts the Premises in its present condition “**AS IS**”. At the end of the lease term, except for any damages caused by fire or other perils, Lessee, at its expense shall (i) surrender the Premises in the same or similar condition as existed at the time the Premises were accepted and possession taken by the Lessee, subject to reasonable wear resulting from uses permitted hereunder, and further subject to Lessee's obligations; (ii) have removed all of the Lessee's property from the Premises; (iii) have repaired any damages to the Premises caused by the removal of the Lessee's Property; and (iv) leave the Premises free of trash, waste, dirt and debris and the Premises in good and reasonable condition.

HOLDOVER RENT UPON TERMINATION

Upon the termination of this Lease. Lessee must immediately vacate the Premises. If Lessee fails to do so then at the option of Lessor, but without the execution of a new lease by Lessor and Lessee, Lessee shall immediately become a tenant from month-to-month of the Premises at a net rent equal to the amount of the then applicable fair market rental value of the Premises effective at the termination of the lease (the “Holdover Rent”), and all other terms, conditions, provisions, and obligations of the Lease insofar as the same are applicable to a tenancy from month-to-month shall inure. The parties agree that the Holdover Rent shall not be deemed as a penalty but rather as

bargained for liquidated damages in order to compensate the Lessor for the Lessee's unlawful holdover of the demised Premises.

LESSOR'S RIGHT OF ENTRY

The Lessor or Lessor's agent shall have the right of entry at reasonable hours to inspect or show the Premises to prospective Lender or Lien Holders and purchasers, and to perform or provide anything that the Lessor may be required to perform or provide hereunder, or which the Lessor may deem necessary for the good or benefit of the Premises or any building of which they are a part as long as reasonable notice is given to Lessee. As of and during the last ninety (90) days of this Lease, the Lessor shall have the right to post and/or display a "For Rent" sign on the Premises.

EXCLUSION OF LESSEE

Lessor may not intentionally prevent the Lessee from entering the leased Premises except by judicial process unless the exclusion results from: (i) bona fide repairs, construction, or an emergency; (ii) removing the contents of Premises abandoned by Lessee; or (iii) changing door locks of Lessee in the event the Lessee is delinquent in paying rent. Lessor or Lessor's agent must then place a written notice on Lessee's front door stating the name and address or telephone number of company or the individual from whom the key may be obtained. The new key is required to be provided only during Lessee's regular business hours.

SIGNS AND ADVERTISEMENTS

The Lessee shall not place upon nor permit to be placed upon any part of the Premises, any signs, billboards or advertisements whatsoever, or paint the exterior or interior walls of the building without the advance prior written consent of the Lessor. The Lessor shall have the right to remove any sign(s) which have not been approved in order to maintain the leased premises or to make any repairs or alterations thereto. All permitted signage placement and/or removal shall be at the Lessee's sole cost and expense and must comply with the applicable City of Leon Valley regulations.

PERSONAL PROPERTY

The Lessor shall not be liable for any loss or damage to any merchandise inventory, goods, fixtures, improvements or personal property of the Lessee in or about said Premises.

ALTERATIONS

Any and all alterations, additions and/or improvements, except trade fixtures installed at the expense of the Lessee shall become the property of the Lessor and shall remain upon and shall be surrendered with the leased Premises as a part thereof on the termination of this lease. Such alterations, additions, and improvements may only be made with the prior written consent and approval of the Lessor. If consent is granted by the Lessor for the making of improvements, alterations or additions to the leased Premises, such improvements, alterations or additions shall not commence until such time as the Lessee has furnished to the Lessor a copy of all plans and a

certificate of insurance showing coverage in an amount satisfactory to the Lessor protecting the Lessor from liability for injury to any person and damage to any personal property, on or off the leased Premises, in connection with the making of such improvements, alterations or additions. No cooling tower, equipment, or structure of any kind shall be placed on the roof or elsewhere on the leased premises by the Lessee without prior written permission of the Lessor. If such permission is granted, such work or installation shall be done at the Lessee's expense and in such a manner that the roof shall not be damaged thereby. If it becomes necessary to remove such cooling tower, equipment or structure temporarily so that repairs to the roof can be made, Lessee shall promptly remove and reinstall the cooling tower, equipment or structure at the Lessee's expense and repair at the Lessee's expense any damage which may result from such removal or reinstallation. Upon termination of this lease, Lessee shall remove or cause to be removed from the roof any such cooling tower, equipment or structure if directed to do so by the Lessor. Lessee shall promptly repair, at its expense, any damages resulting from such removal. At the termination of this lease, Lessee shall deliver the leased Premises in good and reasonable condition, natural deterioration only excepted. Any damage caused by the installation of trade fixtures shall be repaired at the Lessee's expense prior to the expiration of the lease term. All alterations, improvements, additions and repairs made by the Lessee shall be made in good and workmanlike manner.

INTERRUPTION OF UTILITIES

Lessor or Lessor's agent may not interrupt or cause the interruption of utility services paid directly to the utility company by the Lessee unless interruption results from bona fide repairs, construction, or an emergency. If any utility services furnished by the Lessor are interrupted and continue to be interrupted despite the good faith efforts of Lessor to remedy the same, Lessor shall not be liable in any respect for damages to the person or property of Lessee or Lessee's employees, agents, or guests and same shall not be construed as grounds for constructive eviction or abatement of rent. Lessor shall use reasonable diligence to repair and remedy such interruption promptly.

LEGAL REQUIREMENTS

The Lessee shall comply with all laws, orders, ordinances and other public requirements now and hereafter affecting the Premises or the use thereof, and the Lessee shall indemnify, defend and hold harmless the Lessor from any expense or damage resulting from the failure to do so.

FIXTURES

With the exception for Lessee's personal property and trade fixtures, all buildings, repairs, alterations, additions, improvements, installation and non-trade fixtures installed or erected on the Premises, whether by or at the expense of the Lessor or Lessee, shall belong to the Lessor and shall remain on and be surrendered with the Premises at the expiration or termination of this Lease. However, the Lessor shall retain the option to permit the Lessee to remove their alterations or improvements (made by Lessee) prior to the expiration of this Lease and return the Premise to its original condition. Any repairs, alterations, additions, improvements, installations and trade

fixtures installed or erected on the Premises by or at the expense Lessor, shall belong to Lessor and shall remain on and be surrendered with the Premises at the expiration or termination of this Lease.

REPAIRS AND MAINTENANCE

The Lessor shall maintain the kitchen equipment, foundation, exterior walls (with the exception of glass; windows; doors; door closure devices; window and door frames; molding; locks and hardware) and exterior painting or other treatment of exterior walls, and the roof of the leased Premises in good repair except that the Lessor shall not be required to make any repairs resulting from the negligence or acts of negligence on the behalf of the Lessee, its staff, employees, sublessees, licensees and concessionaires. The Lessee shall be responsible for maintenance of the common areas and common area equipment and furnishings. Any such repairs and/or maintenance in which the Lessor would be responsible, the Lessee agrees to provide Lessor with written notice of the needed repairs and/or maintenance, and Lessor shall ensure that any repairs and/or maintenance shall be made and completed within a reasonable time frame. Lessee shall notify the Lessor of any emergency repairs to be made. Lessee shall keep the interior of the leased Premises in good, clean and workable condition and shall, at its sole expense, make all needed repairs and replacements, including replacement of cracked or broken glass, windows, doors, door closure devices, door and window frames, molding, locks and hardware, except for repairs and replacements required to be made by the Lessor under this section.

In the event that any repairs required to be made by the Lessee hereunder are not made within 60 days after written notice delivered to the Lessee by the Lessor, the Lessor shall reserve the right and option to make or have said repairs made without liability to the Lessor for any loss or damage which may result by reason of such repairs, and that Lessee shall pay to the Lessor, upon demand as additional rent hereunder, the cost of such repairs. At the termination of this Lease, Lessee shall deliver the leased premises in good order and condition, normal wear and tear excepted. Normal wear and tear means the deterioration which results from normal use and not as an act of carelessness, neglect, accident or abuse.

WAIVER OF SUBROGATION

As part of the consideration for this Lease, each of the parties hereby releases the other party from all liability for damage due to any act or neglect of the other party occasioned to the property owned by said parties which is or might be incident to or the result of fire or other casualty against loss for which either of the parties is now carrying or hereafter carry insurance; provided however, that the releases herein contained shall not apply to any loss or damage occasioned by intentional acts of either of the parties, and the parties further covenant that any insurance they obtain on their respective properties shall contain an appropriate provision whereby the insurance company, or companies, consent to the mutual release of liability contained in this paragraph.

DEFAULT & REMEDIES

Lessor shall have the following remedies if Lessee commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law:

LESSOR RE-ENTRY: Upon the happening of any such event of default by Lessee, Lessor, at any time thereafter may:

(a) Either with or without notice of demand, may declare the Lease term terminated and re-enter the Premises or any part thereof, either with or without process of law, and may expel or remove therefrom Lessee and all parties occupying the same or any of them, using force as may be necessary so to do, and again repossess and enjoy the same without prejudice to any remedies that Lessor may otherwise have by reason of the breach hereof. Or

(b) Re-enter the Premises at its option without declaring the Lease Term terminated and relet the whole or any part thereof for the account of Lessee on such terms and conditions and at such rent as Lessor may deem proper, collecting such rent and applying it on the amount due from Lessee hereunder. And on the expense of such reletting (including expense of alteration and special inducements to Lessee) and on any other damage or expense so sustained by Lessor, or on any such item or items, Lessor will recover from Lessee the difference between the proceeds of such reletting and the amount of rentals reserved hereunder (if any) and any such damage or expense from time to time which said sum Lessee agrees to pay upon demand.

LESSEE DEFAULT AND LESSOR REMOVAL OF ABANDONED PROPERTY

In the event that the Lessee abandons the Premises or otherwise defaults in the performance of any obligations or covenants herein, the Lessor may enforce the performance of the lease in any manner provided by law. This lease may be terminated at the Lessor's discretion if such abandonment or default continues for a period of 30 days after the Lessor notifies the Lessee of such abandonment or default and of Lessor's intention to declare this lease terminated. Such notice shall be sent by the Lessor to the Lessee at the Lessee's last known address by certified mail. If Lessee has not completely removed or cured the default within the 30-day period, this lease shall terminate. Thereafter, Lessor or its agents shall have the right without further notice or demand to enter the leased Premises and remove all property without being deemed guilty of trespass and without waiving any other remedies for arrears of rent or breach of covenant. Upon abandonment or default by the Lessee, the remaining unpaid portion of any rent shall become due and payable. For the sole purpose of this section, Lessee is presumed to have abandoned the Premises if goods, equipment, or other property, in an amount substantial enough to indicate a probable intent to abandon the Premises, is being or has been removed from the Premises and the removal is not within the normal course of Lessee's business. Lessor shall have the right to store any property of Lessee that remains on the abandoned Premises and, in addition to Lessor's other rights, may dispose of the stored property if the Lessee does not claim the property within 60 days after the date that the property is stored, provided Lessor delivers notice by certified mail to Lessee.

DAMAGES

Should Lessor terminate this Lease by reason of any breach thereof by Lessee, Lessor may thereupon recover from Lessee the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved herein (if any) for the balance of said Term over the then reasonable rental value of the Premises for the same period. Lessor shall not by any re-entry or other act be deemed to have terminated this Lease or the liability of Lessee for the total rent hereunder or any installment thereof then due or thereafter accruing or for damages unless Lessor shall notify Lessee in writing that Lessor has so elected to terminate the Lease.

LESSOR'S RIGHT TO CURE LESSEE'S DEFAULT

Lessor, at any time after Lessee commits a default, can cure the default at Lessee's cost. If Lessor at any time, by reason of Lessee's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Lessor shall be due immediately from Lessee to Lessor at the time the sum is paid.

WAIVER

The rights and remedies of the Lessor under this Lease, as well as those provided by law, shall be cumulative, and none shall be exclusive of any other rights or remedies. A waiver by the Lessor of any breach or default of the Lessee shall not be deemed or construed to be a continuing waiver of such breach or default nor as a waiver of or permission, expressed or implied, for any subsequent breach or default. It is agreed that the acceptance by the Lessor of any installment of rent subsequent to the date the same should have been paid shall not alter the covenant and obligation of Lessee to pay subsequent installments of rent promptly upon the due date. Receipt by Lessor of partial payment after Lessee's default shall not be construed to be or constitute a cure of any such default. No receipt of money by Lessor before or after the termination of this Lease shall in any way reinstate, continue, or extend the term above demised.

TOXIC OR HAZARDOUS MATERIALS

Lessee shall not store, use, or dispose of any toxic or hazardous materials in, on or about the Premises without the prior written consent of Lessor. Lessee, at its sole cost, shall comply with all laws relating to Lessee's storage, use and disposal of hazardous or toxic materials. Lessee shall be solely responsible for and shall defend, indemnify and hold Lessor, its agents and employees, harmless from and against all claims, costs and liabilities, including attorney's fees and costs, arising out of or in connection with the Lessee's storage, use or disposal of any toxic or hazardous material in, on or about the Premises including, but not limited to, removal, clean-up and restoration work and materials necessary to return the Premises, and any other property of whatever nature located on the Premises, to the condition existing prior to the appearance of toxic or hazardous materials on the Premises. Lessee's obligations under this paragraph shall survive the termination of this Lease.

GOVENING LAWS

This Agreement shall be construed under and in accordance with the laws of the State of Texas, and venue shall be proper in Bexar County, Texas.

COMPLIANCE WITH LAWS AND REGULATIONS

Lessee shall, at its own expense, comply with all laws, orders, codes, and requirements of all government entities with reference to the use and occupancy of the leased Premises. Lessee and Lessee's agents, employees, and invitees shall fully comply with any rules and regulations governing the use of the buildings or other improvements to the leased premises as required by the Lessor. Lessor may make reasonable changes in such rules and regulations from time to time as deemed advisable for the safety, care, and cleanliness of the leased Premises, provided same are in writing and are not in conflict with this lease.

NOTICES

Any notice hereunder shall be sufficient if sent by certified mail, addressed to the Lessee at the Premises, and to the Lessor where rent is payable.

SUCCESSORS

The provisions, covenants and conditions of this Lease shall bind and inure to the benefit of the legal representatives, heirs, successors and assigns of each of the parties hereto, except that no assignment or subletting by Lessee without the written consent of Lessor shall vest any rights in the assignee or sublessee of Lessee.

BANKRUPTCY

Neither this Lease nor any interest therein nor any estate hereby created shall pass to any trustee or receiver in bankruptcy or to any other receiver or assignee for the benefit of creditors by operation of law or otherwise during the Term or any renewal thereof.

PRIOR AGREEMENTS SUPERSEDED

This agreement constitutes the sole and only agreement of the parties to this lease and supersedes any prior understandings, whether written or oral agreement, between the parties respecting the subject matter of this lease.

AMENDMENT

No amendment, modification, or alteration of the terms hereof shall be binding unless it is in writing, dated subsequent to the date hereof and duly executed by all parties to this agreement.

ADDITONAL INSTRUMENTS

The parties hereto will execute any and all additional document or instruments that may be necessary or convenient to carry out the intent and purposes of the parties to this agreement.

ENTIRE AGREEMENT

This Lease contains the entire agreement between the parties and no modification of this Lease shall be binding upon the parties unless evidenced by an agreement in writing and signed by the Lessor and Lessee after the date hereof. If there be more than one Lessee named herein, the provisions of this Lease shall be applicable to and binding upon such Lessees, jointly and severally.

IN WITNESS WHEREOF, said parties hereunto subscribe their names.

By: _____
Crystal Caldera, City Manager
City of Leon Valley - Lessor (Date)
Lessor Telephone: 210-684-1391
Lessor Email: c.caldera@leonvalleytexas.gov

By: _____
HGL, Owner, Lessee (Date)
Lessee Telephone: (210) 778-5522

APPROVED AS TO FORM:

Nicole Warren, City Attorney