

LEASE AGREEMENT

THIS LEASE is made as of _____, by and between City of Leon Valley ("Lessor"), whose address is 6400 El Verde Road, Leon Valley, Texas 78238, and _____, _____, Owner ("Lessee"), whose address is _____. The amendment does not change the term of the lease agreement.

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 6417 Evers Road, Leon Valley, Texas 78238 (the "Premises") in the County of Bexar, County Block Number 4445F, Block 25, Lot 18, McCain Subdivision, containing approximately 0.909 acre parcel of real estate dated and recorded in the office of the Clerk of the County of Bexar, in the State of Texas, in the Deed Book , on Volume 7460, page number 2073 . The description of the premises is as follows:

CB: 4445F BLK: 25 LOT: 18 MCCAIN SUBDIVISION, 6417 Evers Road

USE OF PREMISES

The premises shall be used only as or for the purpose of: A restaurant with indoor and outdoor dining and casual entertainment. The restaurant hours of operation for the first year of the lease term are as follows: The restaurant hours of operation shall be between the hours of 7 am – 9 pm Monday-Saturday and 7 am – 6 pm on Sunday. Parking for the restaurant will be available in the parking lot located on the leased property. Overflow parking will be available in the Leon Valley Library parking lot.

The Lessor will make available a full kitchen to the Lessee, if required. All kitchen equipment listed below is the property of the Lessor and cannot be removed from the property:

- Contained worktop refrigerator;
- Countertop griddle and char broiler;
- Beverage merchandiser;
- Worktables and equipment stand;
- Full pot fryer;
- Sandwich/salad prep refrigerator;
- Commercial 10 burner gas range;
- Double deck convection oven;
- Ice machine;
- Commercial dishwasher;

- Planetary floor mixer;
- Water softener;
- Security and fire alarm systems;
- Serving equipment includes all the pans, containers, plates, glasses, bowls, and cutlery.
- Additional Equipment: Any additional equipment needed by the Lessee for cafe operations must be provided by the Lessee at their own expense.

LEASE TERM

The term of this lease shall begin on _____, and will end on _____, 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 sixty (60) 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 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, or at such other address that the Lessor shall designate in writing, as rent or lease payment for the leased premises.

Lessee shall pay Lessor the monthly amount of \$_____ per month for a period of _____ (___) years, due and payable on the first of each month.

Any payments received after the aforementioned day shall be deemed late and delinquent. Should the Lessor not receive payment by the 5th day of the month in which the payment is due, the Lessee shall pay a late charge of twenty-five and no/100 dollars (\$25.00) on the first day and ten and no/100 dollars (\$10.00) every day thereafter that the rent or lease payment is late.

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).

RENEWAL TERM

If the Lessee is not in default under the terms and conditions of this Agreement, the Lessee shall have the options to renew this Agreement for the extended term of one (1) year ("Renewal Term").

If the Lessee chooses to exercise this renewal option, the Lessee shall provide to the Lessor written notice of Lessee's intention to renew at least thirty (30) days prior to the expiration of the initial Lease Term. The Renewal Term shall continue upon the same terms and conditions in this Agreement, except the new base rate for the first year of the Renewal Term shall be \$_____ per month or market rate as determined by a third party, whichever is higher.

HOLDING OVER

Failure of the Lessee to surrender the leased premises at expiration of the lease constitutes a holding over which shall be construed as a "tenancy-at-will" or a month to month lease at the rate of \$_____ per month plus 50% or market rate as determined by a third party, whichever is higher, until such time as the Lessee completes a renewal or provides notice of intent to vacate.

TRIPLE NET LEASE

This Lease is what is generally referred to as a "net net net lease" ("triple net lease"), and it is understood that the Lessor shall receive all rent or lease payments free and clear of any and all impositions, encumbrances, charges, obligations or expenses of any nature whatsoever in connection with the ownership and operation of the Premises. In addition, the Lessee shall pay to the parties respectively entitled thereto all impositions, insurance premiums, operating charges, maintenance charges, construction costs and any other charges, cost, and expenses which arise or may be contemplated under any provisions of this Lease during the Term hereof. All of the said charges, costs and expenses shall constitute Rent or Lease payment, and upon the failure of the Lessee to pay any such costs, charges or expenses, the Lessor shall have the same rights and remedies as otherwise provided in this Lease for the failure of Lessee to pay rent or make lease payments. The Lessee shall at no time be entitled to any abatement or reduction in Rent or Lease payments that are payable under this Lease except as otherwise expressly provided. Any present or future law to the contrary shall not alter this agreement of the parties.

POSSESSION

The Lessee shall take possession of the premises on _____, 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 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 thirty (30) days after the beginning of this Lease, then the Lessor retains the right to terminate this Agreement.

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 shall also obtain and pay for loss of rent coverage. The Lessee shall at all times keep said insurance in force and effect and shall provide to the Lessor copies of said policies or certificates evidencing said coverage. The policies shall be in form and content reasonably required by the Lessor, shall be issued by an insurance company approved by the Lessor and shall contain a clause that the Lessee will not cancel, materially modify or fail to renew said insurance in effect without first providing to the Lessor thirty (30) days advance written notice. If the Lessee fails to keep said insurance in effect, the Lessee shall be in default hereunder, and the Lessor may, at his/her option, immediately obtain insurance coverage as provided for herein and charge the Lessee for the cost thereof.

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 \$1,000,000 for injury or \$1,000,000 for death of persons with a \$2,000,000 general aggregate or its equivalent in umbrella or excess liability coverage and \$500,000 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 this shall be a triple net Lease, and 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 percent (100%) of any and all Operating Expenses as hereafter defined for the entire term of the Lease and any thereof in accordance with specific provisions hereinafter set forth. The term Operating Expenses shall include all costs to Lessee of operating and maintaining the Premises and related parking areas, and shall include, without limitation, real estate and personal property taxes, electricity, water, waste disposal, sewage, operating materials and supplies, service agreements and charges, lawn care, minor repairs, cleaning and custodial,

security, insurance, and all other direct operating costs of operating and maintaining the Premises and related parking areas, unless expressly excluded from the operating expenses.

Notwithstanding the foregoing operating costs, and Lessee's obligations in relation thereto, shall not include (i) any expense chargeable to a capital account or capital improvement, ground leases; principal or interest payments on any mortgage or deed of trust on the premises; (ii) any amount for which Lessor is reimbursed through insurance, or by third persons, (iii) repair costs occasioned by fire, windstorm or other casualty, (iv) any construction, repair or maintenance expenses or obligations that are the sole responsibility of the Lessor (not to be reimbursed by the Lessee), (v) leasing commissions and other expenses incurred in connection with leasing any other area located on the premises to any other party, (vi) any expense representing an amount paid to an affiliate or subsidiary of the Lessor which is in excess of the amount which would be paid in the absence of such relationship, and (vii) costs of items and services for which the Lessee reimburses or pays any third persons directly.

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. 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.

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.

FORCE MAJEURE

In the event that the Lessor or Lessee is unable to reasonably perform its obligations under this Agreement as a result of a natural disaster, war, terrorist activities, strike, lockout, labor issues, civil commotion, an act of God, or any other event beyond the control of the Lessor or Lessee, with the exception for non-availability of funds, the party shall not be in breach of this Agreement if the party diligently performs the obligations after the end of the force majeure event. The non-performing party shall give written notice to the other party as soon as reasonably practicable in the event of non-performance due to a force majeure event.

In the event, during the Term or previous Term thereto, the premises shall be destroyed or so damaged by fire or other casualty as to become uninhabitable or unusable, then in such event, at the option of the Lessor, this Lease shall terminate from the date of such damage and/or destruction. The Lessor shall exercise this option to terminate this Lease by delivering written notice to the Lessee within 30 days after the occurrence of such damage and/or destruction. Upon such notice, the Lessee shall immediately surrender said Premises and all interest therein to the Lessor, and the Lessee shall pay rent only to such time that damages and/or destruction occurred. In the event that the Lessors does not elect to terminate this Lease, this Lease shall therefore continue in full force and effect, and the Lessor shall expeditiously make any and all necessary repairs to the Premises as needed, placing the same in as good condition as it was prior to the occurrence of damage or destruction.

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.

UTILITIES & SERVICES

The Lessee shall furnish and pay for all utilities deemed necessary by the Lessee at the Premises including but not limited to, internet , cable, water, garbage services and electricity.

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 plus. 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.

EMINENT DOMAIN

In the event that the Premises are taken under the power of eminent domain or a conveyance in lieu thereof by any authority having the right of condemnation, or if a portion thereof is taken so that the Premises are unsuitable, in the Lessee's reasonable opinion, for Lessee's use, then the term of this lease shall terminate as of the date that title shall vest in the acquiring authority, and the rent and other charges shall be adjusted as of the date of such taking. In such case, the Lessor shall be entitled to the proceeds of the condemnation award made to the Lessor. Nothing herein shall be construed to prevent the Lessee from separately pursuing a claim against the condemning authority for its independent loss or damages to the extent available, provided however, that no award made to or on behalf of the Lessee shall reduce, limit, or restrict the award to the Lessor, and no allocation of the Lessor's award in condemnation shall occur. The Lessee shall have no claim against the Lessor for the value of the unexpired term of this Lease. Should any part of the Premises be taken in the exercise of eminent domain or a conveyance in lieu thereof or in connection therewith, but not such as to render the Premises unsuitable for the operation of Lessee's business, this Lease shall continue on the same terms and conditions except that the description of the Premises or the real estate taken by right of eminent domain or conveyance in lieu thereof or in connection therewith shall be modified to reflect such taking. In the event this Lease does not terminate by reason of such taking, the condemnation proceeds from the 'Demised Premises' will first be used to restore the Premises to a position of occupancy by the Lessee. The balance of such condemnation proceeds from the Premises, if any, shall belong to the Lessor.

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:

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

(a) Either with or without notice of demand, may declare the Lease term ended 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 ended 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 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 30 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 Tenant'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.

GOVERNING LAWS

This Agreement shall be construed under and in accordance with the laws of the State of 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 subtenant of Lessee.

QUIET POSSESSION

Lessor agrees, so long as Lessee fully complies with all of the terms, covenants and conditions herein contained on the Lessee's part to be kept and performed, Lessee shall and may peaceably and quietly have, hold and enjoy the Premises for the term aforementioned, it being expressly understood and agreed that the aforementioned covenant of quiet enjoyment shall binding upon the Lessor, its heirs, successors or assigns, but only during such party's ownership of the Premises. Lessor and Lessee further covenant and represent that each has full right, title, power and authority to make, execute and deliver this Lease.

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.

TERMINATION CLAUSE

The Lessor can terminate this Agreement at any point and for any reason. In the event that the Lessor elects to terminate the this agreement, Lessor must provide sixty (60) written notice to the Lessee.

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.

ADDITIONAL 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.

LESSOR – CITY OF LEON VALLEY, a Texas municipal corporation

By: _____
Crystal Caldera, CITY MANAGER (Date)
Lessor Telephone: (210)210-681-1391 Ext 219
Lessor Email: c.caldera@leonvalleytexas.gov

APPROVED AS TO FORM:

CITY ATTORNEY

By: _____
_____, OWNER (Date)
Lessee Telephone: _____