COMMERCIAL LEASE AGREEMENT

TOMBALL HISTORIC DISTRICT (MARKET ST)

This lease agreement (Lease), is entered into by and between Rodney K Hutson, (Landlord), and Bruce Kissinger (the "Tenant") whose address for notice purposes is 306 Market St, Tomball, TX 77375.

PREMISES, RENT PAYMENT, COMMON AREA AND REAL PROPERTY TAX

1. Lease Term and Payment. The begin and end dates below represent each Lease Period, unless terminated earlier by the terms and conditions of this Lease. The begin date of the first Lease Period shall be the lease Commencement Date. The end date of the last Lease Period shall be the lease Expiration Date. Total Rent/Month shall be the total monthly amount Tenant shall pay to Landlord. Total Tenant Liability shall be the total amount Tenant shall be liable to Landlord at this signing of this Lease, payable in monthly installments per the Lease Payment Schedule. Lease Period Begin Date shall be delayed (if any) according to BUILDING UPDATE AND RENOVATION provisions elsewhere within this Lease.

Lease Payment Schedule

Lease Period	Lease Period Begin Date	Lease Period End Date	Base Rent / Month	Common Area Maintenance	Property Tax / Month	Property Insurance / Month	Total Rent / Month
1	6/1/23	5/31/24	\$4,330	\$50	\$570	\$0	\$4,950

2. Place of Payment. All checks shall be made payable and delivered each month to:

Rodney K Hutson 9431 Rosie Lane Magnolia, TX 77354-3703

Landlord may designate a different place as necessary from time to time in writing.

3. Premises. The leased building(s), suite(s) and/or outdoor area(s) (collectively, Premises) shall be as follows:

Premises

Lease Period	Address	Premises is part of a Center	Interior SQFT	Interior Rent / SQFT	Base Rent / Month
1	306 Market St	Yes	2,280	\$1.90	\$4,330

- 4. Condition of Premises. Tenant acknowledges its own responsibility to determine the present or future suitability of the Premises for the intended use and has not relied upon any representations made by Landlord nor Landlord's agent. Landlord hereby disclaims any representations or warranties. Tenant accepts delivery of the Premises from Landlord in as-is condition, subject to BUILDING UPDATE AND RENOVATION provisions elsewhere in this Lease.
- 5. Common Area Maintenance. For any Premises that is a part of a multi-building shopping village or a single-building shopping center (both referred to as the Center), Tenant agrees to pay Tenant's pro rata share of expenses for (1) exterior common area maintenance and (2) landlord real property insurance (collectively, Common Area Maintenance or CAM). Landlord's common area maintenance responsibility does not include any interior portion of the Premises nor any exterior area under Tenant's exclusive control, regardless of whether the exterior area is included as exterior square footage (if any) in this Lease.

6. **Real Property Tax.** Tenant agrees to pay its pro rata share of real property tax for the Premises as stated in the **Real Property Tax Schedule** below:

Real Property Tax Schedule

Period	Tax Account	Account SQFT	Tenant SQFT	Tenant SQFT %	Account Property Tax (2022)	Tenant Tax Portion / Year	Tenant Tax Portion / Month
1	352590140021	13,620	2,280	16.74%	\$40,852	\$6,839	\$570

7. **Default Deposit.** Tenant has paid to Landlord the amount(s) specified below in the **Deposit** table, which shall constitute the **Default Deposit** to secure the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease. **Tenant shall not be allowed to use Default Deposit to satisfy monthly rent for any month without Landlord's permission.**

Deposit

Date	Address	Amount
6/1/23	306 Market St	\$4,950

- 8. **Common Area**. For any Premises that is a part of a Center, the term **Common Area** means all areas of the Center not leased to Tenant or any other tenant of that Center, including any areas dedicated or belonging to any governmental authority which are required to be maintained by or at the expense of Landlord. **Tenant accepts** the condition of the Common Area in as-is condition.
- 9. **Determination of Square Footage for Calculating CAM Fees**. Common Area Maintenance (CAM) fees, if applicable, shall be calculated based upon total leased interior square feet of the Premises (**Interior SQFT**).

BUILDING UPDATE AND RENOVATION - NEW TENANTS ONLY

- 10. **Initial Buildout.** Landlord shall perform no buildout. All buildout is Tenant's responsibility. Tenant and Landlord have discussed the current state of the building regarding any deferred maintenance issues, and Tenant agrees to take the Premises as-is, where-is.
- 11. **Occupancy Changes.** This building is a Type M Retail building within the City of Tomball Zone Old Town/Mixed Use District. Any occupancy designation changes needed as a result of Tenant's use of the building shall be the sole responsibility of Tenant.
- 12. New Lease Cancellation Prior to Commencement Date: For initial new leases between Landlord and Tenant for the Premises, either Landlord or Tenant shall have the right to cancel this lease in writing and delivered to the other party at any time prior to the date Tenant receives keys to the Premises (1) regardless of Commencement Date, (2) without cause and (3) in either party's sole discretion. Tenant shall only be entitled to a full refund of all amounts paid at lease signing and only after delivering keys back to Landlord. This provision shall not apply to renewal leases on the same Premises.
- 13. **Buildout Credit**. New tenants shall be credited one month rent for purposes of Tenant build-out. All interior remodeling and buildout are at Tenant's discretion with Landlord approval. Tenant shall not perform any exterior remodeling or building without Landlord's explicit written approval and submission of detailed building plans to Landlord.

RENT DUE DATE, GRACE PERIOD AND DELINQUENCY

14. Date of Accrual. Rent shall accrue beginning from the Commencement Date.

- 15. **Monthly Payment Due Date**. Tenant agrees to pay to Landlord the Total Lease Value in monthly installments as stated in the Lease Payment Schedule on the first day of each month. If the Commencement Date is a day other than the first day of the month, then the monthly rent installments for that month shall be prorated and paid in advance.
- 16. Monthly Payment Grace Period. Monthly rent payments shall not be considered late if received by Landlord on or before the third day of each month (Grace Period). Payments that are mailed must be postmarked on or before the 3rd day of each month to be considered timely and not delinquent.
- 17. **Delinquent Payments**. If Landlord receives Tenant's monthly rent payment after expiration of the Grace Period, Tenant agrees to pay to Landlord a service charge equal to **twenty-five percent (25%) of the Total Rent/Month** due for that month.
 - All service charges relating to delinquent rent are for purposes of covering Landlord's additional expenses involved in handling delinquent payments. Tenant agrees that these amounts are charged as additional rent for the purpose of defraying Landlord's expenses incident to the processing of such overdue payments and not as penalty or interest.
- 18. Insufficient Funds. Tenant agrees to pay a \$25 processing fee for any check written to Landlord that is returned unpaid from Tenant's bank due to insufficient funds or any other problem with Tenant's bank account. Tenant agrees that the processing fee shall be charged as additional rent for the purpose of defraying Landlord's expenses incident to the processing of the unpaid check and not as penalty or interest.
- 19. **Surrender**. Promptly on the Expiration Date or upon earlier termination of this Lease, Tenant shall peaceably and quietly leave, surrender, and yield to Landlord the Premises, broom-clean and in good condition, reasonable wear and tear excepted. Tenant shall then surrender to Landlord all keys to the Premises.
- 20. Holding Over. In the event Tenant remains in possession of the Premises after the Expiration Date of this Lease without the execution of a new lease, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant at a rent equal to twice the Total Rent/Month as of the Expiration Date. Tenant's monthly tenancy shall be subject to all terms, covenants and conditions of this Lease as are applicable to a month-to-month tenancy.
- 21. Landlord-Tenant Relationship. Landlord and Tenant agree that in no event they are to be construed or held to be partners, joint ventures or associates of each other in the conduct of each others business. Landlord be not be liable for any debts incurred by Tenant in the conduct of Tenant's business. The relationship is that of Landlord and Tenant, and at all times shall remain so.

PERSONAL PROPERTY TAXES

22. Tenant shall pay and be liable for all taxes levied against personal property and trade fixtures placed by or on behalf of tenant in the Premises (**Personal Property Taxes**). If any Personal Property Taxes for which Tenant is liable are levied against Landlord or Landlord's property and if the Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and the fixtures placed by or on behalf of Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay the Landlord on demand, the amount of any such levy against Tenant's personal property and trade fixtures and the amount of any increase attributable to personal property and trade fixtures. Personal Property Taxes are sometimes referred to as Fixture, Furnishings and Equipment (FF&E) Taxes by some taxing authorities and are different taxes than Real Property Taxes levied against the real estate containing the Premises.

INSURANCE, INDEMNITY AND LIABILITY

23. **Indemnification**. Tenant agrees to and shall indemnify and hold Landlord harmless from and against any and all claims, liabilities, losses, damages, expenses of every kind or character, causes of action (including court costs and reasonable attorneys' fees) arising from and relating to (1) Tenant's occupation of the Premises, use of the Premises and Common Areas of the Center, conduct of its business, or any other activity permitted or suffered

by Tenant in and about the Premises, (2) any default, breach, violation or nonperformance of this Lease or any of its terms, covenants and conditions, and (3) any act, omission or negligence of Tenant or any officer, agent, employee, guest, customer, subtenant, assignee, or invitee of Tenant, including without limitation, any act, omission, or negligence resulting in injury or death. Tenant, upon notice from Landlord, shall defend any claim at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, assures all risk of damage to property or injury to persons in, upon or about the Premises from any cause other than Landlord's gross negligence or intentional illegal acts. Tenant waives all claims against Landlord. Tenant shall give immediate notice to Landlord in case of casualty or accidents in or about the Premises within 24 hours after the casualty or accident. Additionally, Tenant shall indemnify and hold Landlord harmless from and against any penalty, damage, or charge incurred or imposed by reason of any violation of law, statute, ordinance or government rule, regulation, or requirement now or hereafter in force, by Tenant, or any officer, agent, employee, guest, customer, subtenant, assignee or invitee of Tenant.

- 24. **Tenant Liability Insurance.** Tenant shall procure and maintain at its sole cost and expense at all times, a policy or policies of insurance insuring Landlord, as well as Tenant, from all claims, demands, or actions arising out of Tenant's use and occupancy of the Premises. **Tenant's Insurance Coverage Shall Cover Bodily Injury and Property Damage With Combined Single Limit Coverage of Not less than One Million Dollars (\$1,000,000) Per Each Occurrence. This Liability Insurance requirement is a material condition of this Lease. Any Lapse of Tenant's Liability Insurance or Procurement of an Insurance Policy in an amount less than the amount required in this Provision Shall be considered a material breach of this lease and shall subject Tenant to immediate eviction at Landlord's sole discretion.**
- 25. **Tenant Window Glass Insurance**. At Tenant's option, Tenant shall procure and maintain an insurance policy covering window glass of the Premises. Under no circumstances shall Landlord be responsible for repair or replacement of any window glass.
- 26. **Waiver of Subrogation**. Landlord and Tenant agree to release any and all claims against each other for any loss covered by either party's insurance, including negligence claims. Landlord and Tenant further agree that their respective insurance companies shall have no right of subrogation against the other party.
- 27. **Non-Liability for Certain Events**. Neither Landlord nor its agents shall be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, rain or water from any source, or any other cause whatsoever, including acts or omissions of other tenants in the Center unless wholly caused by or due to the gross negligence of Landlord or Landlord's agents, servants or employees. Landlord or its agents shall not be liable for interference with the light or air or for any latent defect in the Premises, and any interference with air or light shall not affect this Lease nor give Tenant any right to withhold rent.
- 28. **Landlord Not Liable for Special Damages**. In no event shall Landlord or the interest of Landlord be liable to Tenant for direct, indirect, special or consequential damages under any provisions of this Lease.
- 29. Landlord Not Liable for Tenant's Property. Tenant agrees to use and occupy the Premises and to use other portions of the Center (if applicable) at its own risk. Landlord shall have no responsibility or liability for any loss of or damage to fixtures, inventory, or other property of Tenant or Tenant's employees, invitees, or customers.
- 30. Limitation of Landlord Personal Liability. Tenant agrees that Landlord shall not be personally liable for any judgment which Tenant may obtain against Landlord or for any other claim, liability or obligation. Tenant shall look solely to Landlord's interest in the Premises or Center (if applicable) for the recovery of any such judgment, claim or obligation. Landlord's limitation of liability shall not limit any right Tenant may otherwise have to obtain injunctive relief against Landlord or in any suit or action in connection with enforcement or collection of amounts which may become owing or payable to Tenant under or on account of insurance maintained by Landlord.

UTILITIES

31. Tenant shall be responsible for all costs and expenses for the connection of all utility services to the Premises, including, without limitation, the payment of utility deposits and gas pressure testing fees. Tenant shall promptly pay all charges for any and all electricity, water, gas, telephone, Internet and all other utilities furnished to the

Premises. Landlord shall not be liable for any interruption whatsoever in utility services. No interruption shall be construed as either a constructive or actual eviction of Tenant, nor give Tenant any right to withhold rent, nor relieve Tenant from fulfilling any term, covenant or condition contained in this Lease.

TENANTS BUSINESS

- 32. **Permitted Uses**. The Premises may be used and occupied only for Tenant's primary and related secondary products and services as initially approved by Landlord at lease signing.
- 33. **Trade Name**. Tenant may operate its business in the Premises only under its registered trade name, company name or d/b/a. Tenant shall not operate its business under any name that misleads the public as to the true nature of Tenant's business.
- 34. Changes. Tenant may not change the use of the Premises or its trade name without Landlord's prior written consent.
- 35. **Continuous Operation**. Tenant shall at all times operate its business at the Premises as a full-time commercial business with operating hours comparable to typical businesses similar to Tenant's business. Tenant shall not at any time leave the Premises vacant. Tenant agrees and understands that any breach of this provision shall constitute a material breach of this Lease, unless Landlord gives prior written consent.
- 36. **Permits and Licenses**. Tenant shall obtain and maintain at its sole cost and expense, all permits and licenses required for the transaction of its business in the Premises. Tenant shall fully comply with any applicable law, ordinance or governmental regulation affecting the Premises at any time during this Lease.
- 37. Prohibited Uses. Tenant shall keep the Premises free from waste and nuisance at all times. Tenant shall keep the Premises clean throughout, (including, but without limitation, floors, light fixtures and all glass). Tenant shall not, without Landlord's prior consent, locate or install or cause to be located or installed on the sidewalks or service area (if any) immediately adjoining the Premises any bike racks, newspaper holder stands, vending machines of any kind, mailboxes, telephone booths, "No parking" signs or any other device of a similar nature which would impede or obstruct the sidewalk or service area. Tenant shall not, without Landlord's prior written consent, perform or fail to perform any act, keep anything within the Premises, or use the Premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried on either the Premises or on other parts of the center. If Landlord does give such written consent to Tenant, then Tenant shall be responsible, at its sole cost and expense for the amount of any increase in the casualty or liability insurance premium cost. Tenant shall not, without Landlord's prior written consent, conduct or permit to be conducted within the Premises any auction or bankruptcy sales nor permit any objectionable or unpleasant odors or loud noises to emanate from the Premises, nor place or permit any radio, television or other antennae, loud speaker or amplifiers, or flashing lights or searchlights on the roof or outside the Premises or where the same can be seen or heard outside the building; nor take any other action which would disturb or endanger other Tenants of the Center (if applicable) or unreasonably interfere with their use of their respective premises or the Common Area.
- 38. **Obstruction of Walkways**. Tenant shall not place merchandise, furniture or any other obstructions on any walkways, porches or Common Areas at any time without Landlord consent. Landlord consent may be granted or revoked at any time in Landlord's sole discretion.
- 39. **Ventilation and Pest Control**. Tenant shall be responsible for exhausting and/or containing all food, chemical or other objectionable odors resulting from Tenant's operation and use of the Premises. Tenant shall be responsible for maintaining all traps, vents and exhausts. Tenant shall further be responsible for any and all pest control throughout the Premises, including all exterior areas under exclusive control of Tenant.
- 40. **Use of Common Areas and Parking Areas**. Tenant and its employees, customers and invitees shall have the non-exclusive right to use the Common Area in common with the Landlord, other tenants of the Center and other persons entitled to use the same, subject to reasonable rules and regulations governing its use as Landlord may from time to time prescribe. Tenant shall neither solicit any business nor conduct any business activity within the Common Area or any adjacent city sidewalks, or take any action which would interfere with the rights of other

persons to use the Common Area. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to make repairs and alterations or to prevent a dedication to the public from obtaining prescriptive rights. Landlord may restrict employee use of the Common Area and may regulate employee parking by designating employee parking area(s). Landlord shall have the right, but no obligation, to maintain and operate lighting facilities on all the parking areas, to police all the parking and other common areas and to discourage non-customer parking.

- 41. Alterations and Fixtures. All repairs, replacements, alterations, additions, improvements, plate glass, exterior doors, overhead, sprinkler systems (if any), floor coverings, and fixtures (other than unattached, movable trade fixtures), including all air conditioning, heating, electrical, mechanical and plumbing machinery equipment which may be made or installed by either party whether in the interior or exterior of the Premises, shall become the property of Landlord without credit or compensation to Tenant at the termination of this Lease for any reason whatsoever, and at the termination of this Lease shall remain upon and be surrendered with the Premises, unless Landlord requests their removal, in which event, Tenant shall remove the same and restore the Premises to its original condition, normal wear and tear excepted, at Tenant's expense.
- 42. **Signs and Store Fronts**. Tenant shall not, without Landlord's prior written consent (1) make any changes to the exterior of the Premises or Tenant's store front, including architectural changes and exterior painting, (2) install any exterior lighting, shades or awnings, or any exterior decorations or paintings, (3) place or install any reflective material on the doors, windows or store front, or (4) erect or install any signs, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Use of the roof is reserved to Landlord.
- 43. **Community Sign**. Tenant shall have the right to place a sign panel on the community sign, if any, provided by Landlord. Expenses for installation and maintenance of the sign panel shall be paid by Tenant. The community sign, except for sign panels for individual tenants, shall be deemed to be part of the Common Area maintenance. All expenses in connection with the lighting maintenance thereof shall be included as part of the Tenants CAM obligation. No sign panel may be installed on the community sign until Landlord has approved, in writing, the design of the panel. Landlord reserves the right to charge Tenant for use of the Community Sign in Landlord's sole discretion.
- 44. **Rules and Regulations**. Tenant shall comply with all rules and regulations which Landlord may produce from time to time with respect to Tenant's use of the Premises. Tenant agrees that rules and regulations are intended for the protection of Tenant and Center as well as to ensure the Center is aesthetically maintained, and Landlord reserves the right to edit, delete or add any regulations upon 30 days notice to Tenant. Tenant's failure to comply with such rules and regulations shall constitute a material breach of this Lease.
- 45. **Quiet Enjoyment**. Tenant, on payment of rent and observing all terms of this Lease, rules and regulations, shall lawfully, peaceably, and quietly hold, occupy and enjoy the Premises without hindrance or ejection by any persons lawfully claiming under the Landlord.
- 46. Waiver of Warranties. Landlord expressly disclaims any warranty of habitability which may otherwise have arisen by operation of law. Landlord does not warrant that the Premises is habitable and fit for living, or that there are no latent defects in the facilities that will render the Premises unsafe, unsanitary or otherwise unfit. Tenant expressly agree to lease the property as-is, whether habitable or not, and expressly waives the implied right of habitability.

MAINTENANCE AND REPAIR

47. Maintenance by Landlord. Landlord shall only be responsible for reasonable maintenance of the foundation, the exterior walls (except window glass), and roof of the Premises. Landlord shall not be required to make any repairs occasioned by the act, omission or negligence of Tenant, its agents, invitees, contractors, or employees. It is Tenant's sole obligation to make roof repairs arising out of any damage or injury in any way caused by maintenance work on Tenant's air conditioning or ventilation equipment. In the event that the Premises should become in need of repairs required to be made by Landlord, Tenant shall give immediate notice of the needed repairs to Landlord. Landlord shall not be responsible in any way for failure to make any such

repairs until a reasonable time shall have elapsed after delivery of such written notice or for any consequential or other resulting damages.

- 48. Maintenance by Tenant. Tenant shall keep the Premises, including windows, signs and sidewalks and service ways and loading areas adjacent to the Premises in good, clean, garbage-free condition, free from waste and nuisance at all times. Tenant shall have sole responsibility for maintenance, repair or replacement of all air conditioning/heating systems servicing the Premises. Tenant shall make all needed repairs, including without limitation, maintenance of all direct utility connections and replacement of cracked or broken glass, except for repairs required to be made by Landlord. Tenant shall have sole responsibility for the sprinkler system (if any), and the water meter and shall at Tenant's sole cost and expense, repair and replace all or any part thereof as may be necessary from time to time to keep such items in good working condition at all times. Tenant shall comply, at its sole cost and expense, with all governmental laws, ordinances, and regulations applicable to the Premises. Tenant shall not be obligated to make any structural changes or alterations to the Premises in order to comply with governmental laws, ordinances and regulations unless made necessary by the act or omission of Tenant. Tenant shall perform any such changes or alterations at its expense and in accordance with plans and specifications approved by Landlord. If any repairs required to be made by Tenant are not made within ten days after written notice delivered to Tenant by Landlord, Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage which may result to its business by reason of such repairs. Tenant shall pay to Landlord the cost of such repairs upon demand, plus an amount equal to eighteen percent (18%) of such cost as compensation for Landlord's administrative expenses.
- 49. **Common Area Maintenance**. The Common Area shall be operated and maintained by Landlord in such manner as Landlord, in its sole discretion, shall determine.

CASUALTY

50. Tenant shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty. In the event that (1) all or any portion of the Premises is damaged or destroyed by fire or other casualty, or (2) in excess of twenty-five percent (25%) of the gross leasable area in the Center is destroyed or rendered untenable, Landlord shall have the election to terminate this Lease prior to repair so it may restore the Premises to the condition in which it existed immediately prior to such damage or destruction. In the event Landlord desires to terminate this Lease, Landlord shall deliver written notice to Tenant on or before thirty days following receipt of Tenant's written notice of the damage to the Premises. In the event that Landlord elects to terminate this Lease, Landlord shall refund to Tenant any prepaid rent not accrued as of the date of damage or destruction, less any sum owed to Landlord by Tenant. If Landlord has elected to repair and reconstruct the Premises, this Lease shall continue in full force and effect and such repairs will be made within a reasonable time. Upon written notice to Tenant, Landlord may elect to extend the lease Expiration Date by a period of time equal to the period of such repair and reconstruction. Tenant agrees that during the period of reconstruction or repair of the Premises, it will continue operating its business within the Premises to the best of its ability.

CONDEMNATION

- 51. **Termination Option After Condemnation**. In the event that all or any portion of the Premises or in excess of twenty-five percent (25%) of the parking area of the Center should be appropriated or taken by any public or quasi-public authority under the power of eminent domain, this Lease may be terminated by either Landlord or Tenant by the delivery of written notice of such election. Such notice shall be delivered at least sixty (60) days prior to the date title vests pursuant to such taking or acquisition, and termination shall be effective as of the date title vests pursuant to such taking or acquisition, and all rent payments must be paid up to that date. Landlord may also terminate this Lease upon thirty (30) days prior written notice delivered on or before one hundred twenty (120) days after possession, taken or appropriated by the condemning authority if, in Landlord's judgment, the remainder of the Center is unsuitable for retail use. A termination under this provision shall be effective thirty (30) days following delivery of notice.
- 52. Lease Obligation After Condemnation. In the event that all or any portion of the Premises is appropriated or taken by any public or quasi-public authority under the power of eminent domain and this Lease is not terminated by Landlord or Tenant, Landlord shall repair any structural damage to the Premises caused by the

appropriation or taking. The monthly rent payable during the unexpired portion of this Lease shall be recalculated using the following equation:

Revised Monthly Rent = (Original Monthly Rent / Original Total Square Feet) x Revised Total Square Feet

- Revised Monthly Rent = new monthly rent due for the affected portion of the Premises (interior or exterior) for the remainder of the unexpired portion of this Lease
- Original Monthly Rent = monthly rent amount that was due immediately prior to the condemnation for that portion (interior or exterior) leased by Tenant
- Original Total Square Feet = total square feet of the portion of the Premises (interior or exterior) leased by Tenant prior to condemnation
- Revised Total Square Feet = total square feet of the portion of the Premises (interior or exterior) leased by Tenant after being reduced by condemnation

If condemnation affects only exterior leased portions of the Premises, then Revised Monthly Rent calculations shall only include exterior portions of the total rent due under this Lease. If the condemnation affects only interior leased portions of the Premises, then Revised Monthly Rent calculations shall only include interior portions of the total rent due under this Lease. In the event both interior and exterior leased portions of the Premises are subject to condemnation, then two separate calculations shall be made each for interior and exterior revised monthly rent.

- 53. Voluntary Conveyance in Lieu of Condemnation. In the event that any authority having the power of eminent domain requests that Landlord convey to such authority all or any portion of the Center or all or any portion of the Premises, Landlord shall have the right to make a voluntary conveyance to such authority of all or any portion of the Center or the Premises whether or not proceedings have been filed by such authority. In the event of any such voluntary conveyance, it shall be deemed for the purpose of interpreting this Lease that there has been a condemnation and taking under the power of eminent domain.
- 54. **Condemnation Awards**. In the event of a condemnation or taking, whether whole or partial, all awards of compensations shall belong to Landlord. Tenant expressly waives any claim or right to any such award, except that Tenant shall be allowed to recover from such authority, but not from any portion of any award to Landlord, at Tenant's own cost and expense, the unamortized cost of Tenant's improvements and trade fixtures.

DEFAULT AND REMEDIES FOR DEFAULT

- 55. Eviction for Failure or Lapse of Tenant Liability Insurance. Tenant agrees and understands that Tenant's failure to procure liability insurance for its business and Premises in the amounts required under the *Insurance, Indemnity and Liability* sections of this Lease shall be an eviction condition of this Lease. Any lapse of Tenant's liability insurance or procurement of an insurance policy in an amount less than the amount required in this provision shall be considered a material breach of this lease and shall subject Tenant to immediate eviction at Landlord's sole discretion.
- 56. Tenant Default. The following shall be deemed to be events of default by Tenant under this Lease:
 - (a) Tenant fails to pay any installment of rent or any other payment required pursuant to this Lease when due.
 - (b) Tenant abandons any substantial portion of the Premises or fails to operate Tenant's business continuously in accordance with the terms of this Lease or if goods, equipment or other property, in amounts substantial enough to indicate a probable intent to abandon the promises is being, or has been, removed from the Premises, and the removal is not within the normal course of the Tenant's business.
 - (c) Tenant fails to comply with any term, covenant or condition of this Lease, other than the payment of rent, and fails to cure such failure within fifteen (15) days after the receipt of written notice by Landlord.
 - (d) Tenant files a petition or be adjudged bankrupt or insolvent under any Federal or State law; or a receiver or trustee is appointed for all or substantially all of the assets of Tenant; or Tenant makes a fraudulent transfer to creditors or makes an assignment for the benefit of creditors; or

- (e) Tenant does or permits to be done any act which results in a lien being filed against the Premises or the Center and does not discharge of record or bond against said lien within fifteen (15) days following written notice by Landlord to Tenant of the filing.
- 57. **Remedies**. In the event of Tenant default and in addition to all other remedies provided by this Lease or by operation of law:
 - (a) Landlord may immediately enter and take possession of the Premises and of the personal property of Tenant on which it has a contractual lien and/or statutory landlord lien without any previous notice of intention to enter, and may remove all persons and property from the Premises and may take full and exclusive possession of the Premises. Landlord may secure and lock up the Premises, cut off utility services, and attempt to relet the Premises, or without any of such actions being deemed a trespass or an election on Landlord's par to terminate this Lease. If, however, any such default on Tenant's part should be fully corrected and cured before Landlord exercises an option to terminate this Lease, and if Landlord has not relet the Premises, then the Premises shall be returned to Tenant, and Tenant may continue in possession under this Lease. Tenant expressly waives any and all damages by reason of reentry by Landlord under this Lease:
 - (b) If Landlord elects to reenter the Premises without terminating the Lease, then Tenant shall be liable for and shall pay to Landlord all rent and other indebtedness accrued to that date, plus rent required to be paid by Tenant to Landlord during the remainder of the Primary Term until the date this Lease expires, diminished by the amount received by Landlord through reletting the Premises during said period (after deducting all expenses incurred by Landlord to relet the Premises). Landlord shall not obligated to relet the Premises or any part thereof, but may do so to any person or persons for such rent and for such terms and conditions as Landlord deems appropriate. In no event shall Tenant be entitled to any excess of any rent obtained by reletting over and above the rent herein reserved and in no case shall Landlord be liable for failure to relet the Premises or to collect the rent due under such reletting. Actions to collect amounts due by Tenant as provided in this section may be brought form time to time, on one or more occasions, without the necessity of Landlord's waiting until the Expiration Date of this Lease.
 - (c) Notwithstanding any prior election not to terminate, Landlord may at any time, including subsequent to a reentry as above provided, elect to terminate this Lease on account of such default. Upon termination, Tenant shall be liable to Landlord for the sum of all rent and other indebtedness accrued to the date of such termination, plus, as damages, amount equal to the rent for the remaining portion of the Primary Term if such term has not already been terminated by Landlord prior to expiration of the same.
 - (d) In case of default, Tenant shall also be liable for and shall pay to Landlord, in addition to any sum provided to be paid above: (a) broker's fees incurred by Landlord in connection with reletting the whole or any part of the Premises; (b) the cost of removing and storing Tenant's or other occupant's property; (c) the cost of repairing altering, remodeling, renovating or otherwise putting the Premises into condition acceptable to a new tenant or tenants; and (d) all reasonable expenses incurred by Landlord in enforcing Landlord's remedies, including reasonable attorney's fees.
- 58. Contractual Landlord's Lien and Security Interest. In the event of default by Tenant to secure the Payment of all rent or additional rent due and to become due hereunder and the faithful performance of all of the other covenants of the Lease required of the Tenant to be performed, Tenant gives to Landlord an express contractual lien on and security interest in and to all merchandise which may be placed in the Premises and also to all proceeds of any insurance which may accrue to Tenant by reasons of damage or destruction of any such property. All exemption laws are hereby waived by Tenant. This lien and security interest may be foreclosed with or without court proceedings, by public or private sale, with or without notice, and Landlord shall have the right to become purchaser upon being the highest bidder at such sale. Upon request of Landlord, Tenant agrees to execute Uniform Commercial Code financing statements relating to such security interest. Landlord, as secured party, shall be entitled to all the rights and remedies afforded a secured party under said Uniform Commercial Code which rights and remedies shall be in addition to and cumulative of the Landlord's liens and rights provided by law of or by the terms and provisions of this Lease. Tenant shall not

PERMIT ANY MECHANIC'S OR OTHER LIENS TO BE FIXED OR PLACED AGAINST THE PREMISES AND AGREES TO IMMEDIATELY DISCHARGE (EITHER BY PAYMENT OR BY FILING OF THE NECESSARY BOND OR OTHERWISE) ANY SUCH LIEN WHICH IS ALLEGEDLY FIXED OR PLACED AGAINST THE PREMISES. THIS CONTRACTUAL LIEN IS IN ADDITION TO ANY AND ALL STATUTORY OR COMMON LAW LIENS PROVIDED FOR BY LAW.

59. Statutory Landlord's Lien. In addition to Landlord's Contractual Lien provided by this Lease, Tenant further agrees and acknowledges Landlord's Statutory Landlord's Lien provided by Chapter 54, Subsection B of the Texas Property Code, which partially states as follows:

Sec. 54.021. LIEN. A person who leases or rents all or part of a building for nonresidential use has a preference lien on the property of the tenant or subtenant in the building for rent that is due and for rent that is to become due during the current 12-month period succeeding the date of the beginning of the rental agreement or an anniversary of that date. (Acts 1983, 68th Leg., p. 3559, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1985, 69th Leg., ch. 200, Sec. 2, eff. Aug. 26, 1985.)

Sec. 54.024. DURATION OF LIEN. The lien exists while the tenant occupies the building and until one month after the day that the tenant abandons the building. (Acts 1983, 68th Leg., p. 3560, ch. 576, Sec. 1, eff. Jan. 1, 1984.)

Sec. 54.025. DISTRESS WARRANT. The person to whom rent is payable under a building lease or the person's agent, attorney, assign, or other legal representative may apply to the justice of the peace in the precinct in which the building is located for a distress warrant if the tenant:

- (1) owes rent;
- (2) is about to abandon the building; or
- (3) is about to remove the tenant's property from the building.

(Acts 1983, 68th Leg., p. 3560, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1993, 73rd Leg., ch. 48, Sec. 10, eff. Sept. 1, 1993.)

- 60. **Default Deposit**. If Tenant fails to pay Monthly Rent when due, the Default Deposit may, at Landlord's option, be applied to any rent due and unpaid, or other amounts payable to Landlord by Tenant. If Tenant violates any of the terms, covenants and conditions of this Lease, the Default Deposit may be applied to any damages suffered by Landlord as a result of Tenant's default to the extent of the amount of the damages suffered. Should any of the Default Deposit be used to pay rent due for any reason, and if this Lease is kept in full force and effect at Landlord's option, Tenant shall reimburse Landlord the amount of said depletion within ten (10) days after notice to Tenant by Landlord of such depletion. Nothing contained in this section shall in any way diminish or be construed as waiving any of Landlord's other remedies provided by this Lease or by law or equity. Should Tenant comply with all of the terms, covenants and conditions of this Lease and promptly pay Monthly Rent when due and all other sums payable by Tenant to Landlord, the remaining balance of the Default Deposit, without interest), shall be returned to Tenant within sixty (60) days after the first day of the month after Tenant vacates the Premises.
- 61. Landlord Default. Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after written notice by Tenant to Landlord, specifying that Landlord has failed to perform such obligations. However, if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes completion of same.

TRANSFERS AND LIENS

62. **Subordination and Attornment**. This Lease and the rights of Tenant under this Lease are subject and subordinate to (1) any prior ground or master leases affecting the land, including renewals and extensions, and (2) any mortgage or Deed of Trust, together with all renewals, modifications, consolidations, replacements and extensions, which may now or later encumber the Center and the real property on which it is located. Tenant agrees to execute any further documents as may be necessary for subordinating this lease to any mortgage, Deed of Trust or master or ground leases, as the case may be, and further agrees to execute any other document of attornment and non-disturbance required by Landlord's mortgagees. Tenant irrevocably constitutes

and appoints Landlord as Tenant's attorney-in-fact to execute any such instruments for and on behalf of Tenant, giving and granting unto said attorney full power and authority to do everything in Tenant's name, place and stead as fully and effectual to all intents and purposes as Tenant might or could do if personally present, ratifying all that said attorney shall lawfully do or cause to be done by virtue of those present. This power of attorney is coupled with an interest, and therefore shall survive the death, dissolution, or termination of Tenant. Tenant agrees to that it shall not undertake any act which will cause a lien to be filed against the Premises. Tenant acknowledges that it has no power to encumber or cloud Landlord's title to the land or Premises. Tenant further agrees that if, because of any act or omission of Tenant, any mechanics lien or other lien, charge, or order for the payment of money shall be filed against Tenant or any portion of the Premises, or upon the right, title, an interest of Tenant created by this Lease, Tenant shall, at its own cost and expense cause the same to be discharged of record or bonded within fifteen (15) days after written notice by Landlord to Tenant of the filing thereof; and Tenant hereby agrees to indemnify and hold harmless Landlord from and against all costs, liabilities, suits, penalties, claims, and demands resulting therefrom.

- 63. Assignment and Subletting. Tenant may assign this Lease or sublet the Premises only with the prior written consent of Landlord. Tenant acknowledges that this Lease is personal to Tenant for the use specified herein, and that Landlord may withhold its consent arbitrarily and for any reason whatsoever, and may further condition any consent on an increase in rent or any other changes in the terms, covenants, or conditions hereof. The consent by Landlord to any transfer, assignment, or subletting shall not be deemed to be a waiver on the part of Landlord of its rights regarding any future transfers, assignments or subletting. If Landlord consents to any assignment or subletting, such consent shall not be effective unless and until Landlord approves in writing the executed assignment or sublease agreement, which agreement shall provide for Landlord's consent to any amendment, and for the assignee or sublessee to assume all of the obligations and liabilities of Tenant under this Lease, without relieving Tenant of its obligations under this Lease.
- 64. Transfer of Landlord's Interest. In the event of any sale of the Premises or transfer of Landlord's interest under this Lease, Landlord shall be and is hereby entirely freed and relieved from all liability under any and all of the terms, covenants, and conditions contained in or derived from this Lease, arising out of any act, occurrence, or omission occurring after the consummation of such sale. The purchaser at such sale or any subsequent sale of the Premises shall be deemed, without further agreement between the parties in any such purchase, to have assumed and agreed to carry out any and all of the terms, covenants, and conditions obligating Landlord under this Lease. Any security given by Tenant to secure performance of its obligations hereunder, including the required Default Deposit, may be assigned and transferred by Landlord to the purchaser. Tenant, at Landlord's request, shall execute promptly any appropriate certificate or instrument, properly acknowledged, which shall certify to Landlord, any purchaser or any other person specified by Landlord, reasonable information required by Landlord, including whether or not this Lease is unmodified and in full force and effect, whether or not Tenant contends that Landlord is in default under this Lease in any respect, whether or not there are then existing setoffs or defenses against the enforcement of any right or remedy of Landlord, or any duty or obligation of Tenant, the amount of deposits held y Landlord, the date to which rent and other charges have been paid, and stating that Tenant has no right or interest in the Premises or the Center, other than as a Tenant under this Lease.
- 65. Landlord's Assignment as Security. With reference to any assignment by Landlord of its interest in this Lease or the rents payable under this Lease, conditional in nature or otherwise, which assignment is made to or held by the holder of a Deed of Trust on all or any part of the property or the Center including the Premises, Tenant agrees:
 - (a) That the execution by Landlord and the acceptance by the holder of such Deed of Trust shall never be deemed an assumption by such holder of any of the obligations of Landlord, unless such holder shall, by written notice to Tenant, specifically otherwise elect; and
 - (b) That, except as stated above, such holder shall be treated as having assumed Landlord's obligations only upon acquiring title to all or any part of the Land or the Center, including the Premises, through foreclosure of such holder's Deed of Trust or acceptance of a deed in lieu of foreclosure subject to this Lease and the taking of possession of such acquired property which includes the Premises.

ACCESS TO PREMISES

66. Access for Premises. Landlord shall have the right to enter the Premises at all reasonable hours for the purpose of inspection, making repairs to the Premises or making repairs, alterations, or additions to any adjacent premises, or curing any default of Tenant hereunder that Landlord elects to cure. In the event that Landlord is required to enter the Premises at a time other than during the Tenant's business hours, Landlord shall not be liable to Tenant for any expense, loss, or damage from any such entry. No entry by Landlord permitted under the terms of this Lease shall be deemed a breach by Landlord of Tenant's right to quiet enjoyment of the Premises as set forth in this Lease. Tenant shall permit Landlord during the thirty (30) day period preceding the expiration of this Lease to place usual or ordinary "For Lease" signs in clearly visible locations within the Premises and to enter upon the Premises during normal business hours to exhibit same to prospective tenants.

INTERPRETATION, NOTICES AND MISCELLANEOUS

- 67. **Applicable Law**. The enforcement of the Lease shall be governed under the laws and ordinances of the city of Tomball, Harris County, Texas, and this Lease shall be construed, interpreted, and enforced in accordance with the laws of the State of Texas.
- 68. **Successors and Assigns**. The terms, covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties and their respective heirs and/or successors-in-interest and legal representatives, except as otherwise expressly provided.
- 69. **Force Majeure**. In the event that Landlord is delayed, hindered or prevented from performing any action required by this Lease, Landlord shall not be liable or responsible if the delay is due to strike, riot, plague, pestilence, act of God, shortage of labor or materials, war, governmental laws, regulations, or other restrictions or any other causes of any kind which are beyond the reasonable control of Landlord, and the period for the performance of such act shall be extended for a period equivalent to the period of delay.
- 70. **Partial Invalidity**. Any provision of this Lease which shall prove to be illegal, invalid, or unenforceable under present or future laws shall in no way affect, impair or invalidate any other provision, and this Lease shall be interpreted as if it had been entered into without such illegal, invalid, or unenforceable provision.
- 71. **Waiver**. The waiver by Landlord of any remedy for the breach of any term, covenant, or condition shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Lease. The subsequent acceptance of rent by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant, or condition of this Lease, other than failure of the Tenant to provide the particular rent payments so accepted, regardless of Landlord's knowledge of such preceding default at the time of acceptance of such rent.
- 72. **Merger of Estates**. The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this agreement shall not cause a merger, but, at Landlord's option, either (1) shall terminate all or any existing sublease or subtenancies, or (2) may operate as an assignment to Landlord of Tenant's interest in any or all subleases or subtenancies.
- 73. **Construction**. Whenever in this Lease a singular number or word is used, the same shall include the plural, and the neutral gender shall include the feminine and masculine genders. The captions used in this Lease are for convenience only, do not constitute a part of the Lease, and shall have no effect upon the construction or interpretation of any term, covenant, or condition.
- 74. **Notices**. All notices or requests required by or provided for in this Lease must be in writing and must be given by hand delivering or depositing the same in the United States mail, addressed to the party to be notified, postage prepaid. Notices by mail shall be deemed received upon receipt. Notices shall be sent to the address designated in this Lease or at other address specified in writing by the parties. In the event that more than one party is acting as either Landlord or Tenant under this lease, the parties shall agree upon a common location for the receipt of notices and any notice sent to said designated location shall bind each party acting as either Landlord or Tenant as if each party acting in said capacity had received such notice.

- 75. **Entire Agreement**. This Lease, together with any attached exhibits, set forth all agreements between Landlord and Tenant relative to the Premises and Center, if applicable. All prior negotiations and agreements are merged within this Lease, and no subsequent agreement relative to this Lease shall be binding unless reduced to a writing signed by both parties.
- 76. Reimbursement for Legal Expenses. In the event Tenant defaults in the performance of any of the terms, agreements or conditions of this Lease and Landlord places (1) the enforcement of this Lease, (2) the collection of any rent due or to become due and/or (3) recovery of the possession of the Premises in the hands of any attorney, Tenant shall reimburse Landlord on demand for any reasonable legal and administrative fees and expenses incurred by Landlord. If Tenant shall request anything of Landlord which requires preparation or review of documents by Landlord's counsel, and if Landlord agrees to such request, Tenant shall reimburse Landlord on demand any reasonable legal and administrative fees and expenses incurred by Landlord.
- 77. **Tenant's Certificates**. Recognizing that both Landlord and Tenant may find it necessary to establish to third parties such as accountants, banks, mortgagees, or the like, the then current status of performance under this Lease, either party upon written request to the other, shall promptly furnish a written affidavit on the status of this Lease consisting of statements, if true, (1) that this Lease is in full force and effect, (2) the date through which rentals have been paid, (3) the Commencement Date, (4) the nature of any amendments or modifications to this Lease, (5) that no default, or state of facts which, with the passage of time or notice would constitute a default, exists on the part of either party, (6) the names and addresses of corporate or management officers and personnel, and (7) the dates on which rent payments are due under the terms of this Lease. Tenant specifically agrees upon the Commencement Date or upon receipt of a written request from Landlord after the Commencement Date, to notify Landlord in writing of the Commencement Date and acknowledge satisfaction of the requirements with respect to Landlord's work and other matters by Landlord, save and except any matters which Tenant may which to set forth specifically in said statement.
- 78. Discharge of Mechanic's Lien. Tenant agrees within fifteen (15) days after receipt of notice of filing to discharge of record by payment, filing of the necessary bond, order of a court of competent jurisdiction, or other means acceptable to Landlord, any mechanic's lien or other lien against the Premises and/or Landlord's or Tenant's interest in the Premises or any portion of the Center when such liens arise out of work performed or claimed to have been performed in or on the Premises. The liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Tenant in, upon, or about the Premises. In the event that Tenant contests any such mechanic's lien, Tenant shall, at Landlord request, (1) deposit with Landlord an amount equal to the claims made by such lien, together with interest as it may from time to time become due, as security for the payment and discharge prior to execution or (2) deliver to Landlord a bond of a recognized surety authorized to write surety bonds in Texas, assuring the payment and removal of such lien, together with any interest or penalty, and naming Landlord as a co-obligee. Any judgment or other proceeds issued in such a contest shall be paid and discharged before execution. If Tenant fails to keep this covenant, then in addition to all other remedies available to Landlord under this lease, Landlord may, at its option, purchase a surety bond at twice the amount of the lien, securing such lien, and Tenant agrees to pay Landlord, as additional rent, one and one half times the cost thereof, to compensate Landlord for its expenses attorney's fees, and damages.
- 79. **Short Form Lease**. Tenant agrees not to record this Lease or any other document which sets forth the rental or other charges payable by Tenant under this Lease.
- 80. Landlord Not Liable for Interest. Tenant agrees that Landlord shall not be liable or accountable to Tenant for interest on any sum of money deposited by Tenant under the terms of this Lease.
- 81. When Lease Becomes Binding. This lease shall become effective and binding only upon the execution and delivery by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated within this Lease and may be modified or altered only by agreement in writing between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change, or modify any of the provisions.

- 82. **Tenant Not a Beneficiary of Other Leases**. In the event that Landlord, in its sole discretion, shall effect other tenancies in the Center, if applicable, Tenant shall not be deemed to be a beneficiary of any agreement between Landlord and such other tenants. Tenant shall have no right whatsoever, either express or implied, under any agreement between Landlord and other tenants or under any of the terms or provisions of such agreements. Tenant shall have no right to enforce any such agreements, terms, or provision on behalf of itself or any other party including Landlord.
- 83. Contracts Between Landlord and Third Parties. In the event that Landlord shall enter into any contract with third parties in any way connected to the Premises or Center (if applicable), Tenant shall not be deemed to be a beneficiary of any such contract. Tenant shall have no right whatsoever, either express or implied, under any such contract or under any of the terms or provisions of such contract; and Tenant shall have no right to enforce such contract, term, or provision on behalf of itself or any other part, including Landlord.

LANDLORD RODNEY K HUTSON	LANDLORD ADDRESS FOR NOTICE AND RENT PAYMENT RODNEY K HUTSON 9431 ROSIE LN MAGNOLIA, TEXAS 77354
DATE	FOR LEASE OR FINANCIAL INQUIRIES, PLEASE CONTACT TERESA H LATSIS (503) 348-0718 T.LATSIS@HUTSONGROUP.COM
	FOR ALL OTHER ISSUES, PLEASE CONTACT BRYAN H HUTSON (713) 678-0152 B.HUTSON@HUTSONGROUP.COM
TENANT	TENANT ADDRESS FOR NOTICE 306 MARKET ST TOMBALL, TEXAS 77375
BRUCE KISSINGER	PHONE: (281) 222-9326 (MOBILE) EMAIL: BRUCE@FIREANTBREWING.COM
DATE	