

RETAIL LEASE AGREEMENT FOR THE BURD HOUSE

THIS RETAIL LEASE AGREEMENT (this “**Lease**”) made as of the 1st day of October, 2023 between City of League City, a Texas municipal corporation having its principal office at 300 West Walker Street, League City, Texas 77573 (“**Landlord**”), and Amy Albro an individual, having its principal office at 711 Pine Rd. Clear Lake Shores, Texas 77565 (“**Tenant**”).

RECITALS

Subject to the terms, provisions, and conditions of this Lease, Landlord hereby leases to Tenant and Tenant hereby accepts from Landlord, that structure known as the Burd House (the “**Premises**”), which Premises (i) are shown on the plan attached hereto as Exhibit A and made a part hereof, (ii) contain approximately 532 square feet and (iii) are located on the property addressed as 510 2nd Street, League City, Galveston County, Texas 77573 (the “**Property**”). The Property is legally described on the attached Exhibit A in the shopping center known as League City Welcome Center (together with the Premises and the Property, the “**Shopping Center**”).

In consideration of the mutual covenants and agreements contained herein, the parties agree to the following terms and conditions:

1. Term.

- (a) **Term.** The term of this Lease (the “**Term**”) shall commence on October 1, 2023 (the “**Commencement Date**”), when Landlord shall deliver possession of the Premises to Tenant and expire on the last day of the full month on which the 1 anniversary of the Commencement Date occurs (the “**Expiration Date**”) unless sooner terminated (the “**Term**”). If the Expiration Date falls on a Sunday or legal holiday, the Expiration Date shall be the immediate previous day.
- (b) **Lease Year.** “**Lease Year**” means each consecutive twelve (12) month period during the Term of this Lease, with the first period commencing on the Rent Commencement Date; provided, however, if the Rent Commencement Date occurs on a day other than on the first day of a calendar month, the first Lease Year shall be that partial month plus the first full twelve (12) months thereafter. Each succeeding Lease Year shall begin on the anniversary of the first Lease Year.

2. Fixed Rent. Tenant shall pay rent (the “**Fixed Rent**”) in accordance with the following Fixed Rent Schedule:

Period	Annual Fixed Rent	Monthly Instalment
12 months	\$9,576.00	\$798.00

Tenant shall pay Fixed Rent to Landlord on a monthly basis beginning on the Rent Commencement Date and thereafter on the first day of each calendar month of the Lease; provided, however, if the Rent Commencement Date occurs on a day other than on the first day of a calendar month, then Tenant’s first payment of Fixed Rent on the Rent Commencement Date shall be the prorated amount for that partial month. Fixed Rent shall be

paid in advance to Landlord without notice in lawful money of the United States at Landlord's address as set forth in Section 28 or at such other place as Landlord may designate from time to time by written notice to Tenant. No sums shall be deducted by Tenant from Fixed Rent for any reason unless permitted by law or Landlord consents thereto in writing.

3. Additional Rent. Intentionally deleted.

4. Use of Premises/Trade Name.

- (a) Permitted Use.** Tenant shall use and occupy the Premises for a visitors' center and café shop (the "**Permitted Use**") and for no other purpose. The Permitted Uses are further described in Exhibit B, which is attached and incorporated herein. Tenant shall procure and maintain, at its sole cost and expense, all required permits for Tenant's use and occupancy of the Premises for the Permitted Use. Tenant shall comply with all laws related to its particular manner of use). Tenant shall not use the Premises for any unlawful use, or one that has a negative impact on the character of the Property in Landlord's reasonable discretion. Tenant shall operate its business within the Premises under the name "Soulfreak Cafe" (the **Approved Trade Name**). Tenant shall not change the Approved Trade Name without the prior written consent of Landlord, which consent may not be unreasonably withheld, conditioned or delayed.
- (b) Operation of Business.** Tenant agrees to open the Premises for business, fully fixtured, stocked and staffed upon the Commencement Date and thereafter to continuously keep the Premises fully fixtured, stocked and staffed and to continuously conduct the business described in Section 4(a) in (100%) of the Premises for minimum hours as listed in Exhibit B (except holidays, Sundays, when the Property is closed, periods of reconstruction due to casualty or condemnation, causes beyond Tenant's control, during strikes and periods of remodeling by Tenant not to exceed 2 days provided Tenant diligently and continuously pursues the same to completion) ("**Tenant's Operating Covenant**").
- (c) Breach of Tenant's Operating Covenant.** Tenant acknowledges that Tenant's Operating Covenant is a material consideration to Landlord in entering into this Lease and is intended (i) to enhance the business activity and public patronage of all stores in the Property and (ii) to produce for Landlord the maximum possible Rent from the Premises and from the Property as a whole. Tenant further acknowledges that Tenant's failure to fulfill Tenant's Operating Covenant will cause Landlord substantial monetary damages but that money damages alone would not adequately compensate Landlord in the event of breach of any provision of Section 4(b) by the Tenant. Accordingly, Tenant hereby agrees that, in addition to all other remedies available to Landlord at law or in equity, Landlord shall be entitled to injunctive relief or other equitable relief without the posting of bond or the showing of irreparable harm in the event of breach or threatened breach by Tenant of any provision of Section 4(b). Further, nothing in this Section shall be construed as limiting Landlord's right to pursue any remedy available to Landlord under this Lease or at law or equity, including, but not limited to, the recovery of damages.
- (d) Tenant's Covenants with Respect to Occupancy.** Tenant agrees:

- (i) To occupy the Premises in a safe manner in compliance with all laws, ordinances, rules, regulations and orders of any governmental bodies having jurisdiction over the Premises, and without committing or permitting waste;
- (ii) To (1) place no signs on the exterior of the Premises or on the interior of any windows without Landlord's prior written consent, and (2) place no other signs on the interior of the Premises which are visible from outside the Premises or on the exterior of the Premises which do not conform to Landlord's sign criteria, or which have not been reasonably approved by Landlord;
- (iii) To (1) keep any refuse in proper containers in the interior of the Premises until the same is removed, (2) permit no refuse to accumulate around the exterior of the Premises, and (3) keep the Premises in a clean, orderly, and sanitary condition and free of insects, rodents, vermin and other pests;
- (iv) To conduct no auction, fire or going out-of-business sale without the prior written consent of Landlord;
- (v) To permit Landlord access to the Premises at all reasonable times to examine the same or make such alterations or repairs as necessary; and
- (vi)
 - (i) Tenant has no authority or power to cause or permit any lien or encumbrance of any kind whatsoever, whether created by act of Tenant, operation of law or otherwise, to attach to or be placed upon Landlord's title or interest in the Property or the Premises, and any and all liens and encumbrances created by Tenant shall attach to Tenant's interest only.
 - (ii) Tenant covenants and agrees not to suffer or permit any mechanic's, materialmen's or other liens to be placed against the Property or the Premises or Tenant's interest in the Premises with respect to work or services claimed to have been performed for or materials claimed to have been furnished to Tenant or the Premises, and, in case any such lien attaches, or claim of lien is asserted, Tenant covenants and agrees to cause such lien or claim of lien to be immediately released and removed of record.

5. Condition of Premises. Tenant's taking possession of any portion of the Premises shall be conclusive evidence that such portion of the Premises was in good order and satisfactory condition when Tenant took possession (except for latent defects) and except for any items of which Tenant provides Landlord with written notice within thirty (30) days of Tenant's taking of possession. The Premises shall be delivered in its "AS IS" condition.

6. Common Areas. Subject to Landlord's rights in this Section 6 during the Term, Landlord shall make available for the use of Tenant and its invitees such Common Areas as Landlord shall deem appropriate. "Common Areas" shall mean all areas and improvements now or hereafter existing, for the common and joint use of Landlord, Tenant and other tenants and occupants of the Property, and their respective employees, agents, customers and invitees, which may include, if provided, but shall not be limited to, driveways, footways, parking areas, walkways

and all other areas in the Property now or hereafter constructed to be used in common by the tenants and/or customers of the Property. Tenant and its agents, servants, employees, invitees and/or licensees will use such Common Areas in a reasonable, orderly, and sanitary manner in cooperation with all other tenants and their agents, servants, employees, invitees and/or licensees. All Common Areas shall at all times be subject to such rules and regulations as Landlord may from time to time prescribe and Landlord shall at all times have full and exclusive control, management and direction of such Common Areas but shall not be responsible for theft, vandalism or other criminal act.

7. Services.

- (a) **List of Services.** So long as Tenant is not in default under this Lease, Landlord shall provide the following services:
- (i) Chilled air or ventilation to the extent necessary in the reasonable judgment of Landlord for normal comfort in the Premises, during the Property Operating Hours (as defined above); provided, however that during any period when no one is open for business in the Property, Landlord need not provide chilled air or ventilation.
 - (ii) If applicable, parking spaces for the use, in common with other tenants of the Property and their employees and invitees.
- (b) **Interruption of Services.** Landlord shall not be liable in damages, by abatement of Fixed Rent or Additional Rent or otherwise, for failure to furnish or delay in furnishing any service, or for diminution in the quality or quantity thereof, when such failure or delay or diminution is occasioned, by governmental rule, regulation or guideline (whether or not having the force of law), by repairs, renewals, or improvements, by any strike, lockout, or other labor trouble, acts of terrorism, by inability to secure electricity, gas, water, or other fuel at the Property after reasonable effort so to do, by any accident or casualty whatsoever, by act or default of Tenant or other parties, or by any other cause beyond Landlord's reasonable control; and no such failure or delay or diminution shall be deemed to constitute an eviction of Tenant or disturbance of Tenant's use and possession of the Premises nor shall any such failure or delay relieve Tenant from the obligation to pay Rent or perform any of its obligations under this Lease. Landlord agrees to use reasonable efforts to cause the restoration of services in the event of any failure, delay or diminution described in this Section 7(b).
- (c) **Additional Services.** Landlord shall have no obligation to furnish services other than those specified in Section 7(a) above. Should Landlord provide additional services to Tenant, Tenant shall pay separately for such additional service (including, but not limited to, freight elevator services provided during hours other than those set forth in the applicable provisions of Section 7(a), at rates established by Landlord. Charges for any service for which Tenant is required to pay shall be due and payable within ten (10) days after Landlord bills Tenant therefor. If Tenant fails to make payment for any such services, Landlord, in addition to all other rights and remedies available to Landlord under this Lease or at law or equity, may, with prior written notice to Tenant, discontinue any or all of such services and such discontinuance shall not be deemed to constitute an eviction or disturbance of Tenant's use and possession of the Premises or relieve Tenant

from paying Fixed Rent and Additional Rent or otherwise performing any of its obligations under this Lease.

8. Repairs/Compliance with Laws. Tenant shall, at Tenant's expense, keep the nonstructural portions of the Premises in good order, repair and condition at all times, and Tenant shall promptly and adequately repair all damage to the Premises and replace or repair all damaged or broken fixtures and appurtenances subject to approval of Landlord, and within any period of time specified by Landlord. If Tenant does not do so, Landlord may make any repairs, replacements, installations, and additions which Tenant is obligated to make, and Tenant shall pay Landlord the cost thereof, and shall also pay Landlord's costs. Landlord or Landlord's agent may enter the Premises at all reasonable times to make such repairs, installations, alterations, improvements and additions as Landlord shall desire or deem necessary. Landlord shall, at Landlord's expense (except to the extent that such costs are included in Operating Expenses pursuant to the terms of Section **Error! Reference source not found.** above), keep all utility systems and all structural portions of the Premises, and all components (including the foundation, all systems, the roof, parking areas and structures) of the Property in good order, repair and condition at all times during the Term, and Landlord shall promptly and adequately repair all damage to the structural portions of the Premises and to all components of the Common Areas.

9. Alterations.

- (a) **Tenant's Right to Make Alterations.** Tenant shall not make any alterations, additions, or improvements in or to the Premises ("**Alterations**") without the prior written consent of Landlord which consent shall not be unreasonably withheld, conditioned or delayed. Subject to the prior written consent of Landlord, Tenant, at Tenant's expense, may make Alterations which are nonstructural, and do not affect Utility Services or plumbing and electrical lines, in or to the interior of Premises by using contractors or subcontractors approved by Landlord. Tenant shall, before making Alterations, at its expense, obtain all permits, approvals, and certificates required by any governmental or quasi-governmental bodies and, upon receipt shall deliver copies to Landlord. Tenant agrees to carry and will cause Tenant's contractors and subcontractors to carry such worker's compensation, general liability, personal, and property damage insurance as Landlord requires. Evidence of such insurance shall be delivered by Tenant to Landlord prior to the commencement of Alterations.
- (b) **Title to Alterations.** All Alterations, installed in the Premises at any time, shall, upon installation, become Landlord's property, **excluding items bearing Tenant's brand, logo, trademark or distinctive image**, and shall be surrendered with the Premises, unless Landlord, by notice to Tenant prior to the Expiration Date, elects to relinquish Landlord's right thereto and to have them removed by Tenant, in which event same shall be removed from by Tenant prior to the expiration of the Lease, at Tenant's expense.
- (c) **Tenant's Trade Fixtures.** Nothing in this Section shall be construed to give Landlord title to, or to prevent Tenant's removal of, trade fixtures, moveable furniture and equipment, provided that Tenant complies with all applicable governmental laws, ordinances, and regulations and provided that Tenant is not in default at that time and

the fixtures can be removed without structural damage to the Premises. Upon removal of any such items from the Premises or upon removal of other installations as may be required by Landlord, Tenant shall immediately and at its expense, repair, and restore the Premises to the condition existing prior to installation and repair any damage to the Premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the Term that remains in the Premises after Tenant's removal shall be deemed abandoned and may, at the election of Landlord, either be retained as Landlord's property or removed from the Premises by Landlord, at Tenant's expense.

10. Insurance. Landlord and Tenant shall maintain, at their sole respective costs, reasonable and customary all-risk property and commercial general liability insurance, plate glass insurance, for occurrences or damages within the Premises (in the case of Tenant) and the Property (in the case of Landlord) naming each as an insured party. Landlord shall have the right to determine, in its sole discretion, whether the insurance maintained by Tenant is reasonable and customary. Tenant shall, prior to the commencement of the Term, furnish to Landlord policies in form and substance satisfactory to Landlord evidencing the coverage required by this Section 10, which policies shall state that such insurance coverage may not be changed or canceled without at least thirty (30) days' prior written notice to Landlord.

11. Security Deposit. Intentionally deleted.

12. Indemnification. LANDLORD SHALL NOT BE LIABLE FOR, AND IS HEREBY RELEASED FROM RESPONSIBILITY FOR (I) ANY LOSS, DAMAGE OR INJURY EITHER TO PERSON OR PROPERTY OF TENANT, ITS AGENTS, SERVANTS, EMPLOYEES, INVITEES AND/OR LICENSEES OR RESULTING FROM THE LOSS OF USE THEREOF, (II) ANY DAMAGE CAUSED BY OTHER TENANTS OR PERSONS IN THE PROPERTY AND (III) NEGLIGENCE OF LANDLORD, ITS CONTRACTORS, AGENTS OR EMPLOYEES (EXCEPT GROSS NEGLIGENCE OR WILLFUL MISCONDUCT BY SUCH PARTY).TENANT SHALL INDEMNIFY, DEFEND AND HOLD LANDLORD HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, DAMAGES, PENALTIES, CLAIMS, DEMANDS, COSTS, AND EXPENSES (INCLUDING LANDLORD'S ATTORNEY'S FEES) ARISING FROM ANY DEFAULT BY TENANT UNDER THIS LEASE OR THE ACTS, OMISSIONS OR NEGLIGENCE OF TENANT OR OF ANY PERSON CLAIMING BY, THROUGH OR UNDER TENANT, ITS AGENTS, SERVANTS, EMPLOYEES, INVITEES, ASSIGNEE OR SUBTENANT AND/OR LICENSEES. IN CASE ANY ACTION OR PROCEEDING IS BROUGHT AGAINST LANDLORD BY REASON OF ANY SUCH CLAIM, TENANT, UPON WRITTEN NOTICE FROM LANDLORD, WILL, AT TENANT'S SOLE COST EXPENSE, DEFEND SUCH ACTION OR PROCEEDING BY COUNSEL APPROVED BY LANDLORD.

13. Non-Waiver. No waiver of any provision of this Lease shall be implied by any failure of Landlord to enforce any remedy on account of the violation of such provision, even if such violation be continued or repeated subsequently, and no express waiver shall affect any

provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. No receipt of monies by Landlord from Tenant after the termination of this Lease shall in any way alter the length of the Term or of Tenant's right of possession hereunder or after the giving of any notice shall reinstate, continue or extend the Term or affect any notice given Tenant prior to the receipt of such moneys, it being agreed that after the service of notice or the commencement of a suit or after final judgment for possession of the Premises, Landlord may receive and collect any Rent or other sum due, and the payment of said Rent or other sum shall not constitute a waiver of or affect said notice, suit or judgment.

14. Condemnation. Intentionally deleted.

15. Assignment and Subletting. Tenant shall not mortgage, pledge, encumber, assign or sublet or license (for concessions or otherwise) the Premises or in any manner transfer this Lease without the prior written consent of Landlord, which consent shall be in Landlord's sole discretion. This prohibition against transfer without Landlord's prior written consent includes any subletting or assignment which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's structure. Consent by Landlord in connection with the above shall not constitute a future waiver of the requirement for Landlord's consent. Any assignment, subletting or other transfer, even with Landlord's consent, shall not relieve Tenant from primary liability for the payment of Rent or the primary obligation to be bound by the terms, conditions and covenants of this Lease. Should Tenant assign, sublet or otherwise dispose of the Premises, whether with or without Landlord's consent, all sums payable in connection therewith shall be payable solely to Landlord.

16. Surrender. Upon the Expiration Date or earlier termination of this Lease, Tenant shall quit and surrender the Premises broom clean and in good order and repair, ordinary wear and tear excepted and free from Tenant's trade fixtures, its branding and logos, furniture and equipment. All damages caused by or on behalf of Tenant shall be repaired by Tenant at Tenant's sole cost and expense prior to surrender of the Premises. This Section survives the Expiration Date or earlier termination of the Lease.

17. Holding Over. Should Tenant withhold possession of the Premises after expiration or earlier termination of this Lease, the damages for which Tenant shall be liable to Landlord shall be liquidated at a sum equal to 200% of the Fixed Rent stipulated herein for a period equal to the period of such holdover, together with any Additional Rent due for such holdover period. Should Tenant occupy the Premises after the termination of this Lease for any cause whatsoever, Tenant shall be considered a tenant at will and by sufferance of Landlord and no such occupancy shall operate as a renewal of the Lease or any part thereof.

18. Estoppel Certificates. Intentionally deleted.

19. Subordination. Intentionally deleted.

20. Certain Rights Reserved by Landlord.

Landlord shall have the following rights, which may be exercised by Landlord without notice or liability of any kind to Tenant, and the exercise of any such rights shall not be deemed an eviction or disturbance of Tenant's use or possession of the Premises nor shall such exercise give rise to any claim for setoff or abatement of Fixed Rent or Additional Rent (sometimes collectively referred to herein as **Rent**) or any other claim, subject to the terms set forth in this Lease:

- (a) To change the name or street address of the Property;
- (b) To install and maintain signage on the Property;
- (c) To make repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Property and during such work, to temporarily close doors, entryways, public space and corridors in the Property and to interrupt or suspend services or use of facilities, all without affecting any of Tenant's obligations hereunder, so long as the Premises are accessible and usable after providing Tenant no less than forty-eight (48) hours prior written notice (except in the event of an emergency when no notice shall be required), to temporarily close doors, entryways, public space, and corridors in the Premises and Common Area and to interrupt or temporarily suspend services or use of facilities, all without affecting any of Tenant's obligations hereunder, so long as the Premises are accessible and usable;
- (d) To designate and approve all window coverings used in the Property;
- (e) To regulate delivery and service of supplies and the usage of the loading docks, receiving areas, and freight elevators;
- (f) To erect, use and maintain pipes, ducts, wiring and conduits, and appurtenances thereto, in and through the Premises at reasonable locations; and
- (g) Subject to the terms of this Lease, to grant to any person or to reserve unto itself the exclusive right to conduct any business or render any service in the Property,
- (h) including, but not limited to, janitorial services.

21. Rules and Regulations. Tenant shall, and shall cause all of its subtenants and occupants, its and their agents, employees, invitees and licensees to, observe faithfully, and comply strictly with, the rules and regulations attached to this Lease as Exhibit C, as they may be supplemented and revised by Landlord from time to time, and such other rules and regulations promulgated from time to time by Landlord provided that such supplements, revisions and additional rules and regulations are provided to Tenant in advance and in writing, as in Landlord's judgment may be desirable for the safety, care, and cleanliness of the Property and the Premises, or for the preservation of good order therein. Landlord shall not be liable to Tenant for violation of such rules and regulations by, or for Landlord's failure to enforce the same against Tenant or any other tenant, or its subtenants, assignees, agents, employees, invitees or licensees.

22. Tenant Defaults.

- (a) **Monetary Defaults/Bankruptcy.** In the event that (i) Tenant fails to pay Fixed Rent or Additional Rent, in accordance with the terms and conditions of this Lease or (ii) Tenant fails to comply with the provisions of Section 23 of this Lease and does not cure the failure within the cure period set forth therein, Landlord shall have the right, without

notice to Tenant, to (1) terminate the Lease or not terminate the Lease, and (2) and forthwith repossess the Premises by forcible entry and unlawful detainer suit. Tenant expressly acknowledges and agrees that should Landlord exercise the remedy set forth herein, in no event shall Landlord be responsible for any damage to Tenant's property sustained in connection therewith.

- (b) **Nonmonetary Default.** In the event that (i) Tenant fails to comply with any term, provision, condition, or covenant of this Lease (other than the covenant to pay Fixed Rent and Additional Rent), (ii) any guarantor fails to comply with the terms of its guaranty of this lease, (iii) Tenant fails to take possession of the Premises within seven (7) days after the Commencement Date, (iv) the Lease is rejected in bankruptcy, or (v) Tenant deserts or vacates the Premises (with or without the payment of Rent) for a period of seven (7) or more days during the term of the Lease then Landlord shall provide fifteen (15) written notice to Tenant of Tenant's default and should Tenant fail to cure within such time period, Landlord shall have the right to (1) terminate the Lease or not terminate the Lease, and (2) and forthwith repossess the Premises by forcible entry and unlawful detainer suit.

23. Bankruptcy.

- (a) **Termination of Lease.** Landlord may terminate this Lease upon ten (10) days written notice to Tenant if any voluntary or involuntary petition or similar pleading is filed by or against Tenant in a bankruptcy court in any State, or if Tenant makes an assignment for the benefit of creditors. In such event, Tenant shall surrender possession and vacate the Premises immediately.

This Lease is a shopping center lease, as contemplated by the defined terms set forth in Bankruptcy Code, 11 U.S.C. § 101 et seq., as amended from time to time, and such provisions thereof as are applicable to shopping center leases are applicable to this Lease.

- (b) **Damages.** Upon termination of the Lease in accordance with Section 23(a) above, notwithstanding anything to the contrary herein, Landlord shall be entitled to recover from Tenant, the greater of (i) the maximum amount permitted by law and (ii) an amount equal to the difference between the Rent for the unexpired portion of the Term and the fair and reasonable future rental value of the Premises for the same period. In computing such damages, the same shall be discounted to the date of termination at the rate of 5% per annum. If the Premises is relet by Landlord for the unexpired term of the Lease, the amount of Fixed Rent paid upon reletting shall be deemed to be the fair and reasonable rental value for the Premises during the term of the reletting. However, that in the event Landlord shall not be permitted to terminate the Lease because of the provisions of Title 11 of the United States Code (the "**Bankruptcy Code**"), then Tenant, as debtor-in-possession, or any trustee, receiver, or liquidator appointed for Tenant's benefit must provide adequate assurance of performance of the terms the Lease which shall include, without limitation, adequate assurance: (i) of the source of Rent reserved hereunder; (ii) that the assumption of the Lease will not breach any provision hereunder; (iii) that any assumption or assignment of the Lease will not breach any provision such as the radius, location, use or exclusivity provisions in this or any other lease, finance agreement or original agreement relating to the Property under any circumstances, as the use provision

of the Lease is the equivalent of a covenant running with the land and as such, may not be changed by the state of bankruptcy of Tenant; and (iv) that the assumption or assignment of the Lease will not unreasonably disrupt any Tenant mix or balance in the Property, and if the trustee does not cure such defaults and provide such adequate assurances under the Bankruptcy Code within the applicable time periods provided by the Bankruptcy Code, then the Lease shall be deemed rejected and Landlord shall have the right to immediate possession of the Premises and shall be entitled to all remedies provided by the Bankruptcy Code for damages for breach and/or termination of the Lease.

24. Remedies for Default. Upon occurrence of any default by Tenant that is not cured within any applicable notice and cure or grace period, termination of this Lease, repossession of the Premises by forcible entry and unlawful detainer suit and/or eviction of Tenant by summary proceedings or otherwise, (i) Fixed Rent and Additional Rent up to the date of Landlord's reentry and/or eviction or termination shall be due and payable by Tenant, (ii) Landlord may relet the Premises for all or any part of the remainder of the Term at such monthly Fixed Rent as Landlord with reasonable diligence is able to secure, and/or (iii) Tenant shall be responsible for, as a result of such default, termination, and/or eviction, an amount equal to any deficiency between the Fixed Rent and Additional Rent to be charged up to and including the Expiration Date and the net amount of Fixed Rent and Additional Rent collected on account of the Lease for each month of the period which would otherwise have constituted the balance of the Term. In addition, Tenant shall be responsible for attorney's fees and litigation costs and expenses incurred by Landlord and the costs and expenses for Landlord's recovering and reletting of the Premises (including, without limitation, costs and expenses of retaking or repossessing the Premises, removing persons and property therefrom, securing new tenants, including expenses for redecoration, alterations, and other costs in connection with preparing the Premises for the new tenant, brokerage, and advertising costs and if Landlord shall maintain and operate the Premises, the costs thereof). In any such case, Landlord shall use commercially reasonable efforts to relet the Premises or any part thereof for the account of Tenant for such rent, for such time (which may be for a term extending beyond the Term of this Lease) and upon such terms as Landlord in Landlord's sole discretion shall determine, and Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant relative to such reletting.

25. Quiet Enjoyment. Provided Tenant performs all of its obligations hereunder, Tenant shall, during the Term, peaceably and quietly have, hold and enjoy the Premises from hindrance by Landlord or any person claiming by, through, or under Landlord, subject to the terms of this Lease.

26. Damage and Destruction. Section 8 notwithstanding, if either the Premises or the Property or both shall be damaged by fire or other casualty and if such damage does not, in the judgment of Landlord, render all or a substantial portion of the Premises or the Property untenable, then Landlord shall, repair or restore such damage with reasonable promptness, subject to reasonable delays provided, however, Landlord shall not be obligated to repair such damage if: (i) the total insurance proceeds recovered or recoverable as a result of such damage are less than the estimated cost to repair all damage to the Property (as reasonably determined by

Landlord); or (ii) the insurance proceeds are taken by Landlord's mortgagee so that they are not available to Landlord to use to cover the cost of repair. Landlord shall not be obligated to expend in repairs and restoration an amount in excess of the proceeds of insurance recovered with respect to such casualty. If Landlord is not required to repair such damage as provided above or any such damage renders all or a substantial portion of the Premises or the Property untenantable, Landlord shall have the right to terminate this Lease as of the date of such damage (with appropriate prorations of Fixed Rent being made for Tenant's possession after the date of such damage of any tenantable portions of the Premises) upon giving written notice to Tenant at any time within one hundred twenty (120) days after the date of such damage. Landlord shall have no liability to Tenant, and Tenant shall not be entitled to terminate this Lease by virtue of any delays in completion of repairs and restoration. However, Fixed Rent shall abate as to those portions of the Premises as are, from time to time, untenantable as a result of such damage until Landlord shall have completed the repairs and restoration required of Landlord hereunder. Landlord's duty to repair the Premises is limited to repairing those parts of the Premises that were provided by Landlord at Landlord's cost at the beginning of the Term. Tenant shall repair all improvements to the Premises installed by Tenant and all Alterations at the sole cost and expense of Tenant. If Tenant desires any other or additional repairs or restoration and if Landlord consents thereto, such repair or restoration shall be done at Tenant's sole cost and expense in accordance with the provisions of Section 8 hereof. Tenant acknowledges that Landlord shall be entitled to the full proceeds of any insurance coverage, whether carried by Landlord or Tenant, for damage to those items or decorations provided by Landlord either directly or through an allowance to Tenant, which Landlord is obligated to repair.

27. Access and Inspection by Landlord. Landlord and its agents, employees and representatives shall have the right to enter the Premises for emergency purposes at any time and at reasonable hours for purposes of inspection, cleaning, maintenance, repairs, alterations, or additions as Landlord may deem necessary. Furthermore, Landlord shall have the right to enter the Premises to replace and maintain utility systems in and through the Premises. In connection therewith, Landlord may bring necessary materials and equipment into the Premises without the same constituting an eviction, nor shall Tenant be entitled to any abatement of Rent or Additional Rent while such work is in progress nor to any damages by reason of loss or interruption of Tenant's business. During the Term, Landlord shall have the right to enter the Premises at reasonable hours and upon at reasonable notice for the purpose of showing the same to prospective purchasers or mortgagees of the Property and during the last six (6) months of the term for the purpose of showing the same to prospective tenants. If Tenant is not present to open and permit an entry into the Premises, Landlord may enter and, provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Landlord or its agents liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. Should Tenant vacate the Premises within thirty (30) days of the Expiration Date, Landlord may enter the Premises and make alterations, repairs, additions or changes without affecting Tenant's obligations under this Lease, including, but not limited to Tenant's obligation to pay Fixed Rent and Additional Rent or creating liability for Landlord to Tenant.

28. Miscellaneous.

- (a) **Rights Cumulative.** All rights and remedies of Landlord under this Lease shall be cumulative, and none shall exclude any other rights and remedies allowed under this Lease or by law or equity.
- (b) **Late Payments.**
- (i) All payments becoming due under this Lease and remaining unpaid when due shall bear interest until paid at a rate per annum equal to two (2) percentage points above the rate in effect at a national banking institution designated by Landlord (but in no event at a rate which is more than the highest rate which is at the time lawful in the State of Texas (the “**Default Rate**”));
 - (ii) Tenant recognizes that late payment of Rent or any other sum due hereunder will result in administrative expenses to Landlord which are extremely difficult and economically impractical to ascertain. Tenant therefore agrees that a late charge equal to five percent (5%) of the unpaid Rent or other sum shall be paid by Tenant to Landlord should Tenant fail to pay Rent hereunder within five (5) days after such Rent is due; and
 - (iii) In the event any payment is returned by Tenant’s bank unpaid, Tenant shall pay to Landlord the sum of Twenty-Five Dollars and No Cents (\$25.00) to cover the costs and expenses of processing the returned check, in addition to the Rent and any other charges provided for herein. In the event any payment is returned by Tenant’s bank unpaid, or in the event Tenant fails to make any payment of rent on such payment’s due date, Landlord shall have the right, at Landlord’s option, to require any or all subsequent payments be made by certified funds, cashier’s check or direct debit.
- The provisions of this Section shall in no way relieve Tenant of the obligation to pay Rent or other payments on or before the date on which they are due, nor shall the collection by Landlord of any amount under either subsection hereof impair the ability of Landlord to collect the amount charged under the other subsections hereof, or Landlord’s remedies set forth in Section 25 of this Lease.
- (c) **Binding Effect.** Each of the provisions of this Lease shall extend to and shall, as the case may require, bind or inure to the benefit not only of Landlord and of Tenant, but also of their respective successors and permitted assigns.
- (d) **Entire Agreement.** This Lease supersedes any and all prior agreements and understandings between Landlord and Tenant and alone expresses the agreement of the parties with respect to the subject matter of this Lease. Landlord has not made, and Tenant is not relying upon, any warranties, or representations, promises, or statements by Landlord or any agent of Landlord, except as expressly set forth herein.
- (e) **Captions.** The captions of Sections and subsections are for convenience only and shall not be deemed to limit, construe, affect, or alter the meaning of such Sections or subsections.
- (f) **Application of Payments.** Landlord shall have the right to apply payments received from Tenant pursuant to this Lease (regardless of Tenant’s designation of such

payments) to satisfy any obligations of Tenant hereunder, in such order and amounts, as Landlord in its sole discretion, may elect.

- (g) **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of law principles.
- (h) **Partial Invalidity.** If any term, provision or condition contained in this Lease shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected, and each and every other term, provision and condition of this Lease shall be valid and enforceable to the fullest extent permitted by law.
- (i) **Waiver of Jury Trial.** TO THE FULLEST EXTENT PERMITTED BY LAW, LANDLORD AND TENANT EACH WAIVE ITS RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY LANDLORD AGAINST TENANT OR BY TENANT AGAINST LANDLORD ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES OR ANY CLAIM OF INJURY OR DAMAGE ARISING UNDER THIS LEASE.
- (j) **Force Majeure.** Neither Landlord nor Tenant is required to perform any term or covenant in this Lease as long as performance is delayed or prevented by force majeure, which includes acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riots, floods, acts of terrorism and any other cause not reasonably within Landlord's or Tenant's control and that Landlord or Tenant, by exercising due diligence and by paying commercially reasonable sums of money, cannot prevent or overcome, in whole or part; provided, however, that no such event or cause shall relieve Tenant of its obligations hereunder to make full and timely payments of Rent as provided herein.
- (k) **Waiver of Consequential Damages.** Notwithstanding anything to the contrary contained herein, Landlord shall not be liable to Tenant for consequential, special or punitive damages as a result of its breach of this Lease, including, but not limited to, loss of profits, loss of goodwill, loss of business opportunity, additional financing costs or loss of use of any equipment or property.
- (l) **Prevailing Party.** If any action or proceeding is brought by Tenant against Landlord under this Lease and Tenant does not prevail, Landlord shall be entitled to recover from Tenant attorney's fees and court costs.
- (m) **Non-Recourse.** Landlord shall have no personal liability under this Lease and any liability thereunder shall be limited to its interest in the Property.

29. Notices. All notices under this Lease shall be given by (i) certified mail or registered mail, (ii) by a nationally recognized overnight courier, or (iii) by hand delivery, in each case, addressed to the proper party, at the following addresses:

If to Landlord:

Landlord's address: 300 West Walker Street, League City, Texas 77573

Attention: City Manager

email: john.baumgartner@leaguecitytx.gov

with a copy to: City Attorney

Address: 300 West Walker Street, League City, Texas 77573

email: nghiem.doan@leaguecitytx.gov

If to Tenant:

Tenant's address: 711 Pine Rd. Clear Lake Shores, TX 77565

Attention: Amy Albro

email: amy@soulfreak.com

Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this Section 29.

30. Landlord's Lien. Intentionally deleted.

31. Compliance with Environmental Laws. Tenant hereby warrants that its North American Industry Classification System (NAICS) code is 722513 In the event that Tenant's NAICS code shall ever change it shall immediately notify Landlord of such change. Tenant shall not (either with or without negligence) cause or permit the escape, disposal, or release of any biological or chemically active or other hazardous substances, or materials in the Premises or the Property Tenant shall not allow the storage or use of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Premises or the Property any such materials or substances except to use in the ordinary course of Tenant's business, and then only after written notice is given to Landlord of the identity of such substances or materials and Landlord's written consent received. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., and any applicable state or local laws and the regulations adopted under these acts (collectively, "Hazardous Materials"). In addition, Tenant shall execute affidavits, representations, and the like from time to time at Landlord's request concerning Tenant's knowledge and belief regarding the presence of hazardous substances or materials that Tenant or its employees, agents, or contractors may have introduced, or that Tenant has reason to believe were existing in the Premises at the time that Tenant took possession or might have been introduced on the Premises by Landlord or a third party subsequent to Tenant's occupancy thereof. In all events, Tenant shall indemnify Landlord in the manner elsewhere

provided in this Lease from any release of hazardous materials on the Premises occurring as a result of materials brought onto the Premises by Tenant or its employees, agents or contractors, or elsewhere if caused by Tenant, its agents, employees or contractors. The within covenants shall survive the expiration or earlier termination of the lease term. Tenant expressly covenants and agrees to indemnify, defend, and save the Landlord harmless against any claim, damage, liability, costs, penalties, or fines which Landlord may suffer as a result of air, water, or ground Pollution from the release of Hazardous Materials (hereinafter referred to as ("Pollution")) caused by the Tenant, or its employees, agents, or contractors, in its use of the Premises. The Tenant covenants and agrees to notify Landlord immediately of any claim that Tenant is causing Pollution; and Tenant, in any event, will take immediate steps to halt, remedy or cure any Pollution caused by Tenant by its use of the Premises. The foregoing covenant shall survive the expiration or termination of this Lease.

[remainder of page intentionally left blank]

LANDLORD: City of League City, a Texas municipal corporation

John Baumgartner, City Manager

Attest:

Diana Stapp, City Secretary

Approved as to Form:

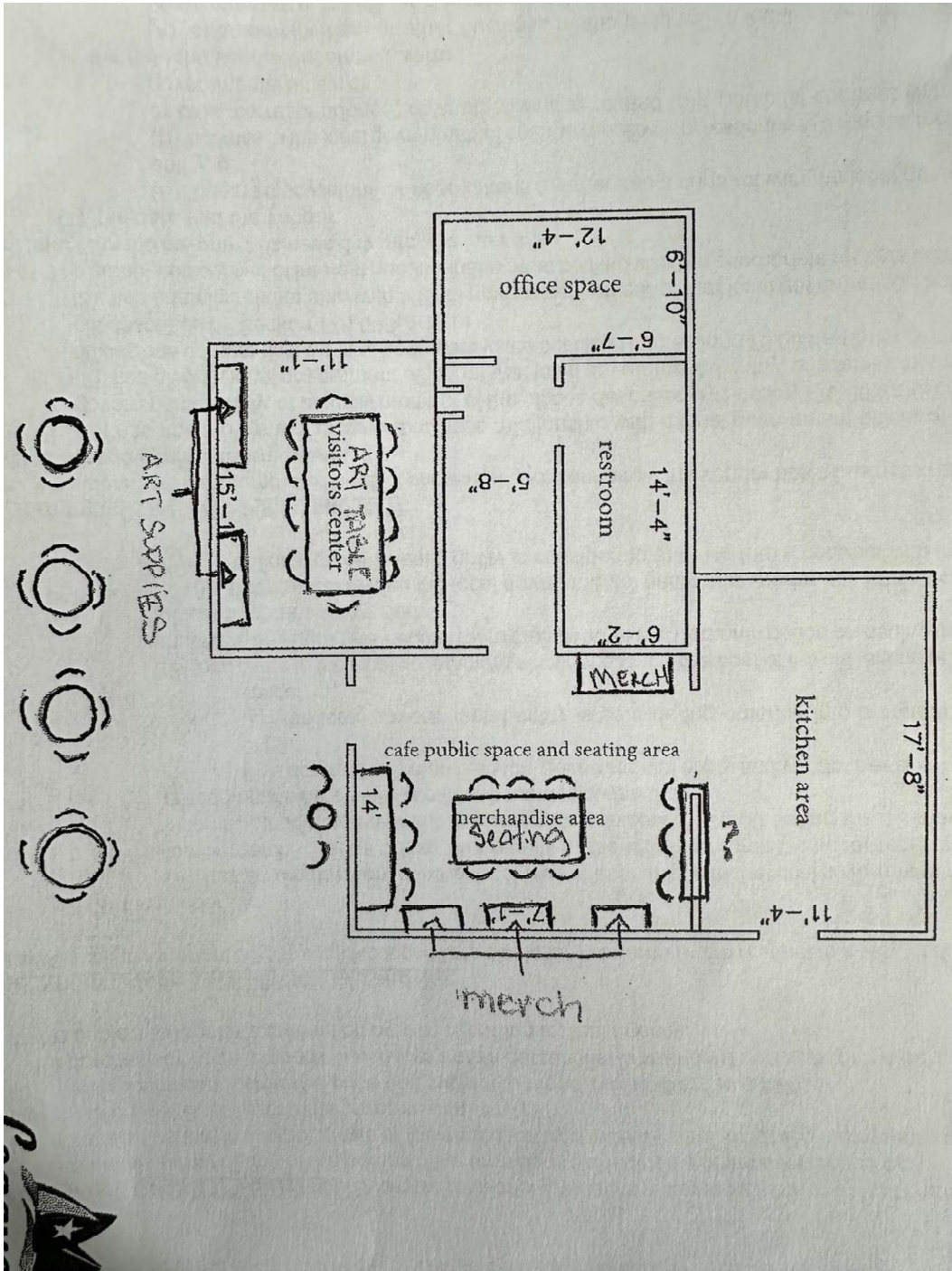
Office of the City Attorney

TENANT: AMY ALBRO

DocuSigned by:
By: *Amy Albro*

11624FE9687G4FE...
Name and Title: AMY ALBRO, OWNER

EXHIBIT A FLOOR PLAN AND LEGAL DESCRIPTION OF PREMISES



Location/Building

Soulfreak Café operations will be inside the League City Visitor Center located in League Park at 510 2nd Street League City, Texas. Total square footage of the premises is 859 sq ft. The vendor will occupy approximately 532 sq ft within the premises.

EXHIBIT B

PERMITTED USES

Purpose: League City is repurposing the historic home located in League Park into a visitor center and café. Offering a warm welcome and proper introduction to the historic district, the League City Visitor Center and Soulfreak Railroad Café will provide a prominent place to pick up local travel information, learn about the history of League City, and promote local businesses. Built in the late 1890s by the GH&H Railroad Company, this historic home provided living quarters for the railroad superintendent. Given the building's historical significance and location, the visitor center will incorporate a railroad theme and take the opportunity to share League City's railroad history through artwork and décor.

Food and Beverages

1. The Vendor agrees to provide coffee, beverages, prepacked food, and snacks that are moderately priced. The prepackaged food/snacks offered must be able to be instantly heated for preparation using small appliances such as hot plate, microware, panini/sandwich press.
2. Food and beverage may include, but not be limited to the following:
 - a. A full portfolio of healthy, premium products to provide the unique café experience, such as freshly brewed coffee, lattes, cappuccinos, and hot and cold tea.
 - b. Bottled beverages such as water, juice, and/or soft drinks.
 - c. Sandwiches, paninis, wraps, and salads.
 - d. Assorted resale items, such as mints, biscotti, energy bars.
 - e. Custom-roasted coffee.
 - f. Frozen desserts.
3. Vendor will keep a current list of prices for food and beverage items on file with the City.
4. The City will allow the vendor the option to sell alcohol upon the following conditions:
 - a. Vendors, at their own cost, will obtain all TABC alcohol/liquor licenses to sell alcohol in premise.
 - b. Vendor at their own cost will train supervisors and employees who directly handle the sales of alcohol with TABC-approved course and provide a certificate of completion.
 - c. Vendor will need to know the Codes and Rules, marketing guidelines, sign requirements, and underage drinking laws.

OPERATIONS AND BUSINESS PLAN

Staffing Structure:

- Monday-Thursday: 2 openers, 2 mids, 2 closers
- Friday- Sunday: 3 openers, 2 mids, 2 closers

Current managers on rotation:

- Amy Albro- Owner
- Steph Green- GM
- Kam Green- HR Manager
- Kenzie Escagne- Marketing Manager
- Julia Sheaffer- Assistant Manager

Emergency/ Peak hours:

In the event of peak time or an emergency Soulreak will implement a system which allows staff to find coverage for their shift, or one of the managers will fill in as needed.

Planned Schedule:

Sunday 7AM-8PM

Monday 7AM-6PM

Tuesday 7AM-6PM

Wednesday 7AM-6PM

Thursday 7AM-9PM

Friday 7AM-9PM

Saturday 7AM-9PM

Café Equipment List: Brewer, Espresso Machine, Espresso Grinder, Coffee Grinder, Decaf Espresso Grinder, Large Base Blender, Small Blender, Ice Cream Cooler, Pastry Cooler, Microwave Oven

Soulreak Café Standards:

- **Product:** We aim to serve the best quality and most interesting varieties of espresso drinks, coffee, teas, and food.
- **Preparation:** There are many factors which must all be prepared well to ensure your customers return for your great espresso.
- **Fresh:** Freshly roasted coffee will remain usable for up to 9 days, provided the beans are kept dry, cool and away from the light. Always grind the coffee just before use and don't grind and fill your dose wright, as ground coffee will lose its vitality very quickly.
- **Clean:** Coffee should be treated like any food. Everything that comes in contact with it, and the coffee machine must be clean.
- **Fast:** Preparing coffee with efficient, careful speed ensures it is served to your customers whilst fresh, hot & delicious.
- **Consistent:** Our customers return for great coffee when it is made well, served fast and hot, prepared using the same recipe and presented the same way, every time, regardless of who is making it!
- **Food:** products are delivered weekly and are prepackaged, dated and frozen to preserve freshness.

Reporting: Sales reports for all merchandise will be available monthly or upon request. A separate report will be extracted showing what City merchandise was sold.

Mission/Vision/Core values:

At Soulfreak, we strive for the upmost quality, character, and excellence in all we do. Our goal is to create a home away from home environment for our customers.

Customer Service philosophy:

- **Product:** We aim to serve the best quality and most interesting varieties of espresso drinks, coffee, teas, and food.
- **Service:** We strive to treat our customers with prompt, efficient, and professional service will keeping a respectable and friendly attitude.
- **Atmosphere:** We provide a pleasant, clean, attractive and welcoming environment that promotes creativity and promotes conversions
- **Work Environment:** We aim to create a positive, respectful workplace that allows us to empower our staff to be themselves and to achieve their full potential.
- **Community:** We value our community and surrounding neighborhoods and love when we build relationships with our local repeat customers.
- **Consistency:** We have standards in place to ensure that we are providing the same service to each customer daily to entice them to return.

Brand information:

The Soulfreak brand is based on a smiling skeleton. The reasoning for the skeleton is to unify all race, religion, and political views in one place so everyone feels accepted and welcomed.

"Under it all we are all the same!"

The name Soulfreak means "Advocate for Souls and a freak for a purpose filled life!"

Marketing Plan: Soulfreak uses several social media platforms to promote specials, product promotions, entertainment, special events and programs.

EXHIBIT C

RULES AND REGULATIONS

General Operations

1. Lights should be on during operating hours.
2. Café staff will welcome and assist visitors with questions and refer them to the room with brochures and printed material.
3. No alterations to the building can be made without approval of the City.
4. Sign must be approved by the City Communications Department/CVB.
 - a. Exterior signage and marketing should not take away from the historical nature of the property or infringe on the aesthetic of the park or detract from the welcoming nature of a visitor center.
 - b. Outdoor signage must be appropriate for the historic district and comply with City Ordinances.
 - c. Neon exterior lighting is not allowed.
5. Cohesive messaging involving outdoor signage or indoor displays will be coordinated with the CVB to ensure a welcoming atmosphere. Merchandise and advertising placement should not impede into outdoor public spaces.
6. The Vendor will work with COLC Special event and CVB staff on the coordination of events and new programming. COLC Staff will establish regular advance communication of schedules to coordinate plans for programs, special events and festivals, park rentals, and special meetings taking place in the visitor center and League Park.
7. Use of outside porch for acoustic music is permitted until 8pm. The Vendor understands the need to be considerate of neighboring event venues and will coordinate quiet times during wedding vows, etc.
8. Coordination of visitor center use during special events and private rentals will be coordinated in advance. During these events, use of outside space when park is rented is limited.
9. The City reserves the right to use the premises at any point during the contracted period, with advanced notice given to the Vendor.

Business Requirements

1. It is the Vendors responsibility to obtain all the appropriate licenses for serving food and drink.
2. Accept all forms of payment including all major credit and debit cards.
3. The Vendor will provide and pay for the following services:
 - a. Point of Sale Equipment
 - b. Shop equipment
 - c. Shop cleaning supplies
4. The Vendor must provide all serving items such as cups, plates, cutlery.
5. The Vendor is responsible for obtaining a business registration through the League City Building Department.

League City Merchandise

1. Vendor is to sell League City consignment merchandise and be responsible for safe keeping of said merchandise. Merchandise can be marked up to recover credit card fees and to gain profit.
2. The City will provide the merchandise supply list and inventory reconciliation sheet.
3. The Vendor must send monthly system generated reports and give the City access to audit sales of the League City Merchandise.
4. Vendor is required to collect sales tax on anything sold and report to State Comptroller.
5. All goods and merchandise sold or offered for sale must conform in all respects to federal, state, and municipal laws, ordinances, and regulations.
6. Vendor, apart from League City merchandise, will have the liberty to sell their own merchandise for their own profit.

Deliveries

1. Vendor must schedule deliveries and restocking so that it does not conflict with peak traffic times nor interrupt City operations.
2. Vendor must develop a logistics program while maintaining sufficient inventory at the leased premises.
3. Scheduled deliveries will be discussed, arranged, and organized after award due to limited storage space for excess inventory.

Management

1. The Vendor will be required to hire paid staff and management to maintain the leased premises at their own costs.
2. The management, maintenance, and operation of the leased premises shall always be under the supervision and direction of an active, qualified, and competent manager.
3. The manager shall always be subject to the direction and control of Vendor.
4. The manager shall be assigned a duty station in the leased premises where he or she shall be available during normal business hours. Vendor further agrees to assign a qualified subordinate to be present and in charge of the leased premises, in the absence of the Manager.
5. Vendor shall insure that all employees under Vendor's jurisdiction are dressed in proper attire (no sheer clothing, clothing or hats with offensive language or graphic depictions, etc.). Use of offensive or foul language or gestures is strictly prohibited. Vendor's employees shall show respect for all customers.
6. Vendor is expected to properly train all employees engaged in work under this agreement regarding the safe handling and operation of the café shop equipment as well as any applicable safety issues.
7. Compliance with OSHA and the Texas Department of Health standards and regulations are mandatory. Worker violations of these standards and fines are the responsibility of the Vendor.

Janitorial Duties

1. Vendor shall supply all cleaning equipment and all cleaning supplies necessary for the job.
2. Vendor must regularly monitor and pick up litter within and around the cafe shop area.
3. Vendor shall use appropriate cleaner for work done: USDA approved cleaners when cleaning around food service areas and disinfectants and all-purpose cleaners when sterilizing and cleaning objects away from the food service area.
4. Garbage must be taken out every night to the cans provided by the City. No garbage shall be left in the cafe shop overnight.
5. Inside garbage containers must be lined with plastic liners. Liners must be replaced daily or more often if necessary. If odor becomes obvious or the City receives complaints, containers will be required to be washed out more often.
6. Vendor must break down all cardboard boxes.
Vendor must not leave any paper, boxes, etc. on the ground or outside the building. All boxes must be removed by the end of the day.