

# Lease Agreement

## Basic Terms

**Effective Date:** \_\_\_\_\_

**Landlord:** City of Lewisville, a Texas home rule municipality

**Landlord's Address:** 151 W. Church Street, Lewisville, Texas 75057

**Tenant:** Old Town Craft LLC, a Texas limited liability company

**Tenant's Address:** 343 Hobson Ln., Denton, TX 76205

**Premises:** 206 W. Main Street and 207 Elm Street, Lewisville, Texas 75057, as more specifically described in Exhibit "A" attached hereto.

**Term:** The Term of the Lease shall begin on the Commencement Date and shall end on the Termination Date.

**Option:** In the event of a Force Majeure event during the last twelve (12) months of the Term, as determined by the Landlord in the Landlord's reasonable discretion, the Tenant shall have the option to extend the Term for twenty-four (24) additional months beyond the original Termination Date. Tenant shall exercise such option by providing notice as set forth herein.

**Commencement Date:** The Lease shall commence upon full execution of this Lease by Landlord and Tenant and delivery of exclusive possession of the Premises to the Tenant.

**Termination Date:** (i) five (5) years following the end of the Rent Abatement Period (hereinafter defined), unless the Tenant exercises the option to extend the Term as set forth in the "Option" section, above; (ii) earlier termination of this Lease, as provided herein; or (iii) surrender of the Premises by Tenant to Landlord, whichever is the earlier to occur.

**Rent:** Following the Rent Abatement Period (hereinafter defined), Rent shall be paid monthly by the Tenant as follows:

Year of Term	Gross Monthly Rent
1	\$2,500
2	\$3,000
3	\$3,500
4	\$5,000
5	\$6,000

<b>Year of Term</b>	<b>Gross Monthly Rent</b>
Option – First 12 Months	\$7,000
Option – Second 12 Months	\$8,000

This Lease shall be a gross lease, with Landlord responsible for the real property taxes and insurance coverage for the Premises referenced below (except for Tenant’s insurance obligations in Exhibit B), the Tenant responsible for payment of business personal property taxes.

**Permitted Use:** Continuous operation (at least 70 hours per week) of a cocktail bar and lounge and a taproom with a covered patio, a beer garden, and a food truck park with a minimum of three (3) food trucks on the Premises, provided that operations at the Property may temporarily cease for Force Majeure and outages in the normal course of business, as reasonably approved by the Landlord.

**Tenant’s Insurance:** As required by Insurance Addendum, attached hereto as Exhibit “B”.

**Landlord’s Insurance:** Texas Municipal League Intergovernmental Risk Pool Property Endorsement.

### **Definitions**

“Arises” An Environmental Claim or Environmental Cleanup Liability shall be deemed to Arise upon each discrete Release of a Chemical Substance.

“Chemical Substances” shall mean any chemical substance, including, but not limited to, any sort of pollutants, contaminants, chemicals, raw materials, metals, intermediates, products, industrial, solid, toxic or hazardous substances, materials, wastes, asbestos, asbestos-containing materials, polychlorinated biphenyls, or petroleum products, including crude oil or any derived product or component thereof, including, without limitation, gasoline and any material or substance of any kind containing any of the above.

“Economic Development Agreement” shall mean that agreement entered into between Landlord and Tenant under Chapter 380 of the Texas Local Government Code on even date herewith.

“Environmental Claim” shall mean any claim, demand, action, suit or proceeding for the injury, disease or death of any person (including, without limitation, the Tenant, or Tenant’s successors, assigns, employees, agents and/or representatives), property damage, damage to the environment, or damage to natural resources made, arising or alleged to arise under, or relating to, any Environmental Law. Environmental Claim includes any damages, settlement amounts, fines and penalties assessed or costs of complying with any orders or decrees of courts, administrative tribunals or other governmental entities associated with resolving such claims, demands, actions, suits or proceedings and any costs, expenses and fees, including, without limitation, reasonable

attorney's fees, incurred in the investigation, defense and resolution of such claims, demands, actions, suits and proceedings.

"Environmental Cleanup Liability" shall mean any cost or expense of any nature whatsoever incurred to investigate, contain, remove, remedy, respond to, clean up, or abate any Release of Chemical Substances or other contamination or pollution of the air, surface water, groundwater, land surface or subsurface strata related to the operation, occupation, use, maintenance, abandonment or ownership of the Premises, whether such Release, contamination or pollution is located on, within, under or above the Premises or is located on, within, under or above any other lands or property including, but not limited to, any Release of Chemical Substances or other contamination or pollution arising out of or resulting from the manufacture, generation, formulation, processing, labeling, distribution, introduction into environment or commerce, or on site or off site use, treatment, handling, storage, disposal, or transportation of any Chemical Substance. Environmental Cleanup Liability includes, without limitation, any judgments, damages, settlements, costs or expenses (including, without limitation, attorneys', consultants, and experts' fees and expenses) incurred with respect to (i) any investigation, study, assessment, legal representation, cost recovery by a governmental agency or third party, or monitoring or testing in connection therewith, (ii) the Premises, as a result of actions or measures necessary to implement or effectuate any such containment, removal, remediation, response, cleanup or abatement, and (iii) the resolution of such liabilities.

"Environmental Law" means any statutes or legal requirements relating to or regulating pollution, worker, employee and occupational safety and health, protection or cleanup of the environment or damage to or remediation of damage to real property and natural resources (including, but not limited to, ambient air, surface water, groundwater, and land surface or subsurface strata) including, without limitation, legal requirements contained in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., as amended (CERCLA); the Resources Conservation and Recovery Act, 42 U.S.C. § 6901, et seq., as amended (RCRA); the Superfund Amendments and Reauthorization Act of 1986, Pub. L. 99-499, as amended (SARA); the Clean Air Act, 42 U.S.C. § 7401, et seq., as amended; the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., as amended; the National Environmental Policy Act, 42 U.S.C. § 4321, et seq., as amended (NEPA); and the Safe Drinking Water Act, 42 U.S.C. § 300f, et seq., as amended; and/or any other federal, state or local laws, statutes, ordinances, rules, regulations or orders (including decisions of any court or administrative body) relating to pollution, worker, employee and occupational safety and health, damage to and protection or cleanup of, the environment, real property and/or natural resources as described above. Environmental Law shall also mean the Toxic Substance Control Act, 15 U.S.C. § 2601, et seq., as amended (TOSCA), and/or any other federal, state (including, without limitation, laws with respect to trespass, nuisance and other torts or similar legal theories which may be applied to establish liability or responsibility for Environmental Cleanup or Environmental Claims) or local laws, statutes, ordinances, rules, regulations or orders (including decisions of any court or administrative body) relating to (i) release, containment, removal, remediation, response, cleanup or abatement of any sort of Chemical Substance, (ii) the manufacture, generation, formulation, processing, labeling, distribution, introduction into environment or commerce, use, treatment, handling, storage, disposal or transportation of any Chemical Substance, (iii) exposure of persons, including agents, contractors and employees of Tenant, to any Chemical Substance and other occupational safety or

health matters, or (iv) the environmental hazards relating to the physical structure or condition of a building, facility, tank, fixture or other structure, including, without limitation, those relating to the management, use, storage, disposal, cleanup or removal of any Chemical Substance.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control of the Tenant created by acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, governmental or de facto governmental action including, but not limited to, government actions pertaining to the determination of flood zones or FEMA actions (unless caused by acts or omissions of the Tenant), fire, explosion, flood, strikes, pandemic, or endemic; provided, however, that (a) the event giving rise to Force Majeure was not caused by the act or omission of the Tenant and makes the performance of any obligation created under this Agreement illegal or impossible; and (b) the Tenant gives reasonable notice of the event giving rise to Force Majeure and exercises all reasonable diligence to remove the cause of Force Majeure.

“Injury” means (a) damage, harm to or impairment or loss of property or its use, including without limitation, personal property, real property and/or natural resources, and (b) harm to or death of a person.

“Landlord” means Landlord and its elected officials, agents, employees, invitees, or licensees.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, spraying, emptying, discharging, escaping, leaching, dumping or disposing, in any way, manner or form, of any Chemical Substance into the environment (including, but not limited to, the ambient air, surface water, groundwater and/or land surface or subsurface strata) of any kind whatsoever (including without limitation the abandonment or temporary abandonment or discarding of barrels, containers, tanks or other receptacles containing or previously containing any Chemical Substance).

“Rent Abatement Period” shall mean a period beginning on the Commencement Date and continuing until one hundred and eighty (180) days following the date that the Tenant opens all Permitted Uses for business on the Premises.

“Tenant” means Old Town Craft LLC, a Texas limited liability company.

## **Clauses and Covenants**

### **A. Tenant agrees to:**

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date. Notwithstanding, this Lease is expressly contingent upon Tenant’s ability to obtain building permits, liquor permits, and a Certificate of Occupancy for the Permitted Use. If such contingencies cannot be met, as reasonably determined by Tenant, Tenant will have the right to terminate this Lease upon thirty (30) days written notice to Landlord.

2. ACCEPT THE PREMISES IN THEIR PRESENT CONDITION “AS IS,” “WHERE IS” AND “WITH ALL FAULTS”, EXCEPT AS OTHERWISE PROVIDED FOR HEREIN. TENANT STIPULATES THAT IT HAS THOROUGHLY INSPECTED THE

PREMISES AND FINDS THAT THE PREMISES IS CURRENTLY SUITABLE FOR THE PERMITTED USE. EXCEPT AS PROVIDED HEREIN, LANDLORD MAKES NO REPRESENTATION, COVENANTS OR WARRANTIES, EXPRESSED, IMPLIED OR OF ANY KIND OR NATURE CONCERNING OR WITH RESPECT TO THE PREMISES, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, QUALITY, HABITABILITY, SUITABILITY, OR FITNESS FOR PARTICULAR PURPOSE OR USE. TENANT STIPULATES TO LANDLORD THAT IT IS AWARE OF THE CONDITION OF THE PROPERTY. TENANT REPRESENTS AND WARRANTS TO LANDLORD THAT THERE WILL BE NO CHEMICAL SUBSTANCES CONTAINED OR STORED OR THAT HAVE BEEN RELEASED IN OR ON THE PREMISES DURING THE LEASE TERM THAT WOULD RESULT IN AN ENVIRONMENTAL CLAIM OR ENVIRONMENTAL CLEANUP LIABILITY. TENANT SHALL BE REQUIRED TO PERFORM ALL WORK NECESSARY TO OBTAIN A CERTIFICATE OF OCCUPANCY, INCLUDING ALL SIGNAGE AND FURNITURE, FIXTURES, AND EQUIPMENT.

3. Obey (a) all applicable laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises, and (b) any requirements imposed by utility companies serving, insurance companies, and/or the TML Intergovernmental Risk Pool, covering the Premises.

4. Following the Rent Abatement Period, pay monthly, in advance, on the first day of the month, the Rent due to Landlord at Landlord's address.

5. Pay a late charge of 5% of any Rent not received by the Landlord by the tenth (10<sup>th</sup>) day after it is due.

6. Obtain and pay for all utility services used by Tenant.

7. Pay all costs related to the utilities, of any kind or nature, consumed at the Premises.

8. After receiving at least twenty-four (24) hours' advance written notice (which may be sent by email), allow Landlord to enter the Premises to perform Landlord's obligations, if any, inspect the Premises, and show the Premises to prospective purchasers or tenants, if applicable. Twenty-four (24) hours' advance written notice shall not be required in case of an emergency requiring performance of Landlord's obligations. The notice requirement herein shall not apply to inspections to ensure compliance with applicable state and local laws and regulations, including any inspection necessary to issue required permits. At least once a year, Tenant shall accompany Landlord on a joint walkthrough and inspection of the Premises.

9. Maintain the Premises in a good state of condition, normal wear and tear excepted. Except as otherwise provided for in this section, Tenant shall be responsible for maintenance of any improvements installed, added, or changed by Tenant, grease trap, mainline utilities up to the point they enter the buildings on the Premises, the interiors, all utilities, HVAC, doors, windows and storefronts, landscaping, exterior doors and windows of the Premises, outdoor improvements, including but not limited to, patios, decks, and any other outdoor gathering areas and appurtenances thereto, for regular cleaning of the patios and outdoor areas, mowing and landscaping of outdoor areas. Landlord shall be solely responsible for maintaining the roof,

exteriors (not including doors, windows, and storefronts), structural components, and foundation so long as such maintenance is not required due to the actions of the Tenant.

10. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord. Landlord shall commence all such repairs, replacement, and maintenance within thirty (30) days of receiving notice of the need therefor, with the exception of any roof leak causing water penetration into the Premises, which Landlord shall commence to repair within five (5) business days of receiving notice thereof, and in each event, Landlord shall thereafter diligently pursue such repair to completion. Requests shall be sent using the Landlord's provided repair request form and shall include whether Tenant believes repairs required hereunder must occur within thirty (30) calendar days or five (5) business days due to water intrusion. Where a request is silent, it will be assumed that repairs may commence within thirty (30) days. Landlord may make reasonable changes to the format of the repair form or the manner in which it is to be submitted upon thirty (30) days advance notice to Tenant.

11. Vacate, in its entirety, the Premises on or before the Termination Date. Tenant shall remove all personal property and trade fixtures and any other property, excepting the buildings, structures, improvements and other facilities that are fixtures, other than trade fixtures, to the Premises (collectively, "Tenant's Personal Property") owned by it from the Premises on or before the Termination Date, and shall execute a written stipulation waiving any and all rights the Tenant may have to the Premises and such property remaining on the Premises after that date, as set forth in subsection A.15, below.

12. **INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY DAMAGE OR INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN OR RELATED TO ANY PORTION OF THE PREMISES UNLESS CAUSED BY THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR DEFAULT UNDER THIS LEASE OF THE LANDLORD, AND RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE LANDLORD UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE LANDLORD OR TENANT UNDER TEXAS LAW, AND THE LANDLORD'S REASONABLE ATTORNEY'S FEES SHALL BE REIMBURSED IN PROPORTION TO THE TENANT'S LIABILITY. THE INDEMNITIES CONTAINED IN THIS PARAGRAPH ARE (A) INDEPENDENT OF TENANT'S INSURANCE, (B) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, AND (C) WILL NOT SURVIVE THE END OF THE TERM. LANDLORD SHALL NOT BE RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, RESULTING FROM THE PERFORMANCE OF THIS AGREEMENT, WHETHER DAMAGES ARE GENERAL OR SPECIAL, AND WHETHER ARISING FROM BREACH OF CONTRACT OR TORT.**

13. During the term of this Lease, Tenant shall not locate, store or dispose in or on, or release or discharge from (including groundwater contamination) the Premises, any Chemical Substances that could result in an Environmental Claim or Environmental Cleanup Liability.

14. At no cost or expense to Landlord, take all actions necessary to comply with all Environmental Laws affecting the Premises which arise from any Chemical Substances Tenant locates, stores, or disposes in or on, or releases or discharges (including groundwater contamination) from the Premises.

15. Declare that any of Tenant's Personal Property remaining on the Premises after the Termination Date shall be deemed Abandoned Property, as prescribed by Section E.22., below, and may be disposed of by Landlord in any manner prescribed by Section E.22., below.

16. Waive all rights to protest the appraised value of the Premises or to appeal the same and all rights to receive notices of reappraisal as set forth in sections 41.413 and 42.015 of the Texas Tax Code.

17. Complete all improvements to the Premises as set forth in the Economic Development Agreement, within the timeframes provided therein, as they may be extended.

18. In accordance with section 2252.909 of the Texas Government Code, as it exists or may be amended:

- a. include in each contract for the construction, alteration, or repair of an improvement to the Premises a condition that the contractor:
  - i. Execute a payment bond that conforms to Subchapter I, Chapter 53 of the Texas Property Code; and
  - ii. Execute a performance bond in an amount equal to the amount of the contract for the protection of the Landlord and condition on the faithful performance of the contractor's work in accordance with the plans, specifications, and contract documents.
- b. Provide to the Landlord a notice of commencement consistent with section 2252.909 of the Texas Government Code, as it exists or may be amended, at least 90 days before the date the construction, alteration, or repair of any improvement to the Premises begins.

**B. Tenant agrees not to:**

1. Use the Premises for any purpose other than the Permitted Use.
2. Create a nuisance.
3. Permit any waste.
4. Use the Premises in any way that would increase insurance premiums or void insurance on the Premises.
5. Change the lock system of the Premises without the prior written consent of the Landlord, which will not be unreasonably withheld, conditioned, or delayed.

6. Alter the Premises except as set forth in the Economic Development Agreement.
7. Allow a lien to be placed on the Premises and fail to remove same within thirty (30) days of receiving notice thereof.
8. Assign this Lease or sublease any portion of the Premises.

**C. Landlord agrees to:**

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Permit Tenant to install its typical signage on the storefront of the buildings on the Premises, subject to government agency and Landlord approval, including, but not limited to, approval by the City of Lewisville Old Town Design Review Committee.

**D. Landlord agrees not to:**

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default hereunder beyond any applicable cure period.

**E. Landlord and Tenant agree to the following:**

1. *Alterations.* Any physical additions, improvements or alterations to the Premises made by Tenant must be either included in and carried out in accordance with the Economic Development Agreement or consented to by Landlord, in its reasonable discretion, such consent not to be unreasonably withheld, conditioned, or delayed. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord.

2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abatement of Rent for any reason.

3. *Insurance.* Tenant will maintain the insurance coverages described in the attached Insurance Addendum during the Term of this Lease. Tenant may not take exclusive possession of the Premises without Landlord's receipt of Tenant's certificate of insurance proving that Tenant carries all required insurance coverages.

4. *Release of Claims.* **TENANT RELEASES LANDLORD FROM ANY AND ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE PREMISES, AND LOSS OF BUSINESS OR REVENUES INCIDENT TO, ARISING FROM OR RELATED TO TENANT'S OCCUPATION OF THE PREMISES. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE, OF ANY KIND, TYPE OR DEGREE, OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE WILLFUL MISCONDUCT, GROSS NEGLIGENCE OF LANDLORD,**



**OR LANDLORD'S FAILURE TO COMPLY WITH THIS LEASE AND/OR APPLICABLE LAW.**

5. *Casualty/Total or Partial Destruction.* If the Premises are substantially damaged by casualty to the extent the Permitted Use may not continue absent repair, unless the Premises is repaired by Tenant as provided in Section A.9., above, this Lease will terminate without liability of any kind to Landlord and Tenant will have no further obligations under the Lease, except for those set forth in sections A.12 and E.4, which shall survive the termination of this Lease.

6. *Condemnation/Substantial or Partial Taking*

- a. If the Premises cannot be used for the purposes contemplated by this Lease because of condemnation or purchase in lieu of condemnation, this Lease will terminate.
- b. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation provided to Landlord by reason of such condemnation, however, Tenant will be entitled to apply for reimbursement from the condemning authority (if permitted by law) for an award of damages on account of the taking so long as such action shall not affect the amount of compensation otherwise recoverable by Landlord from the condemning authority.

7. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this Lease within thirty (30) calendar days after written notice.

8. *Default by Landlord/Tenant's Remedies.* Except as otherwise set forth in this Lease, Tenant's remedies for Landlord's default are solely to either (i) enforce the terms of this Lease by specific performance; or (ii) terminate this Lease. THE REMEDIES OF TENANT AS SET FORTH HEREIN ARE SOLE AND EXCLUSIVE AND TENANT WAIVES ANY OTHER RIGHT OR REMEDY THAT MIGHT BE AVAILABLE.

9. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent if such failure continues for more than ten (10) days beyond the date Rent is due; (b) Tenant abandoning or vacating a substantial portion of the Premises without surrendering the Premises to Landlord; (c) failing to adhere with the requirements of the Permitted Use at any time following written notice from Landlord, as follows: (i) if Tenant is closed at the time of notice, it must reopen within three (3) days of receiving notice of noncompliance from the City and adhere to the Permitted Use requirements; or (ii) if Tenant falls short of the minimum 70-hour weekly requirement, it will not be required to make up deficit hours; however, such shortfalls as set forth in (ii) shall not exceed three (3) instances per calendar year. The City Manager may, in her sole discretion, increase this number of days allowed for reopening following closure and notice as set forth in (i) or the annual cap for total instances of shortfall as set forth in (ii); (d) Tenant failing to comply, within twenty-one (21) calendar days after written notice or such longer period of time as is reasonably necessary under the circumstances, as reasonably approved by Landlord, so long as Tenant commences to cure such default within such period of time, and thereafter diligently

pursues such cure to completion), with any provision of this Lease, but excluding the defaults set forth in (a) and, (b) above, which shall require no notice of default to Tenant and the defaults set forth in (c) above, which shall require notice as set forth therein; (d) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors; (e) a receiver or trustee shall be appointed for all or substantially all of the assets of Tenant; (f) Tenant shall file a voluntary petition in bankruptcy or admit in writing that it is unable to pay its debts as they become due; (g) Tenant shall apply for or consent to the appointment of a receiver, trustee, custodian, intervener or liquidator of itself or of all or substantial part of its assets; (h) Tenant shall file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; (i) any of Tenant's representations or warranties contained in this Lease are untrue at any time during the Term, and (j) termination of the Economic Development Agreement for any reason that is not related to Tenant's contingency set forth in section A.1.

10. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, (b) terminate this Lease by written notice to Tenant, or (c) pursue condemnation of the leasehold estate. Landlord shall also have all other remedies available under the law in case of a default or termination.

11. *Default/Waiver/Mitigation.* It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Except as to the sole and exclusive remedies of Tenant and Landlord, pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by applicable law.

12. *Holdover.* If Tenant does not vacate the Premises following termination of this Lease, Tenant will become a tenant at sufferance. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. Tenant stipulates that its possession of the Premises after the expiration of the Term, as a tenant of sufferance, will cause damage to Landlord in an amount equal to twice the prorated Rent that would have been due for the period of holdover.

13. *Lease of Commercial Rental Property.* Tenant represents and warrants that the Premises is commercial rental property, as defined in Chapter 93 of the Texas Property Code.

14. *Option to Purchase Premises.* Landlord grants to Tenant an option to buy the leased premises at any time Tenant may elect following the beginning of the Rent Abatement Period and before the Termination Date, at a price of EIGHT HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS (\$850,000.00), provided Tenant shall have performed the Lease and made all payments required up to that time, subject to the applicable notice and cure provisions provided for in this Lease. In the event of the exercise of this option as provided in this section, Landlord agrees to convey the property to Tenant by special warranty deed free and clear of all encumbrances except the taxes and assessments which under this lease are to be paid by Tenant and any preexisting easements on the Premises. In the event and upon the Tenant's exercise of the option to purchase the Premises in the manner provided, the terms of the sale including but not limited to earnest money, due diligence period, and closing period shall be formalized in a purchase contract. Whenever Tenant shall desire to exercise this option, Tenant shall give Landlord written notice. Absent Force Majeure, the purchase shall in any event be completed by conveyance of the

property and payment of the purchase price within ninety (90) days from the delivery of notice of intent to exercise this option, and if the notice is not given by Tenant ninety (90) days before the Termination Date, then this option shall be null and void. During the last thirty (30) days of the Term, if this option is not exercised, Landlord may place a sign on the Premises advertising the Premises for rent or for sale. **Upon advance written notice to Tenant, the City Manager may extend the timing to pay the purchase price and complete the conveyance of the property, as referenced in this paragraph, for up to sixty (60) days in her sole and absolute discretion.** In the event and upon the Tenant's exercise of the option to purchase the Premises in the manner provided, this Lease shall immediately terminate at the time of closing on the Premises. Tenant may file a memorandum of lease in the property records with respect to its ROFR.

15. *Right of First Refusal* ("ROFR"). If, following the beginning of the Rent Abatement Period and before the Termination Date, the Landlord shall receive a bona fide offer to purchase the Premises which the Landlord desires to accept, the Landlord shall notify the Tenant in writing of such bona fide offer stating the price and other terms of the offer. Tenant shall have sixty (60) days following the mailing of this written notice within which to notify the Landlord in writing as to whether the Tenant desires to exercise the option to purchase the Premises as set forth in section E.14., above. Any neglect or failure on the part of the Tenant to respond to the Landlord's notice of the bona fide offer shall be conclusively deemed to be an election not to purchase the Premises. If the Tenant elects either directly or indirectly not to purchase the Premises by exercising the option set forth in section E.14., above, then the Landlord shall be at liberty to sell and convey the Premises. In the event and upon the Tenant's exercise of the option to purchase the Premises in the manner provided, the process to exercise such option and purchase the Premises shall move forward as set forth in section E.14., above. **Upon advance written notice to Tenant, the City Manager may extend the timing referenced in this paragraph for up to ninety (90) days in her sole and absolute discretion.**

16. *Notice of Possible Asbestos-Containing Materials.* Buildings or structures located on the Premises may contain asbestos-containing material or presumed asbestos-containing material as defined by OSHA regulations. Tenant has inspected the Premises and conducted such tests and inspections as Tenant deems necessary or desirable. Tenant will provide Landlord with copies of all such test results and inspections. Tenant will comply with all rules and regulations relating to asbestos in performing any maintenance, housekeeping, construction, renovation, or remodeling of the Premises, and Tenant will bear all costs related to removal and disposal of asbestos from the Premises.

17. *Venue.* EXCLUSIVE VENUE FOR ANY ACTION HEREUNDER IS IN DENTON COUNTY, TEXAS, THE COUNTY IN WHICH THE PREMISES ARE LOCATED.

18. *Entire Agreement.* This Lease, together with the attached exhibits, comprises the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this Lease or occupation of the Premises. Tenant is not relying on any statements or representations that are not in this Lease and any exhibits.

19. *Amendment of Lease.* This Lease may be amended only by an instrument in writing, duly authorized and signed by Landlord and Tenant. Notwithstanding anything to the contrary

herein, the authority to amend this Lease by Landlord is not delegated by the City Council of Landlord.

20. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, QUALITY, SUITABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

21. *Notices.* Any notice given by one party to the other in connection with this Lease shall be in writing and shall be sent by certified mail, return receipt requested, with postage fees prepaid, or via electronic mail as follows:

A. If to Landlord, addressed to:

City of Lewisville  
Attn: Director of Economic Development  
Email: economicdevelopment@cityoflewisville.com  
151 W. Church Street  
P.O. Box 299002  
Lewisville, Texas 75057

B. If to Tenant, addressed to:

Old Town Craft LLC  
Attn: John Williams  
Email: thekid1254@yahoo.com  
343 Hobson Ln.  
Denton, TX 76205

Notice shall be deemed received for all purposes three (3) business days after being placed in the United States mail, as set forth herein, or when delivered by e-mail to the other party at the e-mail address provided above.

22. *Abandoned Property.* Landlord may retain, destroy, or dispose of any property, of any kind or type, including without limitation, Tenant's Personal Property left or remaining on the Premises after the Termination Date ("Abandoned Property") without liability of any kind to Landlord and without payment of consideration of any kind to Tenant.

23. *No Broker.* Tenant represents and warrants to Landlord that it has not contracted with or otherwise retained any broker or any other third party related to this Lease to whom any commission or other fee may be payable.

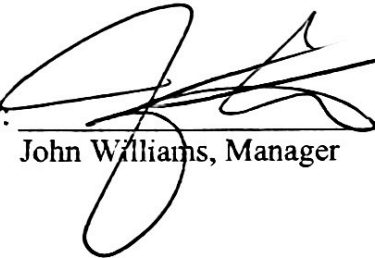
24. *Authority of Tenant and Landlord.* Tenant and Landlord represent and warrant to one another that each has taken all actions necessary to authorize the party executing this Lease to bind, in all respects, Tenant and Landlord, as the case may be, to all terms and provisions of this

Lease, and that such person possesses the authority to execute this Lease and bind Tenant and Landlord hereto.

25. *Delegation of Authority.* Except as otherwise expressly provided herein, any action that is to be or may be taken by Landlord under this Lease is hereby delegated by Landlord, pursuant to approval of this Lease by City Council of Landlord, to the City Manager of Landlord, or her designee.

**TENANT:**

Old Town Craft LLC

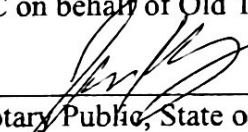
By:   
John Williams, Manager

**ACKNOWLEDGMENT**

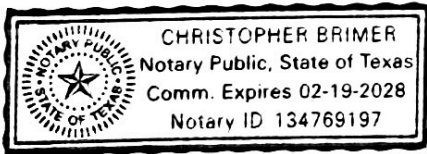
STATE OF TEXAS §

COUNTY OF DENTON §

This instrument was acknowledged before me on 11/04/24 by John Williams, Manager of Old Town Craft LLC on behalf of Old Town Craft LLC, a limited liability company.

  
\_\_\_\_\_  
Notary Public, State of Texas

My commission expires: 02/19/2028



**LANDLORD:**

CITY OF \_\_\_\_\_

BY: \_\_\_\_\_  
\_\_\_\_\_, City Manager

ATTEST:  
\_\_\_\_\_, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO FORM:  
\_\_\_\_\_, CITY ATTORNEY

BY: \_\_\_\_\_

STATE OF TEXAS           §

COUNTY OF DENTON       §

This instrument was acknowledged before me on (date) by Claire Powell as City Manager of the City of Lewisville, Texas.

\_\_\_\_\_  
Notary Public, State of Texas

My commission expires: \_\_\_\_\_

Exhibit "A"  
Legal Description  
(Attached)

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206 W. Main Street, Lewisville TX

**Being Lot 2, Block A, Salvation Army Addition, an addition to the City of Lewisville, Denton County, Texas, according to the plat thereof recorded in Cabinet N, Page 213, Plat records, Denton County, Texas.**

207 Elm Street, Lewisville, TX

**Being Lot 1, Block A, Salvation Army Addition, an addition to the City of Lewisville, Denton County, Texas, according to the plat thereof recorded in Cabinet N, Page 213, Plat records, Denton County, Texas.**

Exhibit "B"

Insurance  
(Attached)

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**INSURANCE REQUIREMENTS**  
**LESSEES (NO AUTO RISKS) AND SPECIAL EVENTS**

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

**A. MINIMUM SCOPE OF INSURANCE**

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage "occurrence" form CG 00 01 (10 01). **"Claims Made" form is unacceptable.**
2. Workers' Compensation insurance as required by the Labor Code of the State of Texas and Employers' Liability insurance. Workers' Compensation insurance is only required if Lessee has paid staff on site.

**B. MINIMUM LIMITS OF INSURANCE**

Lessee shall maintain limits no less than:

1. Commercial General Liability: \$500,000 per occurrence/\$1,000,000 aggregate for bodily injury, personal injury and property damage.
2. Workers' Compensation and Employers Liability: Workers' Compensation Statutory Limits as required by the Labor Code of the State of Texas and Employers Liability minimum limits of \$500,000 per injury, \$500,000 per occurrence, and \$500,000 per occupational disease.

**C. DEDUCTIBLES AND SELF-INSURED RETENTIONS**

Any deductibles or self-insured retentions must be declared to and approved by the City.

**D. OTHER INSURANCE PROVISIONS**

The policies are to contain or be endorsed to contain the following provisions:

1. General Liability
  - a. The City, its officers, officials, employees, boards/commissions and volunteers are to be covered as "additional insured" as respects: liability arising out of premises owned, occupied or used by the Lessee. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers. Endorsement naming City as additional insured must be submitted with proof of insurance. The coverage shall include defense of claims against the City as additional insured.
  - b. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

- c. Coverage shall state that the Lessee's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.
- d. Lessee's insurance shall be primary and non-contributory as respects to the City, its officers, officials, employees or volunteers.

**2. Waiver of Subrogation – All Coverages**

Each insurance policy required by this exhibit shall waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the vendor for the City.

**3. Notice of Cancellation**

Each insurance policy required by this exhibit shall be endorsed to state the coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City, or ten (10) days prior written notice for non-payment of premium.

**E. ACCEPTABILITY OF INSURERS**

City prefers that insurance be placed with insurers with a Best's rating of **A-:VI or A or better** by Standard and Poors.

**F. VERIFICATION OF COVERAGE**

Lessee shall furnish the Agency with certificates of insurance affecting coverage required by this clause. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. Certificates of Insurance must be provided on forms approved by the Texas Department of Insurance. The certificates are to be received and approved by the City before the lease commences. The City reserves the right to require complete, certified copies of all required insurance policies at any time.

**G. FOOD AND/OR LIQUOR COVERAGE**

If food is being provided to attendees or participants, Lessee must provide Product Liability in the amounts listed above. If liquor is being served, Lessee must provide Host Liquor Liability, unless lessee is in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages, wherein a minimum \$1,000,000 Liquor Liability Policy will be required.

**H. SPECIAL EVENTS**

Insurance provided by the Lessee must cover all operations of the Special Event including but not limited to; participants, subcontractors, vendors, exhibitors, volunteers, etc. If the policy of the Lessee excludes any activity or group involved in the Special Event, the Lessee must provide proof of insurance as required by this agreement. Lessee must furnish separate certificates for each group or activity not included or covered by Lessee's insurance.

**I. HOLD HARMLESS AND INDEMNIFICATION**

THE LESSEE AGREES TO DEFEND, INDEMNIFY AND HOLD THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, HARMLESS AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH),

PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS, THAT MAY ARISE OUT OF OR BE OCCASIONED BY LESSEE'S BREACH OF ANY OF THESE TERMS AND CONDITIONS OR BY ANY NEGLIGENT OR STRICTLY LIABLE ACT OR OMISSION OR INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONTRACTOR OR SUPPLIER COMMITTED BY, LESSEE, ITS OFFICERS, AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THIS AGREEMENT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THE PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF THE CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF THE LESSEE AND THE CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW AND THE CITY'S REASONABLE ATTORNEY'S FEES SHALL BE REIMBURSED IN PROPORTION TO THE LESSEE'S LIABILITY. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.