

Texas Commercial Lease Agreement

In consideration of the Landlord's leasing of the premises to the Tenant, the Tenant's leasing from the Landlord the premises, and the mutual benefits and obligations conferred by this lease on the Parties, and in recognition of the receipt and sufficiency of said consideration, the Parties hereby agree to the following terms and conditions:

I. The Parties – Lease agreement is between Lessor under the individual/entity (hereinafter known as the "Landlord") known as **Ruben Becerra** and the Lessee under the individual/entity (hereinafter referred to as the "Tenant") known as **SM Coffee Ventures LLC** EIN 92-1461247

II. Premises – The space/property being leased shall be described as: 201 S LBJ Dr., San Marcos, TX 78666 (IMPT only)
(Hereinafter referred to as the "Premises").

III. Space Rented - The space described equals: Approx. **1008** Square Feet (SF)

IV. Term – The term of the lease shall be three years **beginning on January 1st, 2023 ending on the January 1st, 2026. If tenant has remained in good standing throughout the current lease, an additional 3 year renewal will be offered to tenant with same conditions.**

V. Rent – Rent shall be paid on the 1st of every month in the amount of **\$3,000.00**. Rent shall increase 5% each year beginning every January 1st.

VI. Security Deposit – The Tenant is required pay **\$3,000.00** as a Security Deposit. If the Tenant follows the terms and conditions of this agreement in good faith and without damaging the Premises, the Security Deposit will be returned within ten (10) business days at the end of the lease. Otherwise, any repairs needed for the Premises will be deducted from the Security Deposit.

VII. Condition Upon Move-In

- The Tenant agrees to take tenancy of the property on an "as is" basis, willing to make all fit-ups (if needed) on the Premises at the expense of the Tenant.
- Landlord has agreed to leave items below for the benefit of the Tenant. The use of items listed will be maintained in good working order.

1) Exhaust hood vent

2) Three compartment sink with small grease trap

All fixtures shall remain on the premises at the end of the lease term.

VIII. Improvements During Lease Term - The Tenant, with written approval of the Landlord that may not be unreasonably withheld, shall be able to make any type of improvement to the Premises.

IX. Use – The Tenant will occupy the Premises for the following use: **Food and Beverage Establishment**

X. Utilities and Other Expenses

All utilities will be transferred into Tenants name starting January 1, 2023.

XI. Landlord’s Representations – At the time of lease signing, the Premises shall be properly zoned for the Tenant’s stated use as stated in Section XI and will be in compliance with all applicable state and federal laws and regulations. The Premises shall not have been used for the storage or disposal of any toxic or hazardous substances, and the Landlord has received no notice from any governmental authority concerning removal of any toxic or hazardous substances from the property.

XII. Landlord’s Responsibility

Landlord will not be responsible for any repairs or maintenance of the property or equipment

XIII. Tenant’s Responsibility

Tenant will be responsible for all repairs and maintenance of the property and equipment

XIV. Insurance

Tenant agrees to carry fire and hazard related coverage insurance for the Premises. Tenant agrees to carry public liability insurance that includes the Landlord as an insured party for personal injury.

The coverage the Tenant shall provide will be in the amount(s) of: \$1,000,000.00. This agreement automatically releases the Landlord and Tenant from each other in reference to liability for property, loss, damage, personal injury, or anything else covered by the insurance plan.

XV. Taxes

Check Who Pays

Landlord Tenant - **Real Property Taxes**

Landlord Tenant - **Personal Property Taxes**

XVI. Subletting – The Tenant does **XX** does not have the right to sublet the Premises. Any new Tenant under a sublease must meet the approval of the Landlord and such approval shall not be unreasonably withheld.

XVII. Damage to the Premises – The Tenant may terminate the lease agreement if necessary repairs to the Premises due to fire, flood, or any natural catastrophe keep the Tenant from being open for over ninety (90) days.

- If the Tenant is not able to be open for the ninety (90) day period due to damage to the Premises, there will be no rent paid during said period.

XVIII. Default – If the Tenant defaults on the lease agreement for non-payment of rent or for any other reason, the Landlord agrees to give notice to the Tenant giving the Tenant the right to cure the issue(s). If the Tenant does not cure the issue(s) within the amount of time stated in the notice, then the Landlord has the right to take legal action.

XIX. Holding Over – If the Tenant remains in possession of the Premises after the lease agreement ends, the tenancy shall continue on a month-to-month basis unless the Landlord gives notice for the Tenant to vacate.

XX. Disagreements During the Lease Period – If a disagreement arises during the lease period, the following actions shall take place:

- Mediation with Possible Litigation – If there is a dispute between the Landlord and Tenant, all parties agree to attempt to come to an agreement through the use of an agreed upon mediator.
- It is agreed that the cost(s) involved in hiring the mediator shall be shared equally and that each party shall cooperate in a good faith attempt to reach a resolution. Both parties agree that they shall allow the mediator thirty (30) days from the first (1st) meeting to reach a compromise before going to court.
- The Landlord shall not have to attend the mediation or arbitration process unless Tenant is current with the rental payments.

XXI. Additional Agreements – Landlord and Tenant additionally agree to the following:

- Landlord will maintain sole discretion of political sign placement on property.
- Tenant has agreed to have exclusive use of the building and shared use of the surrounding area (parking and green areas). The goal is to allow flexibility for future “shared use” of the grounds.
- The land is not owned by the Landlord. In the event the land owners require the land to be vacated, this contract will have to follow the timeline to vacate from the landowners.

XXII. Entire Lease Agreement – This document supersedes any other writings in relation to the Premises and has authority over any oral agreements made between the Landlord and Tenant.

XXIII. Successors and Assignees – All assignees of the parties including heirs, successors, or anyone else that may be considered is mutually bound by this lease agreement.

XXIV. Notices – All notices in relation to the Premises or this lease agreement shall be in writing and delivered to the following address below via Certified Mail with Return Receipt:

<p>Landlord <u>Ruben Becerra</u> <u>208 E Mimosa Circle</u> <u>San Marcos, TX 78666</u></p>	<p>Tenant SM Coffee Ventures LLC</p>
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XXV. Governing Law – This lease agreement will be governed by and construed in accordance with the laws in the State of Texas.

XXVI. Counterparts and Modifications

- The Landlord and Tenant agree that they shall sign several identical counterparts of this lease and any fully signed counterpart shall be treated as an original.
- Only writing(s) signed by the party against whom such a modification is sought to be enforced shall modify this lease.

XXVII. Waiver - If either Landlord or Tenant waives any term or provision of this lease at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this lease, that party retains the right to enforce that term or provision at a later time.

XXVIII. Early Termination - The tenant does not have the option to terminate the lease.

XXIX. Severability - If any court determines that any provision of this lease is invalid or unenforceable, any invalidity or unenforceability will affect only that provision. It will not make any other provision of this lease invalid or unenforceable, and shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

Signatures

Landlord

[Signature]

Name: Ruben Becker

Date: 12-14-22

Tenant

[Signature]

Name: Reinhard Dorrington

Date: 12-14-22

- Personal Guaranty - Upon my authorization of this agreement, I personally guarantee the performance of all financial obligations under this lease.

_____ Date: _____

Name: _____

* Next payment will be due
Feb. 1 for \$1500.
Then, \$3,000 monthly moving forward.

[Signature]

Notary Acknowledgment

State of: _____

County of: _____

On ___/___/___, before me, _____
(notary)

Personally appeared,

Landlord

Tenant

Name: _____

Name: _____

Date: _____

Date: _____

Proved to me on the basis of satisfactory evidence, to be the persons whose names are subscribed to the within instrument, and has hereby acknowledged to me that they have executed the same in their authorized capacities, and that by their signatures on the instrument the persons or the entity upon behalf of which the persons acted, executed the instrument.

Witness my hand and official seal

Notary Signature

Print Name