

LEASE AGREEMENT

This Lease made and entered into by **N. O. PROPERTIES, LTD.**, a Texas Limited Partnership hereinafter referred to as "LANDLORD", and **Gate Food Services LLC** (if more than one, all obligations and liabilities of those named will be joint and several) **DBA Rome's Pizza (Helotes)**, hereinafter referred to as "TENANT".

WITNESSETH:

ARTICLE 1. DEFINITIONS

Except as otherwise defined hereinafter, the following terms, for the purpose of this Lease shall be defined as follows:

1.1 DATE OF LEASE: October 1, 2017

1.2 TERM OF LEASE: Five(5) years

1.3 BASE MONTHLY RENTAL:

\$4,500.00 per month from October 1, 2017 through September 30, 2022

1.4 INITIAL MONTHLY COMMON AREA MAINTENANCE COSTS: \$1,527.36 per month (\$0.35p.s.f./month) (includes property CAM, Taxes and Insurance expenses)

1.5 MONTHLY REAL ESTATE TAXES AND ASSESSMENTS CHARGE: included in 1.4

1.6 TRADE NAME OF TENANT AND PERMITTED USE: Rome's Pizza. (Pizzeria)

1.7 Options: Tenant has the right to exercise two five(5) year options for lease renewal at market price.

1.8 ADDRESS OF TENANT:

Tenant's Business:
Rome's Pizza
12411 Bandera, Suite 108
Helotes, TX 78023
Phone #: (210) 695-9933
Cel #: (210) 249-1375
Fax #: (210) 695-9304
Tax ID #: 32032743836

Tenant's Home:
Tony Capriatti
8935 Hubbard Hill
San Antonio, TX 78254
Phone #: (210) 688-0567
SS #: 453-55-3478
DL #: TX 22735661

1.8 ADDRESS OF LANDLORD: **N.O. PROPERTIES, LTD**
Hill Trail Center
P.O. Box 691172
San Antonio, Texas 78269
Tax ID #: 20-387324
Phone #: (210) 863-2079 (210) 325-6863

1.9 SHOPPING CENTER: All of the **HILL TRAIL CENTER**, comprising that land situated in the City of **Helotes, Bexar County, Texas**, as described in Exhibit "A" hereto.

1.10 COMMON FACILITIES AND AREA: The parking area, streets, driveways, aisles, sidewalks and other common and service area within the Shopping Center, as described above, and the improvements thereon, and as same may be enlarged, reduced, or otherwise changed by Landlord from time to time.

1.11 GROSS LEASE AREA: The total area covered by all of the buildings situated at the Shopping Center available for leasing to tenants, exclusive of the Common Facilities and Areas and exclusive of any portion of said buildings occupied by Landlord or devoted to maintenance and/or operation of the Shopping Center.

1.12 DEMISED PREMISES: The space known as **Hill Trail Center** containing approximately **2,064 square feet**, being substantially the same area as the area shaded on the attached Exhibit "B".

ARTICLE 2: DEMISE AND TERM

In consideration of the obligation of Tenant to pay rental as herein provided and in consideration of the other terms, covenants, and conditions hereof, Landlord hereby lets, demises, and leases unto Tenant, and Tenant hereby takes from Landlord, the Demised Premises as defined in Paragraph 1.12 of Article 1 (any measurements therein specified being from the exterior of outside walls and to the center of interior or common walls) for a term specified in Paragraph 1.2 of Article 1.

ARTICLE 3.

The "**Rental Commencement Date**" of this Lease shall be **October 1, 2017**. The Lease Year begins on the Rental Commencement Date. If the Rental Commencement Date is other than the first day of a calendar month, the first Lease Year shall be the period of time from said Rental Commencement Date to the end of the month in which said Rental Commencement Date shall occur plus the following 12 calendar months. Each Lease Year thereafter shall be a successive period of 12 calendar months.

ARTICLE 4.

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4.1 Rental shall accrue hereunder from and after the Rental Commencement Date as defined above and shall be payable to **N. O. PROPERTIES, LTD. at P.O. Box 691172, San Antonio, Texas 78269**, or such other place as may be designated by Landlord.

4.2 Tenant shall pay to Landlord Fixed Monthly Rental in the amount specified in Paragraph 1.3 of Article 1. Subject to the further provisions of this Paragraph 4.2, Fixed Monthly Rental shall be payable, in advance, on the first day of each month during the continuance of the term of this Lease.

4.5 Tenant shall pay, as additional rent, its proportionate share of the cost of operation and maintenance of the Common Area (including, among other cost, those incurred for lighting, painting, cleaning, security, inspecting, landscaping, repairing and replacing, the cost of air conditioning and heating enclosed malls and other areas if any, repairing and replacing curbs, sidewalks, parking and other areas) which may be incurred by Landlord in its discretion, including a reasonable allowance for Landlord's overhead costs and the cost of all water consumed in the Shopping Center which is not separately metered to tenants, but excluding depreciation of Landlord's original investment in the Shopping Center. The proportionate share to be paid by Tenant of the cost of operation and maintenance of the Common Area shall be computed on the ratio that the total floor area of the Demised Premises bears to the total leasable floor area of all buildings in the Shopping Center on the first day of each calendar year. Landlord shall make monthly or other periodic charges based upon the estimated annual cost of operation and maintenance of the Common Areas. One-twelfth of Tenant's proportionate share of the estimated annual cost shall be payable on the first day of each of the next following twelve (12) calendar months. Landlord shall furnish to Tenant a statement of the Common Area costs for such year, prepared in accordance with standard accounting practices, which shall include an allocation of Tenant's share of the Common Area costs computed as herein provided. Any necessary adjustments shall be made within ten (10) days after delivery of such statement. Tenant shall pay such common area charge within 30 days after receipt of billing statement. The initial estimated Common Area maintenance charge is set forth in Paragraph 1.5 of Article 1, which shall be applicable to all or part of the first Lease Year, as may be designated by Landlord, and shall be subject to adjustment in accordance with this paragraph.

4.6 The Tenant shall pay, as additional rent, its proportionate share of all general real estate taxes and assessments against the land and building comprising the Shopping Center payable during the term of this Lease. Tenant's proportionate share of the taxes in respect of any year shall be equal to the same proportion that the number of square feet in the Demised Premises bears to the total number of square feet rentable area in all buildings comprising the Shopping Center on the first day of such year. Landlord shall make monthly or other periodic charges based upon the estimated annual cost of general real estate taxes and other assessments against the land and building comprising the Shopping Center. One-twelfth of Tenant's proportionate share of the estimated annual cost shall be payable on the first day of each of the next following twelve (12) calendar months. Landlord shall furnish to Tenant a statement of the taxes and assessments for such year, which shall include an allocation of tenant's share of such taxes and assessments computed as herein provided. Any necessary adjustments shall be made within ten (10) days after delivery of such statement. Tenant shall pay such taxes within 30 days after receipt of billing statement. The initial estimated charge for taxes and assessments is set forth in Paragraph 1.6 of Article 1, which shall be applicable to all or part of the first Lease Year, as may be designated by Landlord, and shall be subject to adjustment in accordance with this paragraph. In the event the term of this Lease does not begin or end on the first day of a calendar year, any payment due under this paragraph in respect of the fractional calendar year following the Commencement Date or preceding the termination or expiration of this Lease shall be prorated.

ARTICLE 5. SALES REPORTS AND RECORDS

ARTICLE 6. COMMON FACILITIES AND AREAS

6.1 The Common Facilities and Areas of the Shopping Center are the part of the Shopping Center designated by Landlord from time to time for the common use of all tenants including among other facilities, parking areas, sidewalks, landscaping, curbs, truckways, delivery passages, malls, loading areas (other than Tenant's loading dock), private streets and alleys, lighting facilities, drinking fountains, meeting rooms, public toilets and the like, all of which shall be subject to Landlord's sole management and control and shall be operated and maintained in such manner as Landlord in its sole discretion shall determine. Landlord reserves the right to change from time to time the dimensions and locations of the Common Facilities and Areas and to construct additional buildings or additional stories on existing buildings or other improvements in the Shopping Center.

6.2 Tenant, and its employees, customers, subtenants, licensees, and concessionaires shall have the non-exclusive right to use the Common Facilities and Areas as constituted from time to time, such use to be in common with Landlord, other tenants in the Shopping Center, and other persons entitled to use the same, and subject to such reasonable rules and regulations governing use as Landlord may from time to time prescribe. Tenant shall not solicit business or display merchandise within the Common Facilities and Areas, or distribute hand bills therein, or take action which would interfere with the rights of other persons to use the Common Facilities and Areas other than as approved by Landlord.

6.3 If the amount of the Common Areas be diminished, Landlord shall not be subject to any liability nor shall Tenant, or any entity, or any entity claiming under it be entitled to any compensation or diminution or abatement of rental, nor shall such diminution of such areas be deemed constructive or actual eviction.

ARTICLE 7. USE AND CARE OF DEMISED PREMISES

7.1 The Demised Premises may be used and occupied solely for the Permitted Use (as defined in Article 1) and only under the Trade Name (as defined in Article 1). Tenant shall not at any time leave the Demised Premises vacant, but shall in good faith and with due diligence and efficiency continuously throughout the term of this Lease operate the business establishment for which the Demised Premises is leased. Tenant shall operate its business establishment in an efficient, high class and reputable manner, so as to produce the minimum amount of periods repairing, cleaning and decorating, keep the Demised Premises properly equipped with fixtures and with adequate personnel in attendance on all days and during all hours (including evenings) when the Shopping Center generally is open for business to the public, as determined by the Landlord, except to the extent Tenant may be prohibited from being open for business by applicable law, ordinance, or governmental

regulation. Landlord reserves the right to assess Tenant a penalty in the event the Demised Premises is not open for business during mall hours.

7.2 Tenant shall not, without Landlord's prior written consent, keep anything within the premises for any purpose which increases premium cost or invalidates any insurance policy carried on the Demised Premises or other part of the Shopping Center. Tenant shall pay as additional rent, upon demand of Landlord, any such increased premium cost due to Tenants' use or occupation of the Demised Premises. All property kept, stored or maintained within the premises of Tenant shall be at Tenant's sole risk.

7.3 Tenant shall not permit any objectionable or unpleasant odors to emanate from the premises, nor place or permit any radio, television, loud speaker or amplifier on the roof or outside of the Demised Premises or where the same can be seen or heard from outside the building; nor place an antenna, awning or other projection on the exterior of the Demised Premises; nor solicit business or distribute leaflets or other advertising material in the Common Area; nor take any other action which would constitute a nuisance or would disturb or endanger other tenants of the Shopping Center or unreasonably interfere with their use of their respective premises; nor do anything which would tend to injure the reputation of the Shopping Center.

7.4 Tenant shall take good care of the Demised Premises and keep the same free from wastes at all times. Tenant shall keep the Demised Premises and sidewalks, service-ways, all hallways and loading areas adjacent to the premises neat, clean and free from all rubbish at all times, and shall take all trash and garbage to the area designated by Landlord for trash removal. Receiving and delivery of goods and merchandise and removal of garbage and trash shall be made only in the manner and areas prescribed by Landlord. Tenant shall not operate an incinerator or burn trash or garbage within the Shopping Center. Tenant will be responsible for the initial cost of Tenant's trash and garbage container. Tenant will also be responsible for the cost of removing Tenant's trash and garbage from the Demised Premises and the Shopping Center Premises.

7.5 Tenant shall maintain all display windows in a neat and attractive condition. Within thirty (30) days of Tenant's opening for business, Landlord may require Tenant to install a storefront sign. The location and design of Tenant's storefront sign shall be approved by Landlord as provided in Paragraph 22.11 of Article 22.

7.6 Tenant shall procure at its sole expense any permits and licenses required for the transaction of business in the Demised Premises and otherwise comply with all applicable laws, ordinances and governmental regulations.

ARTICLE 8. MAINTENANCE AND REPAIR OF PREMISES: ALTERATIONS: LANDLORD'S RIGHT OF ACCESS

8.1 Landlord shall keep the foundation, the exterior walls (except plate glass), and roof of the Demised Premises in good repair, except that Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its employees, customers, subtenants, licensees and concessionaires.

8.2 Tenant shall keep the Demised Premises in good, clean condition and shall, at its sole cost and expense, make all needed repairs and replacements, including replacement of cracked or broken glass, and repairs, replacements and alterations required by any authority, except for repairs and replacements required to be made by Landlord under the provisions of Paragraph 8.1. At the expiration of this Lease, Tenant shall surrender the Demised Premises in good condition, reasonable wear and tear and loss by fire, or other casualty covered by Landlord's insurance only excepted.

8.3 Tenant shall not make any alterations, additions, or improvements to the Demised Premises without the prior written consent of Landlord, except for the installation of unattached movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the Demised Premises. All fixtures installed by Tenant shall be new or completely reconditioned. All alterations, additions, improvements and fixtures (other than unattached, movable trade fixtures) which may be made or installed by either party hereto upon the Demised Premises shall remain upon and be surrendered with Demised Premises and become the property of Landlord at the termination of this Lease, unless Landlord requests their removal in which even Tenant shall remove the same and restore the Demised Premises to its original condition at Tenant's expense.

8.4 Landlord shall have the right to enter upon the Demised Premises at any time for the purpose of inspecting same, or of making repairs or additions to the Demised Premises, or of making repairs, alterations, or additions to adjacent premises, or of showing the Demised Premises to prospective purchasers, lessees, or lenders.

ARTICLE 9. UTILITIES

9.1 Landlord agrees to cause to be provided and maintained at a common service court the necessary mains, conduits, and other equipment and facilities necessary to supply water, electricity, and telephone service for the Demised Premises.

9.2 Tenant shall pay all charges for electricity, water, gas, and sewer service to the Demised Premises. Tenant shall be responsible for the payment of all charges for telephone service. Tenant shall pay all charges for trash removal.

9.3 Landlord shall not be liable for interruptions in utility services furnished by it which are due to fire, accident, strike, acts of God, or other causes beyond the control of Landlord or in order to make alterations, repairs or improvements.

ARTICLE 10. INDEMNITY AND PUBLIC LIABILITY INSURANCE

10.1 Landlord shall not be liable to Tenant or to Tenant's employees, agents or visitors, or to any other person whomsoever, for any injury to person or damage to property on or about the Demised Premises or the Common Facilities and Areas caused by the negligence or misconduct of Tenant, its employees, subtenants, licensees, and concessionaires, or any person entering the Shopping Center under express or implied invitation of Tenant or other tenants of the Shopping Center, or arising out of the use of the Demised Premises by Tenant and the conduct of its business therein or arising out of any breach or default by Tenant in the performance of its obligations hereunder; and Tenant hereby agrees to indemnify Landlord and hold it harmless from any loss, expense, or claims arising out of such damage or injury.

10.2 **Tenant shall procure and maintain throughout the term of this Lease a policy or policies of insurance, at its sole cost and expense, insuring Tenant against any and all liability for injury to or death to a person, or persons, and for damage to or destruction of property occasioned by or arising out of or in connection with the use or occupancy of the Demised Premises, or by the condition of the Demised Premises, with combined single limits for bodily injury and property damage in an amount not less than Five Hundred Thousand Dollars (\$500,000.00) per occurrence and One Million Dollars (\$1,000,000.00) aggregate, or with such other limits as may be required by Landlord; such policies shall also provide coverage for all liability contractually assumed by Tenant as provided in this Article 10. The insurance will include naming N. O. PROPERTIES, LTD. as an additional insured under the policy.** Tenant shall obtain a written obligation on the part of each insurance company to notify Landlord at least thirty (30) days prior to cancellation of such insurance. Such policies or duly executed certificates of insurance shall be promptly delivered to Landlord prior to delivery of possession of the demised premises to Tenant and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms.

ARTICLE 11. NON-LIABILITY FOR CERTAIN DAMAGE

Landlord and Landlord's agents and employees shall not be liable to Tenant for any injury to person or damage to property sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in the Demised Premises or any other portions of the Shopping Center, including but not limited to injury or damage caused by the Demised Premises or other portions of the Shopping Center becoming out of repair or by defect in or failure of equipment, pipes, or wiring, or by broken glass, or by backing up of drains, or by gas, water, steam, electricity, or oil leaking, escaping or flowing, into the Demised Premises (except where due to Landlord's willful failure to make repairs required to be made hereunder, after the expiration of a reasonable time after written Notice to Landlord of the need for such repairs), nor shall Landlord be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other Tenants of the Shopping Center or of any other persons whomsoever.

ARTICLE 12. DAMAGE BY CASUALTY

12.1 Landlord shall cause to be maintained upon all of the buildings situated within the Shopping Center, fire and extended coverage insurance for not less than eighty (80%) of the full insurance value thereof.

12.2 Tenant shall give immediate written Notice to Landlord of any damage caused to the Demised Premises by fire or other casualty.

12.3 In the event that the Demised Premises shall be damaged or destroyed by fire or any other casualty covered by Landlord's insurance and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence, at its sole cost and expense, to rebuild and repair the Demised Premises, but Landlord shall not be obligated to expend for such rebuilding and repair any amount in excess of the insurance proceeds recovered by Landlord as a result of such losses. However, if such damage or destruction shall occur during a time when the then current term of this Lease shall have less than two (2) years to run, Landlord shall not be obligated to rebuild and restore the Demised Premises. If the Demised Premises shall be (a) destroyed or substantially damaged by a casualty not covered by Landlord's insurance, or (b) destroyed or rendered untenable to an extent in excess of fifty (50%) of the floor area by a casualty covered by Landlord's insurance then in either such event Landlord may elect either to terminate this Lease or to proceed to rebuild and repair the Demised Premises. Landlord shall give written Notice to Tenant of such election within sixty (60) days after the occurrence of such casualty and if Landlord elects to rebuild and repair it shall proceed to do so with reasonable diligence and its sole cost and expense, and this Lease will continue.

12.4 Tenant agrees at all times at its expense to keep its merchandise, fixtures and other property situated within the Demised Premises insured against fire, with extended coverage, to the extent of at least eighty percent (80%) of the value thereof. Such insurance shall be carried with companies satisfactory to Landlord, and shall be in form satisfactory to Landlord. Tenant shall obtain a written obligation of each insurance company to notify Landlord at least thirty (30) days prior to cancellation of such insurance. Such policies or duly executed certificates of insurance shall be delivered to Landlord prior to the commencement of Tenant's occupancy hereunder and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of the respective policy terms. The proceeds to Tenant of such insurance shall not be used, except with the consent of Landlord, for any purpose other than the repair or replacement of merchandise, fixtures and other property situated within the Demised Premises.

12.5 In no event shall Landlord be liable to Tenant, its successors, customers, assigns or subrogees, or any person claiming under Tenant for any injury to persons, loss of life, damage to or loss of any property in or about the Demised Premises of the Shopping Center. All public liability and property damage insurance, fire and extended coverage insurance, boiler insurance, and other insurance carried by either Landlord or Tenant covering losses arising out of destruction or damage to the Demised Premises or its contents or to other portions of the Shopping Center or to Tenant's occupancy and operation of its store therein, shall provide for a waiver of rights of subrogation against Landlord and Tenant on the part of the insurance carriers, to the extent that same is permitted under the laws and regulations governing the writing of insurance within the State of Texas. Each party shall furnish the other with written acknowledgement of such waiver by its respective insurance carriers.

12.6 Tenant shall pay to Landlord as additional rent Tenant's pro-rata share for the fire and general liability insurance, with all endorsements, policies carried by Landlord covering the Demised Premises (whether solely or together with additional buildings or premises). Tenant's share of such insurance premiums shall be the same proportion that the total floor area of the Premises bears to the total floor area of all buildings covered under each policy. Any additional rental based on such insurance premium costs shall be paid by Tenant in monthly installments, each in an amount equal to one-twelfth (1/12) of Tenant's total share. Landlord will make available upon reasonable request, books and records verifying said insurance cost.

ARTICLE 13. ASSIGNMENT AND SUBLETTING

13.1 Tenant shall not assign or in any manner transfer this Lease or any estate or interest herein or sublet the Demised Premises or any part thereof without the prior written consent of Landlord, which consent will not be unreasonably withheld. The term "sublet" shall be deemed to include the granting of licenses, concessions, and any other rights of occupancy of any portion of the Demised Premises.

13.2 Tenant shall not mortgage, pledge or otherwise encumber its interest in this Lease or in the Demised Premises nor may such interest be transferred by operation of law.

ARTICLE 14. TAXES

14.1 Tenant shall be liable for all taxes levied against personal property and trade fixtures placed by Tenant in the Demised Premises. If any such taxes for which Tenant is liable are levied against Landlord or Landlord's property and if Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and trade fixtures placed by Tenant in the Demised Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay to Landlord upon demand that part of such taxes for which Tenant is primarily liable hereunder.

ARTICLE 15. DEFAULT BY TENANT AND LANDLORD'S REMEDIES

15.1 The following events shall be deemed to be events of default by Tenant under this Lease:

- (1) Tenant shall fail to pay any installment of rental hereunder and such failure shall continue for a period of ten (10) days after due date thereof.
- (2) Tenant shall fail to comply with any term, provision, or covenant of this Lease, other than the payment of rental, and shall not cure such failure within fifteen (15) days after written Notice thereof to Tenant.
- (3) Tenant shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
- (4) Tenant shall file a petition under any section or chapter of the National Bankruptcy act, as amended, or under any similar law or statute of the United States or any State thereof; or Tenant shall be adjudged bankrupt or insolvent in proceedings filed against Tenant thereunder.
- (5) A receiver or trustee shall be appointed for the Demised Premises or for substantially all of the assets of Tenant
- (6) Tenant shall desert or vacate any portion of the Demised Premises.
- (7) Tenant shall do or permit to be done anything which creates a lien upon the Demised Premises.

Upon the occurrence of any such events of default, Landlord shall have the option to pursue any one or more of the following remedies without any Notice or demand whatsoever:

A. Terminate this Lease, in which event Tenant shall immediately surrender the Demised Premises to Landlord, and if Tenant fails to do so, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rental, enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages thereof; and Tenant agrees to pay to Landlord on demand the amount of all loss and damage which Landlord may suffer by reason of such termination, whether through inability to relet the Demised Premises on satisfactory terms or otherwise.

B. Enter upon and take possession of the Demised Premises and expel or remove Tenant and any other person who may be occupying the Demised Premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages therefor, and if Landlord so elects, relet the Demised Premises on such terms as Landlord may deem advisable and receive the rental therefor; and Tenant agrees to pay Landlord on demand any deficiency that may arise by reason of such reletting.

C. Enter upon the Demised Premises by force if necessary without being liable for prosecution or any claim for damage therefor and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in this effecting compliance with Tenant's obligation under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, whether caused by negligence of Landlord or otherwise.

15.2 If, on account of any breach or default by Tenant in Tenant's obligations hereunder, it shall become necessary for Landlord to employ an attorney to enforce or defend any of the Landlord's rights or remedies hereunder, Tenant agrees to pay any reasonable attorney's fees incurred by Landlord in such connection.

15.3 **A Security Deposit in the amount of \$4,500.00 shall be held by Landlord without interest** as security for the performance by Tenant's covenants and obligations under this Lease, it being expressly understood that such deposit is not an advance payment of rental or a measure of Landlord's damages in case of default by Tenant. Upon the occurrence of any event of default by Tenant, Landlord may, from time to time, without prejudice to any other remedy provided by law, use such fund to the extent necessary to make good any arrears of rent and any other damage, injury, expense or liability caused to Landlord by such event of default and Tenant shall pay to Landlord on demand the amount so applied in order to restore the security deposit to its original amount. If Tenant is not then in default hereunder, any remaining balance of such deposit shall be returned by Landlord to Tenant upon termination of this Lease providing Demised Premises is left in good condition (broom clean), with keys returned and repairs made after Tenant's removal of sign.

15.4 Any sums payable by Tenant pursuant to the provisions of this Article shall be due and payable unless specifically provided elsewhere herein upon the demand of Landlord and such sums shall bear interest at the rate of fifteen percent (15%) per annum from the date of such demand until paid.

15.5 In the event any rent payable pursuant to this agreement is not timely paid and remains unpaid for a period of ten (5) days after payment would otherwise be due then a late payment charge shall be due and payable upon demand of Landlord in an amount equal to the greater of fifty (\$50.00) dollars or five percent (5%) times the amount unpaid for each partial or full calendar month during which such rent remains unpaid. This charge shall be in addition to all other remedies provided for herein. The fee for checks returned unpaid to Landlord or marked insufficient funds shall be a minimum of \$25.00. Landlord reserves the right to require a cashier's check for any sums due.

15.6 Notwithstanding anything to the contrary herein contained, if Tenant commits any default hereunder for or precedent to which or with respect to which Notice is herein required, and commits such defaults within twelve (12) months thereafter, no Notice shall thereafter be required to be given by Landlord as to or precedent to any such subsequent default during such twelve (12) month period (as Tenant hereby waiving the same) before exercising any or all remedies available to Landlord.

15.7 If Landlord commences any proceedings for non-payment of rent (minimum rent, percentage rent or additional rent), Tenant will not interpose any counterclaim of any nature or description in such proceedings. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in a separate action brought by Tenant. The covenants to pay rent and other amounts hereunder are independent covenants and Tenant shall have no right to hold back offset or fail to pay any such amounts for default by Landlord or any other reason whatsoever.

15.8 The payment and acceptance of Rent(s) hereunder shall not be, or be construed to be, a waiver of any default under, or breach of, any term, covenant, condition or agreement of this Lease, other than the failure of Tenant to pay the particular Rent(s) so accepted.

15.9 If Landlord accepts a partial payment for Rent(s) due, this acceptance does not constitute accord and satisfaction or a waiver of the Landlord's right to the balance of the Rent(s) due as per this Lease.

ARTICLE 16. LANDLORD'S LIEN

Landlord shall have at all times a lien for all rentals and other sums of money becoming due hereunder from Tenant, upon all goods, wares, equipment, fixtures, furniture and other personal property situated in the Demised Premises, and such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent and other sums of money then due to Landlord hereunder shall have been paid. Upon the occurrence of an event of default by Tenant, Landlord may, in addition to any other remedies provided herein or by law, enter upon the Demised Premises and take possession of any and all goods, wares, equipment, fixtures, furniture, and other personal property situated on the premises without liability for trespass or conversion and sell the same upon five (5) days written Notice to Tenant (said period of time being herein agreed to be reasonable) at public or private sale, with or without having such property at the sale, at which Landlord or its assigns may purchase, and apply the proceeds thereof, less any and all expenses connected with the taking of possession and sale of the property, as a credit against any sums due by Tenant to Landlord. Any surplus shall be paid to Tenant and Tenant agrees to pay any deficiency forthwith. Alternatively, the lien hereby granted may be foreclosed in the manner provided by law. The statutory lien for rent is not hereby waived, the express contractual lien herein granted being in addition and supplementary thereto.

ARTICLE 17. HOLDING OVER

In the event Tenant remains in possession of the Demised Premises after the expiration of the Lease and without the execution of a new Lease, it shall be deemed to be occupying the Demised Premises as a tenant from month to month at a rental equal to the rental (including any percentage rental) herein provided plus twenty percent (20%) of such amount and otherwise subject to all the conditions, provisions and obligations to this Lease insofar as the same are applicable to a month to month tenancy.

ARTICLE 18. SUBORDINATION

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter placed upon the Shopping Center or any portion of the Shopping Center which includes the Demised Premises, and to any renewals and extensions thereof. Tenant agrees that any mortgagee shall have the right at any time to subordinate its mortgage, deed of trust or other lien to this Lease, provided, however, notwithstanding that this Lease may be (or made to be) superior to a mortgage, deed of trust or other lien, the mortgagee shall not be liable for prepaid rentals, security deposits and claims accruing during Landlord's ownership; further provided that the provisions of a mortgage, deed of trust or other lien relative to the rights of the mortgage with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by Landlord) and provisions relative to proceeds arising from insurance payable by reason of damage to or destruction of the Demised Premises shall be prior and superior to any contrary provisions contained in this instrument with respect to the payment or usage thereof. Landlord is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien hereafter placed upon the Demised Premises or the Shopping Center as a whole and Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request, provided, however that upon Tenant's written request and Notice to Landlord, Landlord shall use good faith efforts to obtain from any such mortgagee a written agreement that the rights of Tenant shall remain in full force and effect during the term of this Lease so long as Tenant shall continue to recognize and perform all of the covenants and conditions of this Lease.

ARTICLE 19. MERCHANTS ASSOCIATION

ARTICLE 20. NOTICES

Wherever any Notice ("Notice") is required or permitted hereunder such Notice shall be in writing and shall be delivered by (a) the United States mail (postage prepaid), (b) registered or certified mail (return receipt requested), (c) hand delivered, or (d) delivered by a nationally recognized overnight courier addressed to the parties at the respective addresses set out in Article 1, or at such other addresses as specified by subsequent written Notice. If Notice is delivered by the United States mail as stated in (a) above, the date of actual receipt

shall be deemed the date Notice is deposited in the United States mail, otherwise, the date of receipt shall be deemed the date of service of Notice.

ARTICLE 21. EMINENT DOMAIN

21.1 If more than twenty percent (20%) of the floor area of the Demised Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall terminate and the rent shall be abated during the unexplored portion of this Lease, effective on the date physical possession is taken by the condemning authority.

21.2 If less than twenty percent (20%) of the floor area of the Demised Premises should be taken as aforesaid, this Lease shall not terminate, however, the minimum guaranteed rental (but not percentage rental) payable hereunder during the unexpired portion of this Lease shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority. Following such partial taking, Landlord shall make all necessary repairs or alterations within the scope of Landlord's work to make the Demised Premises an architectural whole.

21.3 If any part of the Common Area shall be taken aforesaid, this Lease shall not terminate, nor shall the rent payable hereunder be reduced except that either Landlord or Tenant may terminate this Lease if the area of the Common Area remaining following such taking plus any additional parking area provided by Landlord in reasonable proximity to the Shopping Center shall be less than seventy percent (70%) in the area of the Common Area immediately prior to the taking. Any election to terminate in accordance with this provision shall be evidenced by written Notice of termination delivered to the other party within thirty (30) days after the date physical possession is taken by the condemning authority.

21.4 All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Demised Premises or Common Area shall be the property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord; provided, however, Landlord shall have no interest in any award made to Tenant for loss of business or for the taking of Tenant's fixtures and other property if a separate award for such items is made to Tenant.

ARTICLE 22. MISCELLANEOUS

22.1 One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

22.2 Whenever a period of time is herein prescribed for action to be taken by Landlord, Landlord shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of Landlord. At any time when there is outstanding a mortgage, deed of trust or similar security instrument covering Landlord's interest in the Demised Premises or the Shopping Center, Tenant may not exercise any remedies for default by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, deed of trust or similar security instrument shall have received written Notice of such default and a reasonable time for curing such default shall thereafter have elapsed without such default having been cured.

22.3 Neither this Lease, nor Tenant's continued occupancy of the Demised Premises are conditioned upon the opening or continued occupancy of any store or business other than Tenant's in the Shopping Center.

22.4 This Lease contains the entire agreement between the parties, and no agreement shall be effective to change, modify or terminate this Lease in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification or termination is sought.

22.5 Tenant agrees that it will from time to time upon request by Landlord execute and deliver to Landlord a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as so modified) and further stating the dates to which rental and other charges payable under this Lease have been paid.

22.6 Should any provision of this Lease be held invalid or unenforceable, the validity and enforceability of all remaining provisions of this Lease shall not be affected thereby.

22.7 The terms, provisions, and covenants, contained in this Lease shall apply to, inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.

22.8 All amounts, liabilities and obligations in addition to rent which Tenant assumes or agrees to pay or discharge pursuant to this Lease, together with any fine, penalty, interest or cost which may be added for late payment thereof, shall constitute additional rent, and in case of failure of Tenant to pay or discharge any of the foregoing, Landlord shall have the rights, powers and remedies provided in this Lease or by law in the case of non-payment of rent.

22.9 During the term of this Lease, without the written consent of Landlord, which consent shall not be unreasonably withheld, neither Tenant nor any person, firm or corporation, directly or indirectly controlling, controlled by or under common control with Tenant shall directly or indirectly operate, manage, conduct or have any interest in any commercial establishment within four (4) miles of the Shopping Center, which performs any of the permitted uses as specified in Section 1.7 except that any such commercial establishment existing at the date of this Lease may continue to be operated, managed, conducted and owned in the same manner as on the date of this Lease, provided there is no change in the size or trade name of such commercial establishment.

22.10 Landlord reserves the right and option, upon at least thirty (30) days written Notice to Tenant to relocate Tenant to another location within the Shopping Center of equal or greater square footage as the space leased hereunder, at the same rental provided herein.

If Landlord elects to so relocate Tenant, the new location will be chosen by Landlord in its sole discretion and shall thereafter constitute the premises covered by this Lease. In the event of such relocation, Landlord shall pay for all of Tenant's moving costs and for the construction of improvements in the new location comparable to those in Tenant's original location. In the event Landlord elects to relocate Tenant as provided above, Tenant shall have the right and option of terminating the Lease, which option to terminate must be exercised by written Notice to Landlord within fifteen (15) days after Landlord mails its Notice of relocation. Such termination of the Lease shall take effect on the last day of the month next following the date of Tenant's exercise of its option to terminate. Tenant shall continue to pay rent and other charges under the lease to the effective date of termination.

22.11 Tenant shall not, without Landlord's prior written consent (a) make any changes to or paint the store front or (b) install any exterior lighting, decorations or painting or (c) erect or install exterior signs, window, door lettering, placards, decorations or advertising media of any type. All exterior signs, decorations and advertising media shall conform in all respects to the sign criteria established by Landlord for the Shopping Center from time to time in the exercise of its sole discretion, and shall be subject to prior written approval of Landlord as to construction, method of attachment, size, shape, height, lighting, color, and general appearance. All signs shall be kept in good condition and in proper operating order at all times. Landlord reserves the right to designate a uniform type of sign for the Shopping Center to be installed and paid for by Tenants. There shall be no portable signs on the Shopping Center premises at any time.

22.12 **Special Provisions:** No Special provisions are granted . Lease renewal.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

ATTEST:

Landlord: N. O. PROPERTIES, LTD.

By: N.O. INVESTMENT MANAGEMENT, LLC,
general partner

By: _____
GHASSAN NASSAR, Manager

ATTEST:

Tenant:

By: _____

EXHIBIT "A"
Legal Description of Shopping Center

Lot 12, Block 19, Sonic-Helotes Subdivision an addition in Bexar County, Texas, according to the map or plat thereof, recorded in Volume 9550, Page 177 Deed and Plat Records of Bexar County, Texas

EXHIBIT "B"
Demised Premises

