**COMMERCIAL LEASE**

THIS LEASE is made between Larry J. Watts II, hereafter called "Lessor," whose address for purposes of notice under this lease is 303 North Washington, Marshall, Texas 75670, and

* Gerald Weinfurther, with a SS# of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_hereafter called "Lessees or Lessee," whose address for purposes of notice under this lease is
* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Address, City, State, Zip. (Attach a photo copy of Valid Drivers License to this lease.)

The parties agree as follows:

1. AGREEMENT TO LEASE: DESCRIPTION OF THE PROPERTY. The Lessor leases

to the Lessee, and the Lessee rents from the Lessor, the following described commercial space: 303 North Washington, Marshall, Texas 75670. This includes the 1st floor, this does not include the 2nd floor apartments.

2. TERMS OF LEASE. The term of the lease is as follows:

The term of this lease shall be a period of one year, commencing on December 1, 2019, and ending at midnight on December 1, 2020. Provided, however, that the Lessee shall have the right to renew this lease for one additional one year term, on like terms and conditions save and except rent, by delivering a written notice of intention to renew lease to Lessor no later than 90 days from the end of the term.

3. RENTAL. Lessee shall pay to Lessor as rent to Diane Solomon at 102 E. Austin Street, Marshall, TX 75670, or at any other address that Lessor may designate, the minimum monthly rent of $1,500.00 + utilities for the first 6 months of the initial leased term, and $2,000.00 + utilities a month for the following 6 months of the initial leased term; in lawful money of the United States of America. Should the lease be renewed for an additional term the minimum monthly rent will be $2,000.00 per month for the 12 months of the renewed lease term. Said rent shall be paid in advance on the first day of each calendar month during the term of this lease and any renewal of it; rent is considered late after the 10th of each month after which a $50 late fee may be assessed.

4. TAXES. Lessee agrees to pay any taxes levied against the personal property and trade fixtures of the Lessee in and about the premises.

5. SECURITY DEPOSIT. $1,500.00.

1st Month Rent and Security Deposit $3,000.00 due upon signing and access to property. Utilities paid upon notice of balance Net 15. January, February, and March’s rent during the initial lease term will be reduced to $1,000.00 per month for cleanout/buildout/readying/storage process.

Terms of cleanout:

Cyndie Coit will lease a Unit in her name or in the name of Larry J. Watts II for storage of contents to be removed from the building. Lessee will package and move items to storage unit.

Items to agreed to be disposed of by Lessor and Lessee will be disposed of by Lessee upon written confirmation of said items. Email confirmation from Lessor will suffice.

Terms of the useable contents of the space by the business will be as follows:

For the still existing saleable items that are in the space that related to computers, technology, and various IT related items the profit will be split 50/50. Lessor has exclusive power to veto power to bar sale of any item and to compel the sale of any item pre-existing possession.

Terms of existing items that can be used for day-to-day operations of the business:

The Lessee will compose an inventory of the items desired to utilize, upon confirmation from Lessor; said items may be used during the term of the lease and surrender possession of the items upon termination of the lease.

6. LESSEE'S COVENANTS. Lessee further covenants and agrees as follows:

a. To pay the rent and every installment of it when it comes due; to use the premises in a careful and proper manner for the express purpose of a community arts, crafts, computer, and other resale market; to not commit or permit waste or damages to the premises; to conduct or permit no business or act that is a nuisance or may be in violation of any federal, state, or local law or ordinance; to surrender the premises on expiration or termination of this lease in clean condition and good repair, normal wear and tear excepted, provided, however, that all alterations, additions, and improvements permanently attached and made by Lessee (excepting movable furniture, equipment, supplies, and inventory installed by Lessee) shall become and remain the property of Lessor on the termination of Lessee's occupancy of the premises.

b. To maintain at all times during the lease term, at Lessee's cost, a comprehensive public and general liability insurance policy protecting and naming Lessor as a co-insured against all claims or demands that may arise or be claimed on account of Lessee's use of the premises, in an amount of at least $500,000 for injuries to persons in one accident. The insurance shall be written by a company or companies acceptable to Lessor, authorized to engage in the business of general liability insurance in the state of Texas. Lessee shall deliver to Lessor annual certificates demonstrating that insurance is paid up and copies of the insurance policies issued by the insurance companies. Lessee acknowledges that Lessor does not maintain any insurance coverage for Lessee’s property or inventory whatsoever. At its option, Lessor may request Lessee to obtain a certified statement by each insurance carrier containing a clause providing that the insurance carrier will give Lessor 30 days' written notice before any cancellation shall be effective. The insurance policies shall be provided by Lessee and shall be for a period of at least one year. If Lessee fails to furnish policies or certificates showing policies to be paid in full as provided in this lease, Lessor may obtain the insurance, and the premiums on that insurance will be deemed additional rental to be paid by Lessee to Lessor on demand.

c. To indemnify and hold harmless Lessor and the leased premises from all costs, losses, damages, liabilities, expenses, penalties, and fines whatsoever that may arise from or be claimed against Lessor or the leased premises by any person or persons for any injury to person or property or damage of whatever kind or character arising from the use or occupancy of the leased premises by Lessee; from any neglect or fault of Lessee or the agents and the employees of Lessee in using and occupying the premises; or from any failure by Lessee to comply and conform with all laws, statutes, ordinances, and regulations of any governmental body or subdivision now or hereafter in force. If any lawsuit or proceeding shall be brought against Lessor or the leased premises on account of any alleged violations or failure to comply and conform or on account of any damage, omission, neglect, or use of the premises by Lessee, the agents and employees of Lessee, or any other person on the premises, Lessee agrees that Lessee or any other person on the premises will defend it, pay whatever judgments may be recovered against Lessor or against the premises on account of it, and pay for all attorneys' fees in connection with it, including attorneys' fees on appeal.

d. If any alterations, additions, or improvements in or to the premises are made necessary by reason of the special use and occupancy of the premises by Lessee, Lessee agrees that it will make all such alterations, additions, and improvements in or to the premises at its own expense and in compliance with all building codes, ordinances, and governmental regulations pertaining to such work, use, or occupancy; with prior written approval from Lessor. Lessee agrees that it will hold Lessor harmless against all expenses, liens, claims, and damages to either property or person that may or might arise because any repairs, alterations, additions, or improvements are made.

e. To permit Lessor to enter, inspect, and make such repairs to the leased property as Lessor may reasonably desire, at all reasonable times, and to permit Lessor to put on the leased premises a notice that Lessee may not remove stating that the premises are for rent one month preceding the expiration of this lease.

8. LESSOR'S COVENANTS. Lessor covenants and agrees as follows:

a. To warrant and defend Lessee in the enjoyment and peaceful possession of the premises during the aforesaid term.

b. If the premises are destroyed or so damaged by fire, casualty, or other disaster that they become untenantable, Lessor will have the right to render the premises tenantable by repairs within 90 days from the date of damage with reasonable additional time, if necessary, for Lessor to adjust the loss with insurance companies insuring the premises, or for any other delay occasioned by conditions beyond the control of Lessor. If the premises are not rendered tenantable within that time, either party will have the right to terminate this lease by written notice to the other. In the event of such termination, the rent shall be paid only to the date of the damage. If the lease is not terminated, rent nevertheless shall be abated during the period of time from the date of damage to the date of physical occupancy by Lessee or date of complete restoration, whichever occurs first.

c. Lessor shall never be liable to Lessee for any lost profits, property damage, or any other matter whatsoever. Lessor shall not be required to insure Lessee for any loss whatsoever. Lastly, Lessor shall owe no warranty, express or implied, whatsoever to Lessee on these premises. Lessee expressly accepts the property in its current condition on a “as is” basis.

9. DEFAULT IN PAYMENT OF RENT. If any rent required by this lease is not paid when due, Lessor will have the option to:

a. Terminate this lease, resume possession of the property, and recover immediately from Lessee the difference between the rent specified in the lease and the fair rental value of the property for the remainder of the term, reduced to present worth; or

b. Resume possession and re-lease or rent the property for the remainder of the term for the account of Lessee and recover from Lessee at the end of the term or at the time each payment of rent comes due under this lease, whichever Lessor may choose, the difference between the rent specified in the lease and the rent received on the re-leasing or renting.

10. DEFAULTS OTHER THAN RENT. If either Lessor or Lessee fails to perform or breaches any agreement on this lease other than the agreement of Lessee to pay rent, and this failure or breach continues for 10 days after a written notice specifying the required performance has been given to the party failing to perform, (a) the party giving notice may institute action in a court of competent jurisdiction to terminate this lease or to complete performance of the agreement, and the losing party in that litigation shall pay the prevailing party all expenses of the litigation, including reasonable attorneys' fees; or (b) Lessor or Lessee may, after 30 days' written notice to the other, comply with the agreement or correct any such breach, and the costs of that compliance shall be payable on demand.

11. INSOLVENCY, BANKRUPTCY, ETC., OF LESSEE. If Lessee is declared insolvent or adjudicated a bankrupt; if Lessee makes an assignment for the benefit of creditors; if Lessee's leasehold interest is sold under execution or by a trustee in bankruptcy; or if a receiver is appointed for Lessee, Lessor, without prejudice to its rights hereunder and at its option, may terminate this lease and retake possession of the premises immediately and without notice to Lessee or any assignee, transferee, trustee, or any other person or persons, using force if necessary.

12. LESSOR TO HAVE LIEN. Lessor will have a lien against all goods, equipment, furniture, and other personal property of Lessee brought, stored, or kept on the leased premises during the lease term, in the aggregate amount of all rent, damages, and other sums that may at any time be owed by Lessee to Lessor under the lease. In the event of any default by Lessee, Lessor may foreclose the lien in the same manner that a mortgage would be foreclosed and, in that event, Lessee shall be obligated for all court costs and reasonable attorneys' fees.

13. ELECTION BY LESSOR NOT EXCLUSIVE. The exercise by Lessor of any right or remedy to collect rent or enforce its rights under this lease will not be a waiver or preclude the exercise of any other right or remedy afforded Lessor by this lease agreement or by statute or law. The failure of Lessor in one or more instances to insist on strict performance or observations of one or more of the covenants or conditions of this lease or to exercise any remedy, privilege, or option conferred by this lease on or reserved to Lessor shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by Lessor of rent or any other payment or part of payment required to be made by the Lessee shall not act to waive any other additional rent or payment then due. Even with the knowledge of the breach of any covenant or condition of this lease, receipt will not operate as or be deemed to be a waiver of this breach, and no waiver by Lessor of any of the provisions of this lease, or any of Lessor's rights, remedies, privileges, or options under this lease, will be deemed to have been made unless made by Lessor in writing.

No surrender of the premises for the remainder of the term of this lease will be valid unless accepted by Lessor in writing. Lessee will not assign or sublet this lease without Lessor's prior written consent. No assignment or sublease will relieve the assignor or sublessor of any obligation under this lease. Each assignee or sublessee, by assuming such status, will become obligated to perform every agreement of this lease to be performed by Lessee, except that a sublessee shall be obligated to perform such agreements only insofar as they relate to the subleased part of the property and the rent required by the sublease. Sublessee will be obligated to pay rent directly to Lessor only after Sublessor's default in payment and written demand from Lessor to Sublessee to pay rent directly to Lessor.

14. CAPTIONS. The captions and paragraphs or letters appearing in this lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of the sections or articles of this lease or affect this lease in any way.

15. TEXAS LAW AND VENUE. This lease will be governed by the laws of the state of Texas, as to both interpretations and performance. Venue for any dispute shall be held in the County Court at Law of Harrison County, Texas only.

16. ENTIRE AGREEMENT. This lease sets forth all the promises, agreements, conditions, and understandings between Lessor and Lessee relative to the leased premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this lease will be binding on Lessor or Lessee unless in writing and signed by them and made a part of this lease by direct reference.

17. TERMS INCLUSIVE. As used herein, the terms "Lessor" and "Lessee" include the plural whenever the context requires or admits.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease Agreement on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

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| --- | --- | --- |
| Diane Solomon for Larry J. Watts II | LESSOR | |
| Gerald Weinfurther.  Attach Photo ID Valid Drivers License. | LESSEE | |
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