

**LAREDO REAL FOODS, INC.-WEBB COUNTY/C.A.A.
COMMERCIAL KITCHEN LEASE**

In consideration of and in order to induce **LAREDO REAL FOODS, INC.** a Texas for Profit Corporation (“Landlord”), to execute a certain lease with **WEBB COUNTY** (“Tenant”) for the lease of certain premises known as 1310 Covert Avenue, Laredo, Texas, Webb County, a political subdivision of the State of Texas, acting through its Commissioners Court hereby covenants and agrees with Landlord as follows:

**ARTICLE 1
BASIC TERMS**

1.01 **Term of Lease**: One-year primary term commencing September 1, 2024 and ending October 31, 2025 subject to the Termination by Convenience Clause under section 3.01.

1.02 **Landlord**: Laredo Real Foods, Inc., a Texas for Profit Corporation, P.O. Box 7026, Laredo, Texas, 78042.

1.03 **Landlord Address**: 1319 Hidalgo Street, Laredo, Webb County, Texas 78040.

1.04 **Tenant**: Webb County, Texas, a political subdivision of the State of Texas and acting by and through its County Judge as authorized by its Commissioners Court for the Community Action Agency (“C.A.A.”), hereinafter called “Tenant.”

1.05 **Tenant Address**: 1000 Houston Street, Laredo, Webb County, Texas.

1.06 **Leased Premises**: Total of leased premises is 1,768 square feet, contained within a structure erected on Lots 1 and 3, Block 230, situated in the Western Division, Laredo, Webb County, Texas 78040.

1.07 **Permitted Use**: Tenant may use the premises for the sole purpose of operating the Webb County Community Action Agency Kitchen for the “Meals on Wheel Program.

1.08 **Based Rent**: THREE THOUSAND FIVE HUNDRED DOLLARS (\$3,500.00) per month for the Term of the Lease as specified under Section 1.01 of the Lease.

1.09 **Service Charges**: No Charge

1.10 **Tenant’s Minimum Insurance Requirements**: Comprehensive General Liability Insurance: \$1,000,000/\$2,000,000

ARTICLE 2 LEASE TERM

2.01 **Lease of Premises for Lease Term.** Landlord hereby leases the Premises to Tenant and Tenant Leases the Premises from Landlord for the Lease Term. The Term is for the period stated in Section 1.01 above and shall begin and end on the date specified in Section 1.01, unless the beginning or end of the Lease Term is changed under any provision of this Lease. The Commencement Date shall be the date specified in Section 1.01 above for the beginning of the Lease Term, unless advanced or delayed under any provision of this Lease.

2.02 **Holdover.** If Tenant shall remain in possession of the Premises after the Expiration Date, then Tenant shall be deemed a tenant-at-will whose tenancy is terminable at any time. In such event, Tenant shall pay Base Rent at 1% of the greater of (a) the Base Rent, or (b) the fair market rental rate for the Premises on the date of such termination or expiration, but otherwise shall be subject to all the obligations of Tenant under this Lease. Additionally, Tenant shall pay to Landlord all damages sustained by Landlord on account of any such holding over by Tenant. Acceptance of such holdover rent shall not affect nor waive any claim by Landlord against Tenant based on such holdover nor extend the Lease Term.

ARTICLE 3 TERMINATION FOR CONVENIENCE

3.01 **Termination for Convenience.** Landlord and Tenant agree that Tenant may terminate this Lease in accordance with this clause for convenience, for any reason, and at any time by providing Landlord sixty (60) days prior written notice to the Landlord of such termination and specifying the effective date thereof. Upon the effective termination date, Tenant will not longer have any rent payment obligations under the lease.

ARTICLE 4 TIME AND MANNER OF RENT PAYMENT

4.01 **Time and Manner of Rent Payment.** Tenant, in consideration for this Lease, agrees to pay to landlord the Base Rent in monthly installments in the amount stated in Section 1.08 above, payable at Landlord's address herein provided in legal tender of the United States of America, without notice, demand, counterclaim, set-off or abatement, in advance on the first day of each calendar month throughout the Lease Term. The first such monthly installment shall be due and payable on the Commencement Date, and subsequent installments shall be due and payable on the First day of each succeeding calendar month during the Lease Term, Payment of rent shall be considered late and applicable fees due if paid on or after the Second day of any month during the lease term.

4.02 **Termination and Advance Payments.** Upon termination of this Lease pursuant to Article Eight or Article Nine, or any other termination provision under this lease not resulting from

Tenant's default, and after Tenant has vacated the Premises in the manner required by this Lease, an equitable adjustment shall be made concerning advance rent, and any other advance payments made by Tenant to Landlord, and Landlord shall refund the unused portion of the Security Deposit to Tenant or Tenant's successor.

ARTICLE 5 OTHER CHARGES PAYABLE BY TENEANT

5.01 **Additional Rent**. All charges by Tenant other than Base Rent are called "Additional Rent." Unless this Lease provided otherwise, all Additional Rent shall be paid with the monthly Installments of Base Rent. The Term "Rent" as used herein, shall mean Base Rent and Additional Rent.

5.02 **Real Property Taxes**. Landlord shall pay real property taxes.

5.03 **Personal Property Taxes**. Tenant shall be liable for all taxes levied against trade fixtures, furnishings, equipment or any other personal property belonging to Tenant located in the Premises. Tenant shall attempt to have personal property taxed separately from the Premises, if any of Tenant's personal property is taxed with the Premises, Tenant shall pay Landlord the tax for such personal property within fifteen (15) days after Tenant receives a written statement from Landlord for such personal property taxes. Tenant shall pay when dues any and all taxes related to Tenant's use and operation of its business in the Premises.

5.04 **Utilities**. Tenant agrees to pay for electric, water, and gas utilities for the entire primary term of the lease and/or any renewal options term. Tenant shall pay, directly to the appropriate supplier, the cost of all water, natural gas, heat, light, power, sewer service, telephone, refuse disposal and other utilities and services supplied to the Premises. Landlord shall not be liable for any interruption whatsoever in utility services unless caused by Landlord's negligence. Any failure or interruption in any services specified herein or any other services not specified herein, or any cessation thereof, shall not render Landlord liable in any respect, for any damages to either person or property, shall not be construed as an eviction of Tenant and shall not work an abatement of rent or relieve Tenant from fulfilment of any term or provision of this Lease. If any of the equipment or machinery necessary or useful for the provision of any utility services, and for which Landlord is responsible, ceases to function, Landlord shall use reasonable diligence to repair such equipment or machinery promptly, but any interruption in services occasioned by the repairs shall not give rise to any claim by Tenant for damages or re bate or abatement of rent.

5.05 **Insurance Premiums**.

(a) **Tenant Insurance**. Tenant shall, at all times during the Term of this lease and any renewal thereof, shall at its sole cost and expense, obtain and continue to keep in force the following:

Comprehensive General Liability Insurance Coverages in the amounts required in Section 1.10 herein and coverages set out below:

(i) Comprehensive General Liability Insurance coverage to include personal Injury, bodily Injury, broad form property damage, operations hazard, owner's protective coverage and contractual liability.

(ii) All insurance policies shall be taken out with insurers that are reasonably acceptable to Landlord and in a form reasonably satisfactory from time to time to Landlord. Tenant agrees that certificates of insurance in a form reasonably acceptable to Landlord will be delivered to Landlord as soon as practicable after the placing of the required insurance, but not later than 10 days prior to Tenant's occupancy of all or any part of the Premises. All insurance policies shall contain an undertaking by the insurers to notify Landlord (and if specifically requested by Landlord, the Mortgagees of Landlord) in writing not less than 30 days before any material change, reduction in coverage, cancellation or other termination thereof. If Tenant fails to procure and maintain said Insurance, Landlord may, but shall not be obligated to, procure and maintain same, but at the expense of Tenant.

ARTICLE 6 USE OF PROPERTY

6.01 **Permitted Use.** Tenant may use Premises only for the Permitted Uses set forth in Section 1.07 above.

6.02 **Manner of Use.** Tenant shall not cause or permit the Premises to be used in any way which constitutes a violation of any law, ordinance, or governmental regulation or order, which annoys or interferes with the rights of tenants of the development of which the Premises are a part, if any, or which constitutes a nuisance or waste. Tenant shall obtain and pay for all permits, including a Certificate of Occupancy, required for Tenant's occupancy of the Premises and shall promptly take all substantial and non-substantial actions necessary to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements regulating the use by Tenant of the Premises, including the Occupational Safety and Health Act, and laws, ordinances and regulations regulating Hazardous Substances and /or Hazardous Materials.

6.03 **Signs.** Tenant shall not place any signs on the Premises without Landlord's prior written consent.

6.04 **Landlord's Access.** Upon reasonable notice to Tenant, Landlord or its agents may enter the Premises at any reasonable time in order (i) to show the Premises to prospective mortgagees, purchasers or prospective tenants, (ii) to inspect the condition of the Premises and to conduct inspections, tests, environmental audits or other procedures to determine Tenant's compliance with its obligations under this Lease, or (iii) for any other reasonable purpose

Landlord deems necessary. Tenant hereby waives any claim for abatement or reduction of rent or for any damages for injury or in convenience to or interference with Tenant's business, for any loss of occupancy or use of the Premises, and for any other loss occasioned thereby. Landlord shall at all times retain a key with which to unlock all of the doors in, upon, and about the Premises. Tenant shall not change Landlord's lock system, or in any other manner prohibit Landlord from entering the Premises. Notwithstanding anything to the contrary contained herein, Landlord shall have the right at all times to enter the Premises by any means in the event of an emergency without liability therefore. Landlord may place customary "For Sale" or "For Lease" signs on the Premises.

6.05 Quite Possession. Upon payment of the required rent by Tenant, and subject to the terms, conditions, covenants and agreements contained in this Lease, Tenant shall have and enjoy possession of the Premises during the full Lease Term without hindrance from Landlord or any personal or persons lawfully claiming the Premises by, through or under Landlord (but not otherwise); subject, however, to all mortgages, deeds of trust, leases and agreements, if any, to which this Lease is subordinate and to all laws, ordinances, orders, rules, and regulations of any governmental authority. Landlord shall not be responsible for the acts or omissions of any other person or third party that may interfere with Tenant's use and enjoyment of the Premises.

6.06 Parking and Road Use. Tenant is granted the license and right to use, for the benefit of Tenant, its employees, customers and invitees, the parking areas adjacent to the Premises on a non-exclusive basis subject to reasonable regulation by Landlord. All parking on any roads by Tenant or any of Tenant's employees, customers, or invitees shall be upon the express condition that all roads must be kept clear for through traffic of all vehicles, including normal width tractor-trailers. No driving or parking of any vehicles on non-paved areas adjoining the Premises is permitted.

6.07 Security and Management. Tenant shall be responsible for obtaining and maintaining all security with respect to the Premises, whether by use of devices, security guard personnel or otherwise.

6.08 Indemnity. The Lessee and Lessor agree that under the Constitution and laws of the State of Texas, Lessee cannot enter into an Agreement whereby Lessee agrees to indemnify or hold harmless any other party.

6.09 Immunity. Lessee does and shall not waive or relinquish any immunity of defense on behalf of themselves, their trustees, commissioners, officers, employees and agents as a result of the execution of this Agreement and performance of the functions and obligations described herein.

ARTICLE 7
CONDITION OF PROPERTY
MAINTENANCE REPAIRS AND ALTERATIONS

7.01 **Existing Conditions.** Landlord, has at its own expense, will build a code compliant kitchen inside "El Competidor Restaurant and Supply" Building, for tenant, in accordance with plans and blue prints previously submitted by Tenant in March 2012, to operate its "Meals and Wheels Program", subject to all recorded matters, laws, ordinances, and government regulations and orders.

7.02 **Exemption of Landlord from Liability.** Unless caused by Landlord's negligent acts or omissions, Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, agents, invitees guests, customers or any other person in or about the Premises, whether such damage or Injury is caused by or results from: (a) fire, steam, electricity, water, gas, rain or oil leaking, escaping or flowing into the Premises; (b) the breakage, leakage, obstruction or other defects of equipment, pipes, sprinklers, wires, appliances, plumbing air conditioning or lighting fixtures; or (c) conditions rising in or about the Premises or upon other portions of any building of which the Premises are a part, or from other sources or places. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damages or injury are not accessible to Tenant. The provisions of this Section 7.02 shall not, however, exempt Landlord from liability for Landlord's negligence or willful misconduct.

7.03 **Landlord's Obligations.** Except as otherwise provided in Article Eight and Article Nine of this Lease, and except for damage caused by any act or omission of Tenant, its employees, contractors, invitees or agents, Landlord shall maintain the foundation, roof, and structural portions of the exterior walls of the improvements on the Premises in good order, condition and repair. Landlord shall not be obligated, however, to maintain or repair windows, doors, plate glass or the surfaces of walls. All requests for repairs or maintenance that are the responsibility of Landlord hereunder must be made in writing to Landlord, and Landlord shall have a reasonable time within which to perform such repairs or maintenance, Landlord shall not be liable to Tenant, except as expressly provided in this Lease, for any damages or inconvenience, and Tenant shall not be entitled to any damages nor to any abatement or reduction of rent by reason of any repairs, alterations or additions made by Landlord under this Lease. Nothing contained herein shall entitle Tenant to make any repairs, alterations or additions to the Premises at Landlord's expense, or to terminate the Lease based on the physical condition of the Premises.

7.04 **Tenant Obligations.** Except as otherwise provided in Section 7.03, Article Eight and Article Nine of this Lease, Tenant shall, at all times and at its sole cost and expense, maintain and keep the Premises (including all nonstructural components, interior, exterior, and landscaped areas, portions, systems, and equipment) in good order, condition and repair less reasonable wear and tear excepted. Tenant shall specifically be obligated to maintain, repair or replace windows, doors, plate glass and the surfaces of walls. Tenant shall also maintain a

preventive maintenance contract providing for the regular inspection and maintenance of the heating and air conditioning system at the Tenant's expense. In addition, Tenant shall at Tenant's expense, repair any damage to the roof, foundation or structural portions of walls caused by the willful acts or omissions of Tenant, its employees, contractors or agents. Tenant shall further make all other repairs to the Premises made necessary by Tenant's failure to comply with its obligations under this Section 7.04. It is the intention of Landlord and Tenant that, at all times during the Lease Term, Tenant shall maintain the Premises in an attractive, well-maintained and fully operative condition.

(a) Tenant shall maintain at Tenant's sole cost and expense the existing fire sprinkler system within the premises in accordance with all applicable state, city or county regulations.

(b) All of Tenant's obligations to maintain and repair shall be accomplished at Tenant's sole expense. If Tenant fails to maintain and repair the Premises as required by this Section 7.04, Landlord may on Ten (10) days prior notice (except that no notice shall be required in case of emergency), enter the Premises and perform such maintenance or repair on behalf of Tenant, and in such case, Tenant shall reimburse Landlord upon demand for all costs incurred in performing such maintenance or repair.

7.05 Alterations, Additions and Improvements. Tenant shall not make or allow to be made any alterations, additions or improvements to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld. Any such permitted alterations and/or improvements shall be surrendered with the Premises and become the property of Landlord upon the expiration or earlier termination of this Lease without credit to Tenant; provided, however, that Landlord, at its option, may require Tenant to remove any physical Improvements or additions and/or repair any alterations in order to restore the Premises to the condition existing on the Commencement Date, with all costs of removal and/or alterations to be borne by Tenant. The preceding sentences shall not apply to movable equipment, furniture or moveable trade fixtures owned by Tenant, which may be removed by Tenant at the expiration of the Lease Term, if Tenant is not then in default and if such removal can be accomplished without material damage to the Premises. Tenant shall have no authority or power, express or implied, to create or cause any mechanics or materialman's lien, charge or encumbrance of any kind against the Premises or any portion thereof. Tenant shall promptly cause any such liens that have arisen by reason of any work claimed to have been undertaken by or through Tenant to be released by payment, bonding or otherwise within thirty (30) days following a request by Landlord. Any and all permitted alterations, additions and improvements shall be accomplished in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord. Upon completion of any such work, Tenant shall provide Landlord with "as built" plans, copies of all construction contracts and proof of payment for all labor and materials.

7.06 Condition upon Termination. Upon the termination of the Lease by the lapse of time or otherwise, Tenant shall surrender the Premises to Landlord in as good condition as existed at

the Commencement Date, ordinary wear and tear excepted. Tenant shall not be obligated however, to repair any damage which Landlord is required to repair under the provisions of Article Seven of this Lease. The cost and expense of any repairs necessary to restore the condition of the Premise shall be borne by Tenant.

7.07 American with Disabilities Act. If, because of Tenant's use, the Premises (or any portion thereof) are now, or at any time during the term of this Lease become, a "place of public accommodation" within the meaning of the Americans With Disabilities Act of 1990 (the "Act"), Tenant shall, at its sole expense, be responsible (a) for compliance with Title III of the Act to the extent that the Act imposes obligations on the procedure and design of any alterations to the Premises made by Tenant, and (b) for making modifications in its policies, practices and procedures in connection with the operation of Tenant's business', if failure to make such modifications would constitute a violation of the Act, Tenant shall, to the extent permitted by the Texas Constitution and laws of this State, indemnify and hold harmless Landlord with respect to its failure to comply with the foregoing responsibilities. The provisions of this Section 7.07 shall be in addition to any other obligations and liabilities Tenant may have to Landlord at Law or in equity and shall survive the transactions contemplated herein and shall survive the termination of this Lease.

ARTICLE 8 DAMAGES AND DESTRUCTION

8.01 Partial Destruction to Premises. Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. If the Premises are only partially damaged and if the proceeds received by Landlord from the Insurance policies described in Section 5.05 are sufficient to pay for the necessary repairs this Lease shall remain in effect and Landlord shall repair the damage as soon as reasonably possible. Landlord shall have no obligation to repair or rebuild Tenant's furniture fixtures equipment or personal property contained within the Premises. If the insurance proceeds received by Landlord are insufficient to cover the entire cost of repair, or if the damage was due to a cause not covered by the Insurance policies which Landlord maintains pursuant to Section 5.05, Landlord may elect either to (a) repair the damage with reasonable diligence in which cause this Lease shall remain in full force and effect or terminate this Lease as of the date the damage occurred. Landlord shall notify Tenant of its election within (60) days after receipt of notice of the damage. In the event that Landlord elects to repair the damage and the damage was due to a willful act or omission of Tenant, its employees, agents or Invitees, Tenant shall pay Landlord upon demand the difference between the actual cost of repair and any insurance proceeds received by Landlord. In the event Landlord elects to terminate the Lease, Tenant may subsequently elect to continue this Lease in full force and effect by itself repairing any damage to the Premises. Tenant shall pay the cost of such repairs, except that upon satisfactory completion of such repairs Landlord shall deliver to Tenant any Insurance proceeds received by Landlord for such damage repaired by Tenant. Tenant shall provide

Landlord written notice of such election within ten (10) days following receipt of Landlord's termination notice. If, however, damage or destruction to the Premises occurs during the last six (6) months of the Lease Term, Landlord may elect to terminate this Lease as of the date the damage occurred regardless of the sufficiency of any Insurance proceeds. In such even Landlord shall not be obligated to repair or restore the Premises and Tenant shall have no further rights pursuant to this Lease. Landlord shall notify Tenant of such election within Thirty (30) days following receipt of notice of damage to the Premises.

8.02 Total or Substantial Destruction. In the event that the Premises are totally or substantially destroyed by any cause whatsoever, or if the Premises are in a building which is substantially destroyed (even though the Premises are not totally or substantially destroyed) this Lease shall terminate as of the date the destruction occurred regardless of whether Landlord receives any insurance proceeds. If the Premises cannot be rebuilt within six (6) months following the date of destruction, either party may terminate this Lease upon thirty (30) days written notice. Landlord shall notify Tenant of such election within thirty (30) days after the occurrence of total or substantial destruction. If the destruction was caused by a willful act or omission of Tenant, its employees, agents or invitees, Tenant shall pay Landlord the difference between the actual cost of rebuilding and any insurance proceeds received by Landlord. In the event that this Lease is terminated pursuant to the provisions of this Section 8.02, the rent due by Tenant shall be abated for the unexpired portion of the Lease, effective as of the date the destruction occurred.

8.03 Temporary Reduction in Rent. If the Premises are destroyed or damaged and Landlord elects to repair or restore the Premises pursuant to the provision of this Article Eight, the Base Rent payable during the period of such damage, repair and/or restoration shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable by the ratio that the portion of the Premises not rendered un-tenantable bears to the total net rentable area of the Premises prior to the casualty. Except for such possible reduction in Base Rent, Tenant shall not be entitled to any compensation, reduction or reimbursement from Landlord as a result of any damage, destruction, repair or restoration of or to the Premises.

ARTICLE 9 CONDEMNATION

9.01 If all or any portion of the Premises are taken under the power of eminent domain or sold under the threat of that power ("Condemnation"), this Lease shall terminate as to the part taken or sold as of the date the condemning authority takes title or possession, whichever occurs first. If more than twenty percent (20%) of the floor area of the Premises is taken, either Landlord or Tenant may terminate this Lease as of the date the condemning authority takes title or possession, by delivering written notice to the other within ten (10) days following receipt of written notice of such taking (or in the absence of such notice, within ten (10) days following the taking of possession by the condemning authority), If neither Landlord nor Tenant elects to terminate this Lease, this Lease shall remain In effect as to the portion of

the Premises not taken, except that the Base Rent shall be reduced to an amount determined by multiplying the Base Rent that would otherwise be payable by the ratio that the portion of the Premises not rendered un-tenantable due to such taking bears to the total net rentable area of the Premises. Any compensation awarded due to the Condemnation, whether for the whole or a part of the Premises, shall be the property of Landlord (whether such award is compensation for damage to Landlord's or Tenant's interest in the Premises), and Tenant hereby assigns all of its interest, in the event of any such award to Landlord. If this Lease is not terminated, pursuant to the provisions of this Article Eight, Landlord shall repair any damage to the Premises caused by the Condemnation, except that Landlord shall not be obligated to repair any damage for which Tenant has been reimbursed by the condemning authority. If the severance damages received by Landlord are insufficient to cover the costs of such repair, Landlord shall have the right to either terminate this Lease or make such repair at its own expense.

ARTICLE 10 ASSIGNMENT AND SUBLETTING

10.1 **Landlord's Consent.** No portion of the Premises or of Tenant's interest in this Lease may be acquired by any other person or entity, whether by assignment, mortgage, sublease, transfer, operation of law, or act of Tenant, without Landlord's prior written consent, which consent may in Landlord's sole discretion, be withheld. Any attempted transfer without Landlord's consent shall be void and shall constitute a non-curable breach of this Lease.

10.2 **No Release of Tenant.** No transfer permitted by this Article Ten, whether with or without Landlord's consent, shall release Tenant or discharge Tenant's primary liability to pay the rent and to perform all other obligations of Tenant under this Lease, and Landlord's acceptance of rent from any person other than Tenant shall not constitute a waiver of any provision of this Article Ten. Consent by Landlord to one's transfer shall not operate as consent to any subsequent transfer by Tenant. If Tenant's permitted transferee defaults under this Lease, Landlord may proceed directly against Tenant without first pursuing any remedies against the defaulting transferee. Landlord may consent to subsequent assignments or modifications of this Lease by Tenant's transferee, without notifying Tenant or obtaining its consent; provided, however, that such action by Landlord shall not relieve Tenant of Its primary liability under this lease.

10.3 **Landlord's Assignment.** Landlord shall have the right to sell, transfer or assign, in whole or in part, its rights and obligations under this lease and in the Premises. Any such sale, transfer or assignment shall operate to release Landlord from *any* and all liabilities arising out of any act, occurrence or omission relating to the Premises or this Lease arising after the date of such sale, assignment or transfer.

ARTICLE 11
DEFAULTS AND REMEDIES

11.01 **Default by Tenant.** The following shall be deemed to be events of default by Tenant under this Lease:

- (a) Tenant fails to pay when due any installment of rent or any other payment required pursuant to this Lease.
- (b) Tenant vacates or abandon any substantial portion of the Premises.
- (c) Tenant or any guarantor of Tenant's obligations hereunder files a petition or be adjudged bankrupt or insolvent under any applicable federal or state bankruptcy or insolvency law or admits that it cannot meet its financial obligations as they become due, or a receiver or trustee is appointed for all or substantially all of the assets of Tenant or any guarantor of Tenant's obligations hereunder.
- (d) Tenant or any guarantor of Tenant's obligations here under makes a transfer in fraud of creditors or shall make an assignment for the benefit of creditors.
- (e) Tenant does or permits to be done any act which results in a lien being filed against the Premises or the real property upon which the Premises are located.
- (f) The liquidation, termination, dissolution or if the Tenant is a natural person the death of the Tenant, or of any guarantor of the Tenant's obligations hereunder.
- (g) Tenant shall be in default of any other term, provision or covenant of this Lease, other than as specified in subparagraph (a) through (f) above, and such default is not cured within thirty (30) days after written notice thereof from Landlord to Tenant.

11.02 **Remedies for Tenant's Defaults.** Upon the occurrence of any event of default set forth in this Lease, Landlord shall have the option to pursue anyone or more of the following without notice or demand:

- (a) Without declaring the Lease terminated, Landlord may enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be occupying all or any part of the Premises without being liable for any claim for damages, and reletting the Premises on behalf of Tenant and receive the rent directly by reason of such reletting. Tenant agrees to pay Landlord upon demand of any deficiency that may arise by reason of any reletting of the Premises, further, Tenant agrees to reimburse Landlord for any expenditure made by it in order to relet the Premises, including, but not limited to, any repair costs.
- (b) Without declaring the Lease terminated, Landlord may enter upon the Premises without being liable for any claim for damages, and perform Tenant's obligations under the Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with

Tenant's obligations under this Lease; further Tenant agrees that Landlord shall not be liable for any damages resulting to Tenant from effecting compliance with Tenant's obligations under this Lease not caused by the negligence of Landlord.

- (c) Landlord may terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, and if Tenant fails to surrender the Premises, Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the Premises and expel or remove Tenant and any other tenant who may be occupying all or any part of the Premises without being liable for any claim for damages. Tenant agrees to pay on demand the amount of all losses and damages which Landlord may suffer for any reason due to the termination of this Lease under this Section 11.02 including, without limitation, loss and damage due to the failure of Tenant to maintain and/or repair the Premises as required hereunder and/or due to the inability of Landlord to re-let the Premises on commercially reasonable terms or otherwise.
- (d) Provided that Tenant's default under Section 11.02 (a) above is for failure to pay rent, Landlord may, without judicial process, prevent Tenant from entering the Premises by changing the door locks. If Landlord changes the door locks, Landlord shall place a written notice on the front door of the Premises stating the name and address or telephone number of an Individual or company from which a new key may be obtained by Tenant; provided, however, that (i) the new key needs to be provided only during Tenant's regular business hours, and (ii) Landlord may condition delivery of the new key upon Tenant's payment of all rent then due. Costs and expenses incurred by Landlord in exercise of its rights pursuant to this Section 11.02 (d) shall be deemed to be expenditures and damages recoverable from Tenant pursuant to (a), (b) or (c) of this Section 11.02 notwithstanding anything contained in this Lease to the contrary, this Lease may be terminated by Landlord, only by written notice of such termination to Tenant given in accordance with Section 14.05 below, and no other act or omission of Landlord shall be construed as a termination of this Lease.

11.03 Remedies Cumulative. All rights and remedies of Landlord herein or existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other.

11.04 Waiver. Failure of Landlord to declare an event of default immediately upon its occurrence, or delay in taking any action in connection with an event of default, shall not constitute a waiver of the default, but Landlord shall have the right to declare or act upon a default at any time and take such action as is lawful or authorized under this Lease. Pursuit of anyone or more of the remedies set forth in this Article 11 shall not preclude pursuit of

anyone or more of the remedies provided elsewhere in this Lease or provided by law, nor shall pursuit of any remedy hereunder or at law constitute a forfeiture or waiver of any rent or damages accruing to Landlord by reason of the violation of any of the terms, provisions or covenants of this Lease. Failure by Landlord to enforce one or more of the remedies provided hereunder or at law upon any event of default shall not be deemed or construed to constitute a waiver of the default or of any other violation or breach of any of the terms, provisions or covenants contained in this Lease. Landlord may collect and receive rent due from Tenant without waiving or affecting any rights or remedies that Landlord may have at law or in equity or by virtue of this Lease at the time of such payment. Institution of a forcible detainer action to re-enter the Premises shall not be construed to be an election by Landlord to terminate this Lease. All waivers made pursuant to the terms and provisions of this Lease must be in writing and signed by the waiving party.

ARTICLE 12 PROTECTION OF LENDERS

12.01 **Subordination.** Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or thereafter placed upon the Premises or the real property upon which the Premises are located, and to any renewals and extensions thereof; provided, however, that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease. Notwithstanding that this Lease may be (or made to be) superior to such mortgage, deed of trust or other lien, the provisions of such mortgage, deed of trust or other lien relative to the rights of the mortgagee with respect to proceeds arising from an eminent domain taking (including a voluntary conveyance by Landlord) and/or arising from insurance payable by reason of damage to or destruction of the Premises shall be prior and superior to any contrary provisions contained herein with respect to the payment or usage thereof. Tenant agrees upon demand to execute such further instruments subordinating this Lease as Landlord may request if the requesting mortgagee also agrees to not disturb Tenant's peaceful possession in the absence of a default by Tenant hereunder.

12.02 **Attornment.** If any ground or similar such lease, mortgage, deed of trust or security agreement is enforced by the ground lessor (landlord), the mortgagee, the trustee, or the secured party, Tenant shall, upon request, attorn to the landlord (lessor) under such lease or the mortgagee or purchaser at such foreclosure sale, or any person or party succeeding to the interest of Landlord as a result of such enforcement, as the case may be, and execute instrument(s) confirming such attornment. In the event of such enforcement and upon Tenant's attornment as aforesaid, Tenant shall automatically become the tenant of the successor to Landlord's Interest without change in the terms or provisions of this Lease; provided, however, that such successor to Landlord's interest shall not be bound by (a) any payment of Base Rent for more than one month in advance (except prepayments for security deposits, if any), or (b) any amendments or modifications of this Lease made without the prior written consent of such landlord (lessor) or mortgagee.

ARTICLE 13
HAZARDOUS SUBSTANCES AND MATERIALS

13.01 Hazardous Substances. Tenant shall not cause or permit any Hazardous Substances (as hereinafter defined) to be used, stored, generated or disposed of on in the Premises by Tenant, its agents, employees, contractors, or invitees.

13.02 Hazardous Material(s). Tenant shall not cause or permit any Hazardous Material (as hereinafter defined) to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors, or invitees, except for such Hazardous Material as is necessary or useful to Tenant's business. Any Hazardous Material permitted on the Premises as provided herein, and all containers therefore, shall be used, kept, stored and disposed of in a manner that complies with all federal, state and local laws or regulations applicable to such Hazardous Materials. Title to Hazardous Materials will remain and be stored or disposed of solely in Tenant's name. Tenant shall not release, discharge, leak or permit to be released, discharged, leaked or emitted, any material into the atmosphere, ground, ground water, surface waiver, storm or sanitary sewer system or any body of water, any Hazardous Material or any other material (as is reasonably determined by Landlord or any governmental authority) which may pollute or contaminate the same or may adversely affect (a) the health, welfare or safety of persons, wherein are located on the Premises or elsewhere, or (b) the condition, use or enjoyment of the Premises, or any other real or personal property. At the commencement of each year during the Lease Term, Tenant shall disclose to Landlord the names and approximate amounts of all Hazardous Materials that Tenant intends to store, use or dispose of on the Premises during such year. In addition, at the commencement of each year during the Lease Term, beginning with the second such year, Tenant shall disclose to Landlord the names and amounts of all Hazardous Materials that were actually used, stored or disposed of on the Premises if such materials were not previously identified to Landlord at the commencement of the previous year.

13.04 Definition. As used herein, "Hazardous Material" means (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and regulations promulgated thereunder; (c) any oil, petroleum products and their by-products; and d) any substance that is or becomes regulated by any federal, state or local governmental authority.

13.05 Tenant's Liability. Tenant hereby agrees that it shall be fully liable for all costs and expenses related to the use, storage and disposal of Hazardous Substances or Materials kept on the Premises, and Tenant shall give immediate notice to Landlord of any violation or potential violation of the provisions of this Article 13.

ARTICLE 14
MISCELLANEOUS

14.01 **Waiver of Subrogation.** Whenever (a) any loss, cost, damage or expenses resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Premises, and (b) such party is then covered (or is required under this Lease to be covered) in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance, and waives any right of subrogation which might otherwise exist on account thereof, provided that such release of liability and waiver of the right to subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof and further provided, that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased costs, thereupon keeping such release and waiver in full force and effect. Landlord and Tenant shall use their respective best efforts to obtain such a release and waiver of subrogation from their respective insurance carriers and shall obtain any special endorsement, if required by their insurer, to evidence compliance with the afore-mentioned waiver. The failure by Tenant to carry property insurance required to be carried by Tenant hereunder shall be a defense against any claim by Tenant against Landlord for property damage.

14.02 **Notice of Mortgagees.** Provided that Tenant has received prior written notice of the name and address of such lender, Tenant shall serve written notice of any claimed default or breach by Landlord under this Lease upon any lender which is a beneficiary under any deed of trust or mortgage against the Premises, and no notice to Landlord shall be effective against Landlord unless such notice is served upon said lender; and notwithstanding anything to the contrary contained herein, Tenant shall allow such lender the same period following lender's receipt of such notice to cure such default or breach as is afforded Landlord.

14.03 **Captions.** The captions, headings, and arrangement used in this Lease are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions hereof. If any provision of this Lease shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision thereof, and this Lease shall remain in full force and effect as if such invalid, illegal or unenforceable provision had never been contained herein.

14.04 **Entire Agreement.** This written Lease, including all exhibits attached hereto, contains the entire agreement of Landlord and Tenant with respect to the subject matter

hereof, Tenant hereby acknowledges and agrees that neither landlord nor Landlord's agents or employees have made any representations, warranties or promises with respect to the Premises or Landlord's services, or any other matter except as herein expressly set forth and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in this Lease.

14.05 Notices. All rent and other payments required to be made by Tenant pursuant to the terms of this Lease shall be payable to Landlord, at Landlord's address set forth in Section 1.03 above, and any payments required to be made by Landlord to Tenant pursuant to the terms of this Lease shall be payable to Tenant at Tenant's address set forth in Section 1.05 above. Any notice or document (other than rent) required or permitted to be delivered by the provisions of this Lease shall be deemed to be delivered (whether or not actually received) when deposited in the United States Mail, postage pre-paid, certified mail, return receipt requested, addressed to the parties at the respective addresses set forth in Section 1.03 and Section 1.05 above, or to such other addresses as the parties may have designated by written notice to the other,

14.06 No Recordation. Tenant shall not record this Lease without the prior written consent of Landlord.

14.07 Successors. This Lease shall be binding upon and Inure to the benefit of Landlord and Tenant and their respective successors, legal representatives and assigns.

14.08 Corporate or Partnership Authority. If Tenant executes this Lease as a corporation or partnership (general or limited), each person executing this Lease on behalf of Tenant hereby personally represents and warrants that: (a) Tenant is a duly authorized and existing corporation or partnership (general or limited); (b) Tenant is qualified to do business in the state in which the Premises are located; (c) the corporation or partnership (general or limited) has full right and authority to enter into this Lease; (d) each person signing on behalf of the corporation or partnership (general or limited) is authorized to do so; and (e) the execution and delivery of the Lease by Tenant will not result in any breach of, or constitute a default under any mortgage, deed of trust, lease, loan, credit agreement, partnership agreement or other contract or instrument to which Tenant is a party or by which Tenant may be bound. If any representation or warranty contained in this Section 14.08 is false, each person who executes this Lease shall be liable, individually, as Tenant hereunder.

14.09 Joint and Several Liability. Notwithstanding anything to the contrary contained herein, the parties executing this Lease as Tenant shall be jointly and severally liable for the performance of all obligations of Tenant pursuant to the terms and provisions of this Lease.

14.10 Force Majeure. Neither party shall be required to perform any covenant or obligation of this Lease, or be liable for damages to the other party, so long as the performance or nonperformance of the covenant or obligation is delayed, caused or prevented by an act of God,

force majeure, or by the other party. For purposes of this Lease, an "act of God" or "force majeure" is defined as strikes, lockouts, sit-downs, materials or labor restrictions by any governmental authority, unusual transportation delays, riots, floods, washouts, explosions, earthquakes, fire, storms, weather (including wet grounds or inclement weather), acts of the public enemy, wars, insurrections and/or any other cause not reasonably within the control of such party, which by the exercise of due diligence such party is unable, wholly or in part, to prevent or overcome.

14.11 **Counterparts.** This Lease may be executed in two or more counterparts, and it shall not be necessary that anyone or the counterparts, be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

14.12 **Governing Law and Venue.** THIS LEASE SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND THE LAWS OF THE UNITED STATES OF AMERICA AS APPLICABLE TO TRANSACTIONS WITHIN THE STATE OF TEXAS, THE EXCLUSIVE VENUE FOR ANY CAUSE OF ACTION ARISING OUT OF THIS LEASE AGREEMENT SHALL LIE IN THE STATE COURTS OF WEBB COUNTY, TEXAS.

14.13 **Amendment.** This Lease may not be altered, waived amended or extended except by an instrument in writing signed by landlord and Tenant.

14.14 **Attorney's Fees.** In the event Tenant defaults in the performance of any of the tenants, agreement or conditions contained in this Lease and Landlord places the enforcement of this Lease or any part thereof, or the collection of any rent due or to become due thereunder, or recovery of the possession of the Premises, in the hands of any attorney who files suit upon the same, Tenant shall pay Landlord's reasonable attorneys' fees.

14.15 **Estoppel Letters.** Tenant shall execute and acknowledge a certificate containing such information as may be reasonably requested for the benefit of Landlord, any prospective purchaser or any current or prospective mortgagee of all or any portion of the Premises or the land upon which the Premises are located, within ten (10) days of receipt of same. In the event Tenant fails to deliver such certificate to Landlord, Tenant Irrevocably appoints Landlord as Tenant's Attorney-in-Fact to execute same.

14.16 **Landlord's Liability.** The liability of Landlord to Tenant for any default by Landlord under the terms of this Lease shall be limited to the interest of Landlord in the Premises, it being intended that Landlord, its officers, directors and employees shall not be personally liable for any judgment or deficiency.

Lease is effective on this 1st day of September, 2024

WEBB COUNTY

LAREDO REAL FOODS INC.

Tano E. Tijerina
Webb County Judge

Daniel Lopez,
President

ATTEST:

Hon. Margie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:

Fortunato G. Paredes
Assistant General Counsel
Webb County Civil Legal Division

*The General Counsel, Civil Legal Division's Office, may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval and should seek review and approval of their own respective attorney(s).