

Texas Commercial Lease Agreement

This Commercial Lease Agreement ("Lease") is made and effective February 1, 2010 between **Hope Lutheran Church**, 917 Straus Road, Cedar Hill, Texas 75104 ("Lessor") and **Thanksgiving Tabernacle Bible Fellowship PO 1564 Cedar Hill, Texas 75106-1564** ("Lessee").

Lessor desires to lease the Leased Premises as defined herein to Lessee, and Lessee desires to lease the Leased Premises from Lessor for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, it is agreed:

1. Building and Leased Premises

Lessor is the owner of land and improvements commonly known and numbered as 917 Straus Road, Cedar Hill, Texas 75104 and described as follows: Land consisting of 3.897 acres with a playground area and one garage-type outbuilding and a parking area located on the south side of the property along with a 9,406 square foot building containing six classrooms, one of which serves as a music room, four office spaces (one Youth Pastor office; one Senior and Associate Pastor shared office space; one Secretary office; one Music Director office) a workroom area, two small storage room areas, the sanctuary, a fellowship hall, a kitchen, a narthex with mailbox area, a nursery area, a women's restroom and a men's restroom, (the "Building").

Lessor agrees and hereby leases to Lessee a portion of the Building designated as follows:

- A. Five classrooms (not including the Godly Play Room), the fellowship hall, the sanctuary, the narthex, nursery, women's restroom, men's restroom, the exterior playground area, a space to be designated by the Lessor for storage and the south side parking area;
- B. Lessee shall also be designated by the Lessor an area for storage of its drums, electric keyboard and sound system, and water stand, communion table mic stands, banners, Christian Education materials and other small paraphernalia.
- C. For the purposes stated in this Lease, the Lessee shall also be permitted to use Lessor's furnishings;
- D. Lessee shall be permitted to use on Sunday, the kitchen area necessary to support their coffee and social purposes to be held in the fellowship hall. Specifically as to the kitchen area, the Lessee shall not be permitted to use any breakable dishes, cups or glasses, communion ware, Altar Guild materials, food stuffs of any kind;

E. Lessee shall be permitted to use the sound system only after one of its members is trained and approved by Lessor to run the system. Lessee shall be permitted to use the organ with specific permission from the Lessor. Lessee shall be permitted to use the pianos.

F. No other portion of the Building, rooms, equipment, or other real or personal property located or associated with the Building shall be occupied or used by the Lessee. The foregoing description in this paragraph 1 (A-F) shall be defined as the "Leased Premises".

2. Term

Lessor hereby leases the Leased Premises to Lessee, and Lessee hereby leases the same from Lessor, for an "Initial Term" beginning February 1, 2010 and ending February 29, 2012. Extension for lease is open for negotiation.

3. Rental and Security Deposit

A. Lessee shall pay to Lessor during the Initial Term rental of \$150 per week ("Rent"). A "week" is defined for the purposes of this lease to begin at 12:01 a.m. Sunday and ending at 12:00 p.m. Saturday. Rent shall be payable monthly on the first day of the month. For a month with four Sundays, the Rent payment due shall be \$600. For a month with five Sundays, the Rent payment due shall be \$750. Each Rent payment shall be made to Lessor at 917 Straus Road, Cedar Hill, Texas 75104 or at such other place designated by written notice from Lessor or Lessee.

B. Additional charges will apply for special events (i.e. weddings, funerals). In the event the Lessee desires to conduct a member Special Event (defined below), the Lessee agrees to pay a Special Event fee. Specifically, should Lessee wish to conduct wedding and/or funeral services, Lessee agrees to pay Lessor a \$150 fee. The Lessor agrees to consider other requests by the Lessee for Special Events and to set an appropriate fee for such events, however notwithstanding this agreement, Lessor shall be under no obligation to agree to use of the Leased Premises for any Special Event. All additional charges for use of the Leased Premise shall be paid with the next required Rent payment.

C. Lessee shall also pay to Lessor a "Security Deposit" in the amount of \$600. Lessor agrees to accept \$150 upon the execution of this lease and the remaining \$450 shall be paid in \$150 payments each on the due date of the Rent payment for March, April and May 2010. The Security Deposit shall be held by Lessor without liability for interest and as security for the performance by Lessee of Lessee's covenants and obligations under this Lease, it being expressly understood that the Security Deposit shall not be considered an advance payment of rental or a measure of Lessor's damages in case of default

by Lessee. Unless otherwise provided by mandatory non-waivable law or regulation, Lessor may commingle the Security Deposit with Lessor's other funds. Lessor may, from time to time, without prejudice to any other remedy, use the Security Deposit to the extent necessary to make good any arrearages of rent or to satisfy any other covenant or obligation of Lessee hereunder. Following any such application of the Security Deposit, Lessee shall pay to Lessor on demand the amount so applied in order to restore the Security Deposit to its original amount. If Lessee is not in default at the termination of this Lease, the balance of the Security Deposit remaining after any such application shall be returned by Lessor to Lessee. If Lessor transfers its interest in the Premises during the term of this Lease, Lessor may assign the Security Deposit to the transferee and thereafter shall have no further liability for the return of such Security Deposit.

4. Sublease and Assignment

Lessee may not assign this lease or sublet any part of the Leased Premises without Lessor's written consent. An assignment of this lease or subletting of the Leased Premises without Lessor's written consent is voidable by Lessor upon written notice. If Lessee assigns this lease or sublets any part of the Leased Premises without Lessor's consent, Lessee shall be in default. Notwithstanding Lessor's consent to any sublease or assignment, at all times and regardless of such sublease or assignment, Lessee will remain liable for all of Lessee's obligations under this Lease.

5. Maintenance and Repairs

- A. Cleaning: Lessee must keep the Leased Premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Lessor will provide, at its expense, janitorial services to the Leased Premises that are usual and customary.
- B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, or contractors.
- C. Repair and Maintenance Responsibility: Lessor will be responsible for all routine maintenance and repairs. Lessee is responsible for the repair and maintenance of its personal property.
- D. Notice of Repairs: Lessee will notify Lessor of any item that is in need of repair and that is Lessor's responsibility to repair.

6. Alterations and Improvements

Lessee may not alter, improve add to or remove from the Building or the Leased Premises without prior consent of the lessor.

7. Legal Compliance

Lessee may not use or permit any part of the Leased Premises or the Building to be used for:

- A. Any activity which is a nuisance or is offensive, noisy, or dangerous.
- B. Any activity that interferes with normal business operations of Lessor or Lessor's management of the Building or Leased Premises.
- C. Any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, Lessor's rules or regulations, or this lease.
- D. Any activity which would jeopardize Lessor's current tax exempt status.

8. Insurance

- A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Lessee or any of Lessee's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.
- B. Lessor shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Lessor shall deem appropriate. Lessee shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property located in the Leased Premises.
- C. Lessee and Lessor shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building or on the Leased Premises with the premiums thereon fully paid on or before due date, issued by and binding upon an insurance company approved by Lessor, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Lessor shall be listed as an additional insured on Lessee's policy or policies of comprehensive general liability insurance, and at the time of the execution of this lease, Lessee shall provide Lessor with current Certificates of Insurance evidencing Lessee's compliance with this paragraph. Lessee shall obtain the agreement of Lessee's insurers to notify Lessor that a policy is due to expire at least (10) days prior to such expiration.
- D. If there is an increase in Lessor's insurance premiums for the Leased Premises or Building or its contents that is caused by Lessee, Lessee's use of

the Leased Premises, or any improvements made by or for Lessee, Lessee will, for each year or portion thereof that the Lease is in effect, pay Lessor the increase within ten (10) days after Lessor notifies Lessee of the increase. Any charge to Lessee under this Paragraph 7D will be equal to the actual amount of the increase in Lessor's insurance premium.

9. Utilities

Lessor will pay for the following utility charges to the Leased Premises: water, sewer, electric, gas, trash and existing local telephone program charges. If Lessor incurs any liability for any utility or connection charges caused by the Lessee and Lessor pays such amount, Lessee will reimburse Lessor such amount. This would include, but not be limited to any Lessee long distance phone charges.

10. Signs

Following Lessor's consent, Lessee shall have the right to place on the Leased Premises, at locations agreed upon by the Lessor and Lessee, signs indicating the presence of the Lessee which complies with applicable zoning ordinances and private restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's sole opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises. The permitted sign shall not be a permanent fixture and shall be temporary; i.e. a banner attached to a metal frame work or signage which can be secured by stakes in the ground. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

11. Entry

Lessor and Lessee will both utilize the Leased Premises. Lessor and Lessee shall not unreasonably interfere with either party's access and use. Lessee will be provided with three keys to the facility per Lessor's current policies. Representatives of the Lessee receiving a key shall sign a receipt for same which will provide that the key will not be given to anyone else, that they shall be responsible for the use of the key and that absolutely no duplication of keys will be permitted. As applicable lessee will be provided security code to premises.

12. Parking

Lessee will utilize the existing parking area on the south side of the property as space permits. Lessee will have the responsibility of securing additional parking spaces from adjacent properties if needed.

13. Usage of Facilities

A. Lessee's use of the Leased Premises shall be limited to Sunday school scheduled to begin at 10:00 AM and Sunday service scheduled to begin at 11:30 PM. Lessee is permitted to use the Leased Premises on Tuesday evenings for prayer group in the Sanctuary including Bible study. In addition

praise team and musicians practice may meet Friday evening at 7:00 PM in the music room of Sunday school classroom wing or in the Sanctuary when extra cooling and heating is not needed. Otherwise, the Lessee shall have no access or use of the Building or Leased Premises during the Week unless agreed to by the Lessor.

B. Lessor shall have full use of the Building and Leased Premises to maintain its current schedule of regular events which normally include Early service at 8:00 AM, Sunday School at 9:15 AM and Late service at 10:15 AM. Lessor also conducts Wednesday evening activities to include Bible study classes and choir practice. Lessor will also continue to conduct the following special services/meetings/events:

1. Christmas Eve service – 6:30 PM and 11:00 PM.
2. Thanksgiving Eve service – time to be determined.
3. Maundy Thursday service– 7:00 PM.
4. Good Friday service- 7:00 PM.
5. Saturday evening service- 6:00 PM.
6. Advent Festival- usually occurring in the late November early December time frame and Lessor agrees to relocate this event to the Fellowship corridor.
7. Fall Picnic- follow 10:15 AM service will be conducted outdoors and/or in the Fellowship corridor.
8. Annual Congregational Meeting - fourth Sunday in January after church and the Lessor agrees to relocate this meeting to the Fellowship corridor.
9. Semi-Annual Congregational Meeting - third Sunday in May after church and the Lessor agrees to relocate this meeting to the Fellowship corridor.
10. Mother's Day brunch- Saturday afternoon before Mother's Day with a time to be determined.
11. Women's High Tea- a Saturday afternoon in October with time to be determined and with setup beginning on the Thursday evening before in Sanctuary.
12. Vacation Bible School - usually in the 6:30 PM-8:30 PM time frame with a date to be determined.
13. Thanksgiving Dinner- Sunday event following Hope Lutheran Church's 10: 15 AM service. This event will be relocated to the Fellowship corridor and coordinated with Lessee.

C. Lessee is expected have an anniversary service the first Sunday of November, time to be determined.

D. Lessor's secretary will not work for Lessee other than to coordinate Lessee's calendar of events so as to maintain a central schedule for use of the Building and Leased Premises.

14. Damage and Destruction

Subject to Section 7 A. above, if the Leased Premises, Building or any part thereof or any appurtenance thereto is damaged by fire, casualty or structural defects such that the same cannot be used for Lessee's purposes, then Lessee shall have the right within thirty (30) days following notice of the damage to elect by notice to Lessor to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Lessee's purposes, Lessor shall promptly repair such damage at the cost of the Lessor. In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. Lessee shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Lessee. The provisions of this paragraph extend not only to the matters stated herein, but also to any occurrence which is beyond Lessee's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Lessee's purposes.

15. Default

The occurrence of any of the following shall be a "Default":

- A. Lessee fails to pay any Rental or Additional Charges within seven (7) days after written notice from Landlord; provided, however, Landlord is not obligated to give written notice more than twice in any twelve (12) month period; thereafter a Default occurs if Lessee fails to pay such amounts within seven (7) days after the same is due.
- B. Lessee fails to perform or observe any other term, condition, covenant or obligation required under this Lease for a period of fifteen (15) days after written notice thereof from Landlord; provided, however, that if the nature of Lessee's default is such that more than fifteen (15) days are reasonably required to cure, then such default shall be deemed to have been cured if Lessee commences such performance within said fifteen (15) day period and thereafter diligently completes the required action within a reasonable time.
- C. Lessee shall assign or sublet all or a portion of the Leased Premises in contravention of the provisions of paragraph 3 of this Lease.
- D. All or substantially all of Lessee's assets in the Leased Premises or Lessee's interest in this Lease are attached or levied under execution (and Lessee does not discharge the same within sixty (60) days thereafter); a petition in bankruptcy, insolvency or for reorganization or arrangement is filed

by or against Lessee (and Lessee fails to secure a stay or discharge thereof within sixty (60) days thereafter); Lessee is insolvent and unable to pay its debts as they become due; Lessee makes a general assignment for the benefit of creditors; Lessee takes the benefit of any insolvency action or law; the appointment of a receiver or trustee in bankruptcy for Lessee or its assets if such receivership has not been vacated or set aside within thirty (30) days thereafter; or, dissolution or other termination of Lessee's corporate charter if Lessee is a corporation.

16. Remedies

Upon the occurrence of any Default, Lessor shall have the following rights and remedies, in addition to those stated elsewhere in this Lease and those allowed by law or in equity, any one or more of which may be exercised without further notice to Lessee:

A. Lessor may, without judicial process enter upon the Leased Premises, by force if necessary (to the extent allowed by applicable law), without having any civil or criminal liability therefore (including specifically any liability or duty under Section 93.002 of the Texas Property Code which is superseded by this Paragraph), re-enter the Leased Premises and cure any Default of Lessee, and Lessee shall reimburse Lessor as Additional Charges for any reasonable costs and expenses which Lessor thereby incurs in effecting compliance with Lessee's obligations under this Lease; and Lessor shall not be liable to Lessee for any loss or damage which Lessee may sustain by reason of Lessor's action.

B. Without terminating this Lease, Lessor may terminate Lessee's right to possession of the Leased Premises, and thereafter, neither Lessee nor any person claiming under or through Lessee shall be entitled to possession of the Leased Premises, and Lessee shall immediately surrender the Leased Premises to Lessor, and Lessor may re-enter the Leased Premises and dispossess Lessee and any other occupants of the Leased Premises by any lawful means and may remove their effects, without prejudice to any other remedy that Lessor may have.

C. Lessor may sue for injunctive relief or to recover damages for any loss resulting from the Default.

D. Lessor shall be in default if it fails to perform any term, condition, covenant or obligation required under this Lease for a period of thirty (30) days after written notice thereof from Lessee to Lessor; provided, however, that if the term, condition, covenant or obligation to be performed by Lessor is such that it cannot reasonably be performed within thirty (30) days, such default shall be deemed to have been cured if Lessor commences such performance within said thirty-day period and thereafter diligently proceeds to completion of the same. Upon the occurrence of any such default, Tenant's sole and exclusive remedy is to terminate the Lease as provided in paragraph 20 below.

17. Limitation of Lessor Liability

If Lessor shall fail to perform any term, condition, covenant or obligation required to be performed by it under this Lease and if Lessee shall, as a consequence thereof, recover a money judgment against Lessor, Lessee agrees that it shall look solely to Lessor's right, title and interest in and to the Building for the collection of such judgment; and Lessee further agrees that no other assets of Lessor shall be subject to levy, execution or other process for the satisfaction of Lessee's judgment.

18. Non-waiver of Defaults

Neither party's failure nor delay in exercising any of its rights or remedies or other provisions of this Lease shall constitute a waiver thereof or affect its right thereafter to exercise or enforce such right or remedy or other provision. No waiver of any default shall be deemed to be a waiver of any other default. Lessor's receipt of less than the full Rent due shall not be construed to be other than a payment on account of Rent then due, nor shall any statement on Lessee's check or any letter accompanying Lessee's check be deemed an accord and satisfaction. No act or omission by Lessor or its employees or agents during the Lease Term shall be deemed an acceptance of a surrender of the Leased Premises, and no agreement to accept such a surrender shall be valid unless in writing and signed by Lessor.

19. Condemnation

If any legally, constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Lessor and Lessee shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

20. Subordination

Lessee accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate this Lease to such mortgage, deed of trust or other lien on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Lessee agrees upon demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Lessor may request. In the event that Lessee should fail to execute any instrument of subordination herein required to be executed by Lessee promptly as requested, Lessee hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it being agreed that such power is one coupled with an interest. Lessee agrees that it will from time to time upon request by Lessor

execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

21. Termination

Lessee has right to terminate this Lease without cause and without regard to default upon 30 days written notice to Lessor and Lessor has the right to terminate lease without cause and without regard to default upon 90 days written notice to Lessee.

22. Notice

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Lessor to:

Hope Lutheran Church
917 Straus Road
Cedar Hill, Texas 75104

If to Lessee to:

Thanksgiving Tabernacle Bible
PO Box 1564
Cedar Hill, Texas 75106-1564

Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

23. Waiver

No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

24. Memorandum of Lease

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Lessor and Lessee shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

25. Headings

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

26. Consent

Lessor shall not unreasonably withhold or delay its consent with respect to any matter for which Lessor's consent is required or desirable under this Lease.

27. Attorney's Fees

If either party defaults in the performance or observance of any of the terms, conditions, covenants or obligations contained in this Lease and the non-defaulting party obtains a judgment against the defaulting party, then the defaulting party agrees to reimburse the non-defaulting party for reasonable attorneys' fees incurred in connection therewith. In addition, if a monetary Default shall occur and Lessor engages outside counsel to exercise its remedies hereunder, and then Lessee cures such monetary Default, Lessee shall pay to Lessor, on demand, all expenses incurred by Lessor as a result thereof, including reasonable attorneys' fees, court costs and other reasonable expenses actually incurred.

28. Compliance with Law

Lessee shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Leased Premises. Lessor shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

29. Final Agreement

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

30. Dispute Resolution

The parties are entering into the Lease with the express understanding that this Lease is clear and fully enforceable as written. If either party has an issue or believes that the other party is in breach of the Lease, the party will first notify the other party in writing of such belief and meet with a representative of the other party at least thirty (30) days before taking any further action (an "Early Resolution Conference"). Either party's failure to comply with this paragraph shall be considered a material breach of this Lease, entitling the non-defaulting party to damages consisting of all attorney's fees, court or arbitration costs and any other expenses required to enforce this Lease or any other consequential damages sustained. Should the party representatives not be able to resolve disputes at the Early Resolution Conference, the parties agree to jointly appoint a mediator who shall conduct a non-binding mediation of the issue(s) in question. Both parties agree to share equally in the cost of the

mediator. In the event the Early Resolution Conference and the mediation are not successful, the parties hereto agree that all disputes of any kind shall be resolved by binding arbitration in Dallas, Texas, including any controversy or claim arising out of or relating to this Lease. The arbitration will be conducted before the American Arbitration Association, with a single arbitrator and will be conducted under the Commercial Dispute Resolution Procedures then in effect. Judgment upon the award rendered by the arbitrator may be enforced in any court of competent jurisdiction. Unless and until the arbitrator decides that one party is to pay for all (or a share) of the arbitrator's fees and expenses, both parties shall share equally in the payment of the arbitrator's fees as and when billed by the arbitrator. The rights and remedies of the parties under this Agreement are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which the parties shall have under or by virtue of any applicable law, or any other agreement or obligation between the parties or any of them. Any party's decision to seek such equitable relief shall not be construed as a waiver of the party's rights and obligations provided in this paragraph.

31. Governing Law

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of Texas.

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

HOPE LUTHERAN CHURCH

BY: _____

ITS: _____

Thanksgiving Tabernacle Bible Fellowship

BY: _____

ITS: _____