

RETAIL LEASE AGREEMENT

BASIC TERMS

Date: _____, 2009.

Landlord: Lakewood Partners, Ltd, a Texas limited partnership

Landlord's Address:

Lakewood Partners, Ltd
1100 Freeway Blvd.
Vidor, Texas 77662

Tenant: _____

Tenant's Address:

500 South Street, Suite _____
Vidor, Texas 77661

Tenant's Trade Name: _____

Guarantors: _____

Guarantor's Address:

Premises:

Approximate square feet: _____ square feet

Name of Shopping Center: Lakewood Business Park

Street address/suite: 500 South Street, Suite _____

City, state, zip: Vidor, Texas 77662

Term (months): 5 years

Commencement Date: _____, 2009.

Termination Date: _____, 2014

Total Monthly Rent: Total Monthly Rent is the total of Base Rent, Monthly Property Tax Assessment, Insurance, and Monthly CAM Charge. Each of these is determined according to the square footage of the rented space. By Tenant's signature on this Retail Lease Agreement, Tenant hereby stipulates that the Tenant has had an opportunity to inspect and measure the rented space and further stipulates that the square footage of said rented space, for the purposes of calculating Base Rent, Monthly Property Tax Assessment, Insurance, and Monthly CAM Charge, is agreed to be _____ square feet.

1. Base Rent shall be \$1.00 per square foot of rented space;
2. Monthly Property Tax Assessment shall be one-twelfth of \$1.00 per square foot of rented space, divided by 12;
3. Insurance shall be \$0.25 per square foot of rented space; and
4. Monthly CAM Charge shall be \$0.4 per square foot of rented space.

Therefore, the Total Monthly Rent for the leased space is agreed as \$_____._____/month.

Security Deposit: The security deposit shall be equal to one month's Base Rent which, in this Retail Lease Agreement, shall be \$_____.

Permitted Use: Operation of _____.

Tenant's Insurance: As required by Insurance Addendum

Tenant's Rebuilding Obligations: If the Premises are damaged by fire or other elements, Tenant will be responsible for repairing or rebuilding the following leasehold improvements: All partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements originally installed in the Premises by Tenant.

Definitions

"CAM Charge" means the reasonable cost of ownership, operation, and maintenance of the Common Areas, including signs erected by, or at the direction of, Landlord.

"Common Areas" means all facilities and areas of the Shopping Center that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Shopping Center, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas.

"Essential Services" means utility connections reasonably necessary for occupancy of the Premises for the Permitted Use.

"Injury" means (a) harm to or impairment or loss of property or its use, (b) harm to or death of a person, or (c) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

"Landlord" means Landlord and its agents, employees, invitees, licensees, or visitors.

"Lienholder" means the holder of a deed of trust covering the Premises.

"Tenant" means Tenant and its agents, contractors, employees, invitees, licensees, or visitors.

Clauses and Covenants

A. Tenant agrees to -

1. Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.
2. Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.
3. Obey (a) all applicable laws relating to the use, condition, and occupancy of the Premises and Shopping Center; (b) any requirements imposed by utility companies serving or insurance companies covering the Premises or Shopping Center; and (c) any rules and regulations of the Shopping Center adopted by Landlord.
4. Pay monthly, in advance, on the first day of the month, the Total Monthly Rent to Landlord at Landlord's Address.
5. Pay a late charge of 5 percent of any Rent not received by Landlord by the tenth day after it is due.

6. Obtain and pay for all utility services used by Tenant and not provided by Landlord.
7. Pay Tenant's Pro Rata Share of any utility services provided by Landlord.
8. Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.
9. Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
10. Keep the sidewalks, service ways, and loading areas adjacent to the Premises clean and unobstructed.
11. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.
12. (a) Continuously and in good faith conduct on the entire Premises the type of business for which the Premises are leased in an efficient and reputable manner so as to produce the maximum amount of Gross Sales and (b) except during reasonable periods for repairing, cleaning, and decorating, keep the Premises open to the public for business during Operating Hours.
13. If requested, deliver to Landlord a financing statement perfecting the security interest created by this lease.
15. Vacate the Premises on the last day of the Term.
16. On request, execute an estoppel certificate that states the Commencement Date and Termination Date of the lease, identifies any amendments to the lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.
17. INDEMNIFY, DEFEND, AND HOLD LANDLORD AND LIENHOLDER HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES. *THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS'*

COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

B. Tenant agrees not to -

1. Use the Premises for any purpose other than the Permitted Use.
2. Create a nuisance.
3. Interfere with any other tenant's normal business operations or Landlord's management of the Shopping Center.
4. Permit any waste.
5. Use the Premises in any way that would increase insurance premiums, or void insurance on the Shopping Center.
6. Change Landlord's lock system.
7. Alter the Premises.
8. Allow a lien to be placed on the Premises.
9. Assign this lease or sublease any portion of the Premises without Landlord's written consent.
10. Use the roof of the Shopping Center.
11. Place any signs on the Premises without Landlord's written consent.

C. Landlord agrees to -

1. Lease to Tenant the Premises for the entire Term beginning on the Commencement

Date and ending on the Termination Date.

2. Obey all applicable laws with respect to Landlord's operation of the Shopping Center.
3. Provide the Essential Services.
4. Repair, replace, and maintain the (a) roof, (b) foundation, (c) Common Areas, and (d) structural soundness of the exterior walls, excluding windows, store fronts, and doors.
5. Return the Security Deposit to Tenant, less itemized deductions, if any, within sixty days after the last day of the Term.

D. Landlord agrees not to -

1. Interfere with Tenant's possession of the Premises as long as Tenant is not in default.
2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

1. *Alterations.* Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.
2. *Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.
3. *Casualty/Total or Partial Destruction*
 - a. If the Premises are damaged by casualty and can be restored within ninety days, Landlord will, at its expense, restore the roof, foundation, Common Areas, and structural soundness of the exterior walls of the Premises and any leasehold improvements within the Premises that are not within Tenant's Rebuilding Obligations to substantially the same condition that existed before the casualty and Tenant will, at its expense, replace any of its damaged furniture, fixtures, and personal property and restore any leasehold improvements that are within Tenant's Rebuilding Obligations. If Landlord

fails to complete the portion of the restoration for which Landlord is responsible within ninety days from the date of written notification by Tenant to Landlord of the casualty, Tenant may terminate this lease by written notice delivered to Landlord before Landlord completes Landlord's restoration obligations.

- b. If Landlord cannot complete the portion of the restoration for which Landlord is responsible within ninety days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant in writing of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord in writing within ten days from receipt of Landlord's estimate. If Tenant does not notify Landlord timely of Tenant's election to terminate this lease, the lease will continue and Landlord will restore the Premises as provided in paragraph E, 3, (a).
- c. To the extent the Premises are untenable after the casualty, the Rent will be adjusted as may be fair and reasonable.

4. *Condemnation/Substantial or Partial Taking*

- a. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.
- b. Whether or not any portion of the Premises is taken by condemnation or purchase in lieu of condemnation, Landlord and Tenant may elect to terminate this lease if 50 percent or more of the Common Area is taken.
- c. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.
- d. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

5. *Uniform Commercial Code.* Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

6. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice and failing to provide Essential Services to Tenant within ten days after written notice.
7. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service for thirty days after default, terminate this lease.
8. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.
9. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.
10. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.
11. *Security Deposit.* If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default.
12. *Holdover.* If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.
13. *Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

14. *Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.
15. *Venue.* Exclusive venue is in the county in which the Premises are located.
16. *Entire Agreement.* This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.
17. *Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.
18. *Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.
19. *Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.
20. *Use of Common Areas.* Tenant will have the nonexclusive right to use the Common Areas subject to such reasonable rules and regulations that Landlord may prescribe.
21. *Abandoned Property.* Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.
22. *Advertisement of Premises.* During the last thirty days of the Term, Landlord may place a sign on the Premises advertising the Premises for rent or sale.
23. *Extension Option.* Tenant has the option to extend the Term as provided in the

attached extension option rider.

Lakewood Partners, Ltd, a Texas limited partnership,

Terry Woodard, general partner of Lakewood Partners, Ltd

(Tenant, and legal description of business entity)

By: _____
(Tenant's authorized agent and capacity)