

LEASE AGREEMENT

The parties to this lease agreement (the "Lease") are the **City of Fate, Texas** (the "Landlord") and **Smoaktown, LLC**, a Texas _____ company (the "Tenant"). Tenant is liable to Landlord for full performance under each and every covenant and condition of this Lease and for compliance with applicable law. The Landlord and the Tenant are hereinafter collectively referred to as "the Parties."

WHEREAS, the City owns Fate Station Park, located at **110 Greenhill Lane**, Fate, Texas ("Park"); and

WHEREAS, the City is developing the Park to be downtown destination for residents and visitors; and

WHEREAS, at the Park is located shipping containers to be occupied and operated by restaurant owners; and

WHEREAS, Tenant would like to enter into a lease with Landlord for on of the shipping containers located at the Park,

NOW THEREFORE, in consideration of the mutual covenants contained herein, the Parties are entering into this Lease and have agreed as follows:

1. **LEASED PREMISES:** Landlord agrees to lease to Tenant the shipping container located at the Park and as further described in **Exhibit A** (the "Premises").
2. **LICENSED PREMISES:** In addition to the Lease, Landlord is granting to the Tenant a license to use: 1) the portion of the Park in which tables are set up for use by patrons and customers of all Park vendors; and 2) driveway for loading and unloading of Tenant supplies during the hours of 7:00 am-10:30 am.
3. **TERM:** The term of this Lease commences at 12:00 a.m. on _____, 2026 ("Commencement Date"), and terminates at midnight on _____, 2030 (the "Lease Term"). Unless either party provides written notice of termination at least sixty (60) days prior to the expiration of the Lease Term, this Lease and License shall automatically renew on a month-to-month basis. The terms and conditions of this Lease shall remain in full force during the renewal period.
4. **RENTAL:** In the first year of the Lease Term, the Tenant shall pay to Landlord monthly 4,000.00 plus the cost of water, wastewater, gas, and electric utilities (the "Rent"), to begin on _____, 2026, and continuing until the conclusion of the Lease Term. The Rent shall be due on the 1st of every month. Should the Rent not be paid by the fifth (5th) day of the month, a late fee of 5 percent (5%) of the Rent shall become due and payable to the Landlord by the Tenant in addition to the Rent. Rent shall be paid either by mailing it to 1900 CD Boren Parkway, Attn: Fate Finance Department, Fate, TX 75087, or in person at the utility window of Fate City Hall, 1900 CD Boren Parkway,

Fate, Texas 75087. Beginning on the first twelve month anniversary of the Commencement Date, and on each succeeding anniversary date thereafter, the City may increase the Rent by an amount not to exceed 5% per annum; such Rent increase will be effective upon 30-days, written notice to the Tenant.

5. RETURNED CHECK FEE: In the event that a check presented by Tenant is returned NSF or otherwise returned for insufficient funds, Tenant will pay to Landlord a Returned Check Fee of thirty dollars (\$30.00).
6. PRO-RATA RENTAL PAYMENT: There is no pro-rata rental provision for late occupancy or early vacation of the Premises.
7. DEPOSIT: Tenant shall pay one month's Rent as a security deposit to Landlord on or before the date this Lease commences. If Landlord is holding a security deposit paid by Tenant from a previous Term, Tenant shall pay any difference to ensure that the total security deposit paid to Landlord equals one month's Rent under this Lease.
8. UTILITIES: Landlord shall place water, wastewater, gas, and electric utilities in its name. The water, wastewater, gas, and electric utilities, together with all taxes thereon, will be billed by the City to the Tenant every month for the past month of usage; Tenant shall not owe more than \$1,000.00 for utilities ("Utility Fee"). Tenant shall place all other utilities in its name. Tenant shall pay directly for all utilities and services supplied to the Premises, including telephone, together with all taxes thereon.

Beginning on the first twelve month anniversary of the Commencement Date, and on each succeeding anniversary date thereafter, the City may increase the Utility Fee by an amount not to exceed 5% per annum; such Utility Fee increase will be effective upon 30-days, written notice to the Tenant.

9. USE OF PREMISES: Tenant may use the Premises for only for a restaurant, except as prohibited or restricted by matters set forth in **Exhibit B**, which is attached hereto and incorporated herein by reference ("Permitted Exceptions"). Tenant shall maintain the Premise open for the restaurant use during the following hours ("Operational Hours"):
 - (a) Wednesday-Thursday 11:00 a.m.-9:00 p.m.;
 - (b) Friday-Saturday 11:00 a.m.-11:00 p.m.; and
 - (c) Sunday 11:00 a.m.-8:00 p.m.

The Operational Hours may be modified with written permission from City.

10. PARKING: Tenant shall have no designated parking spaces for its exclusive use.

11. CONDITION OF PREMISES: **TENANT ACKNOWLEDGES THAT TENANT HAS INSPECTED THE LEASED SPACE AND ACCEPTS THE LEASED SPACE AS STATED IN THE CERTIFICATION ATTACHED HERETO AS EXHIBIT C AND DELIVERED BY TENANT TO LANDLORD. FURTHER, IF AT ANY TIME THIS LEASE SHALL BE FOUND OR DECLARED NULL, VOID, ILLEGAL, OR**

OTHERWISE INVALID FOR ANY REASON BY A COMPETENT COURT OR TRIBUNAL WITH PROPER JURISDICTION, TENANT EXPRESSLY COVENANTS AND WARRANTS THAT IT SHALL CEASE ALL OPERATIONS AND VACATE AND SURRENDER THE LEASED SPACE FORTHWITH IN ACCORDANCE WITH THE SURRENDER REQUIREMENTS UNDER PARAGRAPH 23 AND OTHER APPLICABLE PROVISIONS OF THIS LEASE AND AGREES THAT LANDLORD SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES CAUSED BY ANY SUCH FINDING OR DECLARATION OF NULLITY, VOIDNESS, ILLEGALITY OR INVALIDITY.

12. ALTERATIONS: Tenant may not alter the Premises or install improvements or fixtures without the prior written consent of the Landlord.

13. INSPECTIONS: Landlord may enter at reasonable times to inspect the Premises. Landlord shall provide Tenant door keys and access codes to allow access to the Premises, which Tenant shall return to Landlord at expiration of the Lease Term.

14. REPAIRS AND MAINTENANCE: Landlord will repair and maintain the Premises, including HVAC, grease trap, and the sewer and water infrastructure, save and except for those conditions and damages caused by Tenant. Landlord shall not be responsible to make any improvements or repairs, except for those repairs and improvements necessary to maintain the Premises in its state at the commencement of the Lease Term. Except as may be provided in the Lease regarding any repairs agreed to be done by Landlord, any repairs or work required by Tenant are the sole responsibility of Tenant, and Tenant agrees that there is no other obligation on the part of Landlord to make any changes, alterations, or repairs to the Leased Space, including, without limitation, to cure any violations of Law existing prior to Tenant's occupancy, comply with the requirements of any insurer or otherwise. Except as may be provided in the Lease, Landlord is solely responsible for obtaining any certificate of occupancy or any other approval or permit necessary for the transfer or occupancy of the Leased Space; provided further, Landlord is responsible for any repairs or alterations necessary to obtain the same, at Landlord's sole cost and expense. In the event that there is a need to report a condition needing a repair, Tenant shall send a request via email to Landlord at tenant@fatetx.gov. For any repairs, Landlord will in good faith take reasonable steps to coordinate the repair schedule with Tenant.

Tenant shall maintain the Premises in a clean and sanitary condition and in compliance with all laws, including health regulations. Tenant is responsible for taking all of its waste and trash to the dumpster locations designated by Landlord in writing.

Tenant shall maintain the portion of the Licensed Premises as depicted in **Exhibit D** in a clean and sanitary condition. At the following times, Tenant shall removing all waste and trash from the receptacles located in the portion of the Licensed Premises as depicted in **Exhibit D** to the dumpster locations designated by Landlord in writing:

_____;

_____.

15. COMPLIANCE WITH LAWS: Tenant shall comply with all applicable laws, restrictions, ordinances, rules, and regulations with respect to occupying the Premises. Tenant will be responsible for the cost of any fines levied on the Landlord as a result of Tenant not complying with any applicable laws, restrictions, ordinances, rules, and regulations incurred during the Lease Term. Tenant covenants and agrees that it shall not engage in any unlawful use of the Premises. Tenant further agrees that it shall not permit its officers, agents, servants, employees, contractors, subcontractors, patrons, licensees, or invitees to engage in any unlawful use of the Premises and Tenant shall immediately remove from the Premises any person engaging in such unlawful activities. Unlawful use of the Premises by Tenant itself shall constitute an immediate breach of this Lease. Tenant shall comply with all City regulations and policies and shall coordinate with City staff with regard to arrangements for site use. Tenant covenants and agrees during the Term of this Lease that if Landlord calls to the attention of Tenant any such violation on the part of Tenant or any person employed by or admitted to the Premises by said Tenant, then Tenant shall immediately desist from and correct such violation or vacate the Premises. Tenant shall be responsible for obtaining and maintaining any and all applicable permits, licenses, or approvals necessary to fulfill its own individual obligations under this Lease in accordance with any local, state, or federal statutes, rules, or regulations.

16. ASSIGNMENT AND CHANGE IN OWNERSHIP OF TENANT. Tenant may not assign this Lease or sublet any part of the Premises.

17. INDEMNITY: TENANT, ON BEHALF OF ITSELF AND ALL TENANT'S REPRESENTATIVES, SHALL AND DOES AGREE TO RELEASE, INDEMNIFY, PROTECT, DEFEND AND HOLD HARMLESS LANDLORD AND LANDLORD'S EMPLOYEES, REPRESENTATIVES, OFFICIALS, OFFICERS, AND AGENTS (COLLECTIVELY, "INDEMNITEES") FOR, FROM, AND AGAINST ANY AND ALL THIRD-PARTY CLAIMS, LIABILITIES, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES INCLUDING, BUT NOT LIMITED TO, COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION, OF ANY NATURE, KIND OR DESCRIPTION ARISING OR ALLEGED TO ARISE BY REASON OF INJURY TO OR DEATH OF ANY PERSON OR DAMAGE TO OR LOSS OF PROPERTY (1) RELATING TO THE USE OR OCCUPANCY OF THE PREMISES BY TENANT, ITS EMPLOYEES, PATRONS, AGENTS, INVITEES, LICENSEES, VOLUNTEERS, AND SUBCONTRACTORS, OR (2) BY REASON OF ANY OTHER CLAIM WHATSOEVER OF ANY PERSON OR PARTY OCCASIONED OR ALLEGED TO BE OCCASIONED IN WHOLE OR IN PART BY ANY ACT OR OMISSION ON THE PART OF TENANT OR ANY INVITEE, LICENSEE, EMPLOYEE, DIRECTOR, OFFICER, SERVANT, VOLUNTEER, OR CONTRACTOR OF TENANT, OR ANYONE TENANT CONTROLS OR EXERCISES CONTROL OVER, OR (3) BY ANY BREACH, VIOLATION OR NONPERFORMANCE OF ANY COVENANT OF TENANT UNDER THIS LEASE. THIS PROVISION SHALL SURVIVE TERMINATION OF THE LEASE.

18. LIMITATION OF LIABILITY: EXCEPT WITH RESPECT TO TENANT'S OBLIGATIONS UNDER THIS SECTION, NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY EXEMPLARY OR PUNITIVE DAMAGES FOR BREACH OF CONTRACT.

19. INSURANCE: Tenant shall maintain one or more insurance policies with the terms and limits described in **Exhibit E**, and maintain all other insurance coverages required for employers under Texas law (e.g., Worker's Compensation not less than Texas statutory coverage minimums). All policies of insurance to be maintained by Tenant hereunder may be maintained by way of "blanket policies" insuring the Premises and any other property owned and/or operated by Tenant or its affiliates, and shall be subject to such self-insured retention as may be included in Tenant's policies, all in accordance with Texas law. Each insurance or risk policy to be provided by Tenant hereunder shall name Landlord or its designee as additional insured and shall also contain a provision whereby the insurer agrees that such policy shall not be cancelled except after 30 days' written notice to Landlord or its designee. The insurance policies or duly executed certificates thereof, together with satisfactory evidence that the premium has been paid, shall be provided to Landlord on or before the Effective Date of this Lease; and, thereafter, evidence of continuing insurance and premium payment shall be delivered to Landlord not less than 30 days prior to the expiration of each policy required to be in force hereunder. If Tenant fails to maintain the required insurance or to deliver evidence of same, Landlord may, but shall not be obligated to, obtain such insurance and be reimbursed by Tenant upon demand.

20. WAIVER OF SUBROGATION: Landlord shall not be liable by way of subrogation or otherwise to Tenant or to any insurance company insuring Tenant for any loss or damage to any of the property of the Landlord or Tenant covered by insurance even though such loss or damage might have been occasioned by the negligence of: (1) Landlord or its officers, directors, employees, agents, contractors, customers, or visitors and invitees of Landlord at the Premises; or (2) Tenant, Tenant's Representatives, permittees, or customers. This waiver shall be in effect only so long as the applicable insurance policies shall contain a clause or endorsement to the effect that the waiver shall not affect the right of the insured to recover under such policies. Tenant shall use its best efforts, including payment of any additional premium, to have its insurance policies contain the standard waiver of subrogation clause. In the event Tenant's insurance carrier declines to include in such carrier's policies a standard waiver of subrogation clause, Tenant shall promptly notify Landlord.

21. DEFAULT: If Tenant fails to perform or observe any provision of this Lease and fails, within 24 hours after notice by Landlord, to commence and diligently remedy such failure, Tenant shall be in default of this Lease. Failure to pay Rent and any applicable late charges shall also constitute a default.

22. TERMINATION: This Lease automatically terminates upon expiration of the Lease Term or upon Tenant's default under this Lease.

- (a) In the event of default by Tenant with respect to any of the terms of this Lease, Landlord may terminate this Lease by giving written notice of termination which summarizes the nature of Tenant's default, and delivery of such notice shall be deemed effective to relieve the Landlord of any further obligation to perform unless all conditions constituting a default are cured within 30 calendar days of delivery of such notice.
- (b) In the event that Landlord provides notice of default and intent to terminate the Lease, Tenant shall immediately surrender the Premises to Landlord. If Tenant fails to so surrender the Premises, then Landlord may, without prejudice to any other remedy it has, including possession of the Premises or arrearages in Rent, or other damages, re-enter and take possession of the Premises and expel or remove Tenant and any other person occupying the Premises or any part thereof, in accordance with applicable law.
- (c) Landlord may re-enter and take possession of the Premises without terminating the Agreement and relet the Premises and apply the Rent received to the account of Tenant. If Landlord so re-enters and takes possession of the Premises as set forth above, Landlord agrees to use reasonable efforts to re-let the Premises for a commercially reasonable rate at the time of such reletting. No reletting by Landlord shall be considered to be for Landlord's own account, unless Landlord has notified Tenant in writing that this Agreement has been terminated. In addition, no such reletting shall be considered an acceptance of Tenant's surrender of the Premises unless Landlord so notifies Tenant in writing.
- (d) If Landlord's governing body elects to terminate the project during the Lease Term or any renewal thereof, it must provide the Tenant with at least 90 days' advance written notice of that intention, which shall include a proposed termination date. Tenant shall thereafter confer with Landlord to determine whether existing conditions or pre-planned events warrant an extension of the termination date, and Landlord shall not unreasonably withhold consent for an extension for Tenant to continue occupancy and use of the Facilities and Premises for so long as is necessary to avoid incurring any liabilities arising from cancellation of Tenant occupancy privileges.

23. SURRENDER; HOLDING-OVER: Tenant shall surrender possession of all parts of Landlord's Premises upon termination of this Lease. Any possession by Tenant after termination creates a tenancy at sufferance and will not renew or extend this Lease. Tenant shall pay \$200.00 per day during the period of any possession after termination as damages, in addition to any other remedies to which Landlord is entitled. Tenant shall remove all Personal Property, which are not fixtures and shall return any area altered by Tenant for use into its previous condition, subject to Landlord's election to allow any specific items to remain "as is," which election Tenant may secure only in writing from Landlord. All other installations or improvements, including all infrastructure, structures, buildings, HVAC equipment, paneling, decorating, partitions, railings, mezzanine floors, and

galleries made by either party shall be and become upon installation, the property of Landlord and shall be surrendered with the Leased Space at the expiration or termination of this Lease unless Landlord notifies Tenant to the contrary in writing, in which event Tenant may remove such property at its expense. Any property not promptly removed by Tenant under the provisions of this subparagraph may, at Landlord's option, be deemed to have been abandoned by Tenant and may be retained by Landlord without any claim by Tenant. Tenant shall in any event repair any damage to the Leased Space caused by Tenant's removal of any property.

24. EXPIRATION: On expiration or termination of this Lease, Tenant shall surrender the Premises to the Landlord in the same condition as received, excepting normal wear and tear. Tenant is responsible for any costs incurred for repairs made necessary due to abuse, or acts of commission or omission by the Tenant, employees, invitees, or pets.

25. DESTRUCTION; CONDEMNATION:

(a) Destruction.

- (1) Cancellation. Subject to subsection (a), below, if any portion of the Improvements situated on the Leased Space shall be damaged or destroyed to the extent that Tenant can no longer peaceably enjoy the Leased Space after Landlord has had at least 30 days after written notice from Tenant to cure any such damage or destruction, then this Lease shall terminate at Tenant's sole option and discretion indicated by written notice from Tenant within 30 days following such damage or destruction.
- (2) Restoration. In the event of damage or destruction not caused by Tenant's or Landlord's intentional misconduct or breach of this Agreement, and in the event Tenant has elected not to terminate the lease, Landlord shall, at its sole discretion: (1) remove any debris and cause the Leased Space to be repaired or restored as Tenant may deem necessary or desirable, but in any event the Leased Space shall be repaired or restored by Landlord to a safe and slightly condition in compliance with all applicable laws; or (2) terminate this Lease as indicated by written notice from Landlord within 30 days following such damage or destruction.
- (3) Insurance Proceeds. Subject to any contrary provision of Section 7 above, all of Tenant's insurance proceeds, if any, payable with respect to damage or destruction of the improvements situated on the Leased Space shall be retained by and be the property of Tenant.

(b) Condemnation.

- (1) Taking of Parking or Access. In the event of a taking by the power of eminent domain or conveyance in lieu thereof ("Taking") of the whole or any part of the Premises, this Lease shall terminate, at Tenant's sole option and discretion indicated by written notice from Tenant within 30 days' following such Taking.

If Tenant continues under this Lease, the rental amount shall not be adjusted therefore, except by mutual agreement of the parties. However, neither this provision nor any other provision in this Lease shall be interpreted to restrict in any manner the Landlord's right to grant, convey, or dedicate easements on any part of the Leased Space to any person or entity allowing any type of use so long as such use does not degrade Tenant's ability to operate its business Awards. All compensation awarded for any Taking of the Leased Space (other than a Taking initiated or consummated by the City of Fate, Texas), including any interest of Landlord or Tenant therein, shall be the property of Landlord, and Tenant hereby assigns to Landlord all of Tenant's rights, title and interest in and to any and all such compensation.

26. **ATTORNEY'S FEES:** The prevailing party in any legal proceeding brought under or with respect to this Lease is entitled to recover from the non-prevailing party all costs of such proceeding and reasonable attorney's fees.
27. **COUNTERPARTS:** This Lease may be executed in multiple counterparts, each of which shall be an original, but all of which shall constitute one instrument.
28. **CONTRACT INTERPRETATION:** This Lease is the result of negotiation between the parties, and shall, in the event of any dispute over the meaning or application of any portion thereof, be interpreted fairly and reasonably, and not to be more strictly construed against one party than another, regardless of which party originally drafted the language in dispute.
29. **NO JOINT VENTURE:** It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties.
30. **BINDING EFFECT:** All provisions of this Lease shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
31. **TIME OF THE ESSENCE:** Time is of the essence with respect to each provision, term and covenant of this Lease.
32. **CAPTIONS:** The captions are for convenience and do not limit or define the provisions of this Lease.
33. **APPLICABLE LAW; CONSTRUCTION:** The laws of the State of Texas shall govern the validity, performance and enforcement of this Lease. The invalidity or unenforceability of any provision of this Lease shall not affect or impair any other provision. If any provision of this Lease is capable of two constructions, one of which would render the provision invalid and the other of which would make the provision valid, the provision shall have the meaning which renders it valid. The submission of this document for examination does not constitute an offer to lease, this document being effective only upon the conditions stated herein.

DISCLAIMER OF WARRANTIES: LANDLORD MAKES NO WARRANTY OR REPRESENTATION OF CONDITION OF ANY KIND FOR THE PREMISES, EXPRESS OR IMPLIED, INCLUDING NO WARRANTY OF HABITABILITY OR SUITABILITY FOR A PARTICULAR PURPOSE, UNLESS EXPRESSLY CREATED BY THE TERMS OF THIS DOCUMENT AND LABELED OR DESIGNATED AS A WARRANTY.

34. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

	Landlord	Tenant
Addressee	City Manager	
Address	1900 CD.Boren Parkway	
	Fate, Texas 75087	
Email:	mkovacs@fatetx.gov	
Telephone:	(972) 771-4601	

35. CONSULT YOUR ATTORNEY: This Lease is intended to be legally binding. READ IT CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

36. ENTIRE AGREEMENT: This Lease embodies the entire agreement and understanding between the parties as to the lease of the Leased Space by Tenant and supersedes all prior negotiations, agreements and understandings pertaining to such lease. Any provision of this Lease may be modified, waived or discharged only by an instrument in writing signed by the party against which enforcement of such modification, waiver or discharge is sought. This Lease is not intended to be nor shall it be construed as a service contract or contract for the sale of goods by Tenant to Landlord. Landlord does not by entering into this Lease waive any immunities it may have under common law or statute.

37. NO COMMISSION:-Tenant and Landlord hereby-represent to each other that neither has entered into any agreement or understanding that would give rise to a real estate commission being owed in connection with this Lease, and each of Landlord and Tenant shall indemnify and hold the other harmless against any commission, payment, interest or participation claimed on account of this Lease with any party under any alleged agreement or understanding entered into on that party's behalf with the person or entity claiming the commission, payment, interest or participation.

Landlord: City of Fate, Texas

Tenant: _____

Michael Kovacs
City Manager

Date: _____

Date: _____

EXHIBIT A - DESCRIPTION OF PREMISES

EXHIBIT B–
TITLE POLICY AND PERMITTED EXCEPTIONS

Any and all easements and encumbrances of any kind recorded in the Rockwall County, Texas land records pertaining to the Premises or granted or conveyed by Landlord in accordance with applicable provisions of the Lease.

EXHIBIT C-INSURANCE

Tenant covenants and agrees to obtain and keep in force and to ensure its contractors, as applicable, keep in force for the duration of providing the Services, one or more policies of insurance as follows:

- a) **Commercial General Liability**
 - a. \$1,000,000 each occurrence
 - b. \$2,000,000 aggregate

- b) **Automobile Liability**
 - a. \$1,000,000 each accident on a combined single limit, or
 - b. \$250,000
 - C. \$500,000**
 - d. Property Damage
 - e. Bodily Injury per person per occurrence

A commercial business policy shall provide coverage on-"Any Auto," defined as autos owned, hired and non-owned.

Terms and Conditions Applicable to All Insurance:

- a) Certificates of insurance evidencing all required insurance shall be delivered to the City at least two weeks prior providing the Services herein.
- b) Applicable policies shall be endorsed to name the City as an Additional Insured thereon, as its interests may appear. The term "City" shall include its employees, officers, officials, agents, and volunteers as respects the contracted services.
- c) Certificate(s) of insurance shall document that insurance coverage specified in this Lease are provided under applicable policies documented thereon.
- d) Any failure on the part of the City to request required insurance documentation shall not constitute a waiver of the insurance requirements.
- e) A minimum of thirty (30) days' notice of cancellation or material change in coverage effecting the required lines and limits of insurance shall be provided to the City. A ten (10) days' notice shall be acceptable in the event of non-payment of premium. Notice shall be sent to the City Manager at the address provided in the Lease.
- f) Insurers for all policies must be authorized to do business in the State of Texas and have a minimum rating of A:VII in the current A.M. Best Key Rating Guide or have reasonably equivalent financial strength and solvency to the satisfaction of the City's Risk Management Division.

- g) Deductible limits, or self-insured retentions, affecting insurance required herein shall be acceptable to the City in its sole discretion; and, in lieu of traditional insurance, any alternative coverage maintained through insurance pools or risk retention groups must also be approved. Dedicated financial resources or letters of credit may also be acceptable to the City.
- h) Applicable policies shall each be endorsed with a waiver of subrogation in favor of the City.
- i) The City shall be entitled, upon its request and without incurring expense, to review the Tenant's insurance policies including endorsements thereto and, at the City's discretion, the Tenant may be required to provide proof of insurance premium payments.
- j) The Commercial General Liability insurance policy shall have no exclusions by endorsements that have effect on the lines and limits of insurance required in this Lease, unless the City approves such exclusions.

**EXHIBIT D - DESCRIPTION OF COMMON AREA OVER WHICH TENANT HAS
CLEANING RESPONSIBILITIES**