

Lease  
Agreement For  
1424 Park Road, N.W.  
Washington, D.C. 20010

This Lease Agreement (Agreement) made this 25<sup>th</sup> day of November 2016 by and between Josefina Ayala and Jose O. Ayala (hereinafter jointly called "landlord" and Mi Cuba Cafe, Inc., a District of Columbia corporation represented by its President, Ariel Valladares, called ("tenant").

WITNESSETH:

1. DEMISED PREMISES. The landlord, for and in consideration of the covenants and agreements herein set forth, and the rent hereafter specifically reserved, has leased and does hereby lease unto said tenant, the space described as follows: Approximately 2,520 square feet of commercial space in two-story building with full basement located at 1424 Park Road, N.W., Washington, D.C. 20010, owned by the landlord which shall be hereinafter referred to as the "demised premises"

2. TERM. Subject to and upon the terms and conditions set forth herein, and provided collection has been made on checks tendered for the security deposit and first month rent the landlord hereby grants the tenant this SEVEN (7) YEARS lease beginning on the first day of December 1, 2016 and ending on the 30<sup>th</sup> day of November 2023. Tenant shall have one option to extend the terms and conditions of the lease for an additional Seven (7) Years term. Six months prior to the expiration of the first term tenant shall give written notice to Landlord of its intention to exercise the option to extend the lease for the second term. Tenant's occupancy of the leased premises shall constitute satisfactory acceptance thereof by Tenant as complying with all requirements of tenant with respect to the condition; it being expressly understood and agreed that the landlord has made no representations or warranties, express or implied with respect to the leased premises.

3. RENT, REAL ESTATE TAXES AND OTHER CHARGES. (a) The monthly rent for December 2016 shall be \$3,940.16 plus the property taxes and insurance costs allocated to December 2016. The monthly rent of January 2017 and February 2017 shall be \$5,401.35 each. During the month and for the term hereof, commencing on March 1, 2017 the new rent commencement date, tenant covenants and agrees to pay to landlord for the demised premises, without previous notice or demand therefore, and without deduction, set-off or abatement of any kind, a minimum annual rent of the sum of Sixty Nine Thousand Eight Hundred Ninety Four Dollars and Forty Eight Cents (\$69,894.48) payable in monthly installments of Five Thousand Eight Hundred Twenty Four Dollars and Fifty Four Cents (\$5,824.54) (hereinafter referred to as the "basic monthly rent") on the 1st day of each and every calendar month during the term hereof, except that the first such monthly installment to be paid at the time of execution of this lease. Rent for any partial month shall be prorated at the rate of one-thirtieth (1/30) of the monthly rent per day. TENANT HEREBY WAIVES all future claims to offset against basic or Additional rent and agrees to make all rent payments regardless of any offset or claim which Tenant may assert in connection with this lease. Tenant covenants and agrees to pay, as additional rent, a late fee equal to Five Percent (5%) of any rent or other payments due under this lease, if said payments are not paid within five (5) days of their due date.

(b) As part of the rent, in addition to all base rent and increases thereto, tenant shall pay to landlord as additional rent, all real estate taxes levied annually against the premises. All future real estate taxes, real estate tax increases and or assessments shall be paid by the tenant whether the increase results from a general increase in the tax rate, or from an increase in the assessed valuation of said land and improvements, or from any cause whatsoever,

including the construction of additional improvements to the property, or any other public charge or fee against the premises. Any increase in the real estate taxes and assessments shall be prorated for fractional portions of tax years during the term of this lease. For the purposes of this paragraph 3, the term "Real Estates Taxes" shall be defined to include all taxes, rates, assessments, general or special assessments, general or special, ordinary or extraordinary, foreseen or unforeseen, levied or imposed on the land or structure, or landlord, in substitution for real estate taxes presently levied or imposed. Any such new tax or levy shall be included within the term "Real Estate Taxes". A tax bill issued by the appropriate governmental authorities shall be accepted by the tenant as conclusive evidence of the amount of said real estate taxes and assessments for each tax year during the term hereof and over the base period specified above. Tenant agrees to pay to landlord within ten (10) days after the receipt by tenant of a billing therefore, tenants share of the real estate taxes and assessments for each tax year during the term hereof and renewals, extensions or holdover hereunder.

(c) Should any governmental taxing authority acting under any present or future law, ordinance, or regulation, levy, assess or impose a tax, excise and/or assessment upon or against the rent, or any part of it, payable by tenant to Landlord, either by way of substitution (in whole or in part) for, or in addition to any existing tax or otherwise, tenant shall be responsible for and shall proportionally pay any such tax, excise and/or assessment, or shall reimburse landlord for the amount thereof within thirty (30) days of demand, as the case may be.

(d) Tenant shall pay as additional rent, and without notice, abatement deduction or set-off, all sums costs and expenses which tenant, in any of the provisions of this lease, or through a separate agreement relating to the demised premises, assumes or agrees to pay.

(e) Additional rent shall include any moneys due landlord from tenant resulting from costs and expenses incurred by landlord in operating, maintaining, repairing and replacing the common areas, utilities, and equipment, and shall include all expenses incurred by landlord, including reasonable attorney fees, for the collection of moneys due from tenant and the enforcement of tenant's obligations under the provisions of this lease.

(f) All payments due to landlord, including the basic monthly rent, pro rata share of taxes and assessments, and all other rent, reimbursements and charges due under the terms of the this lease, shall be mailed to landlord's address: 4610 15th N.W., Washington, D.C.20, or such other address of which tenant is given notice by landlord. Rent checks are to be made payable to Josefina Ayala.

4. ADJUSTMENT OF RENT. Commencing on the 1<sup>st</sup> day of March 2018 (during the second year of the lease term), and throughout the remaining of the lease term, the minimum annual rent set forth in paragraph 3(a) herein above shall be increased annually on each anniversary of the date that rent increases commenced, by three percent (3%) of the base rent in effect at the end of the preceding 12 months.

5. DEPOSIT. Tenant concurrently with the execution of this lease, shall deposit with the landlord Seven Thousand Dollars and 00/100 cents (\$7,000.00) to be held without interest and applied to returned checks, liquidated damages, late fees, enforcement costs, attorney fees and or other agent or landlord loss. Should the tenant fail for any reason to enter occupancy of the demised premises by the date specified in paragraph two herein above the deposit shall be forfeited by the tenant, who may not assign or encumber deposit and shall be retained by the landlord whom is herewith

authorized to re-enter the premises and re-lease the same with all claim of harm or damage being expressly waived by the tenant. In the event the deposit is depleted more than fifty percent (50%) due to late fees, returned checks, attorney fees or other agent or landlord loss the tenant hereby covenants as additional rent to replace the security deposit to the original amount. In the event tenant, does not replace the depleted security deposit the landlord may declare the tenant in default and terminate this lease. In no event, shall the security deposit be construed as last month rent by the tenant.

6. CONDITIONS. The tenant does hereby take and hold the said premises at the rent hereinabove specifically reserved and payable as aforesaid, and upon and subject to the terms and conditions herein contained.

7. TENANT COVENANTS. The tenant agrees to keep the premises and the fixtures therein in good order and condition, and will, at the expiration or other termination of the term hereof, surrender and deliver up the same in like good order and condition as the same now is or shall be at the commencement of the term hereof; with only ordinary wear and tear, and damage by the elements, fire and other unavoidable casualty not due to the negligence of tenant, excepted. The tenant further agrees not to make any additions or alterations, structural or otherwise, in or upon the demised premises, or the building of which they are a part, without first having obtained the written consent of the landlord; and that any such additions or alterations must conform to all applicable building code standards, as well as all other applicable requirements of the Federal, State and Local governments or agencies. It is distinctly understood that any and all additions, alterations, installations, changes, replacements additions to or improvements upon the demised premises be removed at tenants sole cost and expense and to repair any damage to the premises arising from the installation of or the removal of same, and should tenant fail to remove the same, then and in such event the landlord shall promptly cause same to be removed; is herewith relieved of liability for such action, and the expense will be billed to the tenant; this covenant shall survive the expiration of this lease. Tenant further covenants to give landlord prompt notice of any accident, fire or damage occurring on or to the demised premises; (2) keep premises and outside clean, orderly, and free from accumulations of garbage, refuse or objectionable items, to keep same in proper containers and to remove same at tenants expense; (3) comply with all rules and regulations of the Landlord now in effect or as issued from time to time; (4) not to use or operate any machinery, that, in Landlords opinion, is harmful to the building or other tenants, nor shall tenant use any loud speakers, televisions, radios or sound equipment in a manner which will be seen or heard outside premises demised.

8. USE. Tenant shall use and occupy the demised premises solely for a restaurant with a full bar, with live entertainment as part of the bar-restaurant's dining ambiance, subject to and in accordance with, all applicable zoning and other governmental regulations. The use of the premises by tenant shall not conflict with the fire laws or regulations, or with any insurance policy upon said building or any part thereof, or with any statutes, rules or regulations now existing or subsequently enacted or established by the local, state or federal governments. Nor will the tenant use or permit the demised premises or any part thereof, to be used for any disorderly, unlawful or extra hazardous purpose, not for any purpose other than herein above specified, and will not manufacture any commodity therein, without prior written consent of the landlord.

9. QUIET ENJOYMENT. Upon payment by all items of rent, and any and all other sums to be paid by tenant to landlord hereunder, and the observance and performance of all of the covenants, terms and conditions to be observed and performed by tenant, tenant shall have the peaceful and quiet use of the demised premises, and all rights, servitudes and privileges belonging, or in anywise appertaining thereto or granted hereby, for the term of this lease, without hindrance or interruption by landlord, or any person or persons lawfully claiming by, through or under landlord, subject nevertheless to the terms and conditions of this lease, and to any mortgage, deed of trust, or ground lease agreement to which this lease, and/or landlords interest in the demised premises and the building of which they are a part, is subordinate. Landlord warrants that it has full right and authority to enter into this lease for the full term hereof.

10. BROKERAGE. Tenant represents that it has not had dealings with any real estate broker, finder or other person, with respect to this lease in any manner. Tenant shall indemnify and hold harmless the landlord from all damages resulting from any claims that may be asserted against the landlord or agent by any broker, salesperson, finder or other persons, with whom the tenant has or purportedly had dealt.

11. THE TENANT hereby waives trial by jury in any action proceeding or counterclaim on any matters whatsoever arising out of or in any way connected with this lease, the relationship of landlord and tenant, tenants use and occupancy of the demised premises and/or any claim or injury or damage. In the event the landlord commences any proceedings for non-payment of rent, minimum rent or additional rent, tenant will not interpose any counterclaim of whatever nature or description in any such proceedings, other than counterclaims that are made compulsory under applicable statutes and rules of practice. This shall not, however, be construed as a waiver of tenants right to assert such claims in any separate action or actions brought by tenant.

12. BINDING EFFECT. It is agreed that all rights, remedies and liabilities herein given to or imposed upon either of the parties hereto, shall extend to their respective heirs, executors, administrators, successors, and assigns. Landlord may freely and fully assign its interest thereunder, at will.

13. APPLICABLE LAW. The laws of the District of Columbia in which the demised premises are located, shall govern the validity, performance and enforcement of this lease. If any provision of this lease shall at any time be deemed to be invalid or illegal by any court of competent jurisdiction, this lease shall not be invalidated thereby; and in such event, this lease shall be read and construed as if such invalid or illegal provision only had not been contained herein, thereby preserving all the other terms, conditions and provisions of this lease.

14. SIGNS. No sign, awning or canopy advertising or notice shall be inscribed, affixed or displayed on any part of the outside or the inside of the building, except as approved in advance by landlord, and then only in such place, number, size, color and style as approved by landlord, and if any such sign, advertisement or notice is exhibited, landlord shall have the right to remove the same, and tenant shall be liable for any and all expenses incurred by landlord by said removal. Any such permitted use, of the tenant, except as otherwise provided. Landlord shall have the right to prohibit any advertisement

of tenant, which, in its opinion, tends to impair the reputation of the building or its desirability as a quality retail building and, upon written notice from landlord, tenant shall immediately refrain from and discontinue any such advertisement.

15. INSURANCE. (a) BOTH THE TENANT AND THE LANDLORD SHALL BE NAMED AS COINSURED on a general public liability from and after the date of tenant possession of the demised premises. The tenant shall, at its sole cost and expense, have issued, keep and maintain such policy with the broad form property damage endorsement, protecting and indemnifying the tenant and landlord against any and all claims for damages to person or property for loss of life or of property occurring upon, in or about premises and the adjoining streets and passageways, such insurance to afford protection to the limit of not less than three million dollars in respect of bodily injury or death to any one person, and to the limit of not less than three million dollars in respect of any one accident or occurrence and to the limit of not less than one hundred thousand dollars for property damage. The policy must be issued for a term of at least one year. (b) The insurance policy required to be procured by tenant under subsection (a) shall:

(i) be issued by a responsible insurance company licensed to do business in the District of Columbia and reasonably approved by landlord (ii) be written as primary policy coverage and not contributing with or in excess of any coverage which landlord may carry and (iii) neither the issuance of any insurance policy required under this lease, nor the minimum limits specified in this section with respect to tenants insurance coverage, shall be deemed to limit or restrict in any way tenants liability arising under or out of this lease. With respect to each insurance policy required to be procured by tenant under this section on or before the lease occupancy date, and at least 30 days before the expiration of the expiring policy previously furnished, tenant shall deliver to landlord a copy of or a certificate with respect to each policy or renewal thereof, as the case may be, together with evidence of payment of all applicable premiums and will do so annually for the term, renewals, extensions and holdovers thereof. Each insurance policy required to be carried hereunder by or on behalf of tenant shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that such insurance policy shall not be canceled unless landlord shall have received 20 days' prior written notice of cancellation. If tenant shall not comply with its covenant to maintain general public liability insurance, landlord may, at its option, obtain such insurance and the full amount of the premium shall be paid to landlord by tenant as additional rent on the first day of the month following tenants receipt of written notice; or landlord may choose not to obtain such insurance in which event this lease shall be cancelable at the option of the landlord. The failure of landlord to promptly cancel this lease for failure of tenant to obtain and verify said insurance shall not constitute a waiver of landlord's right to cancel at any time thereafter prior to delivery of a certificate of insurance. (iv) Tenant shall further insure and replace all glass promptly when damaged.

16. INSURANCE RATING. Tenant will not conduct or permit to be conducted, any activity, or place any equipment in or about the premises which will, in any way, increase the rate of fire insurance or other insurance on the building; and if any increase in the rate of fire insurance or other insurance is stated by any insurance company or be the applicable insurance Rating Bureau to be due to activity or equipment in or about the demised premises, such statement shall be conclusive evidence that the increase in such rate is due to such activity or equipment and, as a result thereof, tenant shall be liable for such increase and shall reimburse landlord therefore.

17. REPAIR. Except for the roof maintenance and building structure repairs, no repairs and or replacements of any kind whatsoever will be made by landlord. The tenant will repair air conditioning and heating system(s), pipes and plumbing fixtures; and will repair or replace any other damage caused to the demised premises by its negligence or the negligence of its agent or employees, including any damage to the demised premises or the fixtures therein, caused by improper use, normal wear and tear or by failure of the tenant to give them proper service. The tenant, by taking possession of the demised premises, shall and does thereby accept the same in "as is" condition and the tenant is willing to correct any deficiency at no cost to the landlord. Tenant assumes control and responsibility of the premises leased to tenant, and covenants that if it has reason to believe there is any defect in the premises, tenant will immediately notify landlord in writing of the defect. But without limiting the foregoing, tenant has inspected all locks, latches, windows, doors, security conditions, appurtenances, and agrees they are safe and acceptable, or will immediately upon occupancy, be made so by tenant; all at no cost to Landlord.

18. MUTUAL WAIVER OF SUBROGATION RIGHTS. Neither landlord nor tenant shall be liable (by way of subrogation or otherwise) to the other party (or any insurance company insuring the other party) for any loss or damage to any property of the landlord or tenant covered by insurance, even though such loss or damage might have been occasioned by the negligence of the landlord or tenant, or their respective agents, employees, invitees, etc. This release shall be in effect only so long as the applicable insurance policies shall contain a clause or enforcement to the effect that the waiver shall not affect the right of the insured to recover under such policies; each party shall use its best efforts to have its insurance policies contain the standard waiver of subrogation clause. In the event landlord's or tenant's insurance carrier declines to include in such policies, a standard waiver of subrogation clause, landlord or tenant shall promptly notify the other party, in which event the other party shall not be required to have its insurance policies contain such waiver of subrogation clause and this paragraph shall be of no force and effect.

19. UTILITIES. Except for the water and sewer utility which shall remain on landlord's name, and which the tenant agrees to pay every bill, tenant will immediately have registered in its name and pay the cost of all utilities thereof, including gas, electric, trash, waste or other. In no event, shall landlord be liable for interruption or failure in the supply of any such utilities for any reason. Landlord reserves the right to interrupt any of the utility services for accident repairs or in connection to alterations or improvements. Should charges for water and sewer utilities billed to tenant, remain unpaid by tenant for thirty (30) days after it became due, Landlord may, at his option, consider the Tenant to be a Tenant at sufferance for if the portion of the water bill for which tenant is responsible remains unpaid.

20. CONDEMNATION. Tenant agrees that if the said demised premises, or a substantial part thereof, shall be taken or condemned or sold for public or quasi-public use or purpose by or to any competent authority, this lease shall fully terminate as of the date when title vests in such authority, and tenant shall have no claim against the

Landlord, and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid because of any such condemnation; and all rights of tenant to damages therefore, if any, are hereby assigned by tenant to Landlord. Upon such condemnation or taking, the term of this lease shall cease and terminate from the date when title vests in such governmental authority and tenant shall have no claim against the Landlord for the value of any unexpired term of this lease, leasehold improvements or good will. For purposes of this paragraph, a substantial part shall mean twenty five percent or more of the demised premises.

21. THIS LEASE is subject to and subordinate to all ground or underlying leases, and to any first mortgage and/or first deed of trust (which terms shall include both construction and permanent financing) which may now or hereafter encumber or otherwise affect the real estate of which the demised premises form a part, or landlords leasehold interest therein, and to all renewals, extensions, modifications, consolidations, replacements and/or refinancing thereof. This clause shall be self-operative, and no further instrument of subordination shall be required by any mortgage or trustee. In confirmation of such subordination, tenant shall, at landlord's request, promptly execute any such certificate or certificates for or on behalf of tenant. Tenant agrees that in the event that any proceedings are brought for the foreclosure of any such mortgage, tenant shall atom to the purchaser at such foreclosure sale, if requested to do so by such purchaser as the landlord under this lease, and tenant waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give tenant any right to terminate or otherwise adversely affect this lease and the obligations of the tenant hereunder in the event that any such foreclosure proceeding is prosecuted or completed,

22. ESTOPPEL CERTIFICATES. Tenant agrees, at any time and from time to time, upon not less than five (5) days prior written notice by landlord, to execute, acknowledge and deliver to landlord, a statement in writing certifying that this lease is unmodified and in full force and effect.

23. DEFAULT. Each of the following shall be deemed a default by tenant and a breach of this lease: (a) the commencement of any action or proceeding for the appointment of a receiver or trustee of the property of tenant; (b) the making by tenant of an assignment for the benefit of creditors; (c) the suspension of business by tenant or any act by tenant amounting to a business failure; (d) the filing of a tax lien against the property of tenant; (e) tenants causing or permitting the premises to be vacant, of an abandonment of the premises by tenant; (t) failure by tenant to pay minimum annual rent or additional rent herein reserved after five (5) day notice; and  
(g) a failure by tenant in the performance of any other covenant, term, agreement or condition of this lease on the part of tenant to be performed after fifteen (15) day notice. Notwithstanding anything to the contrary in subsection (t) hereof, landlord shall not be required to give tenant more than two (2) such notices in any twelve (12) month period. Upon default by tenant of any of the terms or covenants of this lease, landlord shall be entitled to remedy such default as follows hereafter, without further notice to tenant (unless otherwise provided herein), to enter the leased premises, without terminating this lease or being guilty of trespass, and do all acts as landlord may deem necessary, proper or convenient to cure such default, for the account and at the expense. Specifically: (a) Landlord shall have the right immediately or at any time thereafter, without further notice to tenant (unless otherwise provided herein), to enter the leased premises without terminating this lease or being

guilty of trespass and do all acts as Landlord may deem necessary, proper or convenient to cure such default, for the account and at the expense of tenant and tenant agrees to pay to landlord as additional rent all damage and/or expense incurred by landlord in so doing. (b) Landlord shall have the right to possession of the lease premises and with or without legal process, take possession of the lease premises together with all improvements, additions, alterations, equipment and fixtures thereon, any occupant and any property therefrom, using such force as may be necessary, without being guilty of trespass and without relinquishing any rights of landlord against tenant. (c) Landlord shall be entitled to recover damages from tenant in an amount equal to the amount herein covenanted to be paid as minimum annual rent during the remainder of the term, said minimum annual rent for the full term then remaining having been fully accelerated at the option of the landlord, together with (I) all expenses of any proceedings (including, but not limited to legal expenses and all attorney's fees and other expenses including court costs) which may be necessary in order for landlord to recover possession of the lease premises, and (ii) the expenses of preparing or repairing premises for the re-renting of the lease premises (including but not limited to, any commissions paid to any real estate agent, advertising expense and the costs of such alterations, repairs, replacements and decoration of redecoration as landlord, in its sole judgment, considers advisable and necessary for the purpose of re-renting the leased premises); provided, however, that there shall be credited against the amount of such damages, all amounts received by landlord from such re-renting of the lease premises or, in the event that the lease premises are re-rented, for failure to collect the rent therefore under such re-renting. All such re-renting as provided for herein may be for the remainder of the term of this lease as originally granted or for a longer or shorter period. Landlord may execute any lease in landlord's own name, and the Tenant shall have no right or authority whatsoever to collect any rent or payment whatsoever from such subtenant. No act or thing done by landlord shall be deemed to be an acceptance of a surrender of the lease premises, unless landlord shall execute a written agreement of surrender with tenant. Any such re-renting as provided for herein may be for the remainder of the term of this lease or for a longer or shorter period. Landlord may execute any lease made pursuant to the terms hereof in Landlord's own name, and the Tenant shall have no right or authority whatsoever to collect any rent or payment from such subtenant. Tenant's liability hereunder shall not be terminated by the execution of a new lease of the lease premises by landlord, in the event landlord does not exercise its option to accelerate the payment of minimum annual rent as provided hereinabove, then tenant agrees to pay landlord, upon demand, the amount of damages herein provided after the amount of such damages for any month shall have been ascertained; provided, however, that any expenses incurred by the landlord shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be maintained each month or at other times by the landlord against the tenant to recover the damages then due, without waiting until the end of the term of this lease to determine the aggregate amount of such damages. Tenant hereby expressly waives all rights of redemption granted by or under any present or future laws in the event of tenant being evicted or being dispossessed for any cause, or in the event of landlord obtaining possession of the lease premises because of the violation by tenant of any of the covenants and conditions of this lease. (d) ADDITIONAL REMEDIES: Upon any default by tenant to pay minimum annual rent or additional rent: (i) Landlord shall have the right, without notice, thirty (30) days after payment of such sum



was due, to institute an action of distress therefore, and, upon distress, in landlord's discretion, this tenancy shall terminate. In the event of such termination, the provisions of Section 23 shall be applicable. (ii) Landlord shall have a lien upon the property of tenant in the leased premises for any unpaid minimum rent or additional rent. In such event, tenant shall not remove any of tenant's property from the lease premises except with the prior written consent of the landlord, and landlord shall have the right and privilege, at its option, to take possession of all property of tenant in the leased premises, to store same on the leased premises, or to remove it and store it in such place as may be selected by landlord, at tenant's risk and expense. (e) All rights and remedies of landlord herein enumerated shall be cumulative, and none shall exclude any other right or remedy allowed by law. For the purposes of any suit brought or based hereon, this lease shall be construed to be a divisible contract, to the end that successive actions may be maintained on the lease as successive periodic sums mature hereunder. (f) If the tenant shall fail to keep or perform any of its obligations under this lease in respect of maintenance of insurance, payment of impositions, repairs and maintenance of the leased premises, compliance with insurance requirements, or other performance, the landlord may, but shall not be obligated to do so, upon the continuance of such failure on tenants part for 15 days after written notice to tenant, and without waiving or releasing tenant from any obligation, and as additional but not exclusive remedy, make any such payment or perform any such obligation and all sums so paid by landlord and all necessary incidental costs and expenses incurred by landlord in making such payments or performing such obligation shall be deemed additional rent and shall be paid to landlord on demand, or at landlords option, may be added to the minimum annual rent thereafter falling due, and if not so paid by tenant, landlord shall have the same rights and remedies as in the case of a default by tenant in the payment of minimum annual rent hereunder.

24. BANKRUPTCY. If the tenant shall (i) make an assignment for the benefit of creditors, (ii) file or acquiesce in a petition in any court (whether or not pursuant to any statute on the United States or of any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, or (iii) make and application in any such proceedings for, or acquiesce in, the appointment of a trustee or receiver for it, over all or any portion of its property, or if any petition shall be filed against tenant in any court (whether or not pursuant to any statute of the United States or of any state) in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and (a) tenant shall thereafter be adjudicated a bankrupt or insolvent, or (b) such petition shall be approved by any such court, or (or) such proceedings shall not be dismissed, discontinued or vacated within thirty (30) days after such petition is filed; then, in any of said events, this lease shall immediately cease and terminate, at the option of the landlord, with the same force and effects as though the date of occurrence of said event was the day fixed herein for expiration of the term of this lease.

25. NO WANER. And, it is further provided, that if, under the provisions hereof, a compromise or settlement thereof shall be made, it shall not be constituted a waiver of any breach of any covenant, condition or agreement herein contained, and that no waiver of any breach of any covenant, condition agreement herein contained shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof. The re-entry by the landlord, and/or the acceptance by landlord of keys from tenant, shall not be considered an implied acceptance of a surrender of this lease.

26. CURE OF DEFAULT. If the tenant defaults in the making of any payment or in the doing of any act herein required to be made or done by tenant, then the landlord may, but shall not be required to, make such payment or do such act, or if the landlord shall incur any charge or expense on behalf of tenant under the terms of this lease, the amount of the expense thereof, if made or done by the landlord, with interest thereon at the rate of eight (8) percent per annum, or the highest non-usurious rate of interest permitted between the parties hereto by the laws of the jurisdiction in which the demised premises are located, whichever is highest, from the date paid by landlord, shall be paid by tenant to landlord, and shall constitute additional rent hereunder, due and payable with the monthly installment of rent next due and payable after landlord sends a written invoice thereof; provided, however, that making of such payment or the doing of such act by landlord shall not operate to cure such default by tenant, or to stop landlord from the pursuit of any remedy to which landlord would otherwise be entitled. In addition to any late fees charged hereunder for delinquent rent payments, and not in lieu thereof, any installment of rent which is not paid by tenant within ten (10) days after the same becomes due and payable, shall bear interest at the rate of eight (8) percent per annum, or the highest non-usurious rate of interest permitted between the parties hereto by the laws of the jurisdiction in which the demised premises are located, whichever is highest, from the date such installment first became due and payable, to the date of payment thereof by tenant, and such interest shall constitute additional rent hereunder due and payable with the next monthly installment of rent.

27. LANDLORD LIENS. It is further provided and expressly agreed that tenant hereby pledges and assigns to the landlord all the furniture, fixtures and other personal property of tenant which are or may be put on the demised premises, as security for the rent hereinabove provided to be paid.

28. LANDLORD LIABILITY. Landlord shall not be liable for any accident or damage caused by electric wires or lights, or any accident or damage which may occur through operation or non-operation of heating, lighting, plumbing apparatus, or any accident of injury occurring about the said premises and its services, unless covered by landlord's casualty or liability insurance, if any. The landlord will not be liable for loss of or damage to property of tenant caused by rain, snow, water or steam that may leak into or flow from any part of said building through any defects in the roof or plumbing or from any other source, including but not limited to acts or omissions on the part of other tenants of the building or persons using the building, or present therein, not resulting from acts of negligence on the part of landlord. All goods, property or personal effects stored or placed by the tenant in or about the building shall be at the risk of the tenant, unless the loss is covered by casualty or liability or expense incurred by reason of the tenants neglect in its use of the demised premises or of said building or of any part thereof, including the use of water, steam, electric or other systems, and the injury, loss or damage to any person or property upon or about the demised premises. Subject to state law the tenant hereby releases and covenants not to sue the landlord, his agents and employees from and for any liability for any injury and damage to the tenant or the agents, employees, or guests of the tenant, from and for any cause including that resulting from the direct negligence of the landlord, his agents and employees. Further subject to state law, the tenant releases and covenants not to sue landlord, his agents and

employees from and for all liability for any injury or damage that may arise or occur in any area under the control of the tenant.

29. INSPECTION. Tenant further agrees that it will allow the landlord, its agents or employees, to enter the demised premises at all reasonable times, without charge therefore to landlord, and without diminution of the rent payable by tenant, to examine, inspect, or to protect same, or to prevent damage or injury to the same, or to make such alterations and repairs as the landlord may deem necessary, or to exhibit the same to prospective tenants, purchasers and mortgagees at any time during the lease. ALL PERSONAL PROPERTY of the tenant, its agents, servants, employees, or invitees in the demised premises or in the building, shall be at its (their) sole risk and responsibility. The landlord shall not be liable for any accident or damage to the property of the tenant, its invitees, agents, employees, assigns and invitees, resulting from the use or operation of the heating, cooling, plumbing or electrical apparatus.

30. INDEMNIFICATION. Tenant shall indemnify landlord and its agent(s), and shall save them harmless from the against any and all claims, actions, damages, liability and expenses, including reasonable architects and attorney fees, in connection with loss of life, personal injury and/or damage to property arising from or out of any occurrence in, upon or at the demised premises, or the occupancy or use by tenant of the demised premises or any part thereof, or occasioned wholly or in part by any act or omission of tenant, its agents, servants, employees, assigns, or invitees. In case landlord and/or its agent shall, without fault of their part, be made a party to any litigation commenced by or against tenant, then tenant shall protect and hold them harmless, and shall pay all costs, expenses and reasonable attorney fees that may be incurred or paid by landlord in enforcing the covenants and agreements in this lease.

31. THE LANDLORD and its agent(s) assume no responsibility whatever with respect to the conduct and operation of tenant's business to be conducted neither in the demised premises, nor with respect to the conduct and operation of any other use of the demised premises which the landlord may by prior written consent permit. The tenant further agrees to pay Landlords costs, expenses and reasonable attorney fees incurred by Landlord in enforcing any provision of this lease, specifically including, without limitation, the collection of any sums due as rental or otherwise thereunder.

32. DAMAGE. If the lease premises shall be damaged by fire or other casualty: (a) Except as otherwise provided in subparagraph (b) hereof, the damages shall be repaired by and at the expense of landlord unless caused by tenant, and the minimum annual rent until such repairs shall be made, shall be apportioned per the part of the leased premises which is usable by tenant. Landlord, shall have the right at its sole discretion, to repair or to require tenant, at landlord's expense after landlord approval of estimates, to repair promptly any damage to the leased premises, except that tenant agrees to repair and replace its own furniture, furnishings, trade fixtures and equipment at no expense to landlord. No penalty shall accrue for reasonable delay, which may arise because of adjustment of insurance on the part of landlord, or because labor problems, or any other cause beyond landlord's reasonable control. (b) If the leased premises are substantially damaged or are rendered substantially non--tenantable by fire or other casualty, or if the landlords architect certifies that the leased premises cannot be repaired within one hundred twenty (120) working days of normal working hours, said

period commencing with the start of the repair work, or if landlord shall decide not to repair same, or shall decide to demolish the building or to rebuild it, then landlord shall, within ninety(90) days after such fire or other casualty, give tenant a notice in writing or such decision, and thereupon the term of this lease shall expire by lapse of time upon the third day after such notice is given and tenant shall vacate the leased premises and surrender the same to landlord. Upon the termination of this lease under the conditions hereinabove provided, tenant's liability for minimum annual rent shall cease as of the day following the casualty.

33. PERMITS. Landlord makes no warranties or representations, express or implied as to premises meeting requirements of habitability, fitness of purpose or of the Environmental Protection Agency, O.S.H.A., A.D.A., a Historic Commission or other agency or authority including but not limited to asbestos, soil, any underlying contaminants or objects. Tenant agrees to obtain and maintain occupancy permits required by any city, county, state or other governmental, environmental, health, historic, fire and other authority, at no cost or penalty to the landlord even though the deficiency is to the landlord; this provision is to be considered as additional rental, and intended to provide the landlord with a net rental, free of any costs other than mortgage expense, and to charge the tenant with compliance with said permit citations, orders, requirements, or conditions now or hereafter imposed upon them by ordinances, laws, statutes or regulations of the city, county or state, or by various departments thereof whether required of landlord or otherwise; all without act or action by the landlord, and with prompt compliance by tenant.

34. ALTERATIONS. It is distinctly understood that all alterations, installations, changes, replacements, additions to or improvements upon the demised premises made without the landlord's consent shall, at the election of the landlord, remain upon the demised premises and be surrendered with the demised premises at the expiration of this lease without disturbance, molestation or injury. Should the landlord elect, then, upon termination of this lease or upon termination of any renewal period hereof, the tenant hereby agrees to cause same to be removed at the tenant's expense and the tenant hereby agrees to reimburse the landlord for the cost of such removal together with all damages which the landlord may suffer and sustain because of the failure of the tenant to remove same.

35. ALL LEASEHOLD IMPROVEMENTS must be approved in writing, prior to commencement. Release of Liens must be provided from all contractors and subcontractors and copies given to landlord, and by the signing of this lease tenant warrants payment incurred in improvements, satisfaction of all Liens, including work incurred on behalf of the landlord, and absolves landlord from any liability of all kind. All alterations shall be made by a licensed and insured contractor and shall be in accordance with all applicable building and zoning and administrative codes. Bonding is required unless waived by landlord in writing. All such improvements without landlord's consent including, without limitation, all apparatus and fixtures, alterations, improvements, additions, modifications and installations made or installed from time to time, except personal property, shall be the property of the Landlord, unless landlord elects to have tenant remove same as herein provided; except greenhouses and portable buildings.

36. ADDITIONAL PROVISIONS:

a.) Tenant shall provide landlord with drawings for all alterations made to the demised premises.

b.) Within thirty days of lease execution the tenant shall deliver to the landlord a certificate of insurance.

c.) The tenant shall perform the snow removal and salting of the premises' front sidewalk: area.

d.) The tenant covenants and agrees that in the event tenant closes tenant's business that tenant will remove all perishable items from the demised premises and provide the landlord with the keys to the demised premises thereby tendering possession of the demised premises to the landlord.

e.) Tenant is in possession of the premise at the time of the lease execution.

f.) The landlord covenants and agrees to cooperate with tenant, and to be accessible during all facets of the leasehold improvements project, during which the landlord's approval or consent may be required, as a condition to tenant obtaining the necessary licenses and permits, for the construction/remodeling and expansion of the restaurant's facilities.

g.) This Agreement may be modified, changed or cancel by mutual agreement of the parties if the leasehold improvements to the second floor of the building, that have been proposed by tenant for the leased premises, cannot be completed due to events outside the control of tenant, such as zoning restrictions, or structural problems discovered that may impede completion of the proposed 2<sup>nd</sup> floor improvements, or may prohibit the use of the second floor as commercial space.

h.) This Agreement is contingent upon landlord being able to relocate the residential tenants presently occupying the second floor of the building.

37. ASSIGNMENT AND SUBLETTING. The tenant will not sublet the premises or any part hereof, or transfer possession or occupancy thereof, to any person, firm, corporation, or transfer or assign this lease, without the prior written consent of the landlord, which consent won't be unreasonably denied. In the case of a lease assignment, Landlord shall impose a transfer of interest in leasehold fee of three percent (3%) of sale price of the business sold to a new tenant/assignee. Landlord's consent to the assignment of the lease to a new tenant/assignee shall take effect upon the payment to landlord by tenant of the 3% leasehold fee; after deducting from the sale price the tenant's expenses, fees and taxes incurred as a result of the sale transaction. In consideration to the payment of the leasehold fee, upon landlord's consent to the assignment of the lease to the new tenant/assignee, landlord shall release tenant from the terms of any covenant or obligation under this lease. For the purpose of this paragraph, the term assignment shall include in the case of a corporation, partnership or entity other than individual, the sale, transfer, assignment or other disposition of a substantial portion of the stock or interest of said corporation, partnership or other entity. In case of a sublease agreement, in no event shall any sublease be permitted without including agreement by all parties thereto, that any additional moneys or rent accruing under sublease or assignment over and above the rental in this lease, shall accrue and be paid to landlord, immediately, monthly and without demand. All such rental above the base rental herein shall be paid by separate check by sub-tenant or assignee directly to landlord who shall must initial and retain a copy of any sublease.

38. HOLDING OVER If tenant shall not immediately surrender the demised premises on the date of expiration of the term of hereof, or, upon agreement between the parties hereto, the tenant shall, by the provisions hereof, become a tenant by the month at twice the monthly rental in effect during the last month of the term of this lease, which said monthly tenancy shall commence with the first day after the expiration of the term of this lease. The tenant, as a monthly tenant, shall be subject to all the conditions and covenants of this lease as though the same had originally been a monthly tenancy; The tenant, in consideration of this monthly provision, gives solemn promise and covenant to vacate the premises upon being requested to do so by or on behalf of the Landlord and the covenant forms a vital part of the relationship between the parties. Tenant shall give to the landlord at lease thirty (30) days written

notice of any intention to quit the demised premises and tenant shall be entitled to thirty (30) days written notice to quit the demised premises, except in the event of non-payment of rent in advance, or of the breach of any other covenant by the tenant, in which event the tenant shall not be entitled to any notice to quit, the usual thirty (30) day notice to quit being hereby expressly waived. Notwithstanding the foregoing provisions of this paragraph, in the event that tenant shall hold over, after the expiration of the term hereby created, and if landlord shall desire to regain possession of the demised premises promptly at the expiration of the term of this lease, then, at any time prior to landlords acceptance of rent from tenant as a monthly tenant hereunder, landlord, at its option, may forthwith re-enter and take possession of the demised premises without process, or by any legal process in force in the state in which the demised premises are located. Tenant will permit Landlord to exhibit premises and display FOR RENT sign(s) during the last three (3) months of this lease or extensions thereof.

39. NO REPRESENTATIONS. Neither the landlord nor any agent or employee of landlord, has made any representations or promises, express or implied with respect to the demised premises or the building except as herein expressly set forth, and no rights, privileges, easements or licenses; are acquired by tenant except as herein set forth. Nothing contained in this lease shall be deemed or construed to create a partnership or joint venture of or between landlord and tenant, or create any other relationship between the parties hereto, other than that of landlord and tenant.

40. PERMITTED USES EXCLUSNE. All parties hereby confirm that the demised premises are leased exclusively for uses as specified herein and such other ancillary and related uses as Landlord may approve in writing. Notwithstanding any provision to the contrary, the demised premises shall not be used in whole or in part for any residential purposes, and shall not be subject to any rent control act or redemption right relating to residential leases, or any other such provision of law now or hereafter in effect in the jurisdiction in which the demised premises are located.

41. GENDER. Feminine or neuter pronouns shall be substituted for the masculine form, and the plural for the singular number, in any place or places herein in which the context may require such substitution or substitutions. The landlord herein for convenience has been referred to in neuter form.

42. ESCROWS. In the event this property is sold, landlord shall transfer and assign to such purchaser or transferee, all amounts of pre-paid minimum annual rent, and landlord thereupon, and without further act by either party hereto, shall be released from all liability and obligation hereunder derived from this lease arising out of any act, occurrence or omission relating to the leased premises or this lease occurring after the consummation of such sale or transfer.

43. RIGTH OF FIRST REFUSAL. During the term of the Agreement, before landlord may sell the property where the leased premises are located to a third party, landlord shall first offer the property to tenant on the same terms and conditions as are offered by the third party. Tenant shall have thirty (30) days during which to accept said offer. If tenant does not accept said offer within said period, landlord shall be free to accept the third-party offer. If landlord does not enter an agreement with the third party on said terms and conditions and close the transaction within one hundred twenty

(120) days, landlord's right to sell the property to the third party shall expire and the procedure described in this Section shall again be applicable.

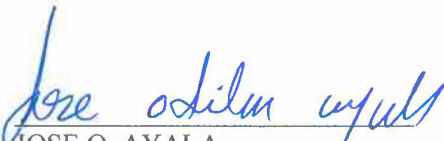
44. LIQUOR LICENSE. It is also agreed that landlord will have no objection to tenant seeking a liquor license for the leased premises if during the term of this lease the opportunity for a liquor license for the leased premises becomes available.


45. ENTIRE AGREEMENT. This lease replaces and leaves without effect the lease dated October 30th 2012 between landlord and tenant. If for any reason this Agreement is declared void or null, the October 30, 2012 Agreement shall become effective as of the date of the annulment of this Agreement. This lease contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained or referred to in this instrument shall have any force or effect. All oral statements or representations or prior written matter are merged herein. This lease shall not be modified in any way except by a writing subscribed by both parties hereto. The failure of the landlord or tenant to insist upon strict performance by the other or any of the covenants or conditions of this

lease in any one or more instances shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect. No waiver of any provision of this lease shall be deemed to have been made, unless it is in writing and signed by the party to be charged therewith. Any disputes between the parties hereto, shall be settled by arbitration

THE PARTIES HERETO HAVE EXECUTED THIS LEASE AND ACKNOWLEDGE IT TO BE THEIR LEASE AGREEMENT.

LANDLORD

  
JOSE O. AYALA

  
JOSEFINA AYALA

TENANT:

MI CUBA CAFE, INC

By:

  
ARIEL E. VALLEDARES, President