

LEASE AGREEMENT BETWEEN
WEBB COUNTY AND
MOUSE PROPERTIES HOLDINGS, LTD.

STATE OF TEXAS §
 §
COUNTY OF WEBB §

This Lease Agreement (the or this “**Lease**”) entered into and effective on the 1st day of June, 2016 by and between, MOUSE PROPERTIES HOLDINGS, LTD., by and through MOUSE PROPERTIES MANAGEMENT, LLC, sole general partner, as its duly authorized agent (hereinafter referred to as “**Lessor**”) and Webb County, Texas by and through the Webb County Commissioners Court as its duly authorized agent, (hereinafter referred to as “**Tenant**”), under the following terms and conditions:

ARTICLE 1

Leased Premises. (a). Lessor hereby leases and grants to Tenant the following described property situated in Laredo, Webb County, Texas, hereinafter referred to as the “**Leased Premises**”, to-wit:

Situated in Webb County, Texas, and being the SURFACE ESTATE ONLY of the West 111.78 feet of Lot 6 & Lot 8, Block 175 Western Division situated in the City of Laredo, County of Webb, Texas also known as 919 Washington Street, Laredo, Webb County, Texas together with the building and other improvements, equipment and fixtures thereon situated (the “**Leased Premises**”).

(b). The Leased Premises are leased to Tenant, together with all rights, privileges, benefits, rights-of-way and easements now or hereafter appurtenant or belonging thereto.

(c). The Leased Premises shall be used for the purpose of conducting thereon and therefrom as an administrative office for the Webb County Sheriff Department, and for any lawful

purpose incidental thereto, subject to Lessor's rights provided in Article 21 herein (the "Permitted Uses").

(d). Tenant hereby agrees that it will not use the Leased Premises for any purpose other than the Permitted Uses. Tenant further warrants that it will not carry on upon the Leased Premises or any part thereof, or permit to be carried on any trade or business of an unsafe or unhealthful nature, or any business or conduct that may constitute a nuisance.

ARTICLE 2

Lease Term. The Lease is for a term of six (6) months. Tenant's obligations shall commence on the "**Commencement Date**", which shall be the 1st day of June, 2016.

ARTICLE 3

Continuation of Business. Tenant warrants that it will continue to operate the business specified in Article 1(c) of this Lease throughout the Lease Term and will not abandon or render vacant the Leased Premises. Tenant's breach of this warranty will be considered a breach of this Lease in which event this Lease may be terminated at Lessor's sole option. Such termination shall not release Tenant from any of its obligations provided herein.

ARTICLE 4

Rental. (a). In consideration of this Lease, Tenant shall pay to Lessor, to the attention of Minnie Dora Haynes Rodriguez at 216 W. Village Blvd. Suite 206, Laredo, Texas 78041, without deduction or set off, except as expressly provided for herein, the amount of TWENTY-SIX THOUSAND ONE-HUNDRED NINETY-SIX DOLLARS (\$26,196.00), (the "**Rental Amount**") in monthly installments as follows: In 6 monthly installments of FOUR THOUSAND THREE-HUNDRED SIXTY-SIX DOLLARS (\$4,366.00), commencing June 1st, 2016, and continuing regularly thereafter on the first day of each month through the last month of the Lease Year.

ARTICLE 5

Lease Term. As used herein, the term “**Lease Term**” shall mean six (6), ten (10), and twelve (12) months, the first commencing, June 1st 2016 and successive Lease Terms commencing on the succeeding anniversaries thereof.

ARTICLE 6

Late Charges. Tenant agrees to pay a late charge fee of two (2%) percent of the rental installment applicable if not paid by the 10th day of each month, and the additional amount of interest on the unpaid rental installment at the lesser amount of interest of 18% per annum or the maximum interest allowed by law, less the two (2%) percent late charge, until the applicable rental installment is paid in full.

ARTICLE 7

Security Deposit. Upon execution of lease agreement, Lessor hereby agrees to maintain the current security deposit in an amount of Seven Thousand and 00/100 Dollars (\$7,000.00) that was tendered under the previous lease. The security deposit shall be returned to Tenant at the end of the Lease Term in the absence of Tenant’s default under this Lease except for expenses incurred by Lessor due to damages incurred to Leased Premises by Tenant.

ARTICLE 8

Repairs and Maintenance. (a). Tenant, at its own cost and expense, shall be responsible for Routine Maintenance, Repair and Cleaning of the building situated on the Leased Premises and all other improvements, equipment, furniture and fixtures, located on or in the Leased Premises, including but not limited to interior and exterior walls, ceilings, windows, plumbing, electrical wiring, fixtures, air conditioning, carpets, parking areas, etc. “Routine Maintenance, Repair and Cleaning” shall include but not be limited to: cleaning the parking lot and exterior of the building;

cleaning windows, repairing leaks and replacing broken window panes; replacing air conditioning filters, semi-annual air conditioning services including inspection of air handlers and compressors and recharging of coolant as needed; replacing light bulbs and ballasts; repairing leaking plumbing fixtures, toilets, interior and exterior faucets; unstopping clogged drains; regular inspections and service of fire extinguishers; janitorial services for the proper cleaning and maintenance of the leased premises; comply with all "Quick Tips To Keep Wood Floors Looking Like New" prepared by Boatright Hardwood Floors attached hereto, marked **Exhibit "A"** and incorporated herein for all relevant purposes; all maintenance and repairs to door locks, door hinges and door hardware; all maintenance, repair, replacement or cleaning occasioned by the intentional, reckless, gross negligent or negligent acts or omissions of Tenant or Tenants employees, agents, customers or invitees ("Damages Caused By Tenant"); all cleaning; and all other maintenance, repairs or replacement up to \$150.00 per incident or occasion.

(b). Lessor shall be responsible for the maintenance and repair, if necessary, of the roof and for structural repairs to the building situated on the Leased Premises except that Lessor shall not be responsible for any structural or roof maintenance or other repairs to the Leased Premises as a result of Damages Caused By Tenant. Lessor shall also be responsible for repairs to HVAC system, landscaping maintenance of lease premises, and pest control services for both exterior and interior leased premises.

(c). Lessor may give written notice thereof to Tenant, and if Tenant fails to commence any required maintenance, repairs, replacement or cleaning within thirty (30) days following receipt of such notice, or neglects to prosecute the completion of such work with reasonable diligence, Lessor, in addition to any other remedy provided for in this Lease, at law or in equity, may, but is not obligated to, perform the same. The cost of said work shall be paid by Tenant to Lessor upon

demand as additional rent and Lessor shall provide supporting documentation to Tenant for cost incurred as a result of non-compliance of Article Eight (8), Section (c).

(d). At the expiration or termination of this Lease for any reason whatsoever, Tenant agrees to return the Leased Premises to Lessor in the same condition as it existed upon the Commencement Date subject to reasonable wear and tear. Tenant shall also be responsible for keeping the Leased Premises free from accumulations of garbage, rubbish, and other filth, and this obligation shall extend to all access areas to the Leased Premises. Tenant agrees that it shall be solely responsible for the payment of any garbage collection fee or any other service fee that may be charged by any governmental or private agency.

ARTICLE 9

Hold Harmless. Lessor shall not be liable to Tenant for any damage to any person or property located within the Leased Premises. Lessor shall not be liable to Tenant or Tenant's employees, agents, customers or business invitees, or to any other person, firm or corporation for any personal injury or property damage occasioned upon, or growing out of the Leased Premises. Tenant shall have the exclusive right to use and possession of the Lease Premises and shall at all times maintain same in a safe and sanitary condition. To the extent permitted by law, Tenant Shall indemnify and hold Lessor harmless for any costs and expenses, including but not limited to attorneys fees, arising out of or in connection with any claim for damages to person or property directly or indirectly related to Tenant's use and occupancy of the lease premises and for any claim for damages based upon premises liability.

ARTICLE 10

Acceptance of Leased Premises. Tenant accepts the Leased Premises as suitable for the purpose or purposes for which same are leased, and accepts same and each and every portion thereof and its contents, if any, in its then present condition, and waives defects therein.

ARTICLE 11

Taxes. Lessor shall pay all real estate, and ad valorem taxes, while Tenant, if applicable, shall pay all personal property taxes, assessments and charges levied against the Leased Premises, inventory, furniture, fixtures and other property within same assessed during the Lease Term, before same become delinquent.

ARTICLE 12

Insurance. (a). During the term of this Lease Tenant shall carry liability insurance at its own cost and expense, which liability insurance shall be the usual owners' and tenants' liability insurance to protect both Lessor and Tenant from liability claims customarily covered by standard insurance coverage for similar business operations. Tenant agrees to furnish a copy of a certificate of such policy to Lessor prior to the Commencement Date. Said insurance shall be at least in the amount of \$1,000,000.00 for each person, \$2,000,000.00 for each accident, and \$500,000.00 for property damage. Tenant shall furnish Lessor, annually, certificates evidencing that such insurance is in force, with premiums paid, unless any certificate previously provided reflects coverage to be for a greater period, in which event a certificate shall be provided on expiration of the previous coverage. Lessor has the option to increase the amounts of any such coverage up to 50% during the option period.

(b). Tenant shall, at its sole cost and expense, carry fire and extended coverage insurance (including rent abatement insurance) on the Leased Premises, including building and contents with

a loss payable clause to Lessor, in the amount of 100% of the replacement value of the improvements situated on the Leased Premises. Lessor shall, at its sole cost and expense, carry business umbrella insurance coverage concerning leased premises in an amount not less than five (5) million dollars. Tenant shall keep all electrical wiring and connections in proper order. Tenant agrees not to keep in or upon the Leased Premises, as inventory or otherwise, any article which may be prohibited by the standard form of fire insurance policy. Tenant agrees to comply with all requests or conditions precedent imposed by any insurance company issuing a policy of insurance on the Leased Premises.

(c). Lessor shall be named as additional insured in all insurance policies required under Article 13, sections (a) and (b) hereinabove.

ARTICLE 13

Destruction of Premises. In the event of partial or total destruction of the Leased Premises by fire or other casualty covered by the fire and extended coverage insurance provided in Article 12(b) above, Lessor shall upon receipt of the insurance proceeds, repair such damage and destruction. In such event, the Lease shall remain in full force and effect with payment of rent being abated during the time such repairing and rebuilding is taking place. In the event of substantial destruction, Lessor or Tenant shall have the option to terminate the Lease within thirty (30) days after said casualty occurs. Abatement of rent shall be based upon that portion of the Leased Premises not suitable for use because of the fire or casualty that occurred to the total of available building area. In the event the insurance proceeds paid to Lessor are not sufficient to repair or rebuild the entire building in which the Leased Premises are located, then the Lease will terminate at Lessor's option. Notwithstanding the foregoing, should Lessor fail to complete its repairs and rebuilding within 180 days after the date of receipt of written notice of any such

casualty, Tenant in the absence of its default under this Lease, may terminate this Lease at its option upon written notice to Lessor, whereupon all further rights and obligations hereunder shall cease and expire.

ARTICLE 14

Alterations. Tenant may not make alternations to Leased Premises without prior written consent of Lessor whose consent will not be unreasonably denied. Upon termination of this lease the wiring and alarm systems shall remain on the Lease Premises and be the property of Lessor. Tenant agrees that it will not make any alterations to the Leased Premises, including but not limited to the aforementioned wiring, without the prior written approval of Lessor.

ARTICLE 15

Utilities. Tenant shall pay all bills for water, light, heat, power, cable, internet, trash collection, sewer charges and other utilities used by Tenant on the Leased Premises.

ARTICLE 16

Government Regulation. Tenant shall at all times comply with all valid ordinances and laws of the City of Laredo, County of Webb and the State of Texas, and federal government applicable to the Leased Premises and all valid orders and requirements imposed by any governmental unit for the correction, prevention and abatement of nuisances in or upon or connected with the Leased Premises during the term of the Lease at Tenant's expense and obligation.

ARTICLE 17

Signs and Lights. Tenant shall have the right to install at its sole cost and expense, to attach lettering including the name and address, to the sign structure situated on the Northwest corner of the Lease Premises facing Washington St. Any other signage may not be installed

without Lessor's written approval, which approval will not be unreasonably withheld. Tenant's installation and removal of such sign(s) shall be made in such manner as to avoid injury, defacement, damage to or structural overloading of the Leased Premises.

ARTICLE 18

Sublease or Assignment. Tenant may not assign the Lease nor sublet all or any part of the Leased Premises without the prior written consent of Landlord, which consent may be withheld by Lessor within its sole and absolute discretion. No subleasing of leased premises will be permitted by either Lessor or Tenant during the term of this lease agreement.

ARTICLE 19

Ownership of Alterations, etc. All improvements and alterations comprising the Leased Premises, whether installed by Tenant or not, are to be surrendered with the Leased Premises and shall become the property of Lessor at the termination of this Lease for any reason. All unattached shelves, trade fixtures, signs and equipment installed by Tenant may be removed by Tenant at the termination of this Lease, subject to the provisions of Article 8, Article 15, and Article 36 of this Lease.

ARTICLE 20

Failure to Reimburse Lessor. In the event that Tenant shall fail to promptly pay all of the personal property taxes, insurance premiums or other costs or expenses herein required to be paid by Tenant when due within fifteen (15) days following demand in writing to Tenant, Lessors may elect to pay same for the account of Tenant and shall be immediately entitled to be reimbursed theretofore by Tenant. All such sums owing hereunder by Tenant shall bear interest at the lesser of eighteen (18%) percent per annum, or the maximum rate allowed by law, until repaid by Tenant, and in addition, Lessor may, at its discretion exercise any or all of the remedies given it in this

Lease, or by law or in equity, for failure of Tenant to comply with the covenants, terms, provisions and conditions of this Lease in the collection of all sums of money due Lessor.

ARTICLE 21

No Lien by Tenant. Tenant agrees that it will not affix or allow any liens or any encumbrances upon or against the Leased Premises and Tenant agrees to hold Lessor harmless from any claims or causes of action, costs and attorneys fees arising out of the filing of any lien on such property directly or indirectly caused by Tenant, its agents, officers or employees. If such lien is not removed within thirty (30) days, Lessor, may discharge said lien and hold Tenant responsible for all sums paid to discharge said lien, including court costs and reasonable attorney's fees, and interest at the lesser of eighteen (18%) percent per annum or the maximum rate allowed by law until repaid by Tenant.

ARTICLE 22

Remedies Upon Default. In the event that Tenant fails to pay any amount herein required of it, and such failure to pay shall continue after ten (10) days written notice to Tenant of such failure, or should Tenant fail to comply with any of the other covenants, conditions and terms contained in the Lease, and any such failure shall continue after thirty (30) days written notice to Tenant of such failure, (or if the cure cannot be effected within said 30-day period, then within such additional time as may be required to cure such failure, provided Tenant is diligently pursuing the cure to completion, not to exceed 45 days), or should Tenant be adjudged bankrupt, or if any assignment should be made by Tenant of its property, or any part thereof for the benefit of creditors, or if a receiver on any property of Tenant shall be appointed in any suit or proceeding brought by or against Tenant, or if the estates created thereby should be taken by execution, or by any other process of law, or if there should be filed by or against Tenant a petition for

reorganization or extension, under any section of the Federal Bankruptcy Act, Lessor shall have, in any such event, the right to terminate this Lease by giving Tenant thirty (30) days prior written notice of such termination, which notice shall be effective as of the date such notice is posted in the U. S. Mail, and Lessor shall thereafter be entitled to the use and possession of the Leased Premises and to expel Tenant and remove its effects (forcibly, if necessary) without being deemed guilty of any manner of trespass and be entitled to collect all rental or other sums as they are due to Landlord in excess of that which Lessor may recover after a reasonable attempt to relet the Leased Premises. Alternatively, Lessor may elect to continue the Lease in full force and effect and utilize all remedies given by law at in equity for the enforcement of the provisions hereof, without waiving Lessor's right to cancellation of the Lease at any time if the default continues, or in the event of subsequent default or defaults by Tenant or the subsequent presence of conditions provided for in the Lease which will give Landlord the right to such cancellation.

ARTICLE 23

Rights of Successors. Each and every provision of the Lease shall bind and inure to the benefit of the parties hereto, its/their legal representatives, heirs, successors and assigns.

ARTICLE 24

Attorney's Fees. Should Lessor employ an attorney to enforce any of the terms and conditions of the Lease, either by suit or otherwise, Lessor shall be entitled to reasonable attorney's fees in addition to any of the relief allowed by the terms of the Lease or by law. Should Tenant bring any demand upon Lessor requiring Lessor to engage an attorney, and should Tenant be entitled to the relief requested, then Tenant shall be entitled to its reasonable attorney's fees.

ARTICLE 25

Notices. All notices provided for in the Lease shall be sent by U. S. Registered or Certified Mail, Return Receipt Requested, with proper postage thereon and addressed as follows:

- a). All notices from Tenant to Lessor shall be addressed to Lessor as follows:

Mouse Properties Holdings, LTD.
Attention: Minnie Dora Haynes Rodriguez
216 W. Village Blvd. Suite 206
Laredo, Texas 78041

or at such other place as Lessor may designate in writing to Tenant;

- b). All notices from Lessor to Tenant shall be addressed to Tenant as follows:

Hon. Tano E. Tijerina, Webb County Judge
1000 Houston Street, 3rd Floor
Laredo, Texas 78040
Fax: (956) 523-5065

and

Webb County Sheriff's Office
Attention: Sheriff Department Finance Director
902 Victoria Street
Laredo, Texas 78040
Fax: (956) 523-5059

or at such other place as Tenant may designate in writing to Lessor.

ARTICLE 26

Warranties of Lessor and Tenant. (a). Lessor warrants that it is the owner of the Leased Premises and that it has the full right and authority to enter into and perform this Lease and to grant the Property herein leased. Landlord covenants that Tenant, provided Tenant is not in default beyond any period provided for the curing of such default, may lawfully, peacefully, and quietly possess and enjoy the Leased Premises for and during the terms of the Lease.

(b). Tenant warrants and covenants that (i) it will conduct its business operation on the Leased Premises in such a manner as not to unreasonably disturb the peaceful use and possession of any adjacent property; (ii) it will indemnify and hold Lessor harmless from any and all breaches or violations of this covenant; (iii) its partner executing this Lease is authorized to bind Tenant in all respects; and, (iv) that there are no known facts that would substantially alter such representations.

ARTICLE 27

Condemnation. It is further specifically agreed that if thirty (30%) percent or more of the real estate portion of the Leased Premises, or any part of the building situated upon the Leased Premises shall be taken in any proceeding by a public authority, by condemnation or otherwise, Lessor or Tenant shall have the option of terminating the Lease. If this Lease is not terminated despite any taking by public authority by condemnation or otherwise, the rent payable hereunder during the unexpired portion of the term shall be reduced to such extent as may be fair and reasonable. Provided Lessor's compensation for any such taking is not reduced, Tenant shall be entitled to any award expressly stated to Tenant for loss of business, moving expenses, loss of value of furniture and fixtures owned by Tenant, and the unamortized value of Tenant's leasehold improvements.

ARTICLE 28

Right of Inspection. Tenant will permit Lessor or its agents or representatives to enter upon the Leased Premises during normal business hours for the purpose of inspecting and examining same, or to make those repairs required to be made by Lessor herein, provided Lessor exercises all reasonable efforts to limit any interruption to Tenant's business during Lessor's repairs.

ARTICLE 29

Holding Over. Any holding over by Tenant at the termination of the Lease shall be a tenancy from month to month, and Tenant shall pay 1 1/2 times the monthly rental applicable hereunder for each and every month that Tenant holds over.

ARTICLE 30

Applicable Law, Venue and Service. Texas law shall be used in interpreting the Lease and in determining the rights of the parties under it and venue shall be in Webb County, Texas.

ARTICLE 31

Entire Agreement. The Lease, when signed, together with the exhibits and documents referred to herein and made a part hereof, when said exhibits and documents are approved in writing by both parties, contains all the agreements and conditions made between the parties hereto, and may not be modified orally or in any other manner than by an agreement in writing signed by all the parties hereto or its respective successors in interest.

ARTICLE 32

Subordination. Tenant agrees that the Lease is and shall be subordinate to any past or future mortgages or deeds of trust presently existing or that may hereafter be placed upon the Leased Premises, and to all renewals, replacements and extensions thereof. Lessor is hereby irrevocably vested with full powers to subordinate the Lease to any subsequent mortgage or deed of trust hereafter placed on the Leased Premises, and Tenant agrees upon demand to execute instruments subordinating the Lease, provided that such subordination shall be upon the express condition that the Lease and Tenant's tenancy and all of its rights and privileges hereunder shall be recognized and shall not be disturbed by any mortgagee regardless of any default under any such mortgage, and that the rights of Tenant remain in full force and effect, and any successor to Lessor

shall be bound to the obligations of the Lessor hereunder so long as no default exists hereunder by Tenant and Tenant continues to perform all covenants and conditions of the Lease.

ARTICLE 33

Binding Effect. The term of the Lease shall bind not only the parties hereto, but shall also bind its/their respective successors and assigns.

ARTICLE 34

Captions. The captions and paragraph headings of the Lease are included only for convenience and reference and do not affect in any way the meaning or interpretation of the Lease.

ARTICLE 35

“Net Lease” Provision. It is expressly agreed that this is a net lease and that the Rental Amount is to be net to the Lessor and that as additional rent, Tenant agrees to pay promptly as the same become due and payable, all insurance premiums, taxes, assessments, general and special, water, sewer and electrical fees, permit, inspection and license fees and other charges whether of a like or different nature, as specified in this Lease, foreseeable as well as unforeseeable, levied upon or assessed against the Leased Premises and any buildings, structures, fixtures, or improvements now or hereafter located thereon, or arising in respect of the occupancy use or possession of the Leased Premises, in which they are assessed and/or, become a lien during the term of this Lease, and Tenant agrees to exhibit to Lessor on demand, receipts evidencing such payments.

ARTICLE 36

Options to renew. Provided that Tenant is not in default under any of the terms and provisions of this Lease, Tenant shall have an option to extend this Lease for an additional ten (10) month term commencing upon the expiration of this Lease term and continuing for a period of ten (10) months thereafter(the “First Option”), December 1, 2016 through September 30, 2017. The

First Option shall be upon the same terms and provisions under this Lease except that the Rental Amount for the First Option term shall be Fifty Two Thousand Three Hundred Ninety-Two and 00/100 Dollars (\$52,392.00) payable in monthly installments of Five Thousand Two Hundred Thirty-Nine and 20/100 Dollars (\$5,239.20) each due on the first day of each month during the first Option Term. Provided that Tenant exercises the First Option and provided that Tenant is not in default under any of the terms and provisions of this Lease as extended by the First Option, Tenant shall have an option to extend this Lease for an additional one (1) year term commencing upon the expiration of the First Option term and continuing for a period of twelve months thereafter (the "Second Option"), beginning October 1, 2017 and ending September 30, 2018. The Second Option shall be for a twelve (12) month term and under the same terms and provisions under this Lease except that the Rental Amount for the "Second Option" term shall be Seventy Thousand Seven Hundred Twenty-Nine, and 20/100 Dollars (\$70,729.20) payable in monthly installments of Five Thousand Eight Hundred Ninety-Four, and 10/100 (\$5,894.10) each on the first day of each month during the Second Option term.

If Tenant elects to exercise one or both of the aforesaid options it must be done by giving written notice of such election to Lessor at least ninety (90) days before the expiration of the current Lease term, i.e., the initial Lease term or the First Option term, as the case may be.

EXECUTED this 8th day of June, 2016, by Lessor.

“LESSOR”

Mouse Properties Holdings, LTD.
By: Mouse Properties Management, LLC
sole general partner

By: Minnie Dora Haynes Rodriguez
Minnie Dora Haynes Rodriguez, President

EXECUTED this ____ day of _____, 2016, by Tenant.

“TENANT”

WEBB COUNTY

By: _____

Name: Hon. Tano E. Tijerina
Title: Webb County Judge

ATTEST:

Margie Ramirez-Ibarra
Webb County Clerk

APPROVED AS TO FORM:

MARCO A. MONTEMAYOR
WEBB COUNTY ATTORNEY *

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