

BUSINESS LEASE

THIS LEASE is made between 1802 Victoria, LLC, hereinafter called "Lessor", whose address for purposes of notice under this lease is 1020 Main Avenue, Laredo, Texas 78040, and WEBB COUNTY, hereinafter called "Lessee", whose address for purposes of notice under this lease is 1110 Washington, Ste. 102, Laredo, Texas.

The parties agree as follows:

1. **AGREEMENT TO LEASE: DESCRIPTION OF THE PROPERTY.** The Lessor leases to the Lessee, and the Lessee rents from the Lessor, the following described commercial space: 3,216 square feet of office space located within 1802 Victoria, Laredo, Texas, legally described as Lot One (1), Block One Hundred Sixty-Six (166), Western Division, a subdivision in the City of Laredo, Webb County, Texas.

2. **TERMS OF LEASE.** The term of the lease is as follows:

The term of this lease shall be a period of thirty-six (36) months, commencing on October 1, 2017, and ending on midnight on September 30, 2020

Provided however, that the Lessee shall have the right to renew this lease for an additional term of thirty-six (36) months, on like terms and conditions, by delivering a written notice of intention to renew lease to Lessor no later than ninety (90) days from the end of the term.

3. **RENTAL.**

a. Lessee shall pay to Lessor as rent at the address set forth above, or at any other address that Lessor may designate, the minimum annual rent of \$37,392.00 in lawful money of the United States of America.

b. The minimum annual rent shall be payable in minimum monthly installments of \$3,116.00 and shall be paid in advance on the first day of each calendar month during the term of this lease and any renewal of it.

c. All payments due from Lessee to Lessor under the terms of this lease, including but not limited to monthly rental payments, shall be paid promptly when due to Lessor at the place Lessor designates in writing. Pursuant to §2251.021 of the Texas Government Code, a payment by a governmental entity is overdue on the 31st day after payment is due and pursuant to §2251.025(b) Texas Government Code (Vernon Supp. 2006), an overdue payment bears interest at the rate in effect on September 1 of the fiscal year in which the payment becomes overdue. The rate in effect on September 1 is equal to the sum of: (1) one percent; and (2) the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

d. The first month's rent and the last month's rent shall be paid when this lease is signed.

4. SECURITY DEPOSIT. A deposit of \$3,116.00 shall be made by Lessee to Lessor which will be held for the length of this contract.

5. SUBORDINATION. This lease and all rights of Lessee under it are and shall be subject to and subordinate to the rights of any mortgage holder now or hereafter having a security interest in the leased premises or any other encumbrances Lessor desires to place on the property.

6. INDEMNITY. The Lessee and Lessor agree that under the Constitution and laws of the State of Texas, Lessee cannot enter into an Agreement whereby Lessee agrees to indemnify or hold harmless any other party.

7. IMMUNITY. Webb County does and shall not waive or relinquish any immunity or defense on behalf of themselves, their trustees, commissioners, offices, employees and agents as a result of the execution of this Agreement and performance of the functions and obligations described herein.

8. LESSEE'S COVENANTS. Lessee further covenants and agrees as follows:

a. To pay the rent and every installment of it when it comes due; to use the premises in a careful and proper manner for the express purpose of operating a Webb County business; to commit or permit no waste or damages to the premises; to conduct or permit no business or act that is a nuisance or may be in violation of any federal, state or local ordinance; to surrender the premises on expiration or termination of this lease in clean condition and good repair, normal wear and tear excepted, provided, however, that all alterations, additions, and improvements permanently attached and made by Lessee, its successors, subleases, and assigns (excepting movable furniture, equipment, supplies, inventory, and special air conditioning equipment installed by Lessee) shall become and remain the property of Lessor on the termination of Lessee's occupancy of the premises.

b. To maintain at all times during the lease term, at Lessee's cost, a comprehensive public liability insurance policy protecting Lessor against all claims or demands that may arise or be claimed on account of Lessee's use of the premises, in an amount of at least \$1,000,000.00 for injuries to persons in one accident, \$1,000,000.00 for injuries to any one person, and \$1,000,000.00 for damages to property. The insurance shall be written by a company or companies acceptable to Lessor, authorized to engage in the business of general liability insurance in the State of Texas. Lessee shall deliver to Lessor annual certificates demonstrating that insurance is paid up and copies of the insurance policies issued by the insurance companies. Lessee further agrees to maintain at all times during the lease term, at Lessee's cost, broad coverage fire and casualty insurance on its property (including inventory) and to provide Lessor with a copy of the policy and a certificate issued by the insurance company demonstrating that insurance is

paid up. At its option, Lessor may request Lessee to obtain a certified statement by each insurance carrier containing a clause providing that the insurance carrier will give Lessor 30 days' written notice before any cancellation shall be effective. The insurance policies shall be provided by Lessee and shall be for period of at least one year. If Lessee fails to furnish policies or certificates showing policies to be paid in full as provided in this lease, Lessor may obtain the insurance, and the premiums on that insurance will be deemed additional rental to be paid by Lessee to Lessor on demand.

c. To prohibit and refrain from engaging or in allowing any use of the leased premises that will increase Lessor's premiums for the insurance on the building without the express written consent of Lessor.

d. In case of damage to glass caused by the Lessee in the leased premises, to replace it with glass of the same kind, size, and quality as quickly as possible at Lessee's expense.

e. To make no alterations in or additions or improvements to install any equipment in or maintain signs advertising its business on the premises without, in each case, obtaining the written consent of Lessor. If any alterations, additions, or improvements in or to the premises are made necessary by reason of the special use and occupancy of the premises by Lessee, Lessee agrees that it will make all such alterations, additions, and improvements in or to the premises at its own expense and in compliance with all building codes, ordinances, and governmental regulations pertaining to such work, use, or occupancy. Lessee agrees that it will hold Lessor harmless against all expenses, liens, claims, and damages to either property or person that may or might arise because any repairs, alterations, additions, or improvements are made.

f. To permit Lessor to enter, inspect, and make such repairs to the leased property as Lessor may reasonably desire, at all reasonable times, and to permit Lessor to put on the leased premises a notice that Lessee may not remove stating that the premises are for rent one month preceding the expiration of this lease.

g. To pay all costs of telephone and internet utilities to be used on the premises by the Lessee.

9. LESSOR'S COVENANTS. Lessor covenants and agrees as follows:

a. To warrant and defend Lessee in the enjoyment and peaceful possession of the premises during the aforesaid term.

b. If the premises are destroyed or so damaged by fire, casualty, or other disaster that they become untenable, Lessor will have the right to render the premises tenantable by repairs within ninety (90) days from the date of damage with reasonable additional time, if necessary, for Lessor to adjust the loss with insurance companies insuring the premises, or for any other delay occasioned by conditions beyond the control of Lessor. If the premises are not rendered tenantable within that time, either party will

have the right to terminate this lease by written notice to the other. In the event of such termination, the rent shall be paid only to the date of the damage. If the lease is not terminated, rent nevertheless shall be abated during the period of time from the date of damage to the date abated during the period of time from the date of damage to the date of physical occupancy by Lessee or date of complete restoration, whichever occurs first.

10. **DEFAULT IN PAYMENT OF RENT.** If any rent required by this lease is not paid when due, Lessor will have the option to:

a. Terminate this lease, resume possession of the property, and recover immediately from the Lessee the difference between the rent specified in the lease and the fair rental value of the property for the remainder of the term, reduced to present worth; or

b. Resume possession and re-lease or rent the property for the remainder of the term for the account of Lessee and recover from Lessee at the end of the term or at the time each payment of rent comes due under this lease, whichever Lessor may choose, the difference between the rent specified in the lease and the rent received on the re-leasing or renting.

11. **DEFAULTS OTHER THAN RENT.** If either Lessor or Lessee fails to perform or breaches any agreement on this lease other than the agreement of Lessee to pay rent, and this failure or breach continues for 10 days after a written notice specifying the required performance has been given to the party failing to perform, (a) the party giving notice may institute action in a court of competent jurisdiction to terminate this lease or to complete performance of the agreement; and the losing party in that litigation shall pay the prevailing party all expenses of the litigation, including reasonable attorneys' fees; or (b) Lessor or Lessee may, after 30 days' written notice to the other, comply with the agreement or correct any such breach and the costs of that compliance shall be payable on demand.

12. **INSOLVENCY, BANKRUPTCY, ETC., OF LESSEE.** If Lessee is declared insolvent or adjudicated a bankrupt; If Lessee makes an assignment for the benefit of creditors; If Lessee's leasehold interest is sold under execution or by a trustee in bankruptcy; or if a receiver is appointed for Lessee, Lessor, without prejudice to its rights hereunder and at its option may terminate this lease and retake possession of the premises immediately and without notice to Lessee or any assignee, transferee, trustee, or any other person or persons, using force if necessary.

13. **ELECTION BY LESSOR NOT EXCLUSIVE.** The exercise by Lessor of any right or remedy to collect rent or enforce its rights under this lease will not be a waiver or preclude the exercise of any other right or remedy afforded Lessor by this Lease agreement or by statute or law. The failure of Lessor in one or more instances to insist on strict performance or observations of one or more of the covenants or conditions of this lease or to exercise any remedy, privilege, or option conferred by this lease on or reserved to lessor shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force

and effect. The receipt by Lessor of rent or any other payment or part of payment required to be made by the Lessee shall not act to waive any other additional rent or payment hen due. Even with the knowledge of the breach of any covenant or condition of this lease, receipt will not operate as or be deemed to be a waiver of this breach, and no waiver by Lessor of any of the provisions of this lease, or any of Lessors rights, remedies, privileges, or options under this lease, will be deemed to have been made unless made by Lessor in writing.

No surrender of the premises for the remainder of this lease will be valid unless accepted by Lessor in writing. Lessee will not assign or sublet this lease without Lessor's prior written consent. No assignment or sublease will relieve the assignor or sublessor of any obligation under this lease. Each assignee or sublessee, by assuming such status, will become obligated to perform every agreement of this lease to be performed by Lessee, except that a sublessee shall be obligated to perform such agreements only insofar as they relate to the subleased part of the property and rent required by the sublease. Sublessee will be obligated to pay rent directly to Lessor only after Sublessor's default in payment and written demand from Lessor to Sublessee to pay rent directly to Lessor.

14. ADDRESSES FOR PAYMENTS AND NOTICES. All rental payments, notices and communications under this lease shall be mailed by standard mail, certified mail, return receipt, or delivered to Lessor at the following address:

1802 Victoria, LLC, 1020 Main Avenue, Laredo, Texas 78040

All notices and communications under this lease shall be mailed by standard mail, certified mail, return receipt requested, or delivered to the Lessee at the following address:

Webb County

c/o Webb County Public Defender, 1110 Washington, Ste. 102, Laredo, Texas 78040

15. CAPTIONS. The captions and paragraphs or letters appearing in this lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope of intent of the sections or articles of this lease or affect this lease in any way.

16. TEXAS LAW. This lease will be governed by the laws of the state of Texas, as to both interpretations and performance. Limitations for the right to bring an action, regardless of form, shall be governed by the laws of the State of Texas and Texas Civil Practice and Remedies Code §16.070, as amended.

17. ENTIRE AGREEMENT. This lease sets forth all the promises, agreements, conditions, and understanding between Lessor and Lessee relative to the leased premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this lease will be binding on Lessor or Lessee unless in writing and signed by them and made a part of this lease by direct reference.

18. TERMS INCLUSIVE. As used herein, the terms "Lessor" and "Lessee" include the plural whenever the context requires or admits.

19. REPRESENTATIVES BOUND HEREBY. The terms of this lease will be binding on the respective successors, representatives, and assigns of the parties.

20. Lessor and Lessee hereby acknowledge, consent and agree that the primary lease term and/or any renewal option lease term are expressly made subject to annual budgetary appropriations by the Webb County Commissioner's Court in any future fiscal year's budget.

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease Agreement on the _____ day of _____, 2017.

LESSOR: 1802 Victoria, LLC

M. A. Gonzalez, Manager

Date: _____

LESSEE: WEBB COUNTY

Tano Tijerina, Webb County, Judge

Date: _____

ATTESTED:

Margie Ramirez Ibarra
Webb County Clerk

Date: _____

APPROVED AS TO FORM:

Marco A. Montemayor
Webb County Attorney*

Date: _____

*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).