



STATE OF TEXAS §

COUNTY OF WEBB §

ORDER NO. 05-10-2021-_____
WEBB COUNTY COMMISSIONERS COURT
WEBB COUNTY, TEXAS

Authorizing the Lease of Casa Ortiz

WHEREAS, Chapter 319 of the Local Government Code authorizes a Commissioners Court to lease buildings and contract for their management; and

WHEREAS, Section 319.004(a) of the Local Government Code authorizes a Commissioners Court to “contract for the complete management of, and for the conducting, maintenance, use and operation of, buildings, improvements authorized by this chapter (Local Government Code Chapter 319)”; and

WHEREAS, Section 319.04(b) of the Local Government Code authorizes the commissioners court to lease said building, improvements, or exhibits; and

WHEREAS, Section 319.004(d) of the Local Government Code authorizes the Commissioners Court to “permit the use a building, improvement, or exhibit for any public purpose the court determines to be of benefit to the county and its residents”; and

WHEREAS, Section 319.004(c) of the Local Government Code provides that any contract or lease entered by the county must be evidenced by an order of the Commissioners Court and entered in the minutes of the court; and

WHEREAS, the Texas Attorney General has determined that a county is not required to competitively bid a contract (lease) entered pursuant to section 319.004 of the Local Government Code; and

WHEREAS, Webb County, desires to Lease CASA ORTIZ for the purpose of promoting and providing Cultural Community Development in Webb County, Texas such as the Arts through programs activities, classes, and events.

NOW THEREFORE, BE IT ORDERED AND RESOLVED BY THE WEBB COUNTY COMMISSIONERS COURT AND PURSUANT TO TEXAS GOVERNMENT CODE SECTION 319.004(D) that:

Section 1: Casa Ortiz be leased to Laredo Cultural District, Inc., for a five (5) year period to be managed as a cultural center to promote arts,

culture, educational, and intellectual interest to the citizens of Webb County, Texas as per the attached lease agreement.

- Section 2: The Webb County Judge is authorized to sign all relevant documents.
- Section 3: This Order shall be effective upon the approval by the Webb County Commissioners Court.
- Section 4: That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Webb County Commissioners Court, at which this Order was adopted, was posted at a place convenient and readily accessible at all times, as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended.
- Section 5: That if any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order.

ADOPTED THIS the _____ day of _____ 2021.

Tano E. Tijerina,
Webb County Judge

Jesse Gonzalez
Commissioner, Precinct 1

Rosaura “Wawi” Tijerina
Commissioner, Precinct 2

John C. Galo
Commissioner, Precinct 3

Cindy Liendo
Commissioner, Precinct 4

ATTEST:

Margie Ramirez Ibarra
Webb County Clerk

LEASE AGREEMENT

STATE OF TEXAS

COUNTY OF WEBB

This Lease is entered into this ____ day of _____, 2021, by and between the Landlord (defined below), pursuant to the Webb County Commissioners Order No. 05-10-2021-____ and the Tenant (defined below) (Landlord and Tenant are sometimes collectively referred to herein as the “Parties”) concerning the Leased Premises (“defined below”).

ARTICLE I. DEFINITIONS AND CERTAIN BASIC PROVISIONS

- 1.01. (1) "Landlord": Webb County, Texas
- (2) "Landlord's Address": 1000 Houston Street
Laredo, Texas 78040-8017
- (3) "Tenant": Laredo Cultural District Inc.
- (3) Tenant's Address: 1119 Flores Avenue, Suite 300
Laredo, Texas 78040
- (5) "Leased Premises": The real property legally described as “30.55 of 2 & W55.69 of 3&W55.69 of N50’ of 8 & E38.81’ of N50’-9 Block 19, Western District”, (2.70 acre tract), commonly known as 915 Zaragoza Street, Laredo, Webb County, Texas 78040, and the improvements thereon, including a Building consisting of approximately 12,632 Square Feet (Gross Building Area) as per Webb County Appraisal District.
- (6) “Lease term”: Commencing on May 1, 2021 (the "Commencement Date") and ending April 30, 2026 (“The Termination Date”).
- (7) Rental Amount: ***Beginning May 1, 2021***, Tenant agrees to pay and Landlord agrees to accept, as rent of the Leased Premises over the lease term, the sum of One Dollar (\$1.00) ***per year for the lease term***. Said yearly rental amount shall be paid ***annually*** and ***shall be paid by May 1 of each year***.
- (8) Permitted Use: Tenant shall use and occupy the Leased Premises as a cultural center for the purpose of promoting and providing Art and Cultural Community Development in Webb County, Texas such uses include, but are not limited to, an art gallery, for meetings, conferences, art and cultural events, offices, artist and artisan studios space, classes and classrooms.

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1.02 Each of the foregoing definitions and basic provisions shall be constructed in conjunction with and limited by the references in the other provisions of this Lease.

ARTICLE II. GRANTING CLAUSE

2.01. In consideration of the obligation of Tenant to pay rent and in consideration of the other terms, covenants, and conditions hereof, Landlord hereby leases to Tenant, and Tenant hereby takes from Landlord, the Leased Premises, TO HAVE AND TO HOLD the premises for the lease term, on all the terms and conditions set forth in this Lease.

ARTICLE III. RENT

3.01. Rent shall accrue from the Commencement Date, and shall be payable on a yearly basis as provided under section 1.01(7), without necessity for demand, at the place designated for the delivery of notices to Landlord. Rent payments shall be deemed delinquent if not paid by the tenth (10th) date after the yearly payment is due. As additional rent, Tenant shall obtain and maintain insurance, as more fully described in Article X herein, for the protection of Landlord and Landlord's Leased Premises and shall also comply with city, state and/or federal requirements for the use of the Leased Premises.

3.02. Tenant shall pay to Landlord the yearly rental amount in yearly installments as specified in Paragraph 1.01(7). The first such yearly installment shall be due and payable on or before the Commencement Date or upon execution of this lease agreement, whichever occurs later, and subsequent installments shall be due and payable on or before the last day of each succeeding yearly period beginning after the May 1, 2021 following the Commencement Date.

ARTICLE IV. TERMINATION PROVISION

4.01. Either Party, at its sole option and discretion, may unilaterally terminate for convenience and without cause this Lease Agreement prior to the end of the lease term set forth in Article 1.01(6).

4.02. To terminate this Lease Agreement pursuant to Article 4.01 of this Lease Agreement, either Party shall provide the other Party with ninety (90) days written notice of its intent to terminate this Lease and, in such event, the Tenant will be released of all liability for rent, and any and all other obligations under this Lease Agreement upon the expiration of the ninety (90) days set forth in the notice.

V. USE AND CARE OF PREMISES, LIMITATION OF WARRANTIES

5.01. The Leased Premises may be used only for the purpose or purposes specified in Paragraph 1.01(8) above and for no other purpose without the prior written consent of Landlord and any use other than that permitted shall constitute an event of default under this Lease Agreement. Tenant shall not abandon the Leased Premises, but shall in good faith, throughout the term of this lease, conduct and carry on in the Leased Premises the type of nonprofit business

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for which the Leased Premises are being leased. Tenant shall operate its nonprofit business in an efficient, dignified, and reputable manner.

5.02. **Landlord is leasing the property to Tenant on an “AS IS WHERE IS” basis with all its faults whether patent or latent. Further Landlord makes no warranties and representations of fitness for any purpose.** Tenant represents that Tenant has thoroughly examined all of the Leased Premises, and takes full responsibility for the condition of the Leased Premises and shall not hold or attempt to hold Landlord responsible for same.

5.03. Tenant shall keep the Leased Premises, which includes patios, grounds parking lot, and walkways, free from waste and pests, i.e., ants, and cockroaches, at all times. Tenant shall keep the Leased Premises and sidewalks, service-ways, parking lots, patios, walkways, grounds and common areas neat, clean, and free from dirt or rubbish at all times and shall arrange for the regular pick-up of such trash and garbage at Tenant's sole expense.

5.04. Tenant shall procure at its sole expense any permits and licenses required for the transaction of its nonprofit business in the Leased Premises and shall otherwise comply with all applicable laws, ordinances, and governmental regulations.

5.05. **Tenant shall not do anything that will cause the title of the property or Leased Premises to be encumbered in any way.** If Tenant causes a lien to be filed against the property or Leased Premises, Tenant shall, within twenty (20) days after Landlord demands that Tenant take action to remove the lien, pay the lien, or take whatever action is necessary to cause the lien to be released of record. Tenant shall provide Landlord with a copy of any release that Tenant obtains pursuant to this paragraph.

5.06. **Landlord does not represent or warrant that the Leased Premises conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant’s intended use of the Leased Premises. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND, ARISING OUT OF THIS LEASE AGREEMENT; AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS RENTAL, IF ANY.** Tenant agrees to, and shall, satisfy itself that the Leased Premises may be used as Tenant intends by independently investigating all matters related to the use of Leased Premises. Tenant further agrees and represents that Tenant is not relying and shall not rely on any warranty or representation made by Landlord and/or Landlord’s agent, representative, officer, and/or employee concerning the use of the Leased Premises.

ARTICLE VI. MAINTENANCE AND REPAIR OF PREMISES

6.01 Landlord, at its sole cost and expense, shall repair as well as keep and maintain the foundation, floor slab, the structure, substructure under the Building, parking areas, walkways, driveways, the exterior walls, exterior roof, roof membrane, and structural components (including glass, plate glass, display windows; doors; door closure devices; locks,

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and hardware; and interior painting or other treatment of interior walls), of the Leased Premises in good condition and repair and further will keep and maintain all underground plumbing in good order. Landlord shall not be required to make any repairs occasioned by the act or negligence of Tenant, its agents, employees, subtenants, licenses, and concessionaires. In the event that the Leased Premises should become in need of repairs required to be made by the Landlord hereunder, Tenant **shall notify Landlord** within ten (10) days after discovering repairs needed to be done by Landlord. Landlord shall be responsible for all **major, as determined by Landlord**, repairs to the heating, ventilation, and air conditioning (“HVAC”) systems, electrical system, plumbing system, fixtures and all other interior appliances and appurtenances belonging thereto. **Tenant** shall include the timely replacement of all HVAC filters and the performance of **routine** regular HVAC maintenance. Tenant shall maintain and repair any portions of the Leased Premises, which are altered or changed in any way by Tenant. Landlord completely disclaims any warranty of the plumbing and electrical wiring of the Building for the duration of the lease term. Landlord disclaims and does not warrant that all-heating, air-conditioning equipment, ventilating, mechanical and electrical equipment are in good condition upon commencement of this lease.

6.02. Tenant shall keep the Leased Premises in good, clean condition. At the expiration or termination of this lease, Tenant shall surrender the premises in good sanitary condition, reasonable wear and tear excepted.

ARTICLE VII. ALTERATIONS & IMPROVMENTS

7.01. Landlord agrees to allow Tenant to make *material* alterations and/or renovations to the Leased Premises only if plans and specifications are prepared by Tenant’s Architect and approved by Landlord. At the end of the Lease Term, Landlord shall allow Tenant to remove any trade fixtures that were installed by Tenant at Tenant’s sole cost and expense, (whether the Lease Term terminates upon its own terms or by termination by Lessee as provided under Article IV), provided Tenant. The term “material alteration or renovation” is one that palpably or perceptively varies or changes the form, shape, elements, or specification of a building in such a manner as to appreciably affect or influence its function, use or appearance.

7.02. All construction work regarding any material alternations and/or renovations will be done by the Landlord within the Leased Premises and shall done through the county’s procurement process and will be performed in a good and workmanlike manner, in compliance with all governmental requirements.

7.03. If any alterations, additions, or improvements to the Premises are mandated by legal requirements related to accessibility by persons with disability (“accessibility alterations”), Landlord at its sole cost and expense, is responsible for making them, including to the extent that such accessibility alterations were required solely because of Tenant’s requirement for *material* alterations, additions, or improvements to the Leased Premises. This allocation of responsibility for compliance with such legal requirement is a material inducement for the parties to enter this Lease. Landlord covenants, represents and warrants that any Landlord work shall be completed in compliance with all laws including the American with Disabilities Act of 1990 as amended or any other legal requirements related to accessibility by persons with disabilities.

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ARTICLE VIII. INSPECTION BY LANDLORD

8.01. Tenant will permit Landlord and its agents, representatives, and employees to enter the Premises at all reasonable times during normal business hours upon not less than twenty-four (24) hours' prior written notice to Tenant for the purpose of inspection. Landlord may enter the Leased Premises at any time during an emergency, in order to protect the building. Landlord shall use its best efforts to minimize any interference with Tenant's use of the Leased Premises.

ARTICLE IX. UTILITIES, SECURITY, AND OTHER EXPENSES

9.01. Landlord agrees to cause to be provided and maintained the necessary mains, conduits, and other facilities necessary to supply water, electricity, telephone service, and sewerage service to the Leased Premises.

9.02. Tenant shall pay for all utility costs and expenses related to the Leased Premises for electricity, water and sewerage used by Tenant on said Leased Premises. Tenant will also be responsible for phone expenses, security, and technology related expenses, or similar expenses for making the Leased Premises usable.

9.03. Tenant shall, at Tenant's sole cost and expense, repair any damage to the Leased Premises caused by Tenant, including but not limited to, damage caused by Tenant and/or Tenant's employees, members, guests, invitees, and contractors.

ARTICLE X. INDEMNITY, INSURANCE, WAIVER OF SUBROGATION, AND ATTORNEY'S FEES

10.01. Landlord is not and shall not be, responsible to Tenant or Tenant's employees, members, guests, invitees, and contractors or any other person, for any damages, injuries, or losses of any kind whatsoever to person or property, occurring on the Leased Premises, caused by:

An act, omission, or neglect of Tenant and/or Tenant's agents, employees, patrons, contractors, guests, invitees, or any other person on the Leased Premises; and fire, flood, water leaks, ice, snow, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery assault, vandalism, environmental containment, or other occurrences or casualty losses of any kind whatsoever.

10.02. TENANT SHALL HOLD LANDLORD HARMLESS AND INDEMNIFY LANDLORD AND LANDLORD'S ELECTED OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ALL CLAIMS, LOSS, DAMAGE, ACTIONS, CAUSES OF ACTIONS AND/OR EXPENSES RESULTING FROM, BROUGHT FOR OR ON ACCOUNT OF ANY ALLEGED PERSONAL INJURY OR PROPERTY DAMAGE ALLEGEDLY RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY, OCCURRING ON THE LEASED PREMISES, ALLEGEDLY

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RESULTING, IN WHOLE OR IN PART, FROM THE NEGLIGENT ACTS AND/OR OMISSIONS OF TENANT AND/OR ANY TENANT'S EMPLOYEES, MEMBERS, GUESTS, INVITEES, AND CONTRACTORS.

(a) TENANT SHALL FURTHER HOLD LANDLORD HARMLESS AND INDEMNIFY LANDLORD AND LANDLORD'S ELECTED OFFICIALS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES FROM ALL CLAIMS, LOSS, DAMAGE, ACTIONS, CAUSES OF ACTION AND/OR EXPENSES RESULTING FROM, BROUGHT FOR OR ON ACCOUNT OF ANY ALLEGED PERSONAL INJURY OR PROPERTY DAMAGE ALLEGEDLY RECEIVED OR SUSTAINED BY ANY PERSON OR PROPERTY, BELONGING TO TENANT, TENANT'S EMPLOYEES, MEMBERS, GUESTS, INVITEES AND CONTRACTORS OCCURRING ON THE LEASED PREMISES AND/OR ACTS AND/OR OMISSIONS OF LANDLORD AND/OR ANY OF LANDLORD'S AGENTS, REPRESENTATIVES, EMPLOYEES, PATRONS, CONTRACTORS, GUESTS AND/OR INVITEES.

10.03. IF EITHER PARTY RETAINS AN ATTORNEY TO ENFORCE THIS LEASE AGREEMENT, THE PREVAILING PARTY IN LITIGATION SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEY'S FEES, COURT COSTS AND OTHER REASONABLE LITIGATION EXPENSES, INCLUDING, BUT NOT LIMITED TO, EXPERT FEES, COSTS OF EXHIBITS, STAFF TIME IN PREPARATION FOR AND/OR ATTENDANCE AT TRIAL AND PRE-TRIAL PROCEEDINGS, AND INVESTIGATIONS EXPENSES.

10.04. The Landlord and Tenant hereby waive any rights each may have against the other on account of any loss or damage occasioned to the Landlord or the Tenant, as the case may be, their respective property, the premises, arising from any risk generally covered by fire and extended coverage insurance; and the parties each, on behalf of themselves and their respective insurance companies insuring the property of either the Landlord or the Tenant against such loss, waive any right of subrogation that it may have against the Landlord or the Tenant, as the case may be. The foregoing waivers of subrogation shall be operative only so long as it is available in the State of Texas and only if they do not invalidate any such policy.

10.05. Tenant further covenants and agrees that from and after the date of delivery of the premises from Landlord to Tenant, Tenant will carry and maintain, at its sole cost and expense, the following types of insurance, or equivalent self insurance, in the amounts specified provided for:

(1) **PREMISE INSURANCE AND PROPERTY INSURANCE.** ***Tenant shall maintain*** Commercial General Liability ("CGL") insuring against any and all claims for damages to person or property or loss of life occurring in the Leased Premises on an occurrence basis with a minimum combined single limit of not less than One Million Dollars (\$1,000,000.00). Also, Tenant shall maintain worker's compensation insurance with no less than the minimum limits required by law. Tenant shall also maintain Comprehensive Automobile Liability Coverage with a combined single limit for bodily injury and property damage of \$600,000.00 per occurrence or its equivalent. Further, Tenant shall also maintain property

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insurance coverage of the Property and Building in an amount equal to full replacement cost of the Property and the Building and shall provide protection against any peril included within the classification "Fire and Extended Coverage" including insurance against vandalism and malicious mischief. Such insurances shall name Landlord as an additional insured. Certificates evidencing all such insurance shall be delivered to Landlord prior to the date Tenant takes possession of the Premises, and prior to the expiration of any such policies Tenant shall deliver renewal certificates thereof to Landlord. Upon written notice by Landlord to Tenant, such dollar amounts of Tenant's liability policy shall be increased by the amount of any increase required for Landlord's umbrella liability policy. All such bodily injury liability insurance and property damage liability insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and injury or damage to property in this Article X contained. If Tenant fails to maintain the required insurance in full force and effect at all times during the term of this Lease, Landlord may purchase such insurance and Tenant shall immediately reimburse Landlord for such expense.

(2) TENANT IMPROVEMENTS. Tenant agrees to carry Insurance covering all of Tenant's leasehold improvements permitted under Article VII regarding trade fixtures, merchandise and personal property from time to time during the term of this Lease, providing protection against any peril included within the classification "Fire and Extended Coverage. Any policy proceeds shall be used for the repair or replacement of the property damaged or destroyed unless this Lease shall cease and terminate.

(3) POLICY FORM. All policies of insurance provided for herein shall be issued by insurance companies, with general policy holder's rating of not less than "A" and a financial rating of "AAA" as rated in the most current available "Bests" insurance Reports, and qualified to do business in the State of Texas, and shall be issued in the names of Tenant with Landlord as an additional insured. All commercial general liability and property damage policies shall contain a provision that the Landlord, although named as an additional insured, may nevertheless be entitled to recovery under said policies for any loss occasioned to it, its servants, agents and employees by reason of the negligence of the Tenant. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by the Tenant in a like manner and to like extent. All policies of insurance delivered to the Landlord must contain a provision that the company writing said policy will give to the Landlord twenty (20) days notice in writing in advance of any cancellation or lapse or the effective date of any reduction in the amounts of insurance. All commercial general liability, property damage and other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which the Landlord may carry.

10.06. Notwithstanding anything to the contrary within this Article X, the Tenant's obligations to carry the insurance provided for herein may be brought within the coverage of a so-called blanket policy or policies of insurance carried and maintained by the Tenant, provided, however, that the Landlord shall be named as an additional insured thereunder as its interest may appear and that the coverage afforded the Landlord will not be reduced or diminished by reason of the use of such blanket policy of insurance and provided further that the requirements set forth

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herein are otherwise satisfied. The Tenant agrees to permit the Landlord during Tenant's regular business hours to inspect the policies of insurance of the Tenant covering risks upon the premises for which policies or copies thereof are required to be delivered to the Landlord.

10.07. Tenant shall, at its own expense, comply with all requirements (including the installation of fire extinguishers or automatic dry chemical extinguishing systems) of the insurance underwriters and any governmental authority having jurisdiction thereover, necessary for the maintenance of reasonable fire and extended coverage insurance for the premises.

ARTICLE XI. DAMAGE BY CASUALTY

11.01 Tenant shall give immediate written notice to Landlord of any damage caused to the Leased Premises by fire or other casualty.

11.02 Notwithstanding anything contained herein to the contrary, Tenant shall have the right of terminating this Lease Agreement in the event that the Leased Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance. In the event, Tenant does not elect to terminate this lease as herein provided, Tenant shall proceed with reasonable diligence and at its sole cost and expense, to rebuild and repair the Leased Premises. If the building in which the Leased Premises are located shall be destroyed and rendered untenable to an extent in excess of fifty per cent (50%) of the floor area by a casualty covered by Tenant's insurance, then Tenant may elect either to terminate this lease or to proceed to rebuild and repair the Leased Premises. Tenant shall give written notice to Landlord of such election within thirty (30) days after the occurrence of such casualty and if it elects to rebuild and repair shall proceed to do so with reasonable diligence and at its sole cost and expense.

11.03 Tenant's obligation to rebuild and repair under this Article shall in any event be limited to restoring the Leased Premises to substantially the condition in which the same existed prior to the casualty, and Tenant agrees that, promptly after the completion of such work by Tenant, it will proceed with reasonable diligence and at its sole cost and expense to rebuild, repair and restore its signs, fixtures, equipment, and the other items of Tenant.

11.04 Tenant agrees that during any period of reconstruction or repair of the Leased Premises it will continue the operation of its business within the Leased Premises to the extent practicable. During the period from the occurrence of the casualty until Tenant's repairs are completed, the rental shall be abated on the square footage damaged by fire or other casualty.

ARTICLE XII. EMINENT DOMAIN

12.01. If more than twenty-five per cent (25%) of the floor area of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance, or regulation or by right of eminent domain or by private purchase in lieu thereof, this lease shall terminate and the rent shall abate for the unexpired portion of this lease, effective on the date physical possession is taken by the condemning authority. If less than twenty-five per cent (25%) of the floor area of the Leased Premises should be taken as aforesaid, this lease shall not

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terminate. Following such partial taking, Landlord shall make all necessary repairs or alterations as necessary to make the Leased Premises as architectural whole. Such repairs and/or alterations must be undertaken by Landlord within thirty (30) days after condemning authority takes physical possession of the partial taking. All repairs and alterations undertaken by Landlord must be completed within one hundred twenty (120) days from when the condemning authority takes physical possession of the partial taking.

12.02. Landlord is entitled to receive and retain the entire award in any award in any condemnation proceedings, except for any portion attributable to Tenant's fixtures, and relocation costs which Tenant is entitled to receive and retain. Nothing herein contained shall be deemed to prohibit Tenant from making a separate claim, against the condemning authority. The termination of this Lease will not affect the right to this award.

ARTICLE XIII. ASSIGNMENT AND SUBLETTING BY TENANT

13.01. Tenant may not assign or in any manner transfer this lease or any estate or interest therein; however, Tenant may sublet the Leased Premises or any part thereof; or grant license, concession, or other right of occupancy of any portion of the Leased Premises to other non-profit 501(c)(3) organizations engaged in promoting the arts, cultural heritage and education, and sub leases or licenses with other third parties with the prior written consent of the Landlord. Sub-lessees must engage in providing goods services that promote the arts, cultural development or education in Webb County. An assignment of this Lease Agreement without Landlord's written consent is voidable by Landlord. If Tenant assigns this Lease Agreement, Tenant shall remain liable for all of Tenant's obligations under this Lease Agreement, regardless of whether the assignment or sublease is made with or without the consent of Landlord.

13.02. In the event of the transfer and assignment by Landlord of its interest in the Leased Premises said assignee shall expressly assume Landlord's obligation hereunder and Tenants leasehold shall remain in full force and effect.

13.03. Tenant shall not mortgage, pledge, or otherwise encumber the Leased Premises.

ARTICLE XIV. TAXES AND OTHER LEVIES

14.01. Landlord shall pay and fully discharge all taxes, special assessments, and governmental charges, if any, of every character imposed during the term of this Lease. Notwithstanding the foregoing, Tenant shall be liable for all taxes levied and/or assessed against personal property, furniture, equipment and trade fixtures placed by Tenant in the Leased Premises.

ARTICLE XV. DEFAULT BY TENANT AND REMEDIES

15.01. The following events shall be deemed to be events of default by Tenant under this lease:

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(1) Tenant shall fail to pay any installment of rent hereunder and such failure shall continue for a period of twenty (20) business days after written notice to Tenant.

(2) Tenant shall fail to comply with any term, provision, or covenant of this lease, other than the payment of rent, and shall not cure such failure within thirty (30) days after written notice thereof to Tenant.

On the occurrence of any such event of default, Landlord shall have the option to pursue the following remedies with written notice and demand:

(a) Terminate this lease, in which event Tenant shall immediately surrender the Leased Premises to Landlord, and if Tenant fails to do so, Landlord may without prejudice to any other remedy which it may have for possession or arrearage in rent, enter and take possession of the Leased Premises and expel or remove Tenant and any other person who may be occupying said premises or any part thereof. If Tenant does not vacate the Leased Premises following termination of the Lease Agreement, Tenant shall become a tenant at will and must vacate the Leased Premises on receipt of written notice from Landlord. No holding over by Tenant, whether with or without consent of Landlord, shall extend the term of this Lease. Tenant shall indemnify Landlords for any and all damages caused by the holdover.

Pursuit of the foregoing remedy shall not preclude pursuit of any other remedies herein provided by law, nor shall pursuit of any other such remedy constitute an election of remedies of a forfeiture or waiver of any rent due to Landlord hereunder or of any damages accruing to Landlord by reason of the violation of any of the terms, provisions, and covenants herein contained. Forbearance by Landlord to enforce one or more of the remedies herein provided on an event of default shall not be deemed or constructed to constitute a waiver of such default. In determining the amount of loss or damage which Landlord may suffer by reason of termination of this lease or the deficiency arising by reason of any reletting by Landlord as above provided, allowance shall be made for the expense of repossession.

ARTICLE XVI. HOLDING OVER

16.01. In the event Tenant remains in possession of the Leased Premises after the expiration of this lease and without the execution of a new lease, it shall be deemed to be occupying said premises as a tenant in common from month to month at a rental equal to the last applicable monthly rental and under the same conditions.

ARTICLE XVII. SUBORDINATION

17.01. Tenant accepts this lease subject and subordinate to any mortgage, Deed of Trust, or other lien presently existing on the Leased Premises, and to any renewals and extension thereof. Landlord is hereby irrevocably vested with full power and authority to subordinate this lease to any mortgage, Deed of Trust, or other lien hereafter placed on the Leased Premises, and Tenant agrees on demand to execute such further instruments subordinating this lease and Landlord may request, provided such subordination shall be on the express condition that this lease shall be recognized by the mortgage, and the rights of Tenant shall remain in full force and

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effect during the term of this lease so long as Tenant shall continue to perform all of the covenants and conditions of this lease.

ARTICLE XVIII. NOTICES.

18.01. Where any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered whether actually received or not when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the parties hereto at the respective addresses set out in Paragraph 1.01, above, or at such other addresses as they have therefore specified by written delivered in accordance herewith.

18.02. The duly authorized representative(s) for each party to this Lease Agreement is/are the following to wit:

FOR LANDLORD: WEBB COUNTY
Attn.: Webb County Judge
1000 Houston St., Third Floor
Laredo, Texas 78040

FOR TENANT: Laredo Cultural District, Inc.
Attn: President
1119 Flores Avenue, Suite 300
Laredo, Texas 78040

ARTICLE XIX. APPLICABLE LAW AND VENUE

The party further agrees as follows:

19.01. This Lease Agreement shall be construed under and in accordance with the laws of the State of Texas. All obligations of the parties hereunder shall be performed in Webb County, Texas. The proper venue to resolve any dispute between the Parties shall be in the State Courts of Webb County, Texas.

ARTICLE XX. AMENDMENT OF LEASE AGREEMENT

20.01. Only an instrument in writing may amend this Lease Agreement, after approval by Landlord and Tenant.

ARTICLE XXI. SALE OR LEASE OF PREMISES

21.01. Should Landlord contemplate selling the Leased Premises during the term of this Lease, Landlord shall not need the written consent of Tenant to sell the Leased Premises to a third party. Before the Landlord can finalize the sale of the Leased Premises to a third party, Landlord shall provide Tenant ninety (90) days written notice so Tenant can relocate from the

Initials:

Landlord _____ / Tenant _____

Leased Premises. Landlord is not responsible for any relocation costs attributable to Tenant having to relocate from the Lease Premises if the Leased Premises are sold by Landlord to a Third Party.

ARTICLE XXII. MISCELLANEOUS

22.01. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant. Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

22.02. The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

22.03. One or more waivers of any covenant, term, or condition of this lease by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval by either party to or of any act by the other party requiring such consent of any subsequent similar act shall not be unreasonably denied.

22.04. Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant, Landlord and Tenant shall not be liable or responsible for, and there shall be excepted from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or material, war, governmental laws, regulations, or restriction, or any other causes of any kind whatsoever which are beyond the reasonable control of Landlord or Tenant. At any time when there is outstanding a mortgage, Deed of Trust, or similar security instrument covering Landlord's interest in the Leased Premises, Tenant may not exercise any remedies for default by Landlord hereunder unless and until the holder of the indebtedness secured by such mortgage, Deed of Trust, or similar security instrument shall have received written notice of such default and a reasonable time for curing such default shall thereafter have elapsed.

22.05. Landlord agrees that if Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this lease, at all times during the continuance of this lease have the peaceable and quiet enjoyment and possession of the Leased Premises.

22.06. If one or more provisions of this Lease Agreement shall be determined to be unenforceable the remaining provisions shall remain in full force and effect.

22.07. Tenant warrants that it has had no dealings with any broker or agent in connection with the negotiation or execution of this lease.

Initials:

Landlord _____ / Tenant _____

22.08. Tenant agrees that it will from time to time on written request by Landlord execute and deliver to Landlord a statement in recordable form certifying that this lease is unmodified and in full force and effect, or if there have been modifications, that the same is in full force and effect as so modified.

22.08. The terms, provisions and covenants contained in this lease shall apply to, inure to the benefit of, and be binding upon the parties hereto and their respective heirs, successors in interest, and legal representative except as otherwise herein expressly provided.

22.09. This Lease Agreement has been negotiated and prepared by the parties and their respective counsel, and should any provision of this Lease Agreement require judicial interpretation, the court shall not apply the rule of construction that a document is to be construed more strictly against the other party.

EXECUTED in duplicate originals as of the date hereinabove stated

LANDLORD: WEBB COUNTY, TEXAS

Hon. Tano E. Tijerina
Webb County Judge

Date: _____

TENANT: LAREDO CULTURAL DISTRICT, INC.

Telissa Lueckenotte Molano
Title: President

Date: _____

ATTEST:

Hon. Margie Ramirez Ibarra
Webb County Clerk

Initials:

Landlord _____ / Tenant _____