

**LEASE AGREEMENT BETWEEN
CITY OF LAREDO AND BETHANY HOUSE OF LAREDO, INC.**

This Lease Agreement is made between the CITY OF LAREDO, [hereinafter referred to as "City"] and Bethany House of Laredo, Inc. [hereinafter referred to as "Bethany House"]. The City and Bethany House shall also be referred to herein each as a "Party" and collectively as the "Parties".

WHEREAS, the City has agreed to lease to Bethany House the Parking Lot on the terms and conditions herein contained.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby covenant and agree as follows:

1. **Demise of Premises.** The City hereby agrees to lease to Bethany House, the parking lot located at 501 San Agustin St. and legally described Lot 5 Block 42, Western Division, City of Laredo, Webb County, Texas. Exhibit A. ("Leased Premises")
2. **Term.** Bethany House is hereby leasing the Leased Premises for the term of twenty (20) years commencing on _____, 2024 (the "Effective Date") and terminating on _____, 2044 (the "Term")., The City shall have the right to terminate this lease at any time hereof by giving sixty (60) days written notice to Bethany House.
3. **Rent.** During the Term, Bethany House shall make annual rent payments to the Landlord in the amount of \$2,500.00 per year ("Rent"). The first Rent payment will be due on the Effective Date. Subsequent annual Rent payments will be due on each anniversary of the Effective Date.
4. **Improvements.** Bethany House shall be responsible for repairs and maintenance of leased premises. Bethany House may not, however, construct any additional improvements, building or fixtures on the leased premises. The City shall have no obligation to clean, maintain, repair, or replace any portion of the Premises and Bethany House accepts the Premises in its "AS IS", "WHERE-IS" condition, with all faults and without any warranty or representation (express or implied) by City as to the condition of the Premises.
5. **Taxes.** During the term of this Lease, Bethany House shall pay any ad valorem taxes and assessments on property. Bethany House shall pay when due any taxes, license, and other fees or charges imposed on the property by Bethany House on or from the Premises.
6. **Use.** Bethany House sole use of the Leased Premises shall be for the parking of cars and vans used by its agents, employees, consultants, affiliates, invites, and guests.
7. **Assignment.** Bethany House shall not assign or otherwise transfer, mortgage, pledge, hypothecate or otherwise encumber this Lease, or any interest herein, and shall not sublet the Premises or any part thereof, or any right or privilege appurtenant thereto, or permit any other party to occupy or use the Premises, or any portion thereof, without the express prior written consent of City, which consent to an assignment or a sublease shall not be unreasonably withheld provided the proposed assignee or sub lessee reasonably demonstrates to City its ability to perform Bethany House financial obligations hereunder. Any such consent by City shall not be deemed a consent to any subsequent assignment, subletting, occupancy, or use by another person. Subject to the foregoing, the rights and obligations of the parties hereunder shall inure to the benefit of and be binding on the parties hereto and their respective successors, assigns, and legal representatives.
8. **City's Access.** The City shall have the right, at all reasonable times during the Term, after reasonable notice to Bethany House, to enter the Premises to inspect the condition thereof, to determine if Bethany House is performing its obligations under this Lease, to cure any defaults of Bethany House hereunder that City elects to cure, and to remove from the Premises any improvements thereto or property placed therein or thereon in violation of this Lease.
9. **Compliance with Laws.** Throughout the term of this Lease, Bethany House, at its sole cost and expense, shall comply with any and all laws, regulations and ordinances that are applicable to the Leased Premises or any part thereof. Bethany House shall not be required to correct any condition of or on the Leased Premises that existed

at the Effective Date and at that time represented a violation of, or noncompliance with, any applicable law, regulation or ordinance.

10. **Insurance.** During the Term, Bethany House, at its sole cost, shall obtain and maintain comprehensive public liability insurance, including property damage, insuring Bethany House and City against liability for injury to persons or property occurring in or about the Premises or arising out of the use or occupancy thereof.
- (a) Commercial General Liability insurance at a minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage for products/completed operations must be maintained for at least two (2) years after the construction work has been completed. Coverage must be amended to provide for an each-project aggregate limit of insurance. Alternatively, Bethany House may elect to maintain separate limits for all lines of General Liability coverage for each project.
 - (b) Workers Compensation insurance at statutory limits, including Employers Liability coverage of a minimum limit of \$1,000,000 each occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.
 - (c) Any Subcontractor(s) hired by the Contractor shall maintain insurance coverage equal to that required of Bethany House. It is the responsibility of Bethany House to assure compliance with this provision. The City accepts no responsibility arising from the conduct, or lack of conduct, of any subcontractor.
 - (d) A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 for each occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement, products/completed operations, XCU hazards, and contractual liability.
 - (e) With reference to the foregoing insurance requirement, Bethany House shall specifically endorse applicable insurance policies as follows: The City shall be named as an additional insured with respect to General Liability. All liability policies shall contain no cross-liability exclusions or insured versus insured restrictions. A waiver of Subrogation in favor of the City shall be contained in the Workers' Compensation, builder's risk, and all liability policies.

All insurance policies shall be endorsed to require the insurer to immediately notify City of any material change in the insurance coverage. All insurance policies shall be endorsed to the effect that City will receive at least sixty (60) days' notice prior to cancellation or non-renewal of the insurance. All insurance policies, that name City as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance. Required limits may be satisfied by any combination of primary and umbrella liability insurances. Bethany House may maintain reasonable and customary deductibles, subject to approval by City. Insurance must be purchased from insurers that are financially acceptable to City. Insurer must be rated A- or greater by A.M. Best Rating Services with an admitted carrier licensed by the Texas Department of Insurance. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:

Should Bethany House not maintain all such insurance in full force and effect, City may notify Bethany House of such failure and, if Bethany House does not deliver to City within fifteen (15) calendar days after such notice certification showing all such insurance to be in full force and effect, City may, at its option, procure the insurance necessary to comply herewith and pay the premiums on the items specified in such notice, and Bethany House covenants to reimburse and pay City upon demand, as additional rent, any amount so paid or expended in the payment of the insurance premiums required hereby and specified in the notice.

11. **Waiver of Claims.** City shall not be liable to Bethany House for any inconvenience or loss to Bethany House in connection with any repair, maintenance, damage, destruction, restoration, or replacement referred to in this Lease. City shall not be obligated to insure any of Bethany House's goods, furniture, or otherwise be liable for any damage to or destruction of any of the foregoing.
12. **Indemnity.** Bethany House shall indemnify and hold harmless City and City's agents, directors, officers, employees, contractors, agents, invitees and guests, from all claims, demands, liabilities, losses, costs, damages, or expenses (including but not limited to attorneys' fees) resulting or arising from any and all injuries to,

including the death of, any person or damage to any property caused by any act, omissions, or neglect of Bethany House or Bethany House's directors, officers, employees, contractors, agents, invitees or guests, or any parties contracting with Bethany House on or relating to the Premises. City shall not be liable for any damage of any kind or any damage to property, death, or injury to persons from any cause whatsoever by reason of the use or occupancy of the Premises by Bethany House. City shall not be liable to Bethany House, and Bethany House hereby waives all claims against City and its directors, officers, employees, contractors, agents, invitees and guests for any damage or loss of any kind, for direct damages, consequential damages, loss of profits, business interruption, or for any damage to property, death or injury to persons from any cause whatsoever. In the event that any action or proceeding is brought against the City by reason of such claim, Bethany House upon notice from the City agrees to cooperate with the City, to the extent it may legally do so, in the City's defense of said claim. This paragraph will not apply to any and all actions or proceedings arising out of the negligence or willful act of the City, its employees or representatives.

13. **None-Waiver.** Neither the acceptance by City of any rent or other payment hereunder, whether or not any default hereunder by Bethany House is then known to City, or any custom or practice followed in connection with this Lease shall constitute a consent or waiver of any right or obligation by either party. Failure by either party to complain of any action or non-action on the part of the other or to declare the other in default, irrespective of how long such failure may continue, shall not be deemed a waiver of any rights hereunder. Time is of the essence with respect to the performance of every obligation under this Lease in which time of performance is a factor. Except for the execution and delivery of a written agreement expressly accepting the surrender of the Premises, no act taken or failed to be taken by either party shall be deemed an acceptance or surrender of the Premises.
14. **Notices.** Each notice required or permitted to be given hereunder by one party to the other shall be in writing with a statement therein to the effect that notice is given pursuant to this Lease, and the same shall be given and shall be deemed to have been delivered, served and given if placed in the United States mail. Postage prepaid, by United States registered or certified mail, return receipt requested, addressed to such party at the address provided for such party herein.

To the City:

Joseph W. Neeb, City Manager
1101 Houston
Laredo, Texas 78040

To Bethany House:

Carl M. Barto, Board President
817 Hidalgo St.
Laredo, Texas 78040

15. **Act of Default.** The term "Act of Default" refers to the occurrence of any one or more of the following: (i) failure of Bethany House, after thirty (30) calendar days' written notice of default in the (City receives receipt from Bethany House of such) performance of Bethany House's other obligations, covenants or agreements under this Lease; or (ii) the adjudication of Bethany House to be a bankrupt; or (iii) the filing by Bethany House of a voluntary petition in bankruptcy, reorganization, receivership, or other related or similar proceedings; or (iv) the making by Bethany House of a general assignment for the benefit of its creditors; or (v) the appointment of a receiver of Bethany House's interest in the Premises in any action, suit, or proceeding against that Bethany House's interest in the Premises or by or against Bethany House; or (vi) any other voluntary or involuntary proceedings instituted by or against Bethany House under any bankruptcy or similar laws, unless the occurrence of any such involuntary receivership or proceedings is cured by the being dismissed or stayed within sixty (60) calendar days thereafter, or (vii) the sale or attempted sale under execution or other legal process of Bethany House's interest in the Premises; or (viii) abandonment of the Premises by Bethany House for thirty (30) consecutive calendar days.
16. **Rights Upon Default.** If an Act of Default occurs, the City may terminate this Lease pursuant to the notice and default provisions herein. If the City terminates this Lease, Bethany House will have no obligation to pay rent for the unexpired term of the Lease.
17. **Legal Interpretation.** This Lease and the rights and obligations of the parties hereto shall be interpreted, construed, and enforced in accordance with the laws of the State of Texas. The determination that any provision of this Lease is invalid, void, illegal, or unenforceable shall not affect or invalidate the other provisions hereof. All obligations of either party requiring any performance after the expiration of the Term shall survive the expiration of the Term and shall be fully enforceable in accordance with those provisions pertaining thereto.

Section titles are for convenient reference only and shall not be used to interpret or limit the meaning of any provision of this lease.

18. **Whole Agreement.** No oral statements or prior written material not specifically incorporated herein shall be of any force or effect. Each party agrees that in entering into and taking this Lease, it relies solely upon the representations and agreements contained in this Lease and no others. This Lease, including all exhibits attached hereto and made a part hereof for all purposes, constitutes the whole agreement of the parties and shall in no way be amended, modified, or supplemented except by a written agreement executed by each party and delivered to the other party.
19. **Mechanic is Liens.** Bethany House shall not permit a mechanic's lien or other lien to be placed upon the Premises or the improvements constituting a part thereof.

Executed, in triplicate originals, on this _____ day of _____, 2024.

CITY OF LAREDO:

BETHANY HOUSE OF LAREDO:

By: _____
Joseph W. Neeb
City Manager

By: _____
Carl M. Barto
Board President

ATTEST:

Jose A. Valdez, Jr.
City Secretary

APPROVED BY:

Doanh T. Nguyen
City Attorney