

AGREEMENT

CITY OF LAREDO

COUNTY OF WEBB

This agreement is entered into between The City of Laredo (hereinafter referred to as LESSEE), a home rule city and local government of the State of Texas, and GARCO, (herein after referred to as "LESSOR") whose address is 1632 E. Santa Gertrudis, to allow the City of Laredo to operate on building and property situated at 1400 E. Corral in Kingsville, Texas 78363. The leased premises is approximately 3,060 square feet of net usable space situated in Kingsville Texas for the Woman, Infant and Children (WIC) Program and other health promotion programs of the City of Laredo Health Department.

In consideration of the promises and of the mutual covenants and agreements contained in this Agreement, the parties hereby agree as follows:

ARTICLE I ACCEPTANCE OF EXISTING PREMISES

1.1 LESSOR shall deliver keys and possession of space to LESSEE on the commencement date stated in Paragraph 1.2 unless otherwise agreed in writing by the parties. LESSEE shall not be liable for rent until LESSOR delivers possession of the Demised Premises to LESSEE. When the Demised Premises are occupied by the LESSEE, LESSEE must sign a letter of acceptance. By acceptance of such keys, LESSEE acknowledges that it has inspected the Demised Premises prior to occupancy and that the premises are fully completed and ready for occupancy. LESSEE is relying exclusively and solely on its own examination and inspection of the premises for its decision to lease and occupy the Demised Premises. LESSOR has not made any representations or warranties whatsoever regarding the premises, their condition or their suitability for LESSEE'S purposes or any other purposes. The Demised Premises are accepted and occupied "AS IS." LESSOR has not made and does not make any representations warranties or covenants of any kind or character whatsoever, express or implied with respect to the environmental soundness, acceptability and/or suitability of the property for LESSEE'S intended use of the premises; nor of the quality or condition of the Property conveyed to LESSEE, the suitability of the premises for any and all activities and uses which LESSEE may conduct thereon; or the habitability, merchantability or fitness of the property for a particular purpose. To the best of LESSOR'S knowledge, the Demised Premises are at time of execution of this lease in compliance with all local, state and/or federal ordinances.

1.2 The Commencement Date of this lease shall be April 1, 2024. Occupancy of the Demised Premises by LESSEE prior to the Commencement Date shall be subject to all of the terms and provisions of this lease, acknowledging that LESSEE has accepted possession, and reciting the exact Commencement Date and termination date of this lease.

ARTICLE II RENT

2.1 Rental shall accrue from the Commencement Date, and shall be payable on the first (1st) day of each calendar month without necessity for demand at the place designated for the delivery of notices to LESSOR at the time of payment and shall be deemed delinquent if not paid on that date. Lessee agrees that in the event any monthly installment of rent is not paid by the twentieth (20th) of the month, a late charge of five per cent (5%) of any monthly installment of rent not received by LESSOR by the twentieth (20th) day of the month in which the rent is due will be paid.

2.2 LESSEE shall pay to LESSOR rental in the aggregate amount of **FOURTY-FOUR THOUSAND SIXTY FOUR DOLLARS (\$44,064.00)** per year, payable in advance in equal monthly installments of **THREE THOUSAND SIX HUNDRED SEVENTY TWO DOLLARS (\$3,672)** per month payable no later than the twentieth day of each calendar month of the term of the lease.

ARTICLE III USE AND CARE OF PREMISES

3.1 The Demised Premises may be used only for the purpose or purposes specified above and for no other purpose without the prior written consent of LESSOR and any use other than that permitted shall constitute an event of default under this Lease Agreement. LESSEE shall not at any time abandon the Demised Premises, but shall in good faith continuously throughout the term of this lease conduct and carry on in the entire Demised Premises the type of business for which the Demised Premises are leased. LESSEE shall operate its business in an efficient, dignified, and reputable manner.

3.2 LESSEE shall not, without prior written consent by LESSOR, keep anything within the premises or use the premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried-on the Demised Premises or other parts of the property. All property kept, stored, or maintained within the premises by LESSEE shall be at LESSEE'S sole risk.

3.3 LESSOR will take good care of the Demised Premises and keep the same free from waste at all times. LESSOR shall keep the Demised Premises and sidewalks, service-ways, common areas, and loading areas adjacent to the premises 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 LESSOR'S expense. LESSEE shall not operate or incinerate or burn trash or garbage within the Demised Premises.

3.4 LESSOR shall, maintain all landscaping, greenery and other exterior areas of the Demised Premises in a neat, attractive condition.

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

**ARTICLE IV
MAINTENANCE AND REPAIR OF PREMISES**

4.1 LESSOR will provide routine building maintenance including the plumbing, Air Conditioning Systems, and fixtures, as well as Janitorial and Landscaping services as needed for the facility; and assure that the premises are in good order at all times.

**ARTICLE V
ALTERATIONS**

5.1 LESSEE shall not make any alterations, additions, improvements, or other modifications to the Demised Premises without the prior written consent of LESSOR, which consent shall not be unreasonably withheld. LESSOR may withhold consent to any improvements which in the opinion of LESSOR will result in an increase in the assessed value of the Demised Premises. Requests for same shall be in writing and shall be detailed to LESSOR'S reasonable satisfaction. The foregoing shall be done only by contractors or employees or by third parties approved by LESSOR in writing. LESSEE may install unattached, movable trade fixtures which may be installed without drilling, cutting or otherwise defacing the premises. If any alterations, additions, improvements, or other modifications are performed by LESSEE with LESSOR'S permission, LESSEE shall not allow any liens to be placed against the Demised Premises as a result of such additions or alterations. All alterations, additions, improvements, and fixtures (other than unattached, movable trade fixtures) which may be made or installed by either party on the Demised Premises shall remain on and be surrendered with the premises and become the property of LESSOR at the termination of this lease. Any linoleum or other floor covering of similar character which may be cemented or otherwise adhesively affixed to the floor of the Demised Premises shall become the property of LESSOR without credit or compensation to LESSEE.

**ARTICLE VI
SIGNS AND STORE FRONTS**

6.1 LESSEE shall not, without LESSOR'S prior written consent, which consent shall not be unreasonably withheld, make any changes to the store front, or install any exterior lighting, decorations, or paintings, or erect or install any signs, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Demised Premises, excepting only dignified displays of customary type for its display windows. All signs installed shall be kept in good condition and in proper operating order at all times.

**ARTICLE VII
UTILITIES**

7.1 LESSOR agrees to cause to be provided the necessary mains, conduits, and other facilities necessary to supply water, electricity, telephone service, sewerage service to the Demised Premises, which utilities shall be maintained by LESSOR.

7.2 LESSOR shall promptly pay all charges for electricity, water and sewerage, and trash disposal furnished to the Demised Premises. LESSEE shall promptly pay telephone service furnished to the Demised Premises.

7.3 LESSOR shall not be liable for any interruption whatsoever in utility services furnished to the Demised Premises.

7.4 All telephone and/or telecommunications equipment necessary to serve LESSEE shall be located in LESSEE'S space and shall be provided by LESSEE.

ARTICLE VIII DAMAGE BY CASUALTY

8.1 LESSEE shall give immediate written notice to LESSOR of any damage caused to the Demised Premises by fire or other casualty.

8.2 In the event that the Demised Premises shall be damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and LESSOR or LESSEE does not elect to terminate this lease as hereinafter provided, LESSOR shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the Demised Premises. If the building in which the Demised Premises are located shall be destroyed and rendered unable to be leased to an extent in excess of fifty per cent (50%) of the floor area by a casualty covered by LESSOR'S insurance, then either LESSOR or LESSEE may elect either to terminate this lease or allow LESSOR to proceed to rebuild and repair the Demised Premises. LESSOR or LESSEE shall give written notice of such election within thirty (30) days after the occurrence of such casualty and if LESSOR is allowed to rebuild and repair LESSOR shall proceed to do so with reasonable diligence and at its sole cost and expense.

8.3 LESSOR'S obligation to rebuild and repair shall in any event be limited to restoring the Demised Premises to substantially the condition in which the same existed prior to the casualty, and LESSEE agrees that, promptly after the completion of such work by LESSOR 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 LESSEE.

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

ARTICLE IX ASSIGNMENT AND SUBLETTING

9.1 LESSEE shall not assign or in any manner transfer this lease or any estate or interest therein; or sublet the Demised Premises or any part thereof; or grant any license, concession, or other right of occupancy of any portion of the Demised Premises without the prior written consent of LESSOR. Consent by LESSOR to one or more assignments or subletting shall not

operate as a waiver of LESSOR'S rights as to any subsequent assignments and subletting. Notwithstanding any assignments or subletting, LESSEE and any guarantor of LESSEE'S obligations under this lease shall at all times remain fully responsible and liable for the payment of the rent herein specified and for compliance with all of its other obligations under this lease.

9.2 In the event of the transfer and assignment by LESSOR of its interest in the Demised Premises to a person expressly assuming LESSOR'S obligations hereunder, LESSOR shall thereby be released from any further obligations hereunder, and LESSEE agrees to look solely to such successor in interest of the LESSOR for performance of such obligations. Any security given by LESSEE to secure performance of LESSEE'S obligations hereunder may be assigned and transferred by LESSOR to such successor in interest, and LESSOR shall thereby be discharged of any further obligation relating thereto.

9.3 LESSEE shall not mortgage, pledge, or otherwise encumber the Demised Premises.

ARTICLE X PROPERTY TAXES

10.1 LESSOR shall be responsible for payment of all taxes and assessments against the Demised Premises. LESSEE shall be liable for all taxes levied and/or assessed against personal property, furniture, equipment and trade fixtures placed by LESSEE in the Demised Premises.

ARTICLE XI EVENTS OF DEFAULT AND REMEDIES

11.1 The following events shall be deemed to be events of default by LESSEE under this lease:

1. LESSEE shall fail to pay any installment of rent hereunder and such failure shall continue for a period of ten (10) business days after written notice thereof to LESSEE.
2. LESSEE 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 LESSEE.
3. LESSEE or any guarantor of LESSEE'S obligations under this lease shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of creditors.
4. LESSEE or any guarantor of LESSEE'S obligations under this lease shall file a petition under any section or chapter of the National Bankruptcy Act, as amended, or under any similar law or statute of the United States or any state thereof; or LESSEE or any guarantor of LESSEE'S obligations under this lease shall be adjudged bankrupt or insolvent in proceedings filed against LESSEE or any guarantor of LESSEE'S obligations under this lease hereunder.
5. A receiver or trustee shall be appointed for the Demised Premises or for all or substantially all of the assets of LESSEE or any guarantor of LESSEE'S obligations under this lease.
6. LESSEE shall desert or vacate any substantial portion of the premises.

7. LESSEE shall do or permit to be done anything which creates a lien upon the premises. On the occurrence of any such event of default, LESSOR shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:
- a. Terminate this lease, in which event LESSEE shall immediately surrender the Demised Premises to LESSOR, and if LESSEE fails to do so, LESSOR may without prejudice to any other remedy which it may have for possession or arrearage in rent, enter upon and take possession of the Demised Premises and expel or remove LESSEE and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim of damages; and LESSEE agrees to pay to LESSOR on demand the amount of all loss and damage which LESSOR may suffer by reason of such termination, whether through inability to re-let the premises on satisfactory terms or otherwise.
 - b. Enter on and take possession of the Demised Premises and expel or remove LESSEE and any other person who may be occupying said premises or any part thereof, by force if necessary, without being liable for prosecution or any claim for damages and if LESSOR so elects, re-let the premises on such terms as LESSOR may deem advisable and receive the rent; and LESSEE agrees to pay to LESSOR on demand any deficiency that may arise by reason of such re-letting.
 - c. Enter on the Demised Premises, by force if necessary, without being liable for prosecution or any claim for damage and do whatever LESSEE is obligated to do under the terms of this lease; and LESSEE agrees to reimburse LESSOR on demand for any expense which LESSOR may incur in thus effect compliance with LESSEE'S obligation under this lease, and LESSEE further agrees that LESSOR shall not be liable for any damages resulting to the LESSEE from such action. Pursuit of any of the foregoing remedies 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 LESSOR hereunder or of any damages accruing to LESSOR by reason of the violation of any of the terms, provisions, and covenants herein contained. Forbearance by LESSOR 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 LESSOR may suffer by reason of termination of this lease or the deficiency arising by reason of any re-letting by LESSOR as above provided, allowance shall be made for the expense of repossession and any repairs or remodeling undertaken by LESSOR following repossession.

11.2 If on account of any breach or default by LESSEE in its obligations hereunder, LESSOR shall employ an attorney to enforce or defend any of LESSOR'S rights or remedies hereunder, LESSEE agrees to pay any reasonable attorney's fees incurred by LESSOR in such connection.

**ARTICLE XII
NOTICES**

12.1 Whenever any notice is required or permitted under this Lease, the notice shall be in writing. Any notice or document required or permitted to be delivered, whether actually received or not, shall be deemed given when addressed to Richard A. Chamberlain, DrPH, MPH, CPHA, CPM, CHW, RS. at 2600 CEDAR AVENUE, LAREDO, TEXAS 78040 or deposited in the United States Mail, postage prepaid, Certified Mail, Return Receipt Requested, addressed to the parties at the respective addresses set out opposite their names below, or at such other addresses as they have specified by written notice delivered in accordance with this paragraph.

**ARTICLE XIV
TERM**

15.1 This agreement shall be for a term of four (4) years from April 1, 2024 to March 31, 2028. At the end of the lease term, if LESSEE is not in default of any of terms, conditions or covenants contained in the Lease, LESSEE shall have the option to extend this Lease for an additional term of two (2) years upon the same terms, covenants, and conditions contained in this Lease. LESSEE must notify LESSOR of its intent to extend this Lease by delivering written notice to LESSOR on or before ninety (90) days preceding the expiration of the lease term. If notice is not provided to the LESSOR on or before the ninety (90) day period, this provision shall be null and void and of no force or effect.

**ARTICLE XV
AMENDMENT**

16.1 This Lease may not be altered, changed, or amended except by instrument in writing through the mutual consent of both parties, signed by both parties and attached to and incorporated onto this agreement. The terms, provisions, covenants, and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding on the parties and on their respective successors in interest and legal representatives, except as otherwise expressly provided.

**ARTICLE XVII
TERMINATION**

17.1 This agreement may be terminated by either party upon receipt of sixty (60) days prior written notice or the end of the term of this agreement.

