

Lease

THIS LEASE AGREEMENT (“the Lease”), made and entered into by and between MAINLAND CHILDREN’S PARTNERSHIP, INC., a Texas non-profit corporation (Lessor), and CITY OF TEXAS CITY, a home-rule municipality (Lessor).

WITNESSETH

I. **THE PREMISES:** Lessor, in consideration of the premises, covenant and agreements, herein undertaken to be kept and performed by the Lessee, has GRANTED, DEMISED and LEASED, and by these presents does GRANT, DEMISE and LEASE, unto the said Lessee that certain portion of the premises at 2000 Texas Avenue, Texas City, Texas (the “Premises”), more particularly described as 10,358 Sq. Ft located in Suites 200, 300 and 350.

II. **CHARACTER OF OCCUPANCY:** The Premises is leased for providing office space to Lessee’s employees and only for such purposes. The Premises shall not be used in any manner that shall constitute a nuisance, either public or private, affecting either the public or private person or property. Neither shall the Premises be used in a manner that duplicates the services provided by other building tenants.

III. **RULES AND REGULATIONS:** Lessee shall comply with reasonable rules and regulations imposed by Lessor as described in Exhibit B. attached hereto. Lessor reserves the right, from time to time, to amend the rules for operations and management of the building and surrounding grounds. The Lessor agrees to not interfere unreasonably with Lessee’s ability to operate the Premises for the purpose for which it was leased under Provision II. of the Lease.

IV. **TERM OF LEASE:** The term of this Lease shall commence on November 1, 2025, and shall end on October 31, 2027, renewable successive six (6) month terms. A ninety (90) day advance notice must be given to Lessor by Lessee for each option to renew. Successive terms will be at the same rate set forth in V.a. below. Any holdover without notice shall be considered tenancy-at-will and shall be for the rate of one hundred fifty percent (150%) of the rent in effect during the term just expired.

V. **RENT:** Lessee and Lessor agree that the rent will be charged to Lessee at the rate of \$2.00 per square foot per month for the first term herein described inclusive of all charges related to occupancy of the said Premises outlined in Exhibit A. To this end, the Lessee agrees to perform all of the following under this agreement:

- a. Lessee shall pay to Lessor the amount of \$20,716.00 each month for rent, payable within ten (10) days of the first day of each month of occupancy.
- b. Lessee agrees that time is of the essence under this Lease.

All rents and other monies due to the Lessor hereunder, shall be payable at the address for the

Lessee, which is 2000 Texas Avenue, Suite 601, Texas City, Texas 77590 or at any other such place as the Lessor may from time to time designate in writing.

VI. PUBLIC UTILITY CHARGES: Lessor agrees to pay for all charges for utilities including, but not limited to charges for electricity, gas, water/sewer, rubbish or trash collection during the Lessee's business hours determined upon signing the Lease. Lessee may incur penalties when business practices violate common sense practices for utility efficiency. Lessor will, before issuing any such penalties, notify Lessee of its observation of such violations and issue written notice of intent to charge for utility efficiency violations. Penalties will be charged as follows: twenty-five dollars (\$25.00) for the first offense, fifty dollars (\$50.00) for the second offense, and one hundred dollars (\$100.00) for the third offense.

VII. LATE PAYMENT OF RENT: All rents are due and payable on the first day of each month during the full term of this Lease. Unless waived in writing by Lessor, Lessee shall pay in addition to the monthly rental, a late charge for and with any rent payment received by the Lessor after the tenth (10th) day of the month for which the rent is due. Such late charges shall be equal to twenty-five Dollars (\$25.00) if the rent is paid prior to the twentieth (20th) day of the month for which the rent is due.

VIII. MAINTENANCE OF PREMISES: The Lessor shall, at Lessor's sole cost and expense, be responsible for the maintenance, repair, and replacement of all parts of the Premises (with the exception of repair and refurbishment to be performed by Lessee), including but not limited to structural components, plumbing, electrical systems, heating, ventilation, air conditioning, roofing, flooring, and any common areas. The Landlord shall promptly address any required repairs or replacement to keep the Premises in good, safe, and habitable condition, and shall bear all costs, fees, and expenses associated with such maintenance.

Lessor will provide maintenance services for all Leased and common areas of the facility and shall maintain records of all maintenance services performed. Lessee will provide paper products and hand soap for restrooms and breakrooms within the Suites. Day porter services may be arranged at additional expense to Lessee.

Lessee shall, at its expense, pay for the remodeling prior to the beginning of the Lease and repair of damage to interior walls, flooring and fixtures resulting from behavior of personnel or clientele utilizing the Leased Premises, normal wear and tear excepted. Lessee shall maintain in good repair all fixtures and equipment.

Lessee covenants and agrees that it will at all times keep the Premises in a clean, neat, and sanitary condition, and that it will comply with all laws, ordinances, rules, and regulations made by any governmental authority applicable to the occupancy or use of the Premises including all laws, rules, and regulations respecting fire and fire hazards. Lessee further covenants that it will cooperate with Lessor in completion of all such inspections required from time to time to maintain said compliance.

Lessor and its agents may enter upon and inspect the Premises at any time during the term of this Lease.

IX. ALTERATIONS AND IMPROVEMENTS: Lessee covenants and agrees that it will make no structural alterations, materials changes, or additions in or to the Leased Premises without written consent of Lessor. Any alterations and changes approved by Lessor shall be at Lessee's expense including exterior signs, additional interior lighting, or changes to existing lighting, wall and floor coverings, shelving or interior signage and unique key systems. Four keys to any lock system must be provided to Lessor. All permanent improvements installed by the Lessee shall become and remain the property of Lessor, unless otherwise agreed in writing. All fixtures installed by the Lessee shall be new or completely reconditioned. All trade fixtures installed by Lessee and removable without structural injury to the building may be removed by Lessor before or at the expiration of the Lease, provided that Lessee shall repair any damage done to the building in removing such trade fixtures.

Lessee is responsible, for providing specifications in writing regarding any modifications as may be requested or required to maintain compliance with any funding or monitoring agencies. If any modifications or alterations to the Leased space are necessary during the term of this Lease, Lessee shall, at its sole expense construct all such improvements to the Premises it shall require, and shall, during the Term thereof, maintain in good order all such improvements and fixtures in the Premises.

X. INSURANCE: Lessee shall, at its own expense, maintain at all times the following minimum coverages or such insurance coverage as provided by all State laws or local ordinances where Lessee is an agency of a governmental body:

- a. Workers Compensation Employee Liability Insurance or such other forms of insurance Lessee may be required by law to carry for employee protection.
- b. Comprehensive General Liability coverage with aggregate limits of not less than \$1,000,000.00.

Lessee shall provide to Lessor certificates evidencing all insurance coverage and shall cooperate with Lessor in all claims on any policies. All such coverages shall name Lessor as additional insured where appropriate and shall require thirty (30) days' written notice be given Lessor of cancellation of any such policies. Lessee shall be responsible for coverages it deems necessary for personal property.

XI. LIABILITY OF LESSEE: Lessor shall not be liable for any damages, loss, or injury to the person, property, or effects of Lessee or any agent, servant, employee or patron of Lessee suffered on, in, or about Leased Premises, and Lessee agrees to indemnify, protect, and save harmless the Lessor to the allowed by applicable law, against any and all damage, loss or injury to the person, property or effects of Lessor or any agent, servant, employee or patron of Lessor arising out of negligence or intentional acts of Lessee, its agents, servants or employees.

XII. BANKRUPTCY: In the event of bankruptcy on the part of Lessee, or in case of receiver being appointed to take charge of the Leased Premises, or any portion of the Premises of Lessee in or upon the property hereby leased due to Lessee's inability to meet its financial obligations, Lessor may, at its option, declare the Lease terminated and forfeited by Lessee.

Lessor shall be entitled in such event to immediate possession of the Premises, and no receiver or trustee in bankruptcy shall acquire, in any such case, any of the rights of Lessee hereunder.

XIII. FORFEITURE AND REENTRY: If Lessee shall fail to pay monthly rent due to Lessor within ten (10) days after the due date thereof, or in the event Lessee shall fail to perform any covenant agreed by Lessee to be performed within fifteen (15) days after receiving notice from Lessor, the Lessor may declare the Lease terminated. Written "Notice" of decision by Lessor to exercise its option will be provided to Lessee and the Lease shall terminate completely as of expired by laps of time. Lessee shall thereupon surrender and deliver said Premises to Lessor, and all rights and claims of Lessee in and to the use and enjoyment of the Premises shall cease.

If Lessee fails to surrender the Leased Premises, Lessor may enter upon and take possession of the Leased Premises, by picking or changing locks if necessary, and lock out, expel, or remove Lessee and any other person(s) who may be occupying any part of the Leased Premises, without being liable for any claim for damages and re-let the same for the best price obtainable. Lessee shall be liable to Lessor for the rent payable hereunder for the remainder of such term, less the amount received by Lessor on account for such re-letting, less necessary costs and expenses, including the expense of renovating, advertising incurred in connection with such re-letting of the Premises.

XIV. NO WAIVER OR DEFAULT: No acceptance of rent, with or without the aforesaid charges for late payments of rent, by Lessor or delay in enforcing any obligation shall be construed as a waiver of default then therefore, or thereafter existing in the performance of any obligation undertaken by the Lessee. No forfeiture of this Lease shall release Lessee from responsibility or liability to Lessor for rents theretofore due and unpaid or from the performance of any of the covenants, agreements, or stipulations herein by Lessee undertaken to be kept or performed.

XV. INTEREST ON DEFAULT: If default be made in the payment of any installment of rent, such installment shall bear interest at the rate of ten percent (10%) per annum from maturity until paid. In like manner, all other monies due to the Lessee which may become due to the Lessor from the Lessee under the terms hereof, shall bear interest at the rate of ten percent (10%) per annum from the due date until paid.

XVI. SUBLETTING: Lessee may neither assign this Lease nor sublet all or any part of the Premises without the prior written consent of Lessor. It is further agreed that the Lessor or its assigns shall not reasonably withhold its timely written consent of such requests.

XVII. INCOMPATIBLE LEASES: Lessor hereby covenants and agrees that Lessor will not rent, lease, or otherwise furnish space in this or adjacent buildings to any enterprise whereby the operation of Premises by Lessee would be interfered with by noise, odors, or other conditions.

XVIII. ADVERTISING DISPLAY: All signs and advertising displayed in or about the premises shall advertise only the business conducted by the Lessee. No sign shall be placed on the improvements, which will, in any manner, cause a structural injury to the building. Signs must be

approved in advance by the Lessor and be placed in locations designated by the same. For uniformity in appearance, signs must be purchased from vendors approved by Lessor. Lessee is responsible for payment for signs for Lessee's business or service, and for signage that may be required by funding agencies or other entities responsible for Lessee's compliance with funding agencies.

XIX. USE OF ADDITIONAL AREAS: The use and occupation by Lessee of the Leased Premises shall include the license to use in common with others now and hereafter entitled thereto common areas, employee's parking areas, service roads, loading facilities, sidewalks and customer parking areas and interior corridors of the building in accordance with the policies and procedures set forth from time to time by the Lessor.

XX. CONDEMNATION: If during the term thereof, all of the building of which the Premises are a part, shall be taken for public or quasi-public purposes, this Lease shall thereupon terminate, and the rent shall be pro-rated to the date of termination. All of the damages awarded for the diminution in value of the leasehold shall be of the Lessor. Lessee shall be entitled to any award made for loss of or damage to Lessee's trade fixtures and removable personal property.

XXI. RIGHTS OF ASSIGNEE: Lessee shall not sublet, transfer or assign this Lease or any other interest in the Premises without prior written consent of Lessor. Any assignment, exchange or transfer of this lease must all conditions, covenants and agreements herein contained, and each amendment hereto, shall be binding upon and ensure to the benefit of the respective successors of Lessor and Lessee. Lessee agrees that in connection with any assignment, transfer, or exchange, the Premises shall be used solely for the purpose outlined in paragraph II.

XXII. SEVERABILITY: Wherever possible, each provision of this Lease shall be interpreted in such manner as to be effective and valid under applicable law. But if any provision of this Lease shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition, invalidity or effectiveness solely, without invalidating the remainder of such provision or the remaining provisions of the Lease.

XXIII. ATTORNEY'S FEES: If Lessor is required to resort to any legal proceedings, or to incur expenses of any kind or nature in the enforcement of its rights hereunder, Lessor shall be entitled to receive damages, including all reasonable attorneys' fees and court costs, as shall be fixed by the court.

XXIV. TAXES: Lessor shall be responsible for and pay ad valorem taxes on the Premises. Lessee shall pay any taxes due on personal property located on the Premise and shall provide to Lessor copies of receipts showing such taxes paid.

XXV. NOTICES: Whenever by the provision hereof notice is required to be given by either party therein, it shall be given in writing by depositing the same in the United States mail in a sealed envelope, postage prepaid, addressed to such other party and sent by Certified or Registered mail or such notice may be delivered personally. Lessor shall obtain signature of receipt of such notice delivered in person for permanent record. Notice shall be given to Lessor at 2000 Texas Avenue, Suite 601, Texas City, Texas 77590, and to Lessee at 2000 Texas Avenue,

Suite _____ Texas City, Texas 77590

XXVI. OPTION TO RENEW: Lessor grants to Lessee the option to renew and extend this Lease two times for a period of six (6) months, under the same terms and conditions provided under this Lease. Intent of Lessee to exercise the option to renew shall be submitted in writing three (3) months prior to the date of termination of this Lease. Acceptance by Lessor must be confirmed in writing to Lessee no less than sixty (60) days prior to the termination date of this Lease.

XXVII. SURRENDER OF PREMISES: Lessee covenants and agrees that it will at termination of this Lease, in whatever manner such termination occurs, promptly surrender the Premises and building front door keys and deliver the same to Lessor thoroughly cleaned and in good condition, ordinary wear and tear excepted.

XXVIII. SECURITY DEPOSIT: Lessee has deposited with Lessor simultaneously with the signing of this Lease, the sum of NONE, to secure the faithful performance by Lessee of all terms, covenants, and conditions of this Lease (Deposit). If Lessee fails to pay any rent or other charges as provided for in this Lease when due or fails to perform or violates any term or condition of the Lease, Lessor at its sole discretion and option, may apply the Security Deposit to any sums due or unpaid, or to any damages suffered as a result of Lessee's default.

EXECUTED in duplicate originals on the date set forth opposite the signatures below:

Lessor:

Mainland Children's Partnership, Inc.

By: _____

Lynda J. Perez

Date: _____

Lessee:

City of Texas City

By: _____

Dedrick Johnson

Date: _____