



PURCHASING DEPARTMENT
County Of Hidalgo

AUG 18 2010

August 11, 2010

Starr County Memorial Hospital
Thalia H. Munoz, Administrator
2753 Hospital Court
Rio Grande City, TX 78582

CERTIFIED MAIL
7099 3220 0002 9744 8086
Via Facsimile (956) 487-0332

Re: Renewal/Extension C-07-272-08-21-Lease of Office Space for Rio Grande City WIC Program

Dear Ms. Munoz:

Hidalgo County Purchasing Department will be requesting Commissioners' Court to consider the County's sole option to exercise a (1) one year extension as provided in the current contract (under the same rates, terms and conditions). Please acknowledge receipt of this notice of placement on the Commissioners' Court meeting of August 17, 2010, for discussion, consideration and action, by signing below and returning to the Purchasing Department, by no later than 3:00 p.m. on Friday, August 13, 2010, via facsimile to (956) 956-318-2629 or email to: rocio.villarreal@co.hidalgo.tx.us, so as to meet the agenda request form deadlines.

By: Thalia H. Munoz, Administrator

Date: 8-17-10

Should you have any questions or require additional information, please do not hesitate to contact me at (956) 318-2626. Your cooperation in this matter is greatly appreciated and we hope your company continues its business relationship with Hidalgo County.

Sincerely,

Rocio Villarreal, Contracts Manager
Hidalgo County Purchasing Department

LEASE

TERMS AND DEFINITIONS

Date: September 1, 2007

Landlord: STARR COUNTY HOSPITAL DISTRICT, acting herein pursuant to that certain Inter Local Cooperation Agreement dated December 13, 1996, between the County of Starr, the City of Rio Grande City, and the Starr County Hospital District.

Landlord's Mailing Address:

P. O. Box 78
Rio Grande City, Texas 78582
Starr County

Tenant: THE COUNTY OF HIDALGO

Tenant's Mailing Address:

P. O. Drawer 98
510 East Eisenhower St.
Rio Grande City, Texas 78582
Starr County

Premises:

Name of Building: SAN JUAN PLAZA ONE STOP HEALTH FACILITY -
Building "A"

Street Address/Suite: 600 North Garza - 3425 sq. ft. in Building A,
Rio Grande City, Texas 78582

Base Rent (monthly): \$3,596.25 per month

Term (months): Thirty-six (36) months

Commencement Date: September 1, 2007

Termination Date: as provided herein

Extension Option: Two (2) options to renew for one (1) year term. Written notice of exercise of option required sixty (60) days prior to the expiration of the initial term.

Security Deposit: none

Use: WIC Clinic

Amount of Liability Insurance:

Death/Bodily Injury: \$1,000,000.00

Property: \$250,000.00

Guarantors: NONE

"Rent" means base rent plus any other sums of money due Landlord by Tenant.

"Landlord" means Landlord and its agents, employees, invitees, licensees, or visitors.

"Tenant" means Tenant and its agents, employees, invitees, licensees, or visitors.

"Essential Services" means heating, ventilating, air conditioning, water, and utility connections reasonably necessary for occupancy of the premises for the use stated above.

LEASE CLAUSES AND COVENANTS

A. Tenant agrees to--

1. Lease the premises for the entire term beginning on the commencement date and ending on the termination date.
2. Accept the premises as described herein.
3. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the premises, including the rules and regulations of the building adopted by Landlord.
4. Pay monthly, in advance, on the first day of the month, the base rent to Landlord at Landlord's address.
5. Pay, as additional rent, all other sums due under this lease.
6. Pay a late charge of five (5%) percent of any rent not received by Landlord by the tenth day of the month in which the rent is due.
7. Pay for all utility services used by Tenant and not provided by Landlord.

8. Pay Tenant's pro rata share of any utility services provided by Landlord.
9. Allow Landlord to enter the premises to perform Landlord's obligations, inspect the premises, and show the premises to prospective purchasers or tenants.
10. Repair, replace, and maintain any part of the premises that Landlord is not obligated to repair, replace, or maintain, normal wear excepted.
11. Repair any damage to the premises caused by Tenant.
12. Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.
13. Maintain public liability insurance for the premises and the conduct of Tenant's business, naming Landlord as an additional insured, in the amounts stated in the basic lease terms and definitions.
14. Maintain insurance on Tenant's personal property.
15. Deliver copies of insurance to Landlord before the commencement date and thereafter when requested.
16. Indemnify, defend, and hold Landlord harmless from any loss, attorney's fees, expenses, or claims arising out of use of the premises.
17. Vacate the premises on termination of this lease.

B. Tenant agrees not to--

1. Use the premises for any purpose other than that stated in the basic lease terms and definitions.
2. (a) Create a nuisance, (b) interfere with any other tenant's normal business operations or Landlord's management of the building, (c) permit any waste, or (d) use the premises in any way that is extra hazardous, would increase insurance premiums, or would void insurance on the building.
3. Change Landlord's lock system.
4. Alter the premises.
5. Allow a lien to be placed on the premises.

6. Assign this lease or sublease any portion of the premises without Landlord's written consent.

C. Landlord agrees to--

1. Lease to Tenant the premises for the entire term beginning on the commencement date and ending on the termination date.

2. Obey all laws, ordinances, orders, and rules and regulations applicable to the use, condition, and occupancy of the building.

3. Provide normal utility service connections to the building.

4. Repair, replace, and maintain the (a) roof, (b) foundation, (c) parking and common areas, (d) structural soundness of the exterior walls, doors, corridors, windows, and (e) other structures or equipment serving the premises.

5. Insure the building against all risks of direct physical loss in an amount equal to at least 90 percent of the full replacement cost of the building as of the date of the loss and liability; Tenant will have no claim to any proceeds of Landlord's insurance policy.

6. Return the security deposit to Tenant, less itemized deductions, if any, within thirty days after the termination of this lease.

D. Landlord agrees not to--

1. Interfere with Tenant's possession of the premises as long as Tenant is not in default.

2. Unreasonably withhold consent to a proposed assignment or sublease.

E. Landlord and Tenant agree to the following:

1. **Alterations.** Any physical additions or improvements to the premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at termination of this lease and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the premises to the condition existing at the commencement date, normal wear excepted.

2. **Abatement.** Tenant's covenant to pay rent and Landlord's covenants are independent of each other. Except as otherwise provided, Tenant shall not be entitled to abate rent for any reason.

3. **Release of Claims/Subrogation.** Landlord and Tenant release each other from any claim, by subrogation or otherwise, for any damage to the premises, the building, or personal property within the building, by reason of fire or the elements, regardless of cause, including negligence of Landlord or Tenant. This release applies only to the extent that it is permitted by law, the damage is covered by insurance proceeds, and the release does not adversely affect any insurance coverage.

4. **Notice to Insurance Companies.** Landlord and Tenant will notify the issuing insurance companies of the release set forth in the preceding paragraph and will have the insurance policies endorsed, if necessary, to prevent invalidation of the insurance coverage.

5. **Casualty/Total or Partial Destruction.** (a) If the premises are damaged by casualty and can be restored within ninety days, Landlord will, at its expense, restore the premises to substantially the same condition as they existed before the casualty. If Landlord fails to complete restoration within ninety days from the date of written notification by Tenant to Landlord of the casualty, Tenant may terminate his lease by written notice to Landlord. (b) If the premises cannot be restored within ninety days, Landlord has an option to restore or not to restore the premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, it will notify Tenant of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord within ten days. If Tenant does not terminate this lease, it shall continue and Landlord shall restore the premises as provided in (a) above. (c) To the extent the premises are untenantable after the casualty and the damage was not caused by Tenant, the rent will be adjusted as may be fair and reasonable.

6. **Condemnation/Substantial or Partial Taking.** (a) If the premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate. (b) If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the premises, and the rent payable during the unexpired portion of the term will be adjusted as may be fair and reasonable. (c) Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

7. **Termination.** Landlord and Tenant hereby agree that this Lease shall be terminable at the option of Landlord or Tenant upon the giving of sixty (60) days written notice to the other party at the addresses set forth herein, upon which termination date all responsibilities and duties, including future rentals, of both parties under the lease shall be terminated. However, such termination shall not relieve Tenant of responsibility for past due rentals or other charges.

8. **Default by Landlord/Events.** Defaults by Landlord are (a) failing to comply with any provision of this lease within thirty days after written notice or (b) failing to provide essential services to Tenant within ten days after written notice.

9. **Default by Landlord/Tenant's Remedies.** Tenant's remedies for Landlord's default are to (a) sue for damages, and (b) if Landlord does not provide an essential service for thirty days after default, terminate this lease.

10. **Default by Tenant/Events.** Defaults by Tenant are (a) failing to pay timely rent, (b) abandoning or vacating a substantial portion of the premises, or (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b) above.

11. **Default by Tenant/Landlord's Remedies.** Landlord's remedies for Tenant's default are to (a) enter and take possession of the premises, after which Landlord may relet the premises on behalf of Tenant and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the premises and perform Tenant's obligations; or (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the premises, until the default is cured, without being liable for damages.

12. **Default/Waiver/Mitigation.** It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by law. Landlord and Tenant have a duty to mitigate damages.

13. **Security Deposit.** If Tenant defaults, Landlord may use the security deposit to pay arrears of rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default.

14. **Holdover.** If Tenant does not vacate the premises following termination of this lease, Tenant shall be a tenant at will and shall vacate the premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the term.

15. **Alternative Dispute Resolution.** Landlord and Tenant shall submit in good faith to mediation before filing a suit for damages.

16. **Attorney's Fees.** If either party retains an attorney to enforce this lease, the prevailing party is entitled to recover reasonable attorney's fees.

17. **Venue.** Venue is in the county in which the premises are located.

18. **Entire Agreement.** This lease, together with the attached exhibits and riders, is the entire agreement of the parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to the expressly mentioned exhibits and riders not incorporated in writing in this lease.

19. **Amendment of Lease.** This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

20. **Limitation of Warranties.** There are no implied warranties of merchantability, of fitness for a particular purpose, or of any other kind arising out of this lease, and there are no

warranties that extend beyond those expressly stated in this lease.

21. **Notices.** Any notice required by this lease shall be deemed to be delivered (whether or not actually received) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to Landlord or Tenant at their addresses.

22. **Abandoned Property.** Landlord may retain, destroy, or dispose of any property left on the premises at the end of the term.

23. **No Waiver of Sovereign Immunity.**

THE PARTIES EXPRESSLY AGREE THAT NO PROVISION OF THIS LEASE IS IN ANY WAY INTENDED TO CONSTITUTE A WAIVER BY LANDLORD OF ANY IMMUNITIES FROM SUIT OR FROM LIABILITY THAT LANDLORD MAY HAVE BY OPERATION OF LAW.

LANDLORD

STARR COUNTY HOSPITAL DISTRICT

BY: Romeo Lopez
Romeo Lopez, President
Board of Trustees

TENANT

THE COUNTY OF HIDALGO

BY: Juan D. Salinas, III

It's: County Judge

PREPARED IN THE OFFICE OF:
APPROVED AS TO FORM
David J. Guerrero
MEYER & GUERRERO, L.L.P.
308 North 15th Street
McAllen, Texas 78501

ATTEST:
Arturo Guajardo, Jr.
Arturo Guajardo, Jr. County Clerk *ach*

APPROVED AS TO FORM
ATLAS & HALL, LLP

By: [Signature]

| | | |
|---|--|---|
| ACORD. CERTIFICATE OF LIABILITY INSURANCE | | DATE ISSUED 10-24-2007 |
| PROVIDER GARZA INSURANCE AGENCY 414 E. MAIN STREET RIO GRANDE CITY, TX 78862 Phone# 956-487-5555 | | THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT ALTER, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. |
| INSURED STARR COUNTY MEMORIAL HOSPITAL PO BOX 78 (426 FM 3167) RIO GRANDE CITY, TX 78862 | | INSURERS AFFORDING COVERAGE NAIC # |
| | | INSURER A: ALLSTATE |
| | | INSURER B: TEXAS HOSPITAL INSURANCE EX. |
| | | INSURER C: |
| | | INSURER D: |
| | | INSURER E: |

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| TYPE OF INSURANCE | POLICY NUMBER | POLICY PERIOD BEGIN DATE | POLICY PERIOD END DATE | LIMITS |
|---|---------------|--------------------------|------------------------|--|
| GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> GLASS/BROK <input type="checkbox"/> OCCUR <input type="checkbox"/> AGGREGATE LIMIT APPLIED PER: POLICY <input type="checkbox"/> PER <input type="checkbox"/> LOG | CL 00 33 94 | 02/15/2007 | 02/15/2008 | EACH OCCURRENCE \$ 100,000 PER ANNUAL AGGREGATE \$ 50,000 AUTO ONLY - BILACD CERT \$ 5,000 PERSONAL & ADVISORY \$ 100,000 PERSONAL AGGREGATE \$ 300,000 PRODUCTS - COMPTWASS \$ 300,000 |
| AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS | | | | COMBINED SINGLE LIMIT (All Insured) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - BILACD CERT \$ |
| GARAGE LIABILITY <input type="checkbox"/> ANY AUTO | | | | AUTO ONLY - BILACD CERT \$ OTHER THAN AUTO BILACD \$ AGG \$ |
| ENTERPRISE LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DELEGABLE RETENTION \$ | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| WORKERS COMPENSATION AND EMPLOYER'S LIABILITY ANY PROPERTY OR PARTIAL/EXECUTIVE OFFICER/OWNER IS INCLUDED PER EMPLOYEE OTHER | | | | \$1,000,000 \$1,000,000 \$1,000,000 \$8,840,000.00 |
| PROPERTY OTHER | 49 924109 | 02/15/07 | 02/15/08 | \$8,840,000.00 |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

San Juan Plaza One Stop Health Facility
 600 North Garza St., Building A
 Rio Grande City, Texas 78862

CERTIFICATE HOLDER

COUNTY OF HIDALGO
 2806 S. HWY. 281
 EDINBURG, TEXAS 78639

CANCELLATION

IF SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ADVISE YOU TO CALL _____ DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION ON LIABILITY POLICY OWNERS UNLESS THEIR AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
