



PURCHASING DEPARTMENT  
County Of Hidalgo

Edinburg Real Estate Network, Inc.  
Oscar Cortes, MD  
4101 S. Burns Drive  
McAllen, Texas 78503

**CERTIFIED MAIL**  
**7099 3220 0002 9745 6425**  
**Via E-mail: drocortes@yahoo.com**

Re: C-09-064-06-08  
Lease and/or Lease Purchase Office Space for Hidalgo County

Dear Dr. Cortes:

Hidalgo County Purchasing Department will be requesting Commissioners' Court to consider the County's sole option to exercise an 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 16, 2011 for discussion, consideration and action, by signing below and returning to the Purchasing Department, by no later than Friday, August 12, 2011, via facsimile to (956) 956-318-2629 or email to : [rocio.villarreal@co.hidalgo.tx.us](mailto:rocio.villarreal@co.hidalgo.tx.us), so as to meet the agenda request form deadlines.

By: \_\_\_\_\_ Date: \_\_\_\_\_

Additionally, we are requesting your company provide an updated certificate of insurance as required through Hidalgo County's Request for (Bid, Quote, Proposal, Statement of Qualification).

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

THE STATE OF TEXAS   §  
                                  §  
COUNTY OF HIDALGO   §

**LEASE**

THIS LEASE is made and entered into by and between Edinburg Real Estate Network Inc., referred to in this Lease as “Lessor”, and **THE COUNTY OF HIDALGO**, referred to in this Lease as “Lessee.”

In consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor, that certain real property described on Exhibit "A", attached hereto. The premises leased hereunder are referred to in this Lease as "the Premises" or "the Leased Premises" and are deemed for the purposes of this Lease to contain 23, 600 square feet.

**ARTICLE 1. TERM**

**Term of Lease**

1.1 Except as otherwise herein provided, the term of this Lease shall be for a two (2) year term commencing on the date of occupancy by Lessee (the “Commencement Date”) and ending two (2) years thereafter, unless sooner terminated or unless renewed and extended in accordance with Paragraph 1.2, hereof. If the Premises are sold to an unrelated third party (not affiliated by common ownership with Lessor) at a time when more than six (6) months remains on the unexpired portion of the term of this Lease, then the unexpired portion of this Lease may, at Lessee’s option, be shortened to six (6) months from the date of such sale.

**Renewal or Termination**

1.2. Lessee shall have the right and option to renew and extend the term of

this Lease for an additional one (1) year term, under the same rates, terms and conditions. Lessee reserves the right to continue this lease for an additional sixty (60) day grace period at the end of the contract term for unforeseen delay in award of new bid. If Lessee desires to renew and extend the term of this Lease for a renewal period, Lessee must give Lessor written notice of such renewal at least sixty (60) days prior to the termination of the initial lease term or any extension thereof. Any renewal or extension of this Lease shall be on the terms and conditions as provided herein. This Lease shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2; and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Lease or give Lessee any rights under the Lease in or to the Leased Premises.

#### **Holdover**

1.2 If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 1.2 shall not be construed as Lessor's consent for Lessee to hold over.

#### **Termination**

1.3 Lessee may declare this Lease, and all rights and interest created by it, to be terminated without cause upon giving the Lessor sixty (60) days written notice. Upon Lessee's electing to terminate, this Lease shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Lease for its

expiration.

### **Lessor's Warranty of Quiet Enjoyment**

1.4. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Lease without hindrance or molestation by Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

### **ARTICLE 2. RENT**

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to a One Dollar (\$1.00) per square feet, and not to exceed Twenty-Three Thousand Six Hundred Dollars and no/100ths (\$23,600.00) per month (the "Base Rent") as shown on Lessor's bid, a copy of which is attached hereto as Exhibit B. Lessee agrees to pay as additional rent (after receipt of copy of billing from the utility providing services) for the use and occupancy of the Leased Premises during the Term of this Lease Agreement all utilities that become due for use of the Leased Premises including but not limited to water and sewerage, electricity, and telephone service. As Lessor is occupying a portion of the building containing the Premises, Lessor and Lessee deem Lessees' share of utility charges for the purpose of additional rent shall be a ninety percent (90%) of the utility charge as shown on the utility's statement. Additionally, Lessee agrees to pay as additional rent the taxes and insurance for the Leased Premises as provided in Section 6.01 and Article 7 hereto. As Lessor is occupying a portion of the building containing the

Premises, Lessor and Lessee deem Lessees' share of taxes and insurance charges for the purpose of additional rent shall be a ninety percent (90%) of the taxes and insurance for the Premises calculated from the taxes and insurance statement. Lessee agrees to pay as additional rent (after receipt of evidence of payment from Lessor) ninety percent (90%) of Lessor's general maintenance staff provided Lessees' monthly additional rent for Lessor's maintenance staff shall not exceed monthly the sum of \$\_\_\_\_\_. Additional rental shall be calculated and determined on a calendar month basis and only for the time period while Lessee is occupying the Premises during the term. In the event the Commencement Date is a day other than the first day of the month, the rent and additional rental for the period from the Commencement Date to the last day of the month shall be prorated by dividing the monthly rental and additional rent by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date. Lessee has the option to purchase the premises which is the subject of these specifications. All Base Rent lease payments shall be applied to the purchase price of the Premises should the Lessee exercise its option to purchase the Premises (see "Exhibit D").

#### **Time and Manner of Payment**

2.2 All rent due under this article shall be paid by Lessee on a monthly basis and in advance, on the first business day of each month commencing on the Commencement Date. All installments of rent shall be paid in lawful money of the United States to the Lessor at **1615 S. Closner, Ste. A, Edinburg, Texas 78539**, or such other location or locations as Lessor shall from time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof

shall be prorated on the basis of a thirty (30) day month.

### **Taxes**

2.3 Lessee shall, reimburse Lessor against paid receipt ninety percent (90%) of all taxes, special assessments, and governmental charges of every character imposed during the Term of this Lease Agreement upon the Leased Premises and paid by Lessor and on any of the personal property or fixtures located on or in the Leased Premises. All such reimbursement for taxes shall be prorated to the dates Lessee occupies the Premises. Lessee waives all rights to protest the appraised value of the Leased Premises or to appeal the same and all rights to receive notices of reappraisal as set forth in sections 41.413 and 42.015 of the Texas Tax Code. If there is presently in effect or hereafter adopted any nature of sales tax or use tax or other tax on rents or other sums received by Lessor under this Lease Agreement (herein referred to as "Rent Sales Tax"), then in addition to all rent and other payments to be made by Lessee as provided above, Lessee will also pay Lessor a sum equal to the amount of such Rent Sales Tax. The Term "Rent Sales Tax" shall not include any income taxes applicable to Lessor.

## **ARTICLE 3. USE OF PREMISES**

### **Permitted Use**

3.1 Lessee may use the premises for office space and for any other lawful purpose.

### **Waste, Nuisance, or Illegal Use**

3.2 Lessee shall not use, or permit the use of, the Premises in any manner that results in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

#### **ARTICLE 4. REPAIRS AND MAINTENANCE**

4.1 Lessee shall be responsible for providing general janitorial service. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Lessee's negligent use of Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licensees or invitees. In addition, Lessee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under this Lease to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials. Lessee shall grant Lessor and Lessor's agents access to the mechanical room located in the Premises for the purpose of repairs and maintenance of the equipment located therein.

#### **LESSOR'S AND LESSEE'S DUTIES TO REPAIR**

4.2 Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems (HVAC) and structural integrity of the Leased Premises and shall make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

#### **LESSOR'S DUTY**

4.3 Lessor shall construct, repair and maintain the Leased Premises so that the Premises will have:

- (1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.

- (2) Plumbing facilities that conform to applicable law, maintained in good working order.
- (3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.
- (4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air condition the improvements on the Leased Premises, and are maintained in good-working order.
- (5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.
- (6) Building, grounds, and appurtenances in every part clean, sanitary, and free from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.
- (7) Floor, stairways, and railings maintained in good repair.
- (8) Landscaping (all greenery, watering, and maintenance).
- (9) Parking Lot (including painting, striping, paving, etc.)

**Lessee's Right to Repair for Lessor or Vacate**

4.4 If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days

following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee may deduct the expenses of the repairs from further payment of rent, terminate this Lease Agreement as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease. For purposes of this Section 4.4, if Lessor make repairs at least fifteen (15) days following the date of Lessee's notice to Lessor, it will be presumed to have act in a reasonable time.

## **ARTICLE 5. UTILITIES**

### **Utility Charges**

Lessee shall reimburse Lessor ninety percent (90%) of the utility charges (following presentment by Lessor of the utility's charges for each such month during the Term hereof) including but not limited to, electricity and water, used in and about the Leased Premises during the term of this Lease.

## **ARTICLE 6. LESSOR'S RENOVATIONS**

6.1 Lessor prior to the date of Lessee occupying the Premises, agrees to purchase and/or install at Lessor's sole cost and expense Lessee's desired improvements to the Premises as directed by Lessee in writing.

### **Consent of Lessor**

6.2 Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

### **Property of Lessor**

6.3 All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that

Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

## **ARTICLE 7. SIGNS**

### **Signs**

7.1 Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install signs on the Leased Premises. Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

## **ARTICLE 8. MECHANIC'S LIEN**

Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Premises or improvements on the Premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

## **ARTICLE 9. INSURANCE AND INDEMNITY**

### **Property Insurance**

9.1 At all times during the Term of this Lease Agreement, Lessor shall keep

the Leased Premises insured against loss or damage by fire, vandalism and malicious mischief, with extended coverage endorsement or its equivalent with an insurer acceptable to Lessor. Lessee shall reimburse Lessor against paid insurance premium receipt, as additional rental ninety percent (90%) of the cost of such insurance paid by Lessor prorated for the days Lessee occupies the Premises and such property insurance shall be in amounts not less than one hundred percent (100%) of the full replacement value of the Leased Premises, which may be provided under a blanket policy. Such policy or policies of insurance shall name both Lessor and Lessee as a named insured and all proceeds payable thereunder shall be paid to Lessor and held by Lessor in trust, and shall be made available for reconstruction or repair, as the case may be, of any damage to or destruction of the Leased Premises, or any portion thereof, and shall be paid out by Lessor from time-to-time subject to the provisions hereof for the reasonable cost of such reconstruction or repair. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Premises (or in the event neither Lessor nor Lessee is required or elects to repair and restore, all such insurance proceeds) shall be retained by Lessor free and clear upon completion of any such repair and restoration. All salvage resulting from any risk covered by such insurance shall belong to Lessor except that any salvage relating to Lessee's personal property shall belong to Lessee.

### **General Liability Insurance**

9.2 **Lessor.** Lessor, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollar (\$500,000.00), naming Lessee as additional insured. Lessee shall reimburse against paid

receipt, as additional rental, ninety percent (90%) of the cost of such general liability insurance paid by Lessor prorated for the days Lessee occupies the Premises. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance.

9.3 **Lessee.** Lessee, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance in the amounts deemed adequate by Lessee.

#### **Remedy for Failure to Provide Insurance**

9.3 Lessor and Lessee shall each furnish with the original of all insurance policies required by this Article. If either Lessor or Lessee does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if either Lessor or Lessee allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if either Lessor or Lessee fails to deliver proof of insurance showing coverages prior to the effective date of such insurance and the original insurance policy within thirty (30) days thereafter, such failure shall be a default of the party responsible under this Lease to acquire insurance under this Lease; or the party not responsible under this Lease to so acquire the insurance may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with the defaulting party's obligations under the provisions of this Article. The party responsible for so acquiring the insurance agrees to reimburse the other party all amounts spent by the other party having to procure and maintain such insurance within fifteen (15) days after demand from such party having to acquire such insurance. Failure to pay such amount when due shall be a default of the party responsible to acquire insurance under this Lease.

## **ARTICLE 10. DAMAGE OR DESTRUCTION OF PREMISES**

### **Notice to Lessor**

10.1 If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if it should be so damaged that rebuilding is necessary, this Lease Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Lease, effective as of the date of said occurrence.

10.3 If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs can reasonably be completed with thirty (30) working days from the date of the occurrence of the damage, this Lease shall not terminate, but Lessor shall, if the casualty has occurred prior to the final six (6) months of the lease term, at Lessor's sole cost and risk proceed forthwith to rebuild or repair the Leased Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final six (6) months of the lease term, Lessor shall not be required to rebuild or repair such damage. If the Leased Premises are to be rebuilt or repaired and are untenable in whole or in part following such damage, the rent payable hereunder during the period in which they are untenable shall be adjusted equitably. In the working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to

Lessor, whereon all rights and obligations hereunder shall cease.

## **ARTICLE 11. CONDEMNATION**

### **Total Condemnation**

11.1 If during the term of this Lease all 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 should be sold to the condemning authority under threat of condemnation, the Lease shall terminate, and the rent shall be abated during the unexpired portion of this Lease, effective as of the date of the taking of the premises by the condemning authority.

### **Partial Condemnation**

11.2 If less than all, but more than ten percent (10%) of the Leased Premises is taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, Lessee may terminate the Lease by giving written notice to Lessor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Leased Premises are partially condemned and Lessee fails to exercise the option to terminate the Lease under this section, or if less than ten percent (10%) of the Leased Premises are condemned, this Lease shall not terminate, but Lessor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Leased Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Leased. The rent payable under Section 2.1 of this Lease shall be decreased equitably during the period of such restoration or reconstruction.

### **Condemnation Award**

11.3 Lessor and Lessee shall each be entitled to receive and retain such separate awards, and portions of lump sum awards, as may be allocated to their respective interest in any condemnation proceedings. The termination of this Lease shall not affect the rights of the respective parties to such awards.

## **ARTICLE 12. DEFAULT**

### **Default by Lessee**

12.1 If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Lease for a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass and re-let the Premises, or any part of the Premises, for all or any part of the remainder of the Lease term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to relet after reasonable efforts to do so, or should such monthly rental be less than the rental Lessee was obligated to pay under this Lease, or any renewal of this Lease, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

### **Default by Lessor**

12.2 If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Lease, in addition to other remedies afforded Lessee under this Lease or at law, Lessee may elect that: Upon Lessee's notice

to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Lease, and this Lease shall terminate as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Lease.

### **Cumulative Remedies**

12.3 All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Lease. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

### **Waiver of Breach**

12.4 A waiver by either Lessor or Lessee of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

## **ARTICLE 13. ASSIGNMENT AND SUBLETTING**

### **Assignment and Subletting by Lessee**

13.1 Lessee may sublet, assign, encumber, or otherwise transfer this Lease, or any right or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, with the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Lease or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Lease

terminated and Lessee and Lessor shall have no further obligation to each other under this Lease. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Lease, the assignee or sublessee, must assume all of Lessee's obligations under this Lease, and Lessee shall remain liable for every obligation under the Lease. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

#### **Assignment by Lessor**

13.2 Lessor may assign or transfer any or all of its interests under the terms of this Lease.

#### **ARTICLE 14. OPTION TO PURCHASE**

14.1 Provided Lessee is not in default under any provisions of this lease agreement, Lessee shall have the option to purchase the Premises for the price of Two Million Eight Hundred Fifty Thousand No/100ths Dollars (\$2,850,000.00) (the "Option Price"). Such Option to Purchase may be exercised at any time after the Commencement Date of this Lease by Lessee giving sixty (60) days notice to Lessor, such notice evidenced by an executed Earnest Money Contract delivered to Lessor, an unsigned copy of which is attached hereto as Exhibit "C" (The "Purchase Contract"). All Base Rent paid by Hidalgo County through the date of closing (as defined in the Purchase Contract) in accordance with this Lease shall be credited toward the Purchase Price (as defined in the Purchase Contract).

#### **ARTICLE 15. MISCELLANEOUS**

##### **Notices and Addresses**

15.1 All notices required under this Lease will be deemed delivered when

deposited in certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:

Edinburg Real Estate Network, Inc.  
Attn: Oscar Cortes, MD  
1615 S. Closner, Ste. A  
Edinburg, Texas 78539

Lessee:

County of Hidalgo  
Attn: County Judge  
P.O. Box 1356  
Edinburg, Texas 78540

Either party may change the address to which notices are to be sent it by giving the other party written notice of the new address in the manner provided in this section.

**Parties Bound**

15.2 This Lease Agreement shall be binding upon, and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease Agreement.

**Texas Law to Apply**

15.3 This Lease Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

**Legal Construction**

15.4 In case any one or more of the provisions contained in this Lease Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease Agreement, and this Lease Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease Agreement.

### **Prior Agreements Superseded**

15.5 This Lease Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease Agreement.

### **Amendment**

15.6 No amendment, modification, or alteration of the terms of this Lease Agreement shall be binding unless it is in writing, dated subsequent to the date of this Lease Agreement, and duly executed by the parties to this Lease Agreement.

### **Rights and Remedies Cumulative**

15.7 The rights and remedies provided by this Lease Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Lease are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

### **Attorneys' Fees and Costs**

15.8 If, as a result of a breach of this Lease Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Lease, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Lease.

### **Force Majeure**

15.9 Neither Lessor nor Lessee shall be required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor

restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

**Real Estate Commission and Finder's Fees**

15.10 Neither Lessor nor Lessee has entered into any real estate commission or finder's fee agreements with any broker, agent or finder in respect of this transaction, and Lessor and Lessee each agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Lease or the transactions contemplated hereby.

**Estoppel Information**

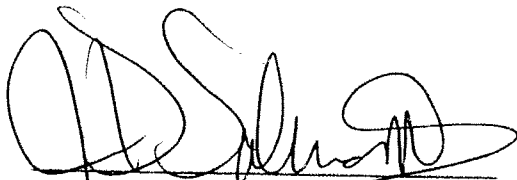
15.11 Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

**Time of Essence**

15.12 Time is of the essence of this Lease Agreement.

THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the day of 09/04 2009.

**HIDALGO COUNTY**


  
\_\_\_\_\_  
Juan D. Salinas, III, County Judge

  
\_\_\_\_\_

ARTURO GUAJARDO, JR.  
HIDALGO COUNTY CLERK

**COMPANY:**

**Edinburg Real Estate Network  
Inc.**

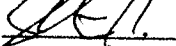
  
\_\_\_\_\_  
Printed Name: Oscar Cortez, M.D.

ATTEST:

\_\_\_\_\_  
Arturo Guajardo Jr., County Clerk

APPROVED AS TO FORM:

Atlas & Hall, L.L.P.

By:   
\_\_\_\_\_  
Stephen L. Crain

**EXHIBIT “A”**

**LEGAL DESCRIPTION**

EXHIBIT "A"

LEGAL DESCRIPTION

A tract of land containing 2.673 acres situated in the City of Edinburg, Hidalgo County, Texas, out of LOT 11, SECTION 271, TEXAS-MEXICAN RAILWAY COMPANY SURVEY (Deed Reference: Volume 24 Page 168, Hidalgo County Deed Records), said 2.673 acres being a part or portion of a (5.51 ac.) Tract conveyed to EDINBURG REAL ESTATE NETWORK, INC. (Warranty Deed recorded under Document #494501, Hidalgo County Official Records), said 2.673 acres also being more particularly described as follows:

BEGINNING at a pipe found on the west right -of-way line of U.S. Business Highway 281 (Closner Boulevard) for the easternmost Northeast corner of this tract, said pipe bears S 9° 05' 00" W a distance of 275.40 feet and N 80° 53' 00" W a distance of 50.00 feet from the Northeast corner of said Lot 11, Section 271;

THENCE, S 9° 05' 00" W along the West right -of -way line of said U.S. Business Highway 281 (Closner Boulevard) and the East property line of said Edinburg Real Estate Network Inc. tract, a distance of 37.10 feet to an iron rod set for the Southeast corner of this tract;

~~THENCE, N 80° 53' 00" W a distance of 501.33 feet to an iron rod set for the Southwest corner of this tract;~~

THENCE, N 9° 05' 00" E along the West property line of said Edinburg Real Estate Network, Inc. tract, a distance of 267.50 feet pass an iron rod set on the South line of an Utility Easement (granted to the City of Edinburg in Vol. 1554 Pg.465, Hidalgo County Deed Records), at a distance of 274.50 feet pass a pipe found for the South right-of -way line of Freddy Gonzalez Drive (as dedicated in Vol. 1528 Pg. 648, Hidalgo county Deed Records), and continuing a total distance of 312.50 feet to the north line of said Lot 11, for the Northwest corner of this tract;

THENCE, S 80° 53' 00" E along the north line of said Lot 11, a distance of 191.30 feet to an outside corner of this tract;

THENCE, S 11° 37' 43" W a distance of 20.02 feet to an inside corner of this tract;

THENCE, S 80° 53' 00" E a distance of 177.67 feet to an outside corner of this tract;

THENCE, S 9° 05' 00" W at a distance of 18.00 feet pass a pipe found for said South right-of-way line of Freddy Gonzalez Drive (Vol. 1528 Pg. 648, Hidalgo County Deed Records), at 25.00 feet pass the south line of said Utility Easement (Vol. 1554 Pg. 465, Hidalgo County Deed Records), and continuing, along the west property line of tract conveyed to S.S. Partners (WD Doc. #450889, Hidalgo County Official Records), for a total distance of 255.40 feet, to a pipe found for an inside corner of this tract;

THENCE, S 80° 53' 00" E along the south property line of said S.S. Partners tract, a distance of 133.25 feet to the POINT OF BEGINNING, and containing 2.673 acres, of which 0.240 of one acre lies in the right-of-way of said Freddy Gonzalez Drive (as dedicated in Vol 1528 Pg. 648, Hidalgo County Deed Records), leaving a net of 2.433 acres of land, more or less.

**Current Owner**  
 EDINBURG REAL ESTATE NETWORK INC (0565274)  
 1615 S CLOSNER BLVD STE D  
 EDINBURG, TX 78539-6362

**Legal Description**  
 ALBERTSON'S EDINBURG LOT 1

**Exemptions**

**Appraised**

2,078,270

**Homestead Cap**

**Entites:**  
 CEB, DR1, GHD, JCC, R15, SEB, SST

**Site Address**

**History Information**

**Sales**

Date	Volume	Page	Seller Name
12/20/1999	831936		UNKNOWN OWNER

	2008	2007	2006	2005
Imp HS	-	-	-	-
Imp NHS	\$1,192,559	\$1,259,045	\$1,244,399	\$1,310,884
Land HS	-	-	-	-
Land NHS	\$423,928	\$423,928	\$423,928	\$423,928
Ag Mkt	-	-	-	-
Ag Use	-	-	-	-
Tim Mkt	-	-	-	-
Tim Use	-	-	-	-
HS Cap	-	-	-	-
Assessed	\$1,616,487	\$1,682,973	\$1,668,327	\$1,734,812

**Building Attributes**

Construction	Foundation	Exterior	Interior	Roof	Flooring
COM	SLB	TIL	SRK	FLT-BLT	CPT
Heat/AC	Baths	Fireplace	Year Built	Rooms	Bedrooms
AND	8		1973		

**Improvement Sketch**

**Improvements**

Type	Description	Area	Year Built	Eff Year	Value
C	Commercial				\$1,283,405
CLC	Clinic	21484	1973	1984	\$980,605
ENC	Enclosed Add	516	1973	1984	\$23,552
ENC	Enclosed Add	648	1973	1984	\$29,577
OFF	Office	3280	1973	1984	\$148,711
ASP	Asphalt	57235	1973	1984	\$39,406
CON	Concrete	4581	1973	1984	\$6,280

**Land Segments**

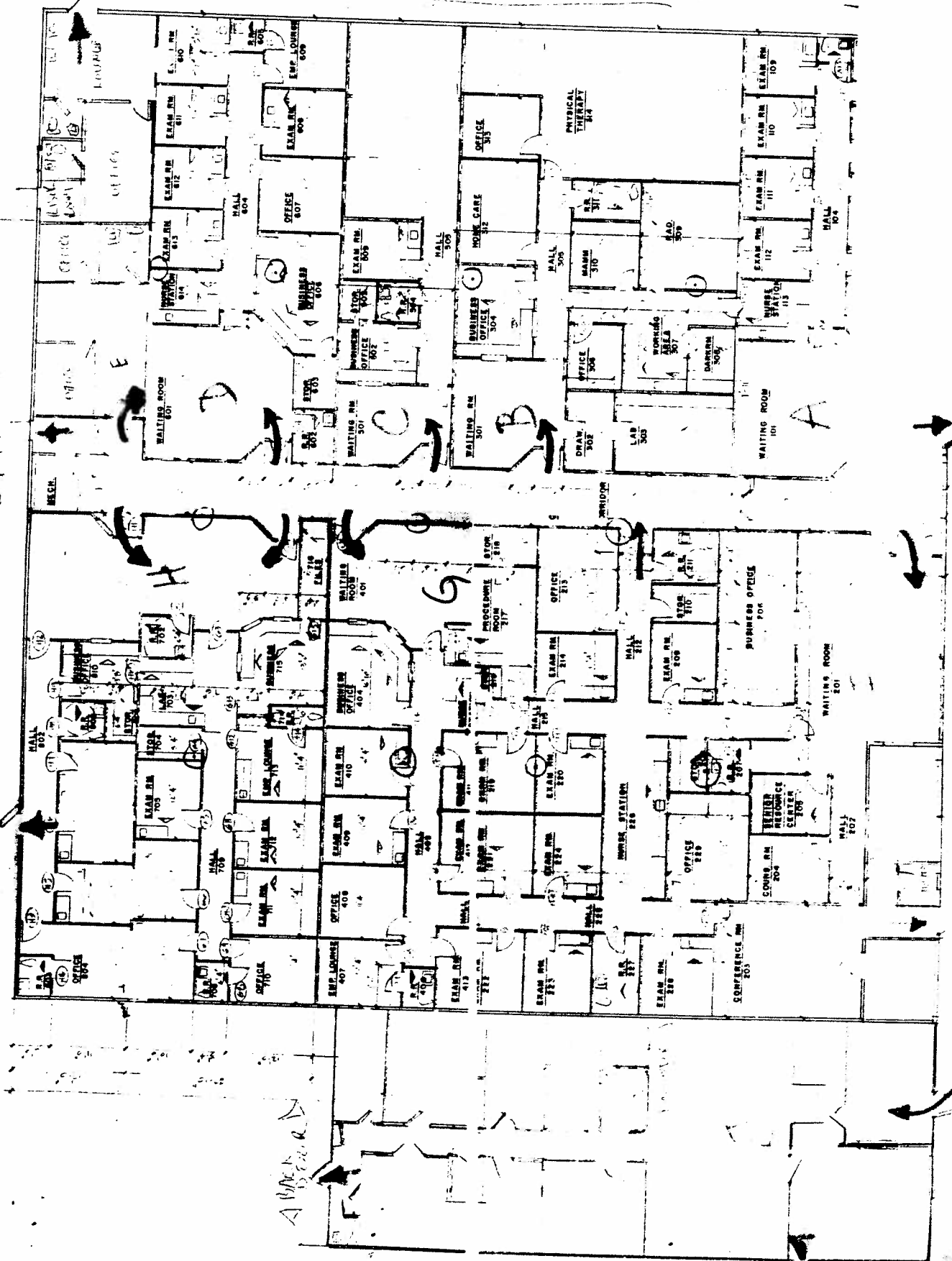
SPTB Description	Area	Market	Ag Value
F1 Lot	105982F	794,865	0

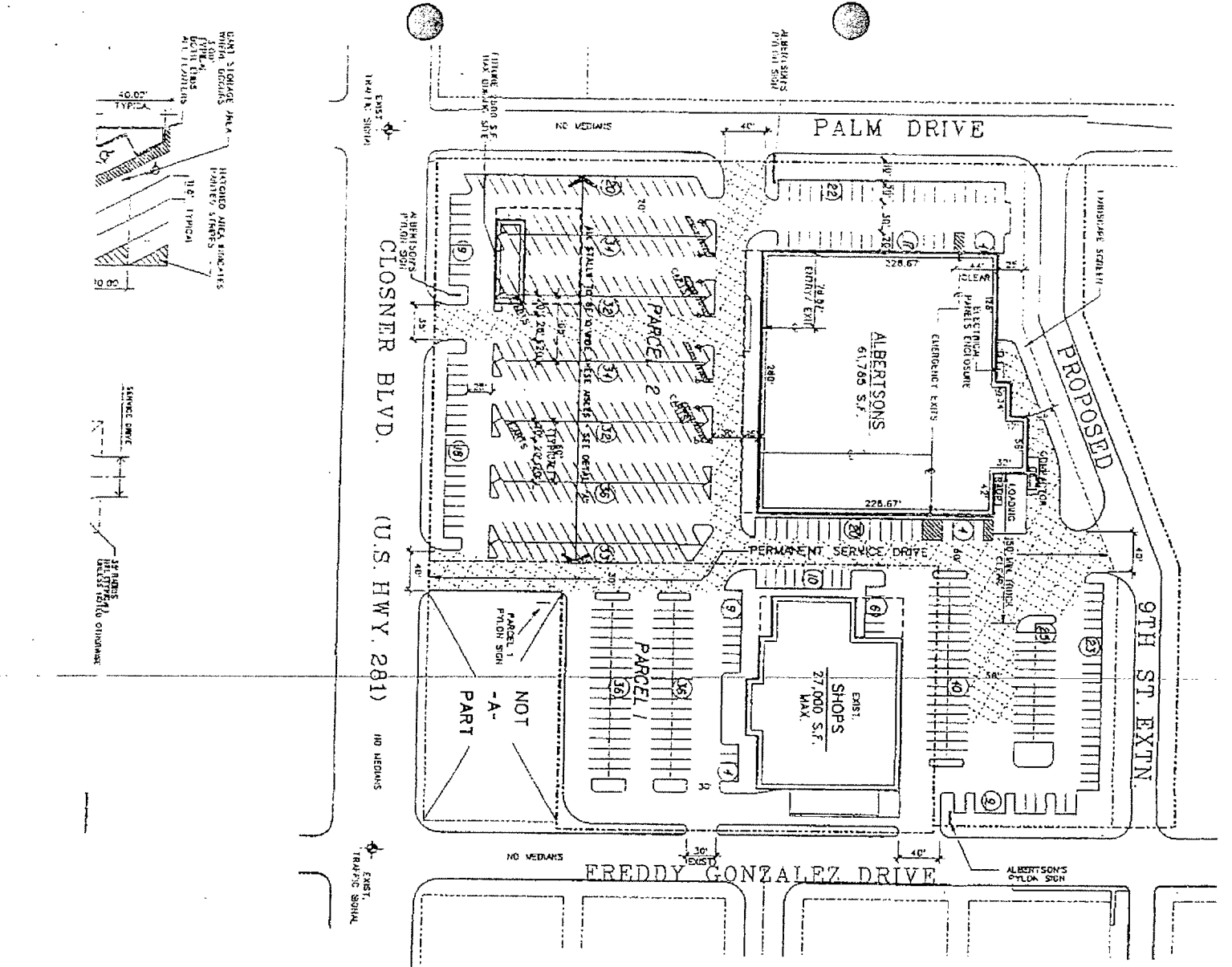
Back Door

Back Door

2 Street Front

Garage  
Front Park





**GENERAL NOTES**

- DRAWN WITH OUT BENEFIT OF SURVEY
- NO TRUCK WELLS, NATURAL DOCK ONLY
- PARKING REQUIREMENTS:
- USED 1/200 S.F. OF G.S.A.
- BUILDING SETBACK REQUIREMENTS:
- REQUIRES CITY REVIEW
- LANDSCAPE REQUIREMENTS:
- REQUIRES CITY REVIEW
- ZONING REQUIREMENTS:
- EXISTING - UNKNOWN
- REQUIRED - COMMERCIAL

**LEGEND**

- PROPERTY/PARCEL LINE
- EXPANSION LIMIT LINE
- BUILDING AREA
- HEAVY DUTY PAVING
- BUILDING ENVELOPE

**EXHIBIT "A" SITE PLAN**

TOTAL GROSS BUILDING AREA 88,785 S.F.  
 TOTAL CARPARKS REQUIRED 444  
 TOTAL CARPARKS PROVIDED 513 (+69)

**Albertson's**  
 DESIGN & CONSTRUCTION  
 250 PARKWAY CENTER BLVD  
 DALLAS, TEXAS 75244  
 (214) 343-1234

S.W.C.  
 CLOSNER BLVD.  
 FREDDY GONZALEZ  
 ENHUBRING, TEXAS

4081

**EXHIBIT “B”**

**BID PAGE**

# EXHIBIT "B"

## "LEASE and/or LEASE PURCHASE OFFICE SPACE for HIDALGO COUNTY" BID NO.: 2009-064-05-13-MEG BID FORM

Vendor must thoroughly fill in each section of the Bid Page (Exhibit "B") if applicable  
INCOMPLETE submittals shall be considered a probable cause for disqualification.

\*PLEASE PROVIDE THE LEGAL DESCRIPTION OF THE PROPERTY ALONG WITH YOUR BID\*

Proposed Location ( physical address) <u>1615 S CLOSNER STEs B-J</u>
Legal Description: <u>ALBERTSON'S EDINBURG, LOT 1</u>
Total Square feet of Proposed Building <u>25928</u>

VENDOR	SQUARE FOOT	COST
PRICE per square foot	<u>\$1.00 + NNN</u>	<u>\$ 25,928.=</u>
Total Monthly Bid Price		<u>\$ 25,928.=</u>

BIDDER/COMPANY NAME: EDINBURG REAL ESTATE NETWORK, INC.

ADDRESS: 1615 S. CLOSNER, STE A

CITY: EDINBURG STATE: TX ZIP CODE: 78530

PHONE No. (956) 381-9854 CELL: (956) 451-0348 FAX No. (956) 381-9858

AUTHORIZED SIGNATURE: [Signature]

PRINTED NAME: OSCAR CORTES, MD

TITLE: PRESIDENT.

EMAIL: rocortes@yahoo.com.

Witnessed  
[Signature]

**EXHIBIT “C”**

**CERTIFICATE OF INSURANCE**

ELL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PPS 43240754		16394504		MO14656377-001-00001	NONE

BRANCH ST BRANCH TBD - NC RENEWAL EFF 05/01/2009



**ZURICH**

**MARYLAND CASUALTY COMPANY**  
**PRECISION PORTFOLIO POLICY - COMMON DECLARATIONS**  
**PRECISION PREMIER**  
**OFFICE PROGRAM**

This policy consists of the declarations as well as the coverage forms and endorsements listed on the Forms and Endorsements Applicable List.

<table border="1"> <thead> <tr> <th>NAMED INSURED AND MAILING ADDRESS</th> </tr> </thead> <tbody> <tr> <td>EDINBURG REAL ESTATE NETWORK 1615 S. CLOSNER STE. D EDINBURG TX 78539-6362</td> </tr> </tbody> </table>	NAMED INSURED AND MAILING ADDRESS	EDINBURG REAL ESTATE NETWORK 1615 S. CLOSNER STE. D EDINBURG TX 78539-6362	<table border="1"> <thead> <tr> <th>AGENCY NAME AND SERVICING ADDRESS</th> </tr> </thead> <tbody> <tr> <td>LIJAN INSURANCE AGENCY PO BOX 704 PHARR TX 78577-1613 (956) 783-1165</td> </tr> </tbody> </table>	AGENCY NAME AND SERVICING ADDRESS	LIJAN INSURANCE AGENCY PO BOX 704 PHARR TX 78577-1613 (956) 783-1165				
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BRANCH TBD - NC P.O. BOX 10197 JACKSONVILLE, FL 32247-0197 (800) 800-3907									
POLICY PERIOD									
FROM	TO								
05/01/2009 12:01 am.	05/01/2010 12:01 AM.								

BUSINESS ENTITY: LTD LIABILITY

**POLICY PREMIUMS**

In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts. This premium may be subject to adjustment.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$ 6,335.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ 2,803.00
PREMIUM SIZE CREDIT	\$ 280.00-
TERRORISM PREMIUM	\$ 183.00
<b>TOTAL ANNUAL PREMIUM</b>	<b>\$ 9,041.00</b>

Countersigned by \_\_\_\_\_  
Authorized Representative Date

Includes copyrighted material of Insurance Services Office, Inc., with its permission.  
 Copyright, Insurance Services Office, Inc., 1984.  
 Copyright, Maryland Casualty Company, 1992.

16487

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PP5 43240754		18394504		MO14658377-001-00001	NONE

BRANCH ZR ZURICH GROUP-SA

RENEWAL EFF 05/01/2005



**ZURICH**

**PRECISION PORTFOLIO POLICY  
COMMERCIAL GENERAL LIABILITY DECLARATIONS  
PRECISION PREMIER  
OFFICE PROGRAM**

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

**COVERAGES AND LIMITS OF INSURANCE**

Some of these coverages are sublimits or are subject to aggregate limits. Refer to your policy to determine how they apply.

GENERAL AGGREGATE	\$2,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE	\$2,000,000
EACH OCCURRENCE	\$1,000,000
TENANTS LEGAL LIABILITY	\$1,000,000
MEDICAL EXPENSES - EACH PERSON	\$ 10,000
PERSONAL INJURY AND ADVERTISING INJURY	\$1,000,000

COMMERCIAL GENERAL LIABILITY

981008 Ed. 3-00

INSURED'S COPY

03/29/2005

**EXHIBIT “D”**

**DRAFT EARNST MONEY  
CONTRACT**

**EARNEST MONEY CONTRACT**

**(Unimproved Property)**

Seller: HIDALGO COUNTY, TEXAS  
Attn: County Judge  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, Texas 78539

Purchaser: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Title Company: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Escrow Agent: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Seller agrees to sell to Purchaser, who agrees to purchase, the property described in this Contract upon the following terms and conditions.

**ARTICLE I**

**THE PROPERTY**

The property is the surface estate only of that certain tract of real property located in Hidalgo County, Texas, (the "Property"), and more particularly described on Exhibit "A" attached hereto, together with any rights and appurtenances pertaining to the Property, including any right, title and interest of Seller in and to adjacent streets, alleys and rights-of-way.

**ARTICLE II**

**PURCHASE PRICE**

2.1 The total purchase price ("Purchase Price") for the Property shall be the sum of \_\_\_\_\_ and \_\_\_\_/100ths Dollars (\$\_\_\_\_\_.\_\_) payable in cash or other immediately available funds, at Closing.

2.2 On execution of this Contract, Purchaser shall deposit with the Escrow Agent, the sum of \$\_\_\_\_,000.00 as earnest money (hereinafter the "Earnest Money") to bind this sale. The

Earnest Money shall be deposited by the Escrow Agent until the date of Closing, at which time it shall be applied as hereinafter provided and any excess returned to Purchaser, provided Purchaser is not default hereunder. In the event of Purchaser's default, the Earnest Money shall be disposed of as hereinafter provided.

### **TERMINATION OPTION**

2.3 For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Purchaser's agreement to pay Seller \_\_\_\_\_ (Option Fee) within 2 days after the effective date of this Contract, Seller grants Purchaser the unrestricted right to terminate this Contract by giving notice of termination to Seller within sixty (60) days after the Effective Date of the Feasibility Study as contained in Article VI of this contract such effective date being the same date of Seller's written notice as required in Article VI of this contract. If Purchaser gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Purchaser. The Option will be credited to the Sales Price at closing. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

## **ARTICLE III**

### **REPRESENTATIONS AND WARRANTIES**

3.1 Seller represents to Purchaser that Seller has full requisite power and authority to perform all of its obligations under this Contract.

3.2 Purchaser represents and warrants to Seller, which representations and warranties shall survive Closing, that Purchaser has the authority to purchase the Property, make the representations contained herein and to perform all terms and conditions required of Purchaser herein.

3.3 (a) Purchaser hereby represents and acknowledges that:

(1) Purchaser is purchasing the Property, and the Property shall be conveyed and transferred to Purchaser, "AS IS, WHERE IS, AND WITH ALL FAULTS" and, except as specifically set forth herein, without any warranties, representations, or guarantees, either expressed or implied, of any kind, nature, or type whatsoever from or on behalf of the Seller. Purchaser acknowledges that it has not relied, and is not relying, on any information, document, sales brochures, or other literature, maps or sketches, projections, pro formas, statements, representations, guarantees, or warranties (whether expressed or implied, or oral or written, or material or immaterial) that may have been given by, or made by, or on behalf of, Seller;

(2) Purchaser is not entitled to, and should not rely on, the Seller or its agents as to (A) the quality, nature, adequacy, or physical condition of the Property, including without limitation, the structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities, or the electrical, mechanical, HVAC, plumbing, sewage or utility systems, facilities or appliances at the Property, if any; (B) the quality, nature, adequacy, or physical condition of soils or the existence of ground water at the Property; (C) the existence, quality, nature, adequacy, or physical condition of any utilities serving the Property; (D) the development potential of the Property, its habitability, merchantability or fitness, suitability, or adequacy of the Property for any particular purpose; (E) the zoning or other legal status of the Property; (F) the Property's or its operations' compliance with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions, or restrictions of any governmental or quasi-governmental entity, or of any other person or entity; (G) the quality of any labor or materials relating in any way to the Property; or (H) the condition of title to the Property (except for the warranty of title set forth in the deed), or the nature, status and extent of any right-of-way, lease, right of redemption, possession, lien, encumbrance, license, reservations, covenant, condition, restriction, or any other matter affecting title to the Property;

(3) Purchaser has had and will have, pursuant to this Agreement, an adequate opportunity to make such legal, factual, and other inquiries, investigations and tests as it deems necessary, desirable, or appropriate with respect to the Property. Those inquiries and investigations of Purchaser may include, but are not limited to, any leases and contracts pertaining to the Property, the physical components of all portions of the Property, the condition of the Property, the existence of any hazardous materials or other environmental matters affecting the Property, the existence of any wood-destroying organisms on the Property, the state of facts that an accurate survey and inspection would show, the present and future zoning ordinances, resolutions, and regulations of the city, county, and state where the Property is located, and the value and marketability of the Property; and

(4) Without in any way limiting the generality of the preceding subsections (1) through (3), Purchaser specifically acknowledges and agrees that it hereby waives, releases, and discharges any claim that it has, might have had, or may have against the Seller with respect to the condition of the Property, either patent or latent, its ability or inability to obtain or maintain building permits, either temporary or final certificates of occupancy, or other licenses for the use or operation of the Property and/or certificates of compliance for the Property, the actual or potential income or profits to be derived from the Property, the real estate taxes or assessments now or hereafter payable thereon (except as provided herein as to Seller's obligations for proration of current year taxes and payment of ad valorem taxes for prior years), the compliance with any environmental protection, pollution or land use laws, rules, regulations, or requirements, and any other state of facts that exist with respect to the Property.

(b) A provision similar to the following shall be included in the deed required

under this Agreement:

Grantee, by its acceptance hereof, accepts the Property in its physical condition as of the date hereof, AS IS, WHERE IS AND WITH ALL FAULTS, and acknowledges that it has no recourse whatsoever against Grantor in the event of discovery of any defects of any kind, latent or patent. Grantee acknowledges and agrees that Grantor has not made and does not make any representation, warranty or covenant of any kind or character whatsoever, whether expressed or implied, with respect to the physical condition, use or usefulness of the Property or any portion thereof, and (1) GRANTOR HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE PROPERTY, AND (2) SELLER HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO THE HANDLING, GENERATING, TREATING, STORING OR DISPOSING OF ANY HAZARDOUS WASTE OR SUBSTANCE.

(c) The provisions of this Paragraph 3.3 shall survive the Closing.

#### **ARTICLE IV**

##### **TITLE**

4.1 Within ten (10) days from the date of this Contract, Seller shall, at Purchaser's sole expense, cause to be furnished to Purchaser a current Commitment for Owner Policy of Title Insurance ("the Title Binder") issued by Title Company, describing the Property, naming Purchaser as the prospective insured and showing as the policy amount the total purchase price for the Property. The Title Binder shall commit the Title Company to issue an Owner's Policy of Title Insurance to Purchaser guaranteeing title to the Property to be good and indefeasible.

4.2 At the same time that Seller causes the Title Binder to be furnished to Purchaser, Seller shall also cause to be delivered to Purchaser, at Purchaser's expense, true copies of all recorded instruments referred to in the Title Binder as conditions or exceptions to title to the Property.

4.3 If requested by Purchaser, within fifteen (15) days from the date of this Contract, Seller at Purchaser's sole cost and expense, shall cause to be delivered to Purchaser a current plat of survey (the "Survey") prepared by a Registered Public Surveyor licensed by the State of Texas selected by Seller. The Survey shall be staked on the ground and shall set forth the number of total net acres comprising the Property, together with a metes and bounds description thereof. The term net acres mean the number of acres contained in the Property, exclusive of any land

lying within any easements, streets or roads, or the right of way lines of public roads and shall be calculated to the nearest one hundredth of an acre. The metes and bounds description of the Property contained in the Survey will be used on all closing documents and title policies in lieu of the description contained in Exhibit A attached hereto.

4.4 Purchaser shall have a period of ten (10) days following the date of receipt by Purchaser of the Survey and the Title Binder to give Seller written notice of any title exceptions it deems objectionable. If Purchaser gives such notice to Seller, Seller shall attempt to cure such objections, but shall not be obligated to incur any cost or institute litigation for such purpose. If Purchaser gives notice of title objections and Seller does not cure the objections within five (5) days following receipt of the notice from Purchaser, then Purchaser may either:

(a) terminate this Contract by giving written notice thereof to Seller and receive back the Earnest Money; or

(b) waive the objections and purchase the Property subject to the objections which shall be deemed to be Permitted Encumbrances (as hereinafter defined).

4.5 All items or title exceptions not objected to or objected to and later waived shall be referred to as "Permitted Encumbrances."

## **ARTICLE V**

### **CLOSING**

5.1 Closing shall be held on or before 30 days following the Effective Date of this Contract, at the office of the Escrow Agent, at the time as may be agreed upon by the parties.

5.2 At the Closing Seller shall deliver to Purchaser the following:

A. A Special Warranty Deed duly executed and in recordable form conveying fee simple title to the Property to Purchaser free and clear of all liens and encumbrances, except Permitted Encumbrances as defined in Article 4.5, above;

B. An Owner's Policy of Title Insurance issued by the Title Company in the amount of the Purchase Price insuring good and indefeasible title to the Property in Purchaser. The Policy shall be in the form prescribed by the State Board of Insurance of Texas and shall contain only those exceptions which constitute Permitted Encumbrances.

C. Tax Report from the tax service operated by or associated with Title Company showing no taxes due.

D. Possession of the Property.

5.3 At the Closing, Purchaser shall deliver to Seller a certified or cashier's check for the amount of the Purchase Price, plus or minus any adjustments and/or prorations otherwise herein provided.

## **ARTICLE VI**

### **ADJUSTMENTS AND EXPENSES**

6.1 Real estate taxes for the year of Closing are to be adjusted and prorated, if applicable, as of the date of Closing. In the event that actual tax figures for the year of Closing are not available at Closing, an estimated proration of taxes shall be made on the basis of the tax rate for the preceding year applied to the latest assessed valuation.

6.2 Purchaser shall pay costs associated with the sale of the Property, including but not limited to, recording instruments presented by Seller and all financing instruments, the Survey, its own attorneys' fees, the Owner and any Mortgagee Policy of Title Insurance, the appraisal obtained by Seller prior to the sale, newspaper notices advertising the Property for sale, tax service and all other expenses of Closing not specifically attributed to Seller hereunder. Seller's own attorneys' fees shall be paid by Seller.

## **ARTICLE VII**

### **DEFAULT**

If Purchaser fails to comply with the obligations as set out in this Contract, Seller may terminate this Contract and receive the Earnest Money as liquidated damages, or may enforce specific performance or any other remedy available to it at law or in equity. If Seller fails to comply herewith for any reason, Purchaser may terminate this Contract and receive the Earnest Money as Purchaser's sole remedy, thereby releasing Seller from this Contract.

## **ARTICLE VIII**

[Intentionally Omitted]

## **ARTICLE IX**

### **LIENS AND TAXES**

The existence of any other liens or encumbrances which secure an obligation to pay money shall not be objections to title provided that properly executed instruments in recordable form necessary to satisfy the same are delivered to Purchaser at the Closing, together with recording or filing fees, and such liens or encumbrances may be paid out of the cash consideration, if any, paid by Purchaser at the Closing.

## **ARTICLE X**

### **ASSIGNMENT**

This Contract may not be assigned by Purchaser without the prior written consent of Seller. Any assignment in violation of this Article X shall be null and void, *ab initio*.

## **ARTICLE XI**

### **SURVIVAL**

Any representations, warranties or covenants of the parties, as well as any rights and benefits of the parties, shall survive the Closing and not be merged therein.

## **ARTICLE XII**

### **REAL ESTATE COMMISSIONS**

Seller and Buyer represent each to the other that no brokers were or are involved with the transaction which is the subject of this Contract and that no claims for brokerage fees or other similar form of compensation are due or payable to any real estate broker or other person or entity because of the sale of the Property.

## **ARTICLE XIII**

### **MISCELLANEOUS**

13.1 Time shall be of the essence of this Contract.

13.2 This Contract and all of the terms, provisions and covenants contained herein shall, to the extent permitted herein, apply to, be binding upon and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns.

13.3 The captions used in connection with the paragraphs in this Contract are for convenience only and are not intended in any way to amplify or limit the meaning of the language contained in this Contract, or be used in interpreting the meanings and provisions of this Contract.

13.4 This Contract shall be construed and interpreted under the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

13.5 In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or

unenforceability shall not affect any other provisions hereof and this Contract shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

13.6 All notices, demands or requests required or permitted under this Contract shall be in writing, and shall be deemed to have been properly given, whether or not actually received, when the same have been deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the appropriate party at the address given for such party at the beginning of this Contract.

13.7 This Contract contains the entire agreement between the parties and supersedes all prior agreements and understandings between the parties concerning the Property, and it shall not be amended, modified, supplemented or changed in any way except by written agreement of the parties.

13.8 Should either party be in default under any of the terms of this Contract, the non-defaulting party shall so notify the defaulting party in writing and the defaulting party shall have a period of twenty (20) days from the receipt of such notice to cure the default.

13.9 In addition to the acts recited in this Contract to be performed by Seller and Purchaser, the parties hereto agree to perform or cause to be performed at the Closing or after the Closing, any and all such further acts as may be reasonably necessary to consummate transactions contemplated hereby.

13.10 In the event that this Contract or any provision hereof is construed or determined to be ambiguous by any Court of Law, then in that event the parties agree that each through its attorney has contributed to the preparation of this Contract and have jointly written or composed the clauses herein contained; and neither party hereto should be given any advantage over the other under the laws of construction of instruments based upon the authorship hereof.

13.11 The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent (i) does not assume or have any liability for performance or nonperformance of any party; (ii) has the right to require the receipt, release and authorization in writing of all parties before paying the Earnest Money to any party; and (iii) is not liable for interest or other charge on the funds held. If any party unreasonably fails to agree in writing to an appropriate release of Earnest Money, then such party shall be liable to the other parties as provided in Article VIII. At Closing, the Earnest Money shall be applied to any cash down payment required, next to Purchaser's closing costs and any excess refunded to Purchaser.

13.12 If Seller is not a foreign person, as defined in the Federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the Federal Tax Law), then at the Closing, Seller will deliver to Purchaser a certificate so stating, in a form complying with the Federal Tax Law. If Seller is a foreign person or if Seller fails to deliver the required certificate at the Closing, then in either such event the funding to Seller, at the Closing, will be adjusted to the extent required to comply with the withholding provisions of the Federal Tax law; and although the amount withheld will still be paid at the Closing by Purchaser, it will

be retained by the Title Company as Escrow Agent (the reasonable fees of which shall be paid by Seller at the Closing) for delivery to the Internal Revenue Service together with the appropriate Federal Tax law forwarding forms, and with copies being provided both to Seller and to Purchaser.

#### **ARTICLE XIV**

#### **CONDEMNATION**

14.1 If prior to the Closing all or any substantial portion of the Property is condemned, either party shall have the right to terminate this Contract upon giving written notice to the other party within ten (10) days of the date Seller notifies Purchaser in writing of such condemnation. In the event of such termination, Purchaser shall be entitled to the return of the Earnest Money. If neither party elects to terminate this Contract, then the Closing shall take place, as herein provided, without abatement of the purchase price and Seller shall assign to Purchaser at the Closing, all interest of Seller in any condemnation awards which may be payable to Seller as a result of the condemnation. If less than a substantial portion of the Property is condemned, neither party may terminate this Contract but all interest of Seller in any condemnation proceeds shall be assigned by Seller to Purchaser at the Closing.

14.2 A substantial portion is defined to be either five percent (5%) or more in value of the Property.

The date of this Contract is the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**SELLER:**

COUNTY OF HIDALGO

By: \_\_\_\_\_  
J.D. Salinas, County Judge

**PURCHASER:**

\_\_\_\_\_  
Printed Name: \_\_\_\_\_

Receipt of a fully executed Contract and \$ \_\_\_\_\_ .00 Earnest Money in the form of a  
\_\_\_\_\_ are hereby acknowledged this \_\_\_\_\_ day of  
\_\_\_\_\_, 200\_\_ at \_\_\_\_\_, \_\_\_\_\_ .M.

**ESCROW AGENT:**

By: \_\_\_\_\_

Seller and Purchaser designate the following named attorneys to represent their  
respective interest herein:

**SELLER'S ATTORNEY:**

Atlas & Hall, L.L.P.  
Attn: Stephen L. Crain  
P. O. Box 3725  
McAllen, Texas 78502

**BUYER'S ATTORNEY:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**  
**Metes and Bounds Description of the Property**

**[To be provided]**