



PURCHASING DEPARTMENT
County Of Hidalgo

Patriot Bank
Frank D. Heoszel, Senior-Vice President
7500 San Felipe, Suite 125
Houston, Texas 77063

CERTIFIED MAIL
7099 3220 0002 9744 7744
Via Facsimile (713) 400-7171

Re: Extension of Agreement-C-13-035-12-18-Hidalgo County "Lease Office Space-Urban County Program"

Dear Mr. Heoszel:

Hidalgo County Purchasing Department will be requesting Commissioners' Court to consider the County's sole option to exercise the six (6) Months 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 July 2, 2013 for discussion, consideration and action, by signing below and returning to the Purchasing Department, by no later than Friday, 21, 2013, 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: _____

Frank D. Heoszel
Sgt. V. ce President
Patriot Bank

Date: _____

6/18/2013

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

Rocio Villarreal
Contracts Manager



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
6/18/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER Bowen, Miclette & Britt Insurance Agency, LLC 1111 North Loop West, #400 Houston TX 77008	CONTACT NAME: Lydia Michael PHONE (A/C, No, Ext): 713-880-7100 E-MAIL ADDRESS: lmichael@bmbinc.com PRODUCER CUSTOMER ID: PATRIOTBAN	FAX (A/C, No): 713-880-7166														
INSURED Patriot Bank 7500 San Felipe #125 Houston TX 77063	<table border="1"><thead><tr><th>INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A: Zurich American Ins Co</td><td>16535</td></tr><tr><td>INSURER B:</td><td></td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></tbody></table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: Zurich American Ins Co	16535	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
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INSURER C:																
INSURER D:																
INSURER E:																
INSURER F:																

COVERAGES

CERTIFICATE NUMBER: 1710786047

REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: 3502 W Alberta Road, Edinburg, TX 78539

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY		LIMITS
A	☒	PROPERTY	CF948730702	4/1/2013	4/1/2014	☒	BUILDING	\$3,500,000
		CAUSES OF LOSS					PERSONAL PROPERTY	\$
						☒	BUSINESS INCOME	\$600,000
		BASIC					EXTRA EXPENSE	\$Included
		BROAD					RENTAL VALUE	\$
	☒	SPECIAL					BLANKET BUILDING	\$
		EARTHQUAKE					BLANKET PERS PROP	\$
		WIND					BLANKET BLDG & PP	\$
		FLOOD						\$
								\$
	☐	INLAND MARINE	TYPE OF POLICY					\$
		CAUSES OF LOSS	Equipment					\$
		NAMED PERILS	POLICY NUMBER					\$
	☐	CRIME						\$
		TYPE OF POLICY						\$
	☐	BOILER & MACHINERY / EQUIPMENT BREAKDOWN						\$
								\$
								\$
								\$

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Office Condo ORE Project in McAllen, TX

CERTIFICATE HOLDER

Hidalgo County
2812 S. Hwy 281
Edinburg TX 78539

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

LEASE
C-13-035-12-18

THIS LEASE is made and entered into by and between Patriot Bank, 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." Lessee has agreed with specifications and a copy of such Specifications is attached hereto as Exhibit "B".

ARTICLE 1. TERM

Term of Lease

1.1 Except as otherwise herein provided, the term of this Lease shall commence effective January 22, 2013, for a period of six (6) months, 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 six (6) months and additional sixty (60) day grace period under the same rates, terms and conditions. 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

1.3 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

1.4 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

1.5. 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

Base Rent

2.1 Lessee agrees to pay to Lessor, during the term hereof, a monthly rental equal to Eleven Thousand Two Hundred Fifty Dollars (\$11,250.00) per month. In the event the Commencement Date is a day other than the first day of the month, the rent for the period from the commencement date to the last day of the month shall be prorated by dividing the monthly rental by thirty (30) days, and multiplying the result by the number of days remaining in the month that includes the Commencement Date.

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 7500 San Felipe, Suite 125, Houston, Texas 77063 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 Lessor is responsible for rendering and paying all real estate taxes on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

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.

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.
- (9) Landscaping (all greenery, watering, and maintenance).
- (10) Parking Lot (including painting, striping, paving, etc.)

Lessee's Right to Repair for Lessor or Vacate

4.4 (a) 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.

- (b) 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

5.1 Lessee shall pay all utility charges, including but not limited to, electricity and water, used in and about the Leased Premises during the term of this Lease, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

Consent of Lessor

6.1 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

6.2 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

8.1 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 Lessor shall, at its own expense, during the term of this Lease, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Lessor, which sum Lessor shall use for repair and restoration purposes as provided herein. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's personal property located within the Leased Premises.

General Liability Insurance

9.2 **Lessor.** Lessor, at its own expense, 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. Prior to occupancy of the Premises, Lessor shall provide Lessee with evidence of such insurance satisfying the insurance requirements stated in the RFB, such evidence of insurance is attached hereto as "Exhibit C."

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

9.4 Lessor shall furnish Lessee with the original of all insurance policies required by this Article. If Lessor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Lease, or if Lessor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Lessor fails to deliver proof of insurance showing coverages to Lessee 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 Lessor under this Lease; or Lessee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessor's obligations under the provisions of this Article. Lessor agrees to reimburse Lessee all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessor 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 Sections 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

12.4 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

12.5 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. MISCELLANEOUS

Notices and Addresses

14.1 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:

Patriot Bank
Attn: Frank D. Heuszel, Senior Vice President
7500 San Felipe, Suite 125
Houston, Texas 77063

Lessee:

County of Hidalgo
Attn: County Judge
302 W. University Drive
Edinburg, Texas 78539



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

14.2 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

14.3 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

14.4 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

14.5 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

14.6 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

14.7 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

14.8 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

14.9 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

14.10 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

14.11 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

14.12 Time is of the essence of this Lease Agreement.

Commitment of Current Revenues Only

14.13 In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

THE UNDERSIGNED Lessor and Lessee execute this Lease Agreement on the
day of December 18, 2012.

HIDALGO COUNTY

Ramon Garcia
Ramon Garcia, County Judge
APPROVED BY
COMMISSIONER'S COURT
ON: 12/18/12

APPROVED AS TO FORM:
Atlas, Hall & Rodriguez, L.L.P.

[Signature]
By: Stephen L. Crain

PATRIOT BANK

[Signature]
Frank D. Heuszel, SVP

ATTEST:

[Signature]
Arturo Guajardo Jr., County Clerk

**EXHIBIT “A”
LEGAL DESCRIPTION**

EXHIBIT "A"

LEGAL DESCRIPTION

Lot 11, 12, and 13 Block 8 Center Point subdivision, an addition to the City of Edinburg, Hidalgo County, Texas according to the map or plat thereof recorded in Volume 35, Page 68, Map Records of Hidalgo County, Texas.

EXHIBIT “B” SPECIFICATIONS

EXHIBIT "B"
HIDALGO COUNTY "LEASE OFFICE SPACE-URBAN COUNTY"
C-13-035-12-18

Scope of Project:

Proposed building should be in good working condition and have office space for the designated rooms or areas for conducting County business.

Specifications:

1. Building shall consist a minimum of 7,900 square feet and a maximum of 9,000 square feet of available floor space for the Hidalgo County Urban County's Office.
2. The building will meet all American Disability Act accessibility requirements and shall be fully handicap accessible.
3. Building must have handicapped accessible toilet, and separate bathroom for employees.
4. Building must have water, sewer and electricity, including garbage pickup.
5. Central air/heating will be provided for ample cooling and heating of the entire building. Lessor will be responsible for all electrical, central air/heating system maintenance and keeping the entire building mold free at all times.
6. Building shall be free from rodents and insects prior to occupancy by the Hidalgo County Urban County's Office staff. The Lessor shall be responsible at his own expense for pest control throughout the term of this contract.
7. Building should have a minimum of three (3) fire extinguishers or amount required by the City Fire Code under federal, state local and building codes and regulations. Floor area exits of Exit access doorways must comply with the City Fire Code under Federal state and local Building codes and regulations.

Requirements:

1. Lessor will maintain liability insurance on the building throughout the term of contract plus insure building for fire, accident and natural disaster. A Certificate of Insurance shall be submitted to Hidalgo County for approval prior to rental services being performed by Lessor hereunder. Lessor shall maintain liability insurance on the premises, as described and listed in: **Insurance Requirements: See Exhibit "C" attached.**
2. If renovations or additions are made to an existing building, The Lessor must provide documented proof the building is free of asbestos.
3. Prior to occupancy or commencement of the lease agreement and every year afterward for the duration of the contract, the Lessor must provide acceptable indoor air quality. The quality of the air in and occupied enclosed space that is within an established temperature and comfort zone and which does not contain air contaminants in sufficient concentration to produce a negative impact on the health and

EXHIBIT "B"
HIDALGO COUNTY "LEASE OFFICE SPACE-URBAN COUNTY"
C-13-035-12-18

comfort of the occupants. Must be present at all times. Established temperature and relative humidity comfort zones are defined as:

- Temperatures must be maintained between 68 and 76 degrees Fahrenheit depending on the season (winter 68-73; summer 73-76); relative humidity levels must be maintained between 30% and 55%, with the humidity level not less than 30% and not to exceed 55%.
 - Hidalgo County reserves the right to review the Indoor Quality Test results.
4. Lessor must charge by the square foot for the rental space.
 5. The Lessor will ensure that the toilets, water, faucets, air conditioning/ heating etc. within the building are working properly before and during the rental of the building and will provide all up keep and maintenance under the contract.
 6. Lessor will provide the legal description of the property along with a proposed "Floor Plan Layout" of the building.

Terms and Conditions:

1. Term of lease shall be for a period of six (6) months and shall include the County's option to renew Lease for additional six (6) months under the same rates, terms and conditions. Lease will have a sixty (60) day cancellation clause.
2. Hidalgo County 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 re-location of department.
3. The complete space will be inspected by Hidalgo County Urban County Office, in order to verify completion of renovation prior to occupancy.
4. Property Insurance policy shall provide that any proceeds for loss or damage to building or to improvements shall be payable solely to Lessor, which sum shall be used by Lessor for repair and restoration purpose.

EXHIBIT "B"
HIDALGO COUNTY "LEASE OFFICE SPACE-URBAN COUNTY"
C-13-035-12-18

Initial Six (6) Months term:

Charge for "Lease Office Space-Urban County" as requested , but not limited to, in the Specifications as listed Exhibit "B" of this document and under the terms and conditions described for the initial six(6) month term of the contract with the County's sole discretion to extend for six (6) months under the same rate, terms and conditions.

Price at \$ 1.25 per square foot.

Sq. ft of proposed office building 9,000 sq. ft.

Total monthly cost \$ 11,250.-

Proposed (address) Location: 3304, 3312, and 3320 West Alberta Rd Edinburg, TX. 78539 (zip code)

BIDDER/COMPANY NAME: Patriot Bank

ADDRESS: 7500 San Felipe, Suite 125

CITY: Houston STATE: Tx ZIP CODE: 77063

PHONE No: 713-400-7170 FAX No. 713-400-7171 CELL No. 713-501-5045

AUTHORIZED SIGNATURE: [Signature] Sup

PRINTED NAME: FRANK D. HEOSZEL

TITLE: Senior Vice President

**EXHIBIT “C”
CERTIFICATE OF INSURANCE**



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
1/11/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER Bowen, Miclette & Britt Insurance Agency, LLC 1111 North Loop West, #400 Houston TX 77008	CONTACT NAME: Linh Hoang PHONE (A/C, No, Ext): 713-880-7100 E-MAIL ADDRESS: lhoang@bmbinc.com PRODUCER CUSTOMER ID: PATRIOTBAN	FAX (A/C, No): 713-880-7166
INSURED Patriot Bank 7500 San Felipe #125 Houston TX 77063	INSURER(S) AFFORDING COVERAGE INSURER A: Zurich American Ins Co INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	NAIC # 16535

COVERAGES**CERTIFICATE NUMBER:** 2027633535**REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Re: 3502 W Alberta Road, Edinburg, TX 78539

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE		POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY		LIMITS
A	X	PROPERTY	CF948730701	4/1/2012	4/1/2013	X	BUILDING	\$3,500,000
		CAUSES OF LOSS					PERSONAL PROPERTY	\$
		BASIC				X	BUSINESS INCOME	\$600,000
		BROAD				X	EXTRA EXPENSE	\$Included
	X	SPECIAL					RENTAL VALUE	\$
		EARTHQUAKE					BLANKET BUILDING	\$
		WIND					BLANKET PERS PROP	\$
		FLOOD					BLANKET BLDG & PP	\$
								\$
								\$
		INLAND MARINE	TYPE OF POLICY Equipment					\$
		CAUSES OF LOSS						\$
		NAMED PERILS	POLICY NUMBER					\$
								\$
		CRIME						\$
		TYPE OF POLICY						\$
								\$
		BOILER & MACHINERY / EQUIPMENT BREAKDOWN						\$
								\$
								\$
								\$

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDERHidalgo County
2812 S. Hwy 281
Edinburg TX 78539**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**AGENDA
CC REGULAR
HIDALGO COUNTY
COMMISSIONERS COURT MEETING
December 18, 2012
9:30 A.M.**

NOTICE is hereby given in accordance with Chapter 551, Texas Government Code, that a **SPECIAL MEETING** of the Commissioners' Court will be held at Edinburg Council Chambers, 415 W. University Drive, Edinburg, Hidalgo County, Texas. Discussion and possible action relating to the following business will be transacted:

1. **Roll Call**
2. **Pledge of Allegiance**
3. **Prayer**
4. **Approval of Consent Agenda**
5. **Open Forum**
6. **County Judge's Office:**
 - A. **AI-35663** Discussion, consideration and Approval of Memorandum of Understanding between the Texas Forest Service, Regional Incident Management Team Member and the County of Hidalgo, with the authority for the County Judge to execute documents for the following County employees:

Rolando Benavides-Hidalgo County Emergency Management
Juan Martinez-Fire Marshal's Office
Carlos Moreno-Right of Way
Karina Cardoza-Public Affairs Division
Michelle Villareal-Public Affairs Division
Horaldo Sanchez-PCT 3 Constable's Office
Eddie Olivarez-Health and Human Services
Lorenzo Ortiz-Safety Division
Armando Guzman-Safety Division
Rolando Casas-Fire Marshal's Office
 - B. **AI-35779** Resolution in support of UTB and UTPA merger
 - C. **AI-35835** Approval of Museum Funding Agreement between County of Hidalgo and Mission Historical Museum
 - D. **AI-35845** Status and update on I-69 Alliance meeting held in Austin, Texas

2. **Presentation for discussion, consideration and action**
Including, but not limited to, the following items in connection with New Adult Detention Center:
 - a) Detention Facility Law Enforcement Center Design- Build Contract with including action regarding Landmark Application for payment, final punch list and release of retainage
 - b) Construction of additional pod(s)
 - c) Selection and engagement of an architect for the construction of additional pods
3. **AI-35604** Acceptance and approval of Contract #C-12-130A-12-18 with Elite Transportation (bid awarded by CC on 11/27/12) for the provision of: Hidalgo County Dead Body Pickup and Transport Services-RFB No.: 2012-130A-10-03-SMA.
4. **AI-35514** Acceptance and approval of an amendment to Contract #C-11-201-11-29 with G.A.S. Enterprises Inc. (as approved by cc on 11/29/11) for the Construction Management Services for the "Design and Construction Of A New Constable Building For Precinct No. 1" for the purposes of extending the agreement including the revised "Payment Schedule".
5. **AI-35842**
 - A. Approval of an exemption from competitive bidding requirements under TxLGC 262.024(a)(6)....land or right of way;
 - B. Requesting approval of a short term lease agreement (for 181 days) between Hidalgo County and Patriot Bank (Houston, Tx) of 9K square feet @ \$1.25/square foot for the purpose of the temporary housing of Hidalgo County's Urban County Program subject to legal review and insurance and all requirements being submitted and met by the Lessor (Patriot Bank) with lease commencing January 01, 2013.

B. Pct. 2

1. **AI-35546**
 - a. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional (engineering) services;
 - b. Presentation of scoring grid (for the purpose of ranking by CC) of the firms graded and evaluated through the County's approved "pool" of professional engineering services (on call);

Total Scores	R.E. Garcia	Rio Delta Engineering	R.E. Gutierrez Engineering
Evaluator 1	92	90	100
Ranking			

VACANT
SUITE 3320/3312/3304
9,000 LNR

