

THE STATE OF TEXAS     §  
  §  
COUNTY OF HIDALGO     §

**DONATION OF OFFICE SPACE**  
**C-18-184-07-03**

**THIS DONATION OF OFFICE SPACE** is made and entered into by and between [Sierra Title of Hidalgo County, Inc. John King, CEO](#) referred to in this Lease as Donor, and **THE COUNTY OF HIDALGO**, referred to in this “Donation of Office Space” as “Donee”.

In consideration of the donation for the term specified herein and the mutual covenants and agreements set forth in this Agreement, and other good and valuable consideration, Donor demises and leases to Donee and that certain real property described on **Exhibit-"A"**, attached hereto. The premises leased hereunder are referred to in this Agreement as “the Premises”

**ARTICLE 1. TERM**

**Term of Lease**

**1.1** Except as otherwise herein provided, the term of this Agreement shall be for **three (3) years**, commencing, [October 01, 2018](#) and ending, [October 01, 2021](#) the termination date (as hereunder defined) unless sooner terminated as provided in this Agreement, or unless renewed and extended in accordance with Paragraph 1.2, hereof. The “Commencement Date” is [October 02, 2018](#). The “Termination Date” is the date thirty-six (36) months following the Commencement Date, unless the Commencement date is other than the first day of a calendar month, in which includes the Commencement Date, and the Termination Date shall be likewise extended. If the Premises are sold to an unrelated third party (not affiliated by common ownership with Donor) at a time when more than one (1) year remains on the unexpired portion of the term

of this Agreement, then the unexpired portion of this Agreement may, at Donee's option, be shortened to one (1) year from the date of such sale.

### **Renewal or Termination**

**1.2.** Donee shall have the right and option to renew and extend the term of this Agreement **for a one (1) - two (2) year term period**. If Donee desires to renew and extend the term of this Agreement for a renewal period, Donee must give Donor written notice of such renewal at least sixty (60) days prior to the termination of the **term or any renewal term** of the agreement. Any renewal or extension of this Agreement shall be on the terms and conditions as provided herein. This Agreement 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 Donee after the expiration of that term shall not constitute a renewal of the Agreement or give Donee any rights under the Agreement in or to the Premises.

### **Holdover**

**1.3** If Donee holds over and continues in possession of the Premises after expiration of the term of this Agreement, Donee 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 Agreement. The inclusion of this Article 1.3 shall not be construed as Donor's consent for Donee to hold over.

### **Termination**

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

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

**1.5** Donor covenants and agrees that Donee and observing and keeping the covenants, conditions, and terms of this Agreement on Donee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Premises during the term of this Agreement without

hindrance or molestation by Donor or any person claiming under Donor except such portion of the Premises, if any, as shall be taken under the power of eminent domain.

## **ARTICLE 2. RENT**

### **Base Rent**

**2.1** Donor agrees to not demand or collect rental from Donee during the term **or any renewal term** of the Agreement.

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

#### **2.2 Taxes**

Donor is responsible for rendering and paying all real estate taxes on the Premises. Donee shall be responsible for taxes, if any, on Donee's personal property located on the Premises.

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

### **Permitted Use**

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

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

**3.2** Donee shall not use, or permit the use of, the Premises in any manner that will result 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**

### **Donee's Duty of Repair**

**4.1** Donee shall be responsible for providing general janitorial service. Donee shall be responsible for all repairs and maintenance in connection with damage to the Premises caused by Donee's negligent used of Premises, and damage to fixtures and improvements resulting from

negligent or willful acts of the Donee, or the Donee's employees, agents, licenses or invitees. In addition, Donee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under this Agreement to be removed from the Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

### **Donor's Duty to Repair**

**4.2** Donor shall maintain and make all repairs to the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") structural integrity and all other repairs in and to the Premises except that Donee shall make those repairs occasioned by Donee's negligent use of the Premises.

### **Additional Duties of Donor**

**4.3** Donor shall construct, repair and maintain the Premises so that the Premises will have:

- 1) Effective waterproofing and weather protection of the contents of the 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 Donee, capable of producing hot and cold running water, or a system that is under the control of Donor that produces hot and cold running water furnished to Donee 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 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 Donor kept

in every part clean, sanitary, and free from all accumulations of debris.

- 7) Floor, stairways, and railings maintained in good repair.

### **Donee's Right to Repair for Donor**

**4.4** (a) If after Donee's notice to Donor of repairs or maintenance which Donor has a duty to undertake, Donor neglects to make such repairs within thirty (30) days following written notice from Donee, Donee may make the repairs itself. In such a case, Donee may invoice Donor for the expenses of the repairs.

(b) For purposes of this Section 4.4, if Donor makes repairs at least fifteen (15) days following the date of Donee's notice to Donor, it will be presumed to have acted in a reasonable time.

## **ARTICLE 5. UTILITIES**

### **Utility Charges**

Donee shall pay all utility charges used in and about the Premises during the term of this Agreement, all such charges to be paid by Donee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

## **ARTICLE 6. ALTERATIONS, ADDITIONS, AND IMPROVEMENTS**

### **Consent of Donor**

**6.1** Donee shall not make any alterations, additions, or improvements to the Premises without the prior written consent of Donor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Donor.

### **Property of Donor**

**6.2** All alterations, additions, or improvements made by Donee shall become the property of Donor at the termination of this Agreement. Donor may, however, require that Donee

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

## **ARTICLE 7. SIGNS**

### **Signs**

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

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

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

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

### **Property Insurance**

**9.1** Donor shall, at its own expense, during the term of this Premises, keep all buildings and improvements on the 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 Donee. The policies shall provide that any proceeds for loss or damage to buildings or to improvements shall be payable solely to Donor, which sum Donor shall use for repair and restoration purposes as provided herein. Donee shall maintain all insurance on Donee's personal property located within the Premises and Donee covenants and agrees that Donor shall have no responsibility for damage or destruction of Donee's personal property located within the Premises.

### **General Liability Insurance**

**9.2 Donor**, at its own expense, shall provide and maintain in force during the term of this Agreement liability insurance with limits in the amounts deemed adequate by Donor. Prior to occupancy of the Premises, Donor shall provide Donee with evidence of such insurance.

**9.3 Donee**, at its own expense, shall provide and maintain in force during the term of this Agreement, 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 Donor does not provide such policies or proof of such insurance within ten (10) days of the execution of this Agreement, or if Donor allows any insurance required under this Article to lapse after receipt of notice of cancellation or of non-renewal, or if Donor fails to deliver proof of insurance showing coverages to Donee 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 Donor under this Agreement; or Donee may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Donor's obligations under the

provisions of this Article. Donor agrees to reimburse Donee all amounts spent by Donor to procure and maintain such insurance within fifteen (15) days after demand from Donor. Failure to pay such amount when due shall be a default of Donor under this Agreement.

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

### **Notice to Donor**

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

**10.2** If the building on the 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 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 Agreement shall not terminate, but Donor shall, if the casualty has occurred prior to the final twelve (12) months of the term, at Donor's sole cost and risk proceed forthwith to rebuild or repair the Premises to substantially the condition in which they existed prior to such damage. If the casualty occurs during the final twelve (12) months of the term, Donor shall not be required to rebuild or repair such damage and this Agreement shall terminate effective as of the date of said occurrence. Donee may at its option terminate this Agreement by written notification at such time to Donor, whereon all rights and obligations hereunder shall cease.

## **ARTICLE 11. CONDEMNATION**

### **Total Condemnation**

**11.1** If during the term of this Agreement all of the 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 Agreement shall terminate effective as of the date of the taking of the Premises.

### **Partial Condemnation**

**11.2** If less than all, but more than ten percent (10%) of the 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, Donee may terminate the Agreement by giving written notice to Donor within thirty (30) days after possession of the condemned portion is taken by the entity exercising the power of condemnation.

If the Premises are partially condemned and Donee fails to exercise the option to terminate the Agreement under this section, or if less than ten percent (10%) of the Premises are condemned, this Agreement shall not terminate, but Donor may, at its sole expense, restore and reconstruct the building and other improvements situated on the Premises to make them reasonably tenantable and suitable for the uses for which the Premises are Donated.

### **Condemnation Award**

**11.3** Donor shall be entitled to receive and retain such award.

## **ARTICLE 12. DEFAULT**

### **Default by Donee**

**12.1** If Donee shall remain in default under any other condition of this Agreement for a period of fifteen (15) days after written notice from Donor, Donor may at its option, without notice to Donee, terminate this Agreement or, in the alternative, Donor 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 may occupy or let the Premises, or any part of the Premises, for all or any part of the remainder of the term, to a party satisfactory to Donor and at such rental as Donor may with reasonable diligence be able to secure.

### **Default by Donor**

**12.2** If Donor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Agreement, in addition to other remedies afforded Donee under this Agreement or at law, Donee may following reasonable notice to and opportunity to cure by Donor, elect to vacate the Premises, in which case it shall be discharged from the performance of all other terms and conditions of this Agreement, and this Agreement shall terminate as of the date Donee vacates the Premises.

### **Cumulative Remedies**

**12.3** All rights and remedies of Donor and Donee 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 Agreement. 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 Donor or Donee of a breach of this Agreement 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 by Donee

**13.1** Donee may sublet, assign, encumber, or otherwise transfer this Agreement, or any right or interest in this Agreement or in the Premises or the improvements on the Premises, with the written consent of Donor. If Donee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this Agreement or in the Premises or the improvements on the Premises, other than as specified herein, without the written consent of Donor, Donor may, at its option, declare this Agreement terminated and Donee and Donor shall have no further obligation to each other under this Agreement. In the event Donor consents in writing to an assignment, sublease or other transfer of all or any of Donee's rights under this Agreement, the assignee or sublessee, must assume all of Donee's obligations under this Agreement. Donor's consent under this section will not be arbitrarily or unreasonably withheld.

### Assignment by Donor

**13.2** Donor may assign or transfer any or all of its interests under the terms of this Agreement.

## ARTICLE 14. MISCELLANEOUS

### Notices and Addresses

**14.1** All notices required under this Agreement will be deemed delivered when deposited in certified or registered mail, addressed to the proper party, at the following addresses:

**Donor:**

Sierra Title of Hidalgo County, Inc  
Attn. John R. King, CEO  
3401 N. 10<sup>th</sup> Street  
McAllen, Texas 78501

**Donee:**

County of Hidalgo  
Attn: County Judge  
100 East Cano, 2<sup>nd</sup> Floor  
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 Agreement shall be binding upon, and inure to the benefit of, the parties to the Agreement and their respective successors and assigns when permitted by this Agreement.

### **Texas Law to Apply**

**14.3** This 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 Agreement are performable in Hidalgo County, Texas.

### **Legal Construction**

**14.4** In case any one or more of the provisions contained in this 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 Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Agreement.

### **Prior Agreements Superseded**

**14.5** This 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 Agreement.

### **Amendment**

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

### **Rights and Remedies Cumulative**

**14.7** The rights and remedies provided by this 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 Agreement 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 Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Agreement.

### **Force Majeure**

**14.9** Neither Donor nor Donee shall be required to perform any term, condition, or covenant in this Agreement 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 Donor or Donee and which by the exercise of due diligence Donor or Donee is unable, wholly or in part, to prevent or overcome.

### **Estoppel Information**

**14.10** Donee shall, at the request of Donor, provide any and all information with respect to this Agreement to any person designated by Donor.

### **Time of Essence**

**14.11** Time is of the essence of this Agreement.

**Executed this \_\_ day of \_\_\_\_\_, 2018**

**DONOR:**

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

**ACCEPTED BY DONEE:  
HIDALGO COUNTY**

By: \_\_\_\_\_  
Ramon Garcia, County Judge

**ATTEST:**

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

*Approved by Commissioners' Court on \_\_\_\_\_, 2017.*

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

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

**EXHIBIT "A"**  
Property/Legal Description

**EXHIBIT "A"**  
**HIDALGO COUNTY CLERK**  
**"LEASE OF SUBSTATION IN MCALLEN TEXAS"**  
**RFB NO.: 2018-184-07-03-YZV**

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**LEGAL DESCRIPTION:**

**Office Building**  
**419 Nolana, Ste. B**  
**McAllen, TX. 78501**

**Lots 49 & 50 and the West 15' of Lot 51, Nolana Gardens, McAllen,**  
**Hidalgo County Texas**

EXHIBIT "B"  
HIDALGO COUNTY CLERK OFFICE  
"LEASE SUBSTATION IN MCALLEN TEXAS"  
RFB NO.: 2018-184-07-03-YZV

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**BID PAGE**

**Initial Three (3) year term period:**

Charge for "Lease Substation in McAllen Texas" as requested , but not limited to, in the Specifications as listed Exhibit "A" of this document and under the terms and conditions described for the initial three (3) year term period of the contract.

Total monthly cost: **\$0.00 -- DONATION**

**With an additional Two (2) year-renewal or extended term period:**

Proposed (address) Location: 419 Nolana Ste. B, McAllen, TX., 78501 (zip code)

Legal Description: Lots 49 & 50 and the West 15' of Lot 51, Nolana Gardens, McAllen, Hidalgo County Texas

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BIDDER/COMPANY NAME: Sierra Title of Hidalgo County

ADDRESS: 3401 N. 10<sup>th</sup> St.

CITY: McAllen STATE: Texas ZIP CODE: 78501

PHONE No: 956-682-8321 FAX No. 956-682-8150

PRINTED NAME: John R. King

TITLE: CEO

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