

THE STATE OF TEXAS       §  
  §  
COUNTY OF HIDALGO       §

**INTERLOCAL COOPERATION AGREEMENT:  
TEXAS ALCOHOLIC BEVERAGE COMMISSION AND HIDALGO COUNTY, TEXAS  
“LEASE AGREEMENT”**

**This Interlocal Cooperation Agreement to Lease Space ("Lease Agreement")** is entered into by and between the State of Texas, acting by and through the **Texas Alcoholic Beverage Commission** (the "TABC", "Lessee") and Hidalgo County, Texas, acting by and through its Commissioners Court (the "County", "Lessor"), hereinafter collectively referred to as the "**Parties**" and each as "**Party**," pursuant to the provisions of the Texas Interlocal Cooperation Act ("Act"), Chapter 791, et seq., Texas Government Code, as follows:

**WITNESSETH:**

**WHEREAS**, TABC is authorized to enter into this **Lease Agreement** by Government Code, Chapters 791 and 2167 and Chapter 5 of the Texas Alcoholic Beverage Code;

**WHEREAS**, County is authorized to enter into this **Lease Agreement** under Local Government Code, Chapter 272 and Government Code, Chapter 791; and

**WHEREAS**, the County and the TABC are authorized to enter into this Agreement pursuant to the Act, which authorizes local governments to contract with each other and with agencies of the state, to perform governmental functions and services under the terms of the Act; and

**WHEREAS**, TABC and County desire to enter into this **Lease Agreement** for the nonexclusive right of TABC to use common areas and **1880.19 total square feet of office space** from the County (Sheriff's Office Bravo Substation), located at 3000 E Mile 11 N, Weslaco, TX 78599 more particularly described on **Exhibit "A"** (the "**Premises**", "**Leased Premises**", or "**Lease Space**") attached hereto and hereby incorporated into this **Lease Agreement** and made a part hereof;

**WHEREAS**, TABC and County desire to enter into this **Lease Agreement** to detail each Party's duties and responsibilities;

**NOW THEREFORE**, in consideration of the mutual covenants expressed hereinafter, and other good and valuable consideration, TABC leases from County, and County leases to TABC the **Leased Premises** in this **Lease Agreement**, and agree as follows:

- 1. Term of Lease Agreement.** The Initial Term of the **Lease Agreement** shall be for a period of three (3) years, commencing on **September 01, 2022** and expiring on **August 31, 2025**, and may be extended at the sole discretion of the County for the option to lease at (1) one year terms thereafter unless this **Lease Agreement** is terminated.

**2. Monthly Rental.**

- (a) The TABC agrees to pay **County** a base Monthly Rent during the term of this **Lease Agreement of two thousand, six hundred thirty-two dollars and twenty-seven cents (\$2,632.27)**. The base monthly rent includes TABC's use of the secured parking areas, the use of Sheriff's Custodial Staff (included in the price per sq. ft.), and the use of common areas by both the Sheriff's Office and TABC.
- (b) The rental payments are due and payable by TABC in advance on the first (1st) day of the month for the month being paid. The Monthly Rent shall be paid to **711 El Cibolo Road, Edinburg Texas 78542**.
- (c) Any amounts due under this **Lease Agreement** that are not received by **Lessor** within five (5) calendar days after the first (1st) day of each month are subject to a ten percent (10%) late payment services charge, payable on demand by TABC.
- (d) The Monthly Rent shall be subject to an increase after the expiration of the initial term, subject to a written amendment to this **Lease Agreement**.  
This **Lease Agreement** is subject to the provisions of the Texas Constitution and the Texas Government Code, Title 10, subtitle D, and is contingent upon the availability of money appropriated by the legislature to pay for the **Lease Agreement**. If money is not appropriated to continue the **Lease Agreement**, TABC will provide **Lessor** with advance written notice of not less than thirty (30) days of its intent to terminate the **Lease Agreement**.

- 3. Renewal Option.** This **Lease Agreement** may be renewed by written amendment for an additional twelve (12) month term under the same or negotiated changes to terms and conditions. The TABC shall give **Lessor** written notice of intention to exercise this option at least thirty (30) days prior to expiration of this **Lease Agreement** or subsequent amendment.

**4. GENERAL TERMS AND CONDITIONS**

- (a) Lessor covenants and agrees to pay all taxes of whatever nature levied and assessed, and to be levied or assessed on or against the leased Premises and improvements during the Initial Term and any renewal of the Lease; and to keep the leased Premises, grounds, and buildings in good repair and condition during the continuance of the term of the Lease. Such maintenance is to include, but is not limited to, the following services: repairs and patches to walls, ceilings, and floor surfaces; painting as needed; replacement of any broken window glass; repair of window shades, blinds, and/or drapes, including fasteners, sash cords, or chains; roof and ceiling leaks; building exterior and interior; plumbing, heating, air conditioning and ventilating equipment and filters; fire protection equipment; miscellaneous valves; woodwork, locks, floor surfaces and coverings; lighting fixtures, and the replacement of all defective or burned-out light bulbs, fluorescent tubes, ballasts, and starters. If Lessee or its agents cause damage to the Premises that is beyond "normal wear and tear," Lessee is responsible for paying for those repairs.
- (b) Lessor hereby covenants and agrees that hereafter and during the term of this Lease, it will not rent, lease, or otherwise furnish space in this building, or any adjacent buildings under its control, to any enterprise which, in the usual exercise of its business,

could be expected to create noise or odors injurious or disruptive to Lessee's normal governmental activities. Lessor covenants and agrees it will not lease space that would locate or collocate any regulated parties which have an interest in Lessee or whose occupation of Lessor's property would cause Lessee to be in violation of any state statute.

**(c)** Lessor warrants that the demised Premises are not in violation of any city, state, or local ordinance or statute, or **any** restriction imposed against the demised Premises, and that Lessor will indemnify Lessee for any direct or indirect loss sustained by Lessee as a result of the existence of such restriction, ordinance, or statute.

**(d)** Lessor hereby covenants and agrees that Lessee may bring onto the leased Premises any and all furniture, fixtures, and equipment reasonably necessary for the efficient exercise of Lessee's governmental responsibilities; and the Parties agree that all such property shall remain the property of Lessee.

**(e)** Any signs necessary to indicate Lessee's name, location, and governmental purpose shall be prepared and installed consistent with signage for other lessees in Lessor's property, and in keeping with building decor. Any special requirements of Lessee contrary to those signage restrictions must be stated in writing, signed by the Parties, and made a part of this Lease. Any cost of compliance with this paragraph in excess of the amount that would be required for Lessor's standard signage shall be paid by Lessee.

**(f)** Upon termination of this Lease, by lapse of time or otherwise, Lessee may, within a reasonable time thereafter and at its option and expense, remove from the Premises any and all improvements, equipment, appliances, or other property placed thereon or therein, or owned by Lessee. Lessee shall deliver the Premises to Lessor in good order and condition, provided however, that reasonable use and ordinary wear and tear are expected.

**(g)** If during the term of this Lease the Premises or any portion thereof shall be condemned for any public purpose, Lessee shall have the option of terminating and canceling the Lease upon immediate notice to Lessor of its election to do so.

**(h)** It is mutually agreed between the Parties that if, during the term of this Lease, the building and Premises shall be damaged by flood, fire, or any other cause or causes, the same shall be promptly repaired by Lessor. For the duration of such repair, if the space cannot be fully utilized by Lessee, lease payments due hereunder shall either be reduced or withheld in accordance with the degree of non-use. However, if the building and Premises be so damaged as to render the Premises unfit for occupancy then, from the date of such damage, this Lease shall cease and shall become void; and any rental payments and all other obligations hereunder shall be due and payable only to the date of such damage. The determination as to whether the building and Premises are damaged so as to render them unfit for occupancy shall be made by Lessee. If Lessor has available under its control space which will meet Lessee's needs and offers it to Lessee, then Lessee may, at its option, occupy that space under the same terms and conditions as set forth in this Lease. Lessor will be responsible for any relocation costs that may be incurred including, but not limited to, the cost of the replacement space,

moving expenses, and the cost of repairing or replacing damaged communications and computer equipment.

(i) Lessee is not obligated to pay rent and other sums under this Lease until the Premises are available to Lessee for full occupancy and suitable for use as office space for a state agency. If Lessor is unable to give Lessee full possession of the Premises on the Commencement Date for any reason, Lessor shall give Lessee immediate written notice of the cause for the delay and the date the Premises will be ready for occupancy. Upon receiving such notice, Lessee may terminate this Lease and seek other leased space without liability to the State of Texas.

Upon a delay of occupancy not the fault of Lessee, Lessee may, in its sole discretion, continue to treat this Lease as if it were in full force and effect for a period of no more than 120 (one hundred and twenty) days after the Lease Commencement Date. During that time, or for as long as possession does not commence, no rent shall be due nor paid by Lessee. In the event Lessee either terminates the Lease under this paragraph or is unable to occupy the Premises on the Commencement Date due to reasons other than a justifiable delay as determined by Lessee, using reasonable discretion, Lessor will be liable in damages for any rents Lessee pays for other leased space substantially equal to the Premises, or for any holdover charges associated with a delay in occupying the Premises, and for any other related losses sustained by Lessee. Payment hereunder shall not begin until possession of the Premises is given or the Premises are available for full occupancy by Lessee. Based on the possession date of the Premises, the Commencement Date in the Lease shall be amended to reflect the new Lease Term.

Except as provided in **Paragraph 4** hereof, Lessee may not terminate the Lease if the delay of occupancy is caused by Lessee.

**(j) THIS PARAGRAPH INTENTIONALLY LEFT BLANK.**

(k) In the event Lessor shall breach or be in default in the strict performance of any of the covenants or obligations imposed upon Lessor by this Lease, and remains in default for a period of 30 (thirty) days after written notice from Lessee of such default, Lessee shall have the right and privilege of terminating this Lease and declaring the same at an end, and shall have the remedies now or hereafter provided by law for recovery of damages occasioned by such default. In lieu of a formal declaration of default and resulting termination as provided above, Lessee may withhold payment of rent from Lessor, until such time as the violations have been corrected; or Lessee may correct all or any part of the violations and deduct the cost from rentals due to Lessor.

(l) If Lessee fails to pay rentals or other charges hereunder or otherwise fails to perform its obligations hereunder and this failure is not cured within 30 (thirty) days after written notice from Lessor to Lessee of such failure, then Lessee is in default, and Lessor may terminate this Lease and may enter and take possession of the Premises, and will have the remedies now or hereafter provided by law for recovery of rent, repossession of the Premises, and damages occasioned by Lessee's default. No provision, covenant, or agreement contained in this Lease shall be deemed a waiver of

sovereign immunity by the State of Texas from tort or other liability.

**(m)** The failure of Lessee or Lessor to insist in any one or more instances on strict performance of any of the covenants of this Lease shall not be construed as a waiver or relinquishment of such covenants in future instances, but the same shall continue and remain in full force and effect.

**(n)** This Lease and each and all of its covenants, obligations, and conditions shall inure to the benefit of, and be binding upon, the heirs, personal representatives, successors, and assigns of Lessor, and the successor in office of Lessee.

**(o)** This Lease shall be governed by Texas law, and the venue of any proceedings hereunder shall be in Travis County, Texas.

**(p)** Lessor understands that acceptance of funds under this contract acts as acceptance of the authority of the State Auditor's Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Lessor further agrees to cooperate fully with the State Auditor's Office or its successor in the conduct of the audit or investigation, including providing all records requested. Lessor will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Lessor, and the requirement to cooperate, are included in any subcontracts it awards.

**(q)** As used herein, "Hazardous Substance" means any substance that is toxic, ignitable, reactive, or corrosive; and that is regulated by any local government, the State of Texas, or the United States Government. Hazardous Substance includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. Hazardous Substance includes, but is not restricted to, asbestos, polychlorobiphenyls ("PCBs"), solvents, pesticides, and petroleum.

Lessor warrants and represents that any use, storage, treatment, or transportation of Hazardous Substances that has occurred in or on the Premises prior to the Commencement Date of this Lease was in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Lessor additionally warrants and represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in, on, or under the Premises, and that the Premises is free of Hazardous Substances as of the Commencement Date.

Lessor shall indemnify Lessee from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for the settlement of claims and for fees of attorneys, consultants, and experts) arising during or after the Lease term from, or in connection with, the presence or suspected presence of Hazardous Substances in or on the Premises, unless the Hazardous Substances are present solely as a result of negligence, willful misconduct, or other acts of Lessee or Lessee's agents, employees, contractors, or invitees. Without limitation of the foregoing, this indemnification of the site or any cleanup, removal, or restoration mandated by a federal, state, or local agency or political subdivision, unless the Hazardous Substances are present solely as a result of negligence, willful misconduct, or other acts of Lessee, Lessee's agents, employees, contractors, or

invitees. This indemnification shall specifically include any and all costs due to Hazardous Substances that flow, diffuse, migrate, or percolate into, onto, or under the Premises after the Commencement Date.

(r) At all times during the Lease term, Lessor must maintain a policy of all-risk property insurance, issued by and bonded upon an insurance company licensed in the State of Texas, covering the Leased Premises and leasehold improvements (exclusive of contents), in an amount equal to not less than 80% (eighty percent) of the replacement cost thereof. Lessee shall have no interest in the policy or policy proceeds, and Lessor shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property that Lessee may place in or cause to be placed upon the Leased Premises. Lessor must also maintain a policy or policies of comprehensive general liability insurance insuring Lessor against loss of life, bodily injury, and/or property damage with respect to common areas, operation of the Building, parking lots, and other improvements associated with the land upon which the Leased Premises are located, and any other losses caused by or related to the duties and obligations of Lessor under this Lease.

Lessor acknowledges that because Lessee is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Lessee (other than medical liability of medical staff physicians) or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act (*Texas Civil Practice and Remedies Code*, Chapters 1010 and 104), and that Workers' Compensation Insurance coverage for employees of Lessee is provided by Lessee as mandated by the provisions of *Texas Labor Code*, Chapter 503. Lessor further acknowledges that, as an agency of the State of Texas, Lessee has only such authority as is granted to Lessee by state law or as may be reasonably implied from such law, and that Lessee shall have the right, at its option, to (a) obtain liability insurance protecting Lessee and its employees; and property insurance protecting Lessee's buildings and the contents; to the extent authorized by Section 51.966 of the *Texas Education Code* or other law; or (b) self-insure against any risk that may be incurred by Lessee as a result of its operations under this Lease. Any obligation by Lessee under this Lease to obtain insurance is expressly made subject to Lessee's authority under state law to obtain such insurance. No insurance carrier of either Party shall have a right of subrogation against the other Party to this Lease.

## 5. **Breach, Default, and Remedies.**

(a) **Breach by Lessor.** Lessor is in breach or default of this Lease Agreement if it fails to perform any of its duties or obligations of this Lease Agreement. TABC must give Lessor written notice of the breach or default. If Lessor fails or refuses to remedy the condition of the breach or default after a period of thirty (30) days of notice, the TABC may, at its option:

1. Withhold lease payments until the breach or default is cured or corrected;
2. Terminate the Lease Agreement by providing written notice of intent to terminate and the effective date of termination; or

3. Take reasonable action necessary to correct the breach or default and deduct the costs incurred by **TABC** from payment due or default of this **Lease Agreement**.

**(b) Breach by TABC.** **TABC** is in breach and default under this **Lease Agreement** if **TABC** fails to make payments when due or fails to timely perform its duties and obligations under this **Lease Agreement**. **Lessor** must give the **TABC** written notice of the breach or default. If **TABC** fails or refuses to remedy the condition of the breach or default after a period of thirty (30) days of notice, **Lessor** may, at its option:

1. Terminate the lease by providing written notice of intent to terminate and the effective date of termination.
2. Take reasonable action necessary to correct the breach or default and include the costs incurred by **County** to Monthly Rent due or default of this **Lease Agreement**.
3. No provision, remedy or agreement contained in this **Lease Agreement** shall be deemed a waiver of the **County's** governmental immunity.

**(c) No waiver.** The failure of either party to enforce rights provided by this **Lease Agreement** or by for breach or default will not act as a waiver of the right to demand compliance in the future.

6. **Voluntary Termination.** This **Lease Agreement** may be terminated by **either party** without cause upon ninety (90) days written notice.
7. **Assignment.** This **Lease Agreement** may not be assigned.
8. **Law Governing.** 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 Agreement** are performable in Hidalgo County, Texas.
9. **Audit.** This **Lease Agreement** and state funds expended for lease payments are subject to the oversight and authority of the State Auditor's Office to perform audits and investigations in connection with the use of state funds. **Lessor** is required to cooperate fully with the State Auditor's Office in the conduct of the audit or investigation, including providing all records requested.
10. **Hazardous Substances.** **Lessor** warrants and represents that any use, storage, treatment, or transportation of Hazardous Substances that have occurred in or on the premises prior to the Commencement Date of this **Lease Agreement** has been in compliance with all applicable federal, state, and local laws, regulations, and ordinances. **Lessor** additionally warrants and represents that no release, leak, discharge, spill, disposal, or emission of Hazardous Substances has occurred in, on, or under the premises, and that they are free of Hazardous Substances.
11. **LEASE REQUIREMENTS**  
Lessor and Lessee shall comply with all provisions of **Exhibit B – Lease Requirements**, attached hereto and incorporated herein for all purposes in its entirety.
12. **Insurance.**

- (a) **Lessee's Property Insurance.** Lessee is self-insured and will provide evidence of self-insurance as necessary. Lessee may also opt to add the space to its policy through the State Office of Risk management and will inform lessor, and will provide copies of policies upon request, if Lessee chooses to acquire additional insurance.
  - (b) **General Liability Insurance.** Lessee, at its own expense, shall provide and maintain in force during the term of this **Lease Agreement**, liability insurance with limits of at least Five Hundred Thousand Dollar (\$500,000.00), naming **Lessor** an additional insured. Prior to occupancy of the Premises, **Lessee** shall provide **Lessor** with evidence of such insurance satisfying this insurance requirement.
  - (c) **Personal Property Insurance.** 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. Prior to occupancy of the Premises, **Lessee** shall provide **Lessor** with evidence of such insurance.
  - (d) **Lessor.** **Lessor**, at its own expense, shall provide and maintain in force during the term of this **Lease Agreement**, liability insurance in the amounts deemed adequate by **Lessor**.
  
- 13. **Limitations of Liability.** The liability for acts or omissions of the agents and employees of either party or for injuries caused by conditions of tangible state or county property is provided for by the provisions of the Texas Civil Practice and Remedies Code, and Workers' Compensation Insurance coverage for state and county employees as mandated by the provisions of Texas Labor Code.
  
- 14. **Other Terms and Conditions**
  - (a) **Entire Agreement.** This **Lease Agreement** and its amendments and attachments represent the entire agreement of the **Parties**.
  - (b) **Commitment of Current Revenues Only.** In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of **County** under this **Lease Agreement**, **County** may terminate this **Lease Agreement** upon ten (10) days written notice to **TABC**. **County** agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this **Lease Agreement**. The Parties intend this provision to be a continuing right to terminate this **Lease Agreement** at the expiration of each budget period of **County**. *Agreements for the acquisition, including the lease of real or personal property under Tex. Loc. Govt. Code §271.903:* In the event that, during any term hereof, the Commissioner's Court does not appropriate sufficient funds to meet the obligations of **County** under this **Lease Agreement**, **County** may terminate this **Lease Agreement** upon ninety (90) days written notice to **TABC**, **County** agrees, however, to use a best efforts attempt to obtain and appropriate funds for payment of the **Lease Agreement**. The **Parties** intend this provision, if applicable, to be a continuing right to terminate this at the expiration of each budget period of **County** in accordance with Tex. Loc. Govt. Code §271.903.
  - (c) **Commitment of Current Revenues Only.** In the event that, during any term hereof, the Texas Legislature does not appropriate sufficient funds to meet the obligations of **TABC** under this **Lease Agreement**, **TABC** may terminate this

**Lease Agreement** upon ninety (90) days written notice to **County**. **TABC** agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this **Lease Agreement**. The Parties intend this provision to be a continuing right to terminate this **Lease Agreement** at the expiration of each budget period of **TABC**. Individual leases are not line items in the legislative appropriations to **TABC** therefore any reduction in appropriations may constitute the need to terminate under this funding out clause at the discretion of **TABC**.

- (d) **Effective Date:** This **Lease Agreement** is effective on the date executed by **Lessor**.
- (e) **Amendment.** Amendments to this **Lease Agreement** must be in writing and signed by both **Parties**.
- (f) **Legal Construction.** 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 this **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**.
- (g) **Notices.** All notices required by this **Lease Agreement** must be sent to the following addresses:

If to **County:**                   The County of Hidalgo  
  Attn: County Judge  
  100 E. Cano, 2<sup>nd</sup> Floor  
  Edinburg, Texas 78539

**Copy to:**                        Hidalgo County Purchasing Dept.  
  Attn: Alexandra B. Vela  
  C/O Purchasing Director  
  2802 S. Bus. Hwy 281  
  Edinburg, Texas 78539

If to **TABC:**                     Texas Alcoholic Beverages  
  Commission  
  Attn: Luis Arellano  
  5806 Mesa Drive, Suite 111  
  Austin Texas 78731

## **EXHIBIT B – LEASE REQUIREMENTS**

- (a) In signing this Lease, Lessor certifies that the leased Premises to be occupied complies with all applicable federal, state, and local laws, statutes, ordinances, codes, rules, and regulations, including those addressing handicapped accessibility requirements. Acceptance of the leased space by Lessee does not exempt Lessor from meeting all requirements, and no requirement may be waived by Lessee.
- (b) Lessor specifically covenants and warrants that the Premises will, at all times, comply with requirements for persons with disabilities in compliance with the Texas Accessibility Standards administered by the Texas Department of Licensing and Regulation; and the requirements of the Americans with Disabilities Act of 1990.
- (c) Lessor attests that it has sufficient and appropriate title to the Premises and attests that it has the financial capability to fully execute obligations in this Lease. Lessor further covenants that it has the power and authority to execute this Lease and to place Lessee in possession of the Premises in full satisfaction of, and in compliance with, the terms and conditions herein.
- (d) Lessor also agrees that it will not attempt to impose upon Lessee any requirements of other legal instruments related to the Premises and not referred to herein or made a part hereof. Lessor warrants to Lessee the leasehold interest created hereunder and agrees to defend Lessee against the claims of all persons to the leasehold interests of Lessee. Any person or entity executing this Lease as agent for Lessor shall attach to this Lease sufficient evidence of authority to act in the capacity shown.
- (e) As a condition of occupancy, Lessor certifies that the leased Premises contains the minimum usable square footage specified in **Paragraph 2** of the Lease.
- (f) **HOLDOVER OPTION**  
Upon written notice to Lessor at least 90 (ninety) days prior to the expiration or termination of this Lease or any extension, Lessee may remain in possession of the Premises for a period up to, and not to exceed, 180 (one hundred and eighty) days (“Holdover”). Lessee shall specify the planned length of the Holdover in the notice to Lessor. During the entire Holdover period, Lessee shall continue to pay Lessor Monthly Lease Payments in the amount in effect on the first day of the Holdover, prorated based on: (i) any partial month of Holdover; and (ii) square footage occupied during the Holdover if less than the Premises as defined in Paragraph 2 of the Lease.
- (g) Lessor shall provide, at Lessor’s expense, access to all utilities services, meters, and connections necessary for the proper and intended use of the space. These utilities include telecommunications facilities, continuous hot and cold water, wastewater, electricity, and natural gas if required for heating or cooling.
- (h) **UTILITIES TO BE PAID BY LESSEE**  
Utility bills for telephone, data transmission, and telecommunications will be paid by Lessee. Lessee’s normal weekly hours of operation shall be 7:00 a.m. to 7:00 p.m., Monday through Friday, and 7:00 a.m. to 12:00 noon on Saturday. At Lessee’s reasonable request, Lessor shall also make available all utilities at other times necessary at an hourly reimbursement

rate based on Building Owners and Managers Association International (“BOMA”) standards, to be provided by Lessor to Lessee prior to award of the Lease.

**(i) UTILITIES TO BE PAID BY LESSOR**

Base rent is on a full-service basis which includes all utilities not outlined in this **Exhibit B, Paragraph (h)**, and includes janitorial and maintenance service.

**(j) JANITORIAL SERVICES AND SUPPLIES TO BE PAID BY LESSOR**

**A.** If Lessor shall provide janitorial services and supplies, services shall conform to State laws.

**B. Janitorial Services Assumed by Lessee:**

If Lessee exercises its right to assume janitorial services, Lessor will continue to provide and pay for janitorial services of restrooms and restocking of soap and paper products for restrooms that are not within Lessee’s space and for their exclusive use.

**(k)** Lessor shall be responsible for furnishing appropriate outside trash and refuse receptacles and for the removal of trash and refuse from the Premises.

**(l)** Lessor shall maintain the exterior of the building and adjacent grounds in an appropriate manner. Water used by Lessor for landscaping and/or decorative purposes shall be paid for by Lessor.

**(m)** The Lessor shall provide interior and exterior pest extermination services.

**(n)** Upon the prior written approval of Lessor, Lessee may provide small appliances, e.g., ice makers and other small appliances for Lessee’s employees’ convenience, to be properly installed in the Premises by Lessor’s maintenance personnel; or installation to be overseen and approved by such personnel. Expenses for installation and the services of Lessor’s staff shall be borne by Lessee.

**(o)** Lessor shall have building maintenance personnel available to respond to routine calls within 24 (twenty-four) hours. Emergency calls shall be consistent with Lessor’s current protocol. “Emergency” repair or maintenance shall include, but not be limited to, situations involving the air conditioning, electrical, plumbing, roof leaks, disruption of water delivery to, or drainage from, any portion of the plumbing system, access into and out of the leased space, and environmental control. Lessor shall, at a minimum, acknowledge emergency calls within 2 (two) hours.

**(p)** Space to be occupied under this Lease shall be designated a "non-smoking area".

**(q)** Lessee and Lessee’s customers and visitors will use parking as directed by Lessor’s onsite signage.

**(r)** Lessor shall furnish and maintain exterior lighting for the building and parking area(s) as necessary for appropriate security. Lessor shall provide a minimum level of illumination to comply with normal business standards. Lessor shall pay all utility costs associated with such security lighting.

**(s)** The cost of furnishing and installing light fixtures at the inception of the Lease shall be at Lessor’s expense.

**(t)** Exit lights shall be provided to the outside of the building in accordance with applicable

codes. Electric and/or luminous directional arrows shall be strategically placed to identify the way leading outside.

- (u)** Lessor shall provide an emergency lighting system in the event of failure of normal lighting.
- (v)** Leased area shall have a light switch.
- (w)** All electrical work shall conform to Municipal, County, State and Federal laws.
- (x)** Lessor shall provide all life safety equipment, including but not limited to fire extinguishers and smoke alarms, in accordance with the requirements of all applicable municipal building codes. In the absence of a local municipal code, Lessor agrees to comply with State laws.
- (y)** Lessor shall not unreasonably withhold the right of Lessee to install a security system in the leased space, as requested by Lessee. The security system shall remain the property of Lessee and may be removed at the end of the Lease term. Lessee shall bear the cost of such security system installation and all monitoring services associated with such security system.
- (z)** All exterior doors shall be keyed with non-duplicating keys. Lessor shall furnish keys, individually numbered, as requested by Lessee. All exterior exit doors shall be solid core doors (where applicable) and equipped, unless otherwise required by code, with deadbolt locks with a minimum one-inch throw bolt. All door hardware and automatic door closers shall be of sufficiently sturdy construction to ensure security.
- (aa)** Leased areas shall conform to State law. Broken ceiling surfaces shall be replaced by Lessor in a timely manner. Ceiling surfaces must be of sufficient quality and weight.
- (bb)** Heating, ventilation, and air conditioning (“HVAC”) unit(s) shall conform to State law. Leased areas shall provide an indoor environment that is healthful. The HVAC system shall comply with State law. Forced air cooling and heating shall be ducted and vented. Conditioned air shall be vented into Leased areas with the exception of closets. Numbers and locations of thermostats and associated zones or equipment shall conform to State law. Lessor is responsible for balancing the HVAC system.
- (cc)** Lessor shall comply with all applicable sections of the current Texas Department of Health Voluntary Guidelines for Indoor Air Quality in Government Buildings, 25 Tex. Admin. Code §297.9.

SIGNATURE PAGE TO FOLLOW

**EXECUTED** as of the day and year first written above.

**APPROVED BY COMMISSIONERS' COURT ON**\_\_\_\_\_.

**Agenda Item No.**

**Executive Office:** \_\_\_\_\_

**LESSEE:**  
TEXAS ALCOHOLIC BEVERAGES  
COMMISSION

**COUNTY:**  
COUNTY OF HIDALGO

\_\_\_\_\_  
Title

\_\_\_\_\_  
Hon. Richard F. Cortez, County Judge

**APPROVED AS TO FORM**  
Office of the Criminal District Attorney,  
Ricardo Rodriguez, Jr.

**ATTEST:**

\_\_\_\_\_  
Amanda Austin, Assistant District Attorney

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

**ATTACHMENTS:**  
(If Applicable)

**SUPPLEMENTAL SIGNATURES:**  
(If Applicable)