

LEASE AGREEMENT
JUSTICE COURT PRECINCT 4

LANDLORD: ROSE LION PROPERTIES
1219 Barranca, Suite A
El Paso, Texas 79936

TENANT: COUNTY OF EL PASO, TEXAS

FOR: Justice of the Peace, Precinct 4

PREMISES: 1219 Barranca, Suite B

APPROXIMATE TOTAL SQUARE FEET RENTED TO TENANT: 2,988

COMMENCEMENT DATE: January 1, 2010

ENDING DATE: **December 31, 2010** - subject to stated limitations

MONTHLY RENT: \$2,800 (Two Thousand Eight Hundred Dollars and No Cents) (approx. \$11.24 per sq. foot)

LEASE INCLUSIONS: This lease rate includes all utilities as described below.

1. PREMISES:

Rose Lion Properties, Ltd, hereafter referred to as "Landlord", for and in consideration of the rents, covenants, and agreements herein contained to be kept and performed by the parties, does hereby lease to the County of El Paso, Texas hereafter referred to as "the Tenant," the property located at 1219 Barranca Dr. Ste. B, El Paso, Texas containing 2,988 square feet of the ground floor. This lease also includes Tenant's use of parking areas and other common areas.

2. TERM:

The term of this Lease shall begin on January 1, 2010 and end December 31 2010. Landlord grants Tenant the option of two additional one year terms, at Landlords option.

3. RENT:

Tenant shall pay the rent to Landlord in advance no later than the tenth (10) day of each calendar month of the term of the Lease without demand from Rose Lion properties, Ltd. If partial occupancy results from the inability of the Landlord to make available the full amount of the space, then Tenant shall pay a proportionate amount of rent based upon the space available for occupancy.

4. USE:

Tenant shall use the Premises as a public judicial office only and for no other purposes without prior consent of the Landlord. Landlord will permit Tenant to do such things as Tenant may need to do to make it ready for occupancy.

5. TAXATION:

Landlord shall pay all taxes on the Premises, except any ad valorem taxes on improvements installed by Tenant and Tenant's personal property. Tenant pays no taxes as it is a tax-exempt entity. Failure by the Landlord to pay the taxes when due constitutes default of this Agreement.

6. UTILITIES:

Landlord shall pay the cost of utilities for gas, electricity, water, and sewer. Tenant shall pay the costs of any telephone systems, telecommunications systems, or other utility installed by Tenant upon the premises for the exclusive use of Tenant.

7. SERVICES FURNISHED BY LANDLORD:

Landlord shall furnish to Tenant, at Landlord's expense, the following services: refrigerated air conditioning and heating in season, hot and cold water, electricity and proper facilities to furnish sufficient electrical power.

8. INSURANCE:

Premises Insurance: Landlord, shall at Landlord's expense, procure and maintain at all times during the term of this Lease a policy or policies of insurance covering loss or damage to the Premises in the amount of the full replacement value thereof (exclusive of Tenant's trade fixtures, equipment and contents), providing protection against all perils included within the classification of fire, extended coverage, vandalism, mischief, sprinkler leakage and special extended peril (all-risk insurance). Tenant shall self-insure or carry, at Tenant's expense, general liability insurance.

9. MAINTENANCE AND REPAIRS, ALTERATIONS AND ADDITIONS:

a. Landlord's Obligations: Except for damage caused by negligent or intentional act or omission of Tenant and Tenant's agents, employees, licensees, or invitees, Landlord, at Landlord's expense, shall keep in good condition and repair: repair of exterior doors, frames and door closers, roof, foundation, plumbing, damaged ceiling tiles, repair and maintenance of plumbing, heating, air conditioning, and ventilation equipment, and the replacement of all defective ballasts, and starters,

circuit breakers, switches, and receptacles, along with electrical power sources, except for public power lines. Landlord shall not make any changes to the premises, which materially impair the size or dimensions of the premises, nor shall Landlord make any changes to the aggregate amount of the parking space, without prior consent of the Tenant which consent shall not be unreasonably withheld. Failure of Landlord to keep Premises in good condition or to repair the premises as described above shall constitute a default by Landlord. If repairs required of Landlord are not made within a reasonable time, after written notice by the Tenant, Tenant may either give written notice of default and proceed in accordance with the law or make repairs without liability to Landlord for any loss or damages to Landlord. Landlord shall reimburse to Tenant the costs and expenses of repair, or Tenant may deduct such expenses from the next rental payment or payments.

- b.** Tenant Obligations: Tenant shall, at tenant's sole expense and upon demand by landlord, immediately repair any damage to the leased premises caused or reasonably known to be caused by tenant's agents, employees, licensees, invitees, or public conducting business with tenant. All repairs shall be conducted to landlord's satisfaction. Tenant shall keep and maintain the interior of premises in good repair and order. Upon expiration of this Lease, Tenant shall surrender the Premises in the same condition as received, ordinary wear and tear, damage by fire, earthquake, act of God, unavoidable casualty, or the elements alone excluded. Tenant, at its sole cost and expense, agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery equipment, cabinetwork, furniture, movable partition, or permanent improvements or addition, including repairing the floor and patching and painting the walls where required for Landlord's reasonable satisfaction. Tenant shall be responsible for annual start-up and routine service of heating and air conditioning units each season as required.
- c.** Alterations and Additions: Tenant shall not, without Landlord's prior written consent, make any alterations, additions, improvements or utility installations in, on or about the Premises, except for non-structural alterations. All alterations, additions, or improvements made to the structure by the Tenant shall become the property of the Landlord at the termination of this Lease, except for unattached movable fixtures. All alterations, additions or improvements made by tenants shall be at tenant's sole expense.

10. DAMAGE AND DESTRUCTION:

- a.** Landlord shall not be responsible for loss or damage to Tenant's fixtures, equipment, or other property so installed or placed by Tenant on the Premises, except where such damage is due to Landlord's willful failure to make repairs

required to be made hereunder.

- b.** Partial Damage-Insured: In the event improvements on the Premises are damaged by any casualty which is covered under an insurance policy maintained, then Landlord shall repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. For purposes of this provision, minor repairs shall be completed within thirty (30) days and major repairs shall be completed within ninety (90) days of the damage. Failure to make timely repairs shall be considered a breach of this Lease.
- c.** Total Destruction: If during the term of this lease, the Premises shall be damaged or destroyed from any cause, whether or not covered by insurance under Section 7, so as to render un-tenantable more than fifty percent (50%) of the floor area, Tenant reserves the right to automatically terminate the Lease as of the date of such total destruction.

11. ENTRY BY LANDLORD:

Landlord shall have the right at reasonable times to enter the Premises to inspect the same or to maintain or repair, make alterations or additions to the Premises on any portion thereof or to show the Premises to prospective purchasers, tenants or lenders.

Landlord may, at any time, place on or about the Premises any ordinary "for sale" sign; Landlord may at any time during the last thirty (30) days of a lease term, place on or about the Premises known as Suite B any ordinary "for lease" sign.

12. MOVE-OUT REQUIREMENTS, HOLDOVER:

Tenant shall provide Landlord thirty (30) days prior written notice of intent to vacate. Notice must terminate the lease on the last day of the month following the next rental due date. If Tenant remains in possession of all or any part of the Premises after the expiration of the term hereof, this lease shall continue on a month-to-month basis, subject to the terms of this lease.

13. NOTICES:

All notices or demands to be given by Landlord or Tenant hereunder shall be in writing and shall be deemed delivered upon a) the date of actual hand-delivery; or b) in writing by certified or registered mail, return receipt requested; or (c) air carrier service (i.e., Federal Express, Airborne, UPS) and addressed to:

Landlord
Rose Lion Properties, Ltd
1219 Barranca Dr. Ste. A
El Paso, Texas 79935 Paso,

Tenant

County of El Paso
500 E. San Antonio Ste. 301
El Paso, Texas 79901

14. CONTINGENT FUNDING, TERMINATION:

Tenant is a political subdivision of the State of Texas, and as such adopts its budget according to State law for a period of one year beginning on October 1st and terminating on September 30th of each year. The program(s), which Tenant may be conducting on the premises, may also be subject to contingent funding from other sources. In the event that sufficient funds are not included in the next annual budget or funds are cut off from other sources, or fiscal emergency, Tenant may terminate this Lease (without penalty or further payment) by giving written notice to Landlord, effective immediately or on September 30th of the then-current fiscal year, whichever Tenant determines to be most advantageous to its operations on the Premises.

In the event Tenant builds or acquires other property suitable for housing the Justice of Peace Precinct 4, Tenant may terminate this lease (without penalty or further payment) by giving written notice to Landlord, effective on September 30th of the then-current fiscal year, whichever Tenant determines to be most advantageous to its operations on the Premises.

15. MORTGAGES AND ESTOPPEL CERTIFICATE:

This lease shall be subordinate to any mortgages which are now placed upon the premises. At Landlord's request, Tenant shall execute an estoppel certificate addressed to Landlord or Mortgagee certifying as to such matters that Mortgagee may reasonably request. This Lease and Lessee's rights under this Lease shall remain undisturbed in the event of foreclosure or other event changing ownership or legal title to the "Premises."

16. CONDEMNATION:

If the Premises or any part thereof are condemned for any public purpose to the extent that the remainder of the Premises is, in Landlord's and Tenant's opinion, not reasonably suitable for occupancy and Tenant's specific use, the Lease shall, at the option of either party, terminate. All proceeds from any taking or condemnation of the Premises shall belong to the Landlord, except that Landlord shall not be entitled to any award part made to Tenant for loss of business, depreciation to, or cost of removal of Tenant's personal property. If the lease is not so terminated, Landlord shall repair any damage therein, and rental hereunder shall be abated to the extent the Premises are rendered un-tenantable in the past, present, and future. If only part of the Premises is taken and neither party elects to terminate this lease, the rent will be adjusted equitably by mutual agreement of the parties for the remaining unexpired term of this Lease.

17. LIENS:

Tenant shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by Tenant.

18. OPTION TO RENEW:

Tenant is hereby granted an option to renew this lease for the period referenced on the first page of this lease. Notice shall be given on or before thirty (30) days before the expiration of a term, and within five (5) days after receipt thereof, Landlord shall deliver to Tenant a notice of confirmation of the lease renewal.

19. DEFAULT:

In the event that Tenant defaults in the timely payment of rent, or violates or fails to perform any of the provisions of this Lease, Landlord shall send written notice of such default, violation, or omission to the Tenant, and unless Tenant shall have completely cured or removed said default within ten (10) days after receiving such notice from Landlord, Landlord may thereupon re-enter the Premises, by summary proceedings or take possession of said Premises and remove all persons and property, and may elect to either cancel Lease or re-let the Premises as agent for the Tenant or otherwise, and receive rent, applying the same to the payment of the rent balance under this Lease and the fulfillment of Tenant's covenants hereunder, the balance (if any) to be paid by Tenant, who shall remain liable for any deficiency.

If Landlord breaches this Lease, Tenant may exercise its rights and remedies as it may be entitled to under law or equity.

20. AMERICANS WITH DISABILITIES ACT:

Landlord shall make necessary interior and exterior modifications to make the Premises accessible for disabled persons. Tenant and Landlord covenant to make reasonable, mutual efforts to make accommodation for matters on the Premises related to the Americans with Disabilities Act (ADA).

21. MISCELLANEOUS:

- a.** Signs: Tenant may, at Tenant's expense, install signs approved by the Landlord. All signs shall be removed at the termination of this lease. Sign work shall be done in such a manner to avoid injury, defacement, or overloading of the building.
- b.** Severability: If any provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the extent permitted by law.

- c. Assignment and Subletting: Tenant shall not assign, sublet, transfer, pledge, or encumber this Lease or any interest therein without the prior consent of Landlord.
- d. Amendment: No amendment, modification, or alteration of the terms hereof shall be binding unless it is in writing, dated subsequent to the date hereof and duly executed by the parties.
- e. The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Lease. Venue for any dispute arising under this lease shall exclusively be in El Paso County. Tenant is prohibited by law from indemnifying Landlord. Tenant does not agree to indemnify Landlord under any circumstances. Landlord acknowledges that no tax, nor interest, nor sinking fund has been set, adopted, or established for the payment of any indemnity or obligation.
- f. Landlord covenants and agrees that, upon payment by Tenant of the rent and upon Tenant's observance of the covenants and agreements provided for in this Lease, Tenant shall at all times have peaceable and quiet enjoyment and possession of the demised premises.
- g. Entire Agreement: This instrument, and any attachments to it, constitutes the entire agreement between Landlord and Tenant relative to the Premises and this Agreement and the exhibits and attachments may be altered, amended, or revoked only by an instrument in writing signed by both Landlord and Tenant.

EL PASO COUNTY, TEXAS

LANDLORD

 Anthony Cobos
 El Paso County Judge

 Rosalio Munoz, President
 Rose Lion Properties, Ltd.

Approved As to Form:

 Assistant County Attorney