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LEASE AGREEMENT BETWEEN TGC AND ALCOHOL AND DRUG ABUSE COUNCIL FOR THE CONCHO VALLEY

STATE OF TEXAS §

COUNTY OF TOM GREEN §

Tom Green County, acting by and through the Tom Green County Commissioners' Court, hereinafter known as "Lessor", whose address is Tom Green County, 113 West Beauregard Avenue, San Angelo, Texas 76903-5851, hereby leases, under the following terms and conditions as hereinafter set out, unto Alcohol and Drug Abuse Council for the Concho Valley ("ADACCV"), a Texas non-profit organization, acting by and through its duly authorized President, Gloria Priddy, hereinafter known as "Lessee", whose address is P.O. Box 3805, San Angelo, Texas 76902. The Leased Premises is described in Exhibit A attached hereto and incorporated herein by reference.

1. TERM.

1.1 The term of this Lease shall be for 99 years, beginning July 1, 2015 and ending on July 1, 2114.

2. RENT.

2.1 **Amount.** Rental for the Leased Premises shall be paid in advance beginning July 1, 2015, and shall be the sum of One Dollar ($1.00) per year.

2.2 **Place of Payment.** Said payments shall be made to the Tom Green County Administrative Services Director, 124 West Beauregard Avenue, San Angelo, Texas 76903-5835.

2.3 **Further Consideration.** The property leased herein is more commonly known as the property that is located on Texas Highway 277 North adjacent to the Roy K. Robb Center. Use of this property will allow Lessee to complete construction of a 20,000 plus square foot building expansion. This expansion will allow Lessee to consolidate its residential substance abuse treatment services to one location and double its residential treatment capacity by providing 30 male treatment beds, 18 female treatment beds, including women with children and adding 12 beds for residential detox. These expanded treatment services will provide critical residential detox services which are presently not available to the indigent, uninsured and underinsured in our community.

3. USE OF LEASED PREMISES.

3.1 **Use.** Leased Premises shall be used by Lessee for the duration of the Lease for the specific purpose of providing substance abuse residential detox and treatment services which will be available to the general public as well as the indigent, uninsured and underinsured in our community.

3.2 **Termination.** If at any time the Leased Premises and any improvements thereon shall cease to be used for such purpose, Lessor shall have the right to terminate this Lease by giving sixty (60) days written notice to Lessee.

3.3 **Cancellation.** Lessor shall have the right to cancel this Lease if the subject detox center is not constructed within three (3) years of the date of the execution of this Lease. Lessor shall have the right to cancel this Lease after the Tom Green County Commissioners' Court gives written notice to Lessee and the lapse of ninety (90) days.

Lessor shall also have the right to cancel this Lease for any use deemed more appropriate by the Tom Green County Commissioners' Court after written notice is given to Lessee and the lapse of ninety (90) days.

Such described right to cancel shall exist only in the option terms as described in Section 1.1 hereof.

If cancellation occurs, Lessee shall have the right to remove improvements (non-fixtures) placed by Lessee, but in no event shall Lessor be required to reimburse Lessee for improvements, fixtures or expenses incurred by Lessee in connection with the Lease. Lessee shall possess the right to remove lights and light standards, which it may erect on the Leased Premises.

4. CONDITION OF LEASED PREMISES.

4.1 **Limitation of Warranties.** THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

4.2 **Improvements.** It is agreed by the parties that Lessee, subject to the prior approval of the Tom Green County Commissioners' Court, shall have the right from time to time at its sole cost and expense, to construct on the Leased Premises such buildings and other improvements, and such alterations, additions and changes therein as deemed necessary or convenient for the purpose of conducting its residential substance abuse treatment services including but not limited to its residential detoxification services. Lessee shall not be required to obtain consent for ordinary repairs and maintenance of the Leased Premises.

4.3 **Permits.** Any permit for improvement to the Leased Premises under this Lease must comply with the terms of this Lease Agreement, with the Building, Electrical, Mechanical and Plumbing Codes which may be applicable within Tom Green County, with other ordinances of Tom Green County and with the laws of the State of Texas, so far as one or more of the above may be applicable.

4.4 **Maintenance.** Lessee agrees to keep and maintain the Leased Premises and any structures in place erected or caused to be erected or placed on the Leased Premises in good and tenantable condition and appearance, and further agrees to keep said Leased Premises in a neat, clean and respectable condition by prompt removal of all trash, litter, debris and junk, and will keep said Leased Premises cleared of all objectionable matter. Lessee shall maintain the Leased Premises free and clear of all brush and weeds.

4.5 **Failure to Maintain.** In the event Lessee shall fail to keep said Leased Premises in a manner acceptable to Tom Green County, then the Tom Green County Commissioners' Court, after reasonable notice, shall have the power and express authority to cause or require the Leased Premises to be cleaned, cleared, mowed or repaired, and Lessee expressly authorizes, and agrees to reimburse Lessor for, the cost of any such cleaning, clearing, mowing or repairing, due thirty (30) days from the date on which the work was completed.

4.6 **Control of Traffic.** Lessee shall be entitled to barricade the Leased Premises in order to keep all traffic on the paved roads at such times the Leased Premises is used by Lessee.

5. LIMITATIONS OF LESSEE IN LEASED PREMISES.

5.1 **Reservations.** Lessor, its agents or assigns, reserves the privilege and right at any time to execute and deliver valid oil, gas and other mineral leases upon the Leased Premises, valid right-of-way easements for gas, oil or water pipelines, telephone, telegraph, or electric pole transmission lines on said Leased Premises, or any part thereof, and in such event this Lease shall be subject and subordinate to the rights, terms and privileges of any such oil, gas and other mineral lease or such easements as may have been executed heretofore or hereafter by Lessor, its agents or assigns.

5.2 **Easements.** An easement across the Leased Premises is hereby retained by Lessor for the purpose of laying sewer, electrical, and water lines and for necessary right-of-way for roads, alleys or other throughways.

5.3 **No Assignment or Subletting.** Lessee will not assign or sublet this Lease, in whole or in part without the written consent of Lessor.

5.4 **No Encumbrances.** Lessee shall not have the right to encumber the Leased Premises leased hereunder without the consent of the Commissioners' Court of Tom Green County, provided, however, this provision shall not prohibit Lessee from encumbering its personal property which may be removed from the realty without injury to the realty.

5.5 **Lessor's Right to Enter.** At all times during the term of the Lease, Lessor or its elected officials, employees, agents, and representatives shall have the right to enter said Leased Premises during reasonable hours for the purpose of examining

7.3.1 **Amount of Coverage.** The amount shall be in at least the following coverages:

Commercial General Liability Policy

General Aggregate Limit	$2,000,000
Products/Completed Operations Aggregate Limit	$1,000,000
Personal/Advertising Injury Limit	$1,000,000
Each Occurrence	$1,000,000
Medical Expense Limit-any one person	$ 5,000

Commercial Property Insurance

Building and Contents	Current replacement cost

Commercial Auto Liability

All owned, non-owned and hired vehicles	
Liability	$1,000,000

Workers' Compensation/Employers Liability

Workers' Compensation	Statutory
Employers Liability	
Each Accident	$1,000,000
Policy Limit by Disease	$1,000,000

7.3.2 **Type of Policy.** These policies shall be primary and non-contributory written in comprehensive form and shall protect Lessor against liability which may accrue against Lessor by reason of Lessee's wrongful or negligent conduct incident to the use of Leased Premises, resulting from any accident or incident occurring on or about the Leased Premises.

7.3.3 **Named Insured.** Excluding Workers' Compensation, all insurance policies required herein shall be drawn in the name of Lessee, with Lessor, its Commissioners' Court, elected officials, employees, officers, directors, agents, representatives, and consultants named as additional insureds.

7.3.4 **Certificates of Insurance.** Lessee shall, 30 days prior to the commencement of detox services on the Leased Premises, furnish Lessor with certificates of insurance as evidence that all of the policies required herein are in full force and effect and provide the required coverages and limits of insurance. The certificates of insurance shall be delivered to the Tom Green County Risk Manager.

and inspecting the same and determining whether Lessee shall have complied with all of its obligations hereunder in respect to all the terms and conditions of this Lease.

6. DEBTS RELATED TO LEASED PREMISES.

6.1 **Incidental Charges.** Lessee shall pay or cause to be paid all incidental charges, including but not limited to, permit fees incurred in connection with its operations and use of the Leased Premises.

6.2 **Utilities.** Lessee shall pay or cause to be paid all charges to be paid for water, sewer, gas, electricity, telephone, trash pick-up, cable and any and all other utilities used on the Leased Premises throughout the term of this Lease, including any connection fees or fees associated with the installation of the utilities.

7. COVERAGES.

7.1 **INDEMNIFICATION.** LESSEE AGREES TO INDEMNIFY AND HOLD LESSOR, ITS ELECTED OFFICIALS, EMPLOYEES, AGENTS, AND REPRESENTATIVES FREE AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, JUDGMENTS, COSTS AND EXPENSES ASSERTED BY ANY PERSON OR PERSONS, INCLUDING AGENTS, REPRESENTATIVES, VOLUNTEERS, OR EMPLOYEES OF LESSEE OR LESSOR, BY REASON OF DEATH OR INJURY TO PERSONS, OR LOSS OR DAMAGE TO PROPERTY, RESULTING FROM LESSEE'S OPERATION HEREUNDER, OR SUSTAINED FROM, IN OR UPON THE LEASED PREMISES, OR AS A RESULT OF ANYTHING CLAIMED TO BE DONE OR ADMITTED TO BE DONE BY LESSEE HEREUNDER.

7.2 **WAIVER AND RELEASE.** IN CONSIDERATION FOR THE RIGHT TO ENTER ON AND UTILIZE THE LEASED PREMISES, LESSEE HEREBY AGREES TO WAIVE OR RELEASE ANY RIGHTS THAT LESSEE (AND LESSEE'S AGENTS, REPRESENTATIVES, VOLUNTEERS, EMPLOYEES, GUESTS AND INVITEES) MAY HAVE TO MAKE A CLAIM OR INSTITUTE ANY ACTION AT LAW OR IN EQUITY AGAINST LESSOR, ITS EMPLOYEES, AGENTS, REPRESENTATIVES, AND ELECTED OFFICIALS ARISING FROM ANY LOSS, DAMAGE, INJURY, OR DEATH WHICH LESSEE (AND LESSEE'S AGENTS, REPRESENTATIVES, VOLUNTEERS, EMPLOYEES, GUESTS, AND INVITEES) MAY SUSTAIN WHILE ENGAGING IN ANY ACTIVITY UPON OR CONNECTED WITH THE LEASED PREMISES OR THIS LEASE AGREEMENT.

7.3 **Insurance.** Lessee shall obtain and maintain continuously in effect at all times during the term hereof, at Lessee's sole expense, insurance coverage as detailed below. This Lease shall not begin or be valid unless and until Lessee provides proof to Lessor of all insurance policies.

Archie Kountz
Risk Manager
124 West Beauregard
San Angelo, Texas 76903

7.3.4.1 **Contents of Certificates.** All certificates of insurance shall clearly state that all applicable requirements have been satisfied including certification that the policies are of the "occurrence" type.

7.3.4.2 **Notices for Certificates.** The certificates shall provide that any company issuing an insurance policy shall provide to Lessor not less than 30-days advance notice in writing of cancellation, non-renewal or material change in the policy of insurance. In addition, Lessee and Insurance Company shall immediately provide written notice to Lessor upon receipt of notice of cancellation of any insurance policy, or of a decision to terminate or alter any insurance policy. Certificates of insurance for Lessor shall be mailed in accordance with the notice provisions of this Lease Agreement.

7.4 **Waiver of Subrogation.** Lessee shall require its insurance carrier, with respect to all insurance policies, to waive all rights of subrogation against Lessor, the Commissioners' Court, the members of the Commissioners' Court, elected officials, employees, agents and representatives.

7.5 **Lessee's Liability.** The procuring of such policy of insurance shall not be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this Lease. Lessee's obligations are, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at or upon the Leased Premises.

8. ABANDONMENT OF LEASED PREMISES.

8.1 **Deserted or Vacated.** If the Leased Premises shall be deserted or vacated, Lessor may, if Lessor so elects, and any time thereafter, terminate the Lease and the term hereof, on giving Lessee sixty (60) days written notice of Lessor's intention to do so, and this Lease and the term hereof shall expire and come to an end on the date fixed in such notice as if the said date were the date originally fixed in the Lease for the expiration hereof.

9. SURRENDER OF LEASED PREMISES.

9.1 **Restoration.** The Leased Premises and any fixtures shall remain the property of Lessor and shall be restored to the possession of Lessor in good condition (reasonable wear and tear, acts of nature, or casualties associated with civil disorders or military activities excepted).

9.2 **Delivery.** Lessee agrees to promptly and peacefully deliver possession of the Leased Premises and improvements to Lessor upon termination of this Lease.

9.3 **Abandoned Property.** All items of personal property, remaining in or on the Leased Premises after the expiration of sixty (60) days following the termination of this Lease shall be deemed abandoned by Lessee and shall become the property of Lessor.

10. MISCELLANEOUS.

10.1 **Invalid or Illegal Provisions.** If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intent of the parties that the remainder of this Lease shall not be affected. It is also the intent of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid, or unenforceable, there are added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible to be legal.

10.2 **Terms of the Essence.** IT IS FURTHER UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO THAT EACH AND EVERY TERM, STIPULATION AND RESTRICTION CONTAINED HEREIN IS OF THE ESSENCE TO THIS LEASE AGREEMENT, THE VIOLATION OF WHICH SHALL ENTITLE LESSOR, AT ITS OPTION, TO TERMINATE THIS LEASE. FAILURE TO EXERCISE SUCH OPTION AT ANY TIME SHALL NEVER BE CONSTRUED AS A WAIVER OF ANY CONDITION OF THIS LEASE.

10.3 **Remedies.**

10.3.1 **Upon Termination.** Any termination of this agreement shall not relieve Lessee from the payment of any sum or sums that then shall be due and payable to Lessor hereunder, or any claim for damages then or theretofore accruing against Lessee hereunder, and any such sum or sums or claim for damages by any remedy provided by law, or from recovering damages then or therefore accruing against Lessee hereunder, and any such sum or sums or claim for damages by any remedy provided by law, or from recovering damages from Lessee for any default thereunder.

10.3.2 **Cumulative Remedies.** All rights, options and remedies of Lessor contained in this Lease Agreement or otherwise shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, and Lessor shall have the right to pursue any one or all such remedies or any other remedy or relief which may be provided by law, whether or not stated in this Lease Agreement. No waiver by Lessor of a breach of any of the covenants, conditions, agreements or restrictions of this Lease shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition or restriction herein contained.

10.3.3 **Reimbursement of Lessor's Expenses.** Lessee shall pay on demand all of Lessor's expenses including, but not limited to, attorney's fees, expert witness fees, litigation expenses, and court costs incurred in enforcing any of Lessee's obligations under this Lease, which include, but are not limited to, collection of annual rental fees and collection of utility payments, taxes and other legitimate assessments.

10.4 **Notices.** Any notice or demand that either party desires or is required to be given by this Lease Agreement shall be in writing and shall be deemed sufficient if sent by United States certified mail, return receipt requested, postage prepaid to the following:

If to Lessor: County of Tom Green
122 West Harris
San Angelo, Texas 76903-5877
Attn: County Judge

If to Lessee: Alcohol & Drug Abuse Council for the Concho Valley
P.O. Box 3805
San Angelo, Texas 76902
Attn: Gloria Priddy

10.5 **Amendments.** No modification of this Lease shall be binding unless it be in writing and executed in due form by all of the parties hereto.

10.6 **Easements and Restrictions.** Lessee takes this Lease Agreement and the Leased Premises subject to all recorded easements and restrictions affecting the occupation and use thereof, and subject to all statutes, ordinances and regulations of competent governmental authority affecting the occupancy and use thereof, and the construction and maintenance of improvements thereof.

10.7 **Relationship of Lessor and Lessee.** The relationship between Lessor and Lessee at all times shall remain solely that of the Landlord and Tenant and shall not be deemed a partnership or joint venture.

10.8 **Headings.** The paragraph headings contained herein are for convenience and reference and are not intended to define, extend or limit the scope of any provisions of this Lease Agreement.

10.9 **Interpretation/Venue.** This agreement shall be construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Tom Green County, Texas.

10.10 **Anti-Discrimination.** Lessee agrees that it will not violate any federal, state or local civil rights or discrimination laws. A finding of violation of any such laws by a trial court or appropriate state or federal agency is a material breach of this

agreement which may result in the termination of the agreement or such other remedy as Lessor may deem appropriate.

10.11 **Compliance with ADA.** Lessee agrees to comply fully with provisions of the Americans with Disabilities Act and to make any and all displays, events or activities on Leased Premises accessible to individuals with disabilities.

10.12 **Entire Agreement.** The Lease Agreement constitutes the entire agreement between the parties hereto, and Lessor is not bound by any agreement, stipulation or representation made by any agent, employee, official, or elected official of Lessor.

LESSEE:

ALCOHOL & DRUG ABUSE COUNCIL FOR THE CONCHO VALLEY

By: Gloria Priddy
Gloria Priddy, President

This instrument was acknowledged before me on the 22nd day of July, 2015, by Gloria Priddy, President of the Alcohol & Drug Abuse Council for the Concho Valley.

MELISSA N. MADRID
Notary Public, State of Texas
My Commission Expires
March 19, 2019

Notary Public, State of Texas

LESSOR:

TOM GREEN COUNTY

By: _____
Stephen C. Floyd, County Judge,
acting in his official capacity and
not individually

Subscribed and acknowledged before me by the said county official Stephen Floyd, County Judge on this the 21st day of July, 2015.

ATTEST:

COUNTY COURT OF TOM GREEN COUNTY TEXAS

Elizabeth McGill, County Clerk
Tom Green County, Texas

Elizabeth McGill
County Clerk
Tom Green County, Texas