



LEASE FOR THE COUNTY'S OF SOCORRO'S VEGUITA SENIOR CENTER

This **Veguita Senior Center Lease Agreement** (the "Lease"), by and between the County of Socorro, New Mexico, a political subdivision of the State of New Mexico ("County") and the City of Socorro, a New Mexico Municipality, a ("City") and is effective upon the approval of the parties.

RECITALS:

WHEREAS the County of Socorro is a New Mexico County established by NMSA 1978 Section 4-28-1 (1851-52) and the City of Socorro is a New Mexico Municipality, established by, NMSA 1978 Section 3-2-1 *et. seq.*, located within the boundaries of the County.

WHEREAS, pursuant to NMSA 1978 Section 4-38-1 (1884) the powers of a county as a body politic and corporate shall be exercised by a board of county commissioners; and,

WHEREAS, NMSA 1978, Section 4-38-13 (1953) provides that board of county commissioners shall have power at any session to make such orders concerning the property belonging to the county as they may deem expedient; and,

WHEREAS, Article 10 Section 14 of the New Mexico Constitution, referred to as the anti-donation clause, which provides that state or municipality shall not make any donation to association or public corporation is inapplicable to donations by state or one of its governmental agencies to another such agency, See, City of Gallup v. New Mexico State Park and Recreation Commission, 86 N.M. 745, 527 P.2d 786 (1974); and,

WHEREAS, the real property that is the subject of this transaction was donated to the County of Socorro, by virtue of a Special Warranty Deed, filed of record in the Office of the Socorro County Clerk on May 19, 1997 at Book 452 Pages 1938-1945; and,

WHEREAS, since 1997 the County constructed and operated the Veguita Senior Center to benefit the senior citizens of the Northern Socorro County Area and County has been subsidizing NM Area Agency on Aging (NM AAA) senior program required by the Older American Act to be administered by the State; and,

WHEREAS, in 2023 NM AAA terminated the County's senior program and the City has elected to run the City of Socorro Senior Center as a contractor for NMAAA; and,

WHEREAS, in City, as the contractor for the NMAAA senior program desires expand senior services in the community by operating the Veguita Senior Center, and the County is in full support of its senior citizens and desires to contribute to the program for the betterment of the community and for the County's senior citizens who are cherished and invaluable members of the community, deserving our utmost respect, gratitude, and admiration; and,

WHEREAS, the parties understand that the extension of services through the use of the Veguita Senior Center is being done on a one year "trial basis", thus this lease may terminate, be modified or extended, or be replaced as needed; and,

WHEREAS, NMSA 1978 Section 13-6-2 (A) (2007) provides that "[p]roviding a written determination has been made, a state agency, local public body, school district or state educational institution may sell or otherwise dispose of real or tangible personal property belonging to the state agency, local public body, school district or state educational institution;" and,

WHEREAS, NMSA 1978 Section 13-6-2.1 (A) (2011) provides that "[e]xcept as provided in Section 13-6-3 NMSA 1978, for state agencies, any sale, trade or lease for a period of more than five years of real property belonging to a state agency, local public body or school district or any sale, trade or lease of such real property for a consideration of more than twenty-five thousand dollars (\$25,000) shall not be valid unless it is approved prior to its effective date by the state board of finance; and,

WHEREAS, as this lease is for no monetary consideration state approval as described above it not required.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises hereinafter contained, the Parties agree as follows.

SECTION 1: LEASE

1.1 Lease of Premises. County hereby leases to City and City hereby leases from County the Premises, that certain real property in Socorro County commonly referred to as the Veguita Senior Center located at 894 Highway 304. Veguita, NM 87062 and more particularly described in the 1997 deed described in the recitals. The premises includes any furniture and other non-permanent fixtures belonging to the County that are withing the Senior Center at the time of commencement.

1.2 Lease Term. The term of this Lease shall be for a period beginning with the Commencement Date (as defined below) and ending at midnight on June 30, 2025 (the "Expiration Date"), unless this Lease shall sooner terminate or be extended pursuant to the provisions hereof.

1.3 Holding Over. City, for and in consideration of this Lease and the demise of the Premises, agrees with County that no holding over by City after the expiration of this Lease, or any renewal or extension thereof, whether with or without the consent of County, shall operate to extend or renew this Lease, and that any such holdings over shall be construed as a tenancy from month to month, and such tenancy shall be subject to all the terms, conditions, and agreements of this Lease. Consistent with the requirements of the New Mexico Board of Finance, the holdover period is

limited to six (6) months.

1.4 Commencement Date. The Commencement Date of this Lease will be approval of this Lease by the parties. City will be entitled to take possession of the Premises under the terms of this lease at the Commencement Date.

1.5 Rent:

As an in-kind contribution to the State of New Mexico's senior citizens program administered by the City, the County foregoes monetary rent for this agreement. Nevertheless, the parties agree that the in kind contribution is acknowledged as adequate consideration.

1.6 Utility Charges. City, for and in consideration of this Lease, hereby agrees to pay promptly all utility charges, including charges for electrical, gas, garbage, sewage, which may be incurred in connection with City's use of the Premises. City hereby agrees to pay promptly telephone and internet service, which may be incurred in connection with City's use of the Premises. The County will transfer and the City will accept the transfer of the utility bills to the City of Socorro subject to any landlord standby requirements.

1.7 Use of Premises: The Veguita Senior Center shall be used only for the operation of NM AAA senior citizens program and uses reasonably related or ancillary thereto. City shall not (i) do or permit to be done in or about the Premises nor bring to, keep or permit to be brought or kept in the Premises anything which is prohibited by, or is in any way in conflict with, any law, statute, ordinance or governmental rule or regulation which is now or may hereafter be in force; (ii) use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose; or (iii) cause, maintain or permit any nuisance in, on or about the Premises, or commit or allow to be committed any waste in, on or about the Premises.

SECTION 2: CONDITION OF THE PREMISES, ALTERATIONS

2.1 Condition of Premises and Repairs: City, for and in consideration of this Lease and the demise of the Premises, hereby agrees and represents that City has examined the Premises prior to the execution hereof, knows the condition thereof, and acknowledges that City has received the Premises in good order and condition except as set forth in the inspection report prepared by the parties as a result of a walk-through inspection signed and accepted by representatives of the parties ("Inspection Report"), and that no representation or warranty as to the condition or repair of the Premises has been made by the County, and, at the expiration of the term of this Lease, or any renewal or extension thereof, City will yield up peaceably the Premises to the County in as good order and condition as when the same were entered upon by City, loss by fire, damage by the elements, and reasonable use and wear excepted. City will keep, at City's expense, the Premises in good order and repair during the term of this Lease, or any extension or renewal thereof, and will repair and replace promptly, at City's expense, any and all damage, including, but not limited to, damage to roof, walls, floors and foundations, heating and cooling units, plumbing, glass, and all other appurtenances, that may occur from time to time.

2.2 Alterations, Additions and Improvements: City, for and in consideration of this Lease and the demise of the Premises, hereby agrees that City shall not make, or suffer or permit to be

made, any alterations, additions, or improvements to permanent real estate fixtures in or about the Premises without first obtaining the written consent of County therefor. However, that such consent, if given, shall be subject to the express condition that any and all alterations, additions, and improvements shall be done at City's own expense and in accordance and compliance with all applicable municipal, state, and federal ordinances, laws, rules and regulations, and that City agrees with County that in doing and performing such work City shall do and perform the same at City's own expense, in conformity and compliance with all applicable municipal, state, and federal ordinances, laws, rules and regulations. That no liens of mechanics, materialmen, laborers, architects, artisans, contractors, subcontractor, or any other lien of any kind whatsoever shall be created against or imposed upon the Premises, or any part thereof. Any alterations, additions and/or improvements will not impact or change, positive or negative, the consideration to be furnished by City under this Lease as stated in Section 1.5 or referenced in other Sections of this Lease.

2.3 Ownership of Alterations, Additions and Improvements: County, for and in consideration of this Lease and the demise of the Premises, hereby agrees with City that any and all non-permanent fixtures alterations, additions, and improvements, made at City's own expense, whether or not attached to the roof, walls, or floors, foundations, or the premises in any manner whatsoever, shall not become a permanent part of the realty, and shall be removed by City at City's expense on or before the termination of the Lease, and City shall repair any damage caused thereby at City's own expense, such that the Premises shall be in as good order and condition as when the same were entered upon by City, subject to normal wear and tear. In addition, with respect to any signs, shelving, furniture and equipment purchased by City and not affixed to the roof, walls or floors of the Premises, City shall have the right to remove or replace any such items in its discretion at any time.

2.4 County's Right of Entry and to Make Alterations, Additions and Improvements. City, for and in consideration of this Lease and the demise of the Premises, hereby agrees with County, County shall have the right at any time, upon reasonable notice to City, to enter upon the said premises, except for areas designated as secure areas for the protection of the health, safety and welfare of the County including areas that contain legally confidential information, to inspect the same. Additionally, upon reasonable advance written request, with sufficient time to respond to the written request, the County shall have the right to inspect during normal business hours records and documents not otherwise privileged or confidential, which are reasonably necessary for the County to be able to determine whether City is in compliance with its obligations under this Lease, post notices of non-responsibility and the like; provided, that nothing in this provision shall limit the County's right to inspect confidential records or documents, excluding medical records or other records containing protected health information, which the County otherwise has a right to review, including, without limitation proprietary or confidential matters described herein, subject to continuing confidentiality protections.

SECTION 3: ASSIGNMENT AND SUBLETTING

3.1 Assignment and Subletting. For and in consideration of this Lease and the demise of the Premises, hereby agrees with County that neither City nor City's assigns, or successors in interest shall assign this Lease or sublet the Premises, in whole or in part, without first obtaining

the written consent of County therefor: that no assignment of this Lease or any subletting of the Premises, in whole or in part, shall be valid, except by and with the written consent of County first obtained, which consent will not unreasonably be withheld or delayed; that the consent of County to any such assignment or subletting shall not operate to discharge City or City's assigns or successors in interest from their liability upon the agreements of this Lease, and City, City's assigns and successors in interest shall remain liable for the full and complete performance of all the terms, conditions, and agreements herein contained as principals and not as guarantors or sureties, to the same extent as though no assignments or sublease had been made; that any consent of County to any such assignment or subletting shall not operate as a consent to further assignment or subletting or as a waiver of this agreement against assignment and subletting; and that the following any such assignment or subletting, the assignee and/or subtenant shall be bound by all of the terms, conditions, and agreements herein contained including the covenant against assignment or subletting.

SECTION 4: TAXES, OTHER ASSESSMENTS

4.1 Taxes, Other Assessments. City and County hereby agree that, although the Premises should remain as tax exempt, all taxes and special and general assessments of whatsoever kind and nature, extraordinary as well as ordinary, which have been or may be levied upon the Premises and upon any alterations, additions, and improvements thereon, shall be paid by County at the time when the same become due and payable, and that all taxes and special and general assessments of whatsoever kind and nature, extraordinary as well as ordinary, which have been or may be levied upon the personal property located upon the Premises shall be paid by City at the time when the same shall become due and payable.

SECTION 5: DEFAULT AND TERMINATION

5.1 Default and Termination: In the event of City's default hereunder, then, in addition to any other rights or remedies County may have under any law or this Lease, County shall have the right, at County's option, without further notice or demand of any kind to terminate this Lease and City's right to possession of the Premises and reenter the Premises and take possession thereof, and City shall have no further claims to the Premises or under this Lease. This Lease may be terminated for the following reasons:

- A. **Termination Without Cause:** This Lease may be terminated by either party without cause upon sixty (60) days notice.
- B. **Changes in Federal or State Law:** Any change in Federal or State law that materially impairs the ability of City or the County to perform the duties and obligations of this Lease.
- C. **Noncompliance with Material Terms:** City's violation of any material term of this Lease.
- D. **Failure to Obtain and Maintain Insurance.** City's failure to Obtain and Maintain Insurance as required by this Lease.

E. Other Act or Omission Inconsistent with any Obligation under this Lease.

The County may otherwise enforce the terms of this Lease by invoking any other right or remedy allowed at law or in equity, including, without limitation, an action for specific performance if warranted by the particular circumstances.

5.2 Cure: City shall have thirty (30) days from the date of the County's written notice specifying with particularity the nature of the alleged termination event to cure such event, except that if the nature of the default is such that more than thirty (30) days are reasonably required for its cure, the City shall not be deemed to be in default if City commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. This Section shall not apply to the termination events set forth in Section 5.1 of this Lease.

5.3 Effect of Default by the County. City shall have the right to enforce the terms of this Lease by invoking any right or remedy allowed at law or in equity, including without limitation, an action for specific performance if the County fails to perform any of its material obligations under the terms of this Lease, provided such failure continues for thirty (30) after written notice of such default from City, except that if the nature of the default is such that more than thirty (30) days are reasonably required for its cure, then the County shall not be deemed to be in default if the County commences such cure within said thirty (30) day period and diligently prosecutes such cure to completion.

5.4 Bankruptcy and Condemnation. In no event shall this Lease be deemed an asset of City after the assignment for the benefit of creditors, the adjudication in bankruptcy, the appointment of a receiver or trustee, or the issuance of a Writ of Execution, a Writ of Attachment, a Writ of Replevin, or other court order against City or City's property whereby the Premises or any building or buildings, or alterations, additions, or improvements thereon, shall be taken or occupied or attempted to be taken or occupied by someone other than the City. Further, City hereby covenants and agrees with County that in the event the Premises, or any part thereof, shall be taken for any public or quasi-public use under any statute or by right of eminent domain, this Lease shall automatically terminate, as to the part so taken, as of the date possession shall have been taken. All damages and payments resulting from the taking for public or quasi-public use of the Premises shall accrue to and belong to County, and City shall have no right to any part thereof.

5.5 Waivers: County and City, for and in consideration of this Lease and the demise of the Premises, agrees with each other that the delay or omission in the enforcement of any of the agreements herein contained, or in the exercise of any of the Parties rights hereunder, shall not affect the duty of the other Party to thereafter faithfully fulfill and perform all of the agreements herein contained, and that the failure, neglect, or omission of the other to terminate this Lease for any one or more breaches of any agreements hereof, shall not be deemed a consent by either Party of such breach and shall not impede, impair, stop, bar, or prevent either Party from thereafter terminating this Lease, either for such violation, or for prior to subsequent violations of any agreement hereof.

5.6 Appropriations: The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Board of County Commissioners and the Socorro City Council for the performance of this Agreement. If sufficient appropriations and authorization are not made by either board to allow the respective party to meet its obligations under this Agreement, this Agreement shall terminate immediately upon written notice being given to the other party. The decision as to whether sufficient appropriations are available shall be accepted by the other party and shall be final.

5.7 Surrender of Premises Termination. Upon a termination of this Lease for any reason, City shall, on the date of termination, surrender the Premises to the County or an entity designated by the County.

SECTION 6: ENVIRONMENTAL COMPLIANCE

6.1 Compliance with Environmental Laws.

- A. City and the Premises will remain in compliance with all applicable laws, statutes, ordinances, and regulations (including consent decrees and administrative orders) relating to public health and safety and protection of the environment, all as amended and modified from time to time (collectively, "environmental laws"). All governmental permits relating to the use or operation of the Premises required by applicable environmental laws are and will remain in effect, and City will comply with them.

- B. City will not permit to occur any release, generation, manufacture, storage, treatment, transportation, or disposal of hazardous material, as that term is defined in applicable environmental laws,) on, in, under, or from the Premises. City will promptly notify County, in writing, if City has or acquires notice or knowledge that any hazardous material has been or is threatened to be released, generated, manufactured, stored, treated, transported, or disposed of, on, in, under, or from the Premises; and if any hazardous material is found on the Premises, County, at its own cost and expense, will immediately take such action as is necessary to detain the spread of and remove the hazardous material to the complete satisfaction of City and the appropriate governmental authorities.

- C. City will immediately notify County and provide copies upon receipt of all written complaints, claims, citations, demands, inquiries, reports, or notices relating to the condition of the Premises or compliance with environmental laws. City will promptly cure and have dismissed with prejudice any of those actions and proceedings to the satisfaction of County.

SECTION 7: DAMAGE TO PREMISES; EMINENT DOMAIN

7.1 Damage and Destruction. If during the Term any significant portion of the Premises shall be damaged or partially or totally destroyed by fire, flood, windstorm or other casualty, City shall notify the County within ten (10) days of such casualty. City may, upon such notice, at its option elect to either:

- A. Terminate this Lease effective as of the date of such casualty and pay all proceeds of the property insurance on the damaged or destroyed real property assets to the County within ten (10) days after such proceeds are received; or
- B. Proceed with all due diligence to restore, repair or replace the damaged or destroyed real property assets using the proceeds of the property insurance on such assets; provided, however, that if City fails (i) to substantially restore, repair or replace such assets within 180 days after such casualty, or (ii) with respect to restoration, repair or replacement which cannot with reasonable due diligence be completed within said 180-day period, City fails to take all actions necessary to complete such restoration, repair or replacement with all due diligence, the County shall have the right to terminate this Agreement by notifying City of such termination (i) as of the expiration of said 180-day period; or (ii) with respect to restoration, repair or replacement which cannot with due diligence be completed within said 180-day period, after allowing a reasonable time for the completion of such restoration, repair or replacement. In the event that City elects to restore, repair or replace the damaged or destroyed real property assets under this Paragraph, the County shall promptly execute and deliver to City any and all documents necessary to waive any and all rights on claims which the County has or may have in and to all insurance proceeds to the extent of the cost of repairs. If the County elects to terminate this Lease under this Paragraph, City shall promptly pay to the County all remaining insurance proceeds not yet expended on the on-site restoration, repair or replacement of such real property assets.

7.2 Eminent Domain. If during the Term either title to or the temporary use of the Premises shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, any proceeds received from any award made in any related eminent domain proceedings (after the payment of any expenses incurred in connection with such proceedings) shall be used for the sole purpose of acquiring new land and facilities in the County's name to be used for the provision of senior services to the residents of the County as specified in this Lease, subject to the prior written consent of the County, which consent shall not unreasonably be withheld or delayed. If title to all or substantially all of the Premises is taken City may elect to terminate this Lease and City shall not be bound in any way by the terms of this Lease effective as of the date of such taking.

SECTION 8: MAINTENANCE AND IMPROVEMENT OF PREMISES

8.1 Maintenance and Improvement of Hospital and Clinic. City shall maintain, preserve and keep the Premises in good condition, repair and working order. City may, at its own expense, make or cause to be made any and all additions, alterations, changes and deletions in and to all or any part of the Premises as City, deems necessary or appropriate provided the County grants prior written approved; provided, however, that (i) all additions and alterations shall be performed in a good and workmanlike manner which means that the quality of workmanship and materials shall be at least equal that existing on the Effective Date; (ii) no permanent demolition of any substantial part of the Premises, shall be made without replacement of such assets or replacement space or otherwise without the prior written consent of the County, (iii) City shall not grant any lien, mortgage security interest or other encumbrance on the Premises in connection with construction,

projects, (iv) City shall, not sell, sublease, exchange, alienate or otherwise dispose of all or a substantial part of the Premises, without the prior written consent of the County, and City shall obtain prior written consent from the County, which consent will not unreasonably be withheld or delayed for any construction project for which the cost is expected to exceed \$60,000 and with respect to such construction projects, City shall pursue such projects in a manner designed to maximize the purchasing value of the expenditure of funds. Except as otherwise provided in this Lease, ownership of such improvements to the Premises will vest in the County.

8.2 Process for Large Construction Projects. City and the County will agree upon the process to be followed with respect to the expenditure of public monies for all improvements to be made to the Premises in excess of \$60,000 per project to maximize the value of the expenditure of funds.

SECTION 9: INSURANCE

9.1 Insurance. City shall at all times carry and maintain for the benefit of itself and the County, as their respective interests may appear, such type and amount of insurance concerning the Premises as City deems appropriate, including, but not limited to, comprehensive general liability insurance covering bodily injury and property damage liability, with aggregate coverage of \$2,000,000, business interruption insurance, to the extent reasonably necessary to protect the interests of the County which shall be named as an additional named insured on all such policies. Fire and extended coverage insurance upon all buildings, alterations, and improvements upon the Premises shall be provided for by County. Fire and extended coverage insurance upon all of the contents and other personal property situated upon the Premises shall be provided for by City. Failure to provide or maintain the required insurance shall constitute a material breach of this Lease. City shall obtain, and provide on an annual basis to the County, certificates of all such insurance and shall require each insurance carrier to place an endorsement in each such policy agreeing to give the County at least 30 days' notice of any proposed cancellation of any such coverage.

SECTION 10: GENERAL REPRESENTATIONS OF THE COUNTY

The County hereby agrees with City to take, or cause to be taken, the following actions during the Term (or such other period as may be specified below):

10.1 Consents and Notices. The County shall obtain any consents and give any notices required in connection with this Lease under the terms and conditions hereof.

10.2 Liens and Encumbrances. The County shall not suffer or permit any liens or encumbrances for the County's benefit to be filed or exist against the Hospital Premises or Clinic Premises.

10.3 Exemption from Property Taxes. The County shall not transfer or convey any right, title or interest owned or held in or to the Premises, or take any other action, which would cause any of the Premises to become subject to any property taxes under the laws of the State of New Mexico as now or hereafter enacted.