

January 11, 2023

**WHEREAS**, on June 24, 2020, the City Council of the City of Dallas by Resolution 20-0980, authorized the City Manager to execute a lease agreement (the “Lease”) between the City of Dallas (“City”), as landlord, and Foremost Family Health Centers (“Foremost”), as tenant, for office space within Building B of the Martin Luther King, Jr. Community Center located at 2922 Martin Luther King, Jr. Blvd., to be used by Foremost to operate an affordable and comprehensive medical, dental, and behavioral health services center (“the premises”); and

**WHEREAS**, the Lease expires by its own terms on June 30, 2025; and

**WHEREAS**, in 2021, Foremost was awarded grant funding from the Health Resources and Services Administration (“HRSA”) American Rescue Plan – Health Center Cost Construction and Capital Improvements funding opportunity to renovate the premises; and;

**WHEREAS**, Foremost desires to utilize the grant funding to make premises renovations consisting of an upgrade to flooring, lighting, paint, and finishes for all medical exam rooms, and will include the addition of a dedicated behavioral health office, nursing station, and other office space to accommodate growth. Foremost desires to make the improvements to the premises to be able to see more patients and better serve the community; and

**WHEREAS**, the HRSA grant funding to Foremost for the renovation improvements to the premises is conditioned on City approval and an amendment of the lease to provide a City grant of federal interest in the improvements to HRSA; and

**WHEREAS**, to serve the public purpose of the lease with Foremost and continue to meet the needs of Foremost client residents, City desires and authorizes the renovation and is agreed to amend the lease with Foremost to enable the renovation and grant HRSA the required interest in the proposed improvements.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager, upon approval as to form by the City Attorney, be and is hereby authorized to execute a letter amendment to the Lease between the City of Dallas (“City”) and Foremost Family Health Centers (“Foremost”) to allow Foremost to accept grant funding from the Health Resources and Services Administration (“HRSA”) American Rescue Plan to renovate the premises in accordance with grant requirements, including a City grant of federal interest in the improvements to HRSA.

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**SECTION 2.** That the special terms and conditions of the letter amendment to the lease are as follows:

- (a) Foremost agrees not to sublease, assign, or otherwise transfer its interest in the premises, or use the premises for a non-grant-related purpose without the written approval from HRSA and City (at any time during the term of the lease agreement, whether or not grant support has ended).
- (b) In accordance with the notice provisions of the lease, the City will notify HRSA of any default by Foremost under the lease agreement; provided however City's failure to notify shall not constitute a default thereunder.
- (c) Notwithstanding that HRSA is not a party to the lease, City agrees that in consideration of HRSA funding grant to Foremost for the renovations to the premises, HRSA shall have 60 days from the date of receipt of the City's notice of Foremost's default in which to attempt to cure and eliminate the default, and that the City will delay exercising remedies until the end of the 60-day period.
- (d) HRSA may intervene on Foremost's behalf to ensure that the default is eliminated by Foremost in the manner required under the lease.
- (e) The City agrees to accept payment of money or performance of any other obligation by HRSA or the HRSA's designee, for Foremost, as if such payment of money or performance had been made by Foremost.
- (f) In the event that Foremost defaults, Foremost vacates the property before the end of the lease term, or the grant to Foremost is otherwise terminated, HRSA shall have the right to coordinate with the City to find a replacement tenant recipient for the balance of the lease term, subject to approval by the City, which will not be withheld except for good reason.
- (g) The City acknowledges that there will be a federal interest in the proposed improvements on the premises, and the City agrees to file a Notice of Federal Interest, in form acceptable to the City and HRSA prior to work commencing, if required by HRSA.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.