

INTERLOCAL LEASE AGREEMENT

WHEREAS, Hidalgo County (hereinafter "Lessor") is a validly organized and constituted governmental entity properly established in accordance with Article IX, Texas Constitution;

WHEREAS, the Hidalgo County Community Supervision and Corrections Department (hereinafter "Lessee") is properly established in accordance with Chapter 76, Government Code;

WHEREAS, Chapter 292, Local Government Code, authorizes county commissioners to purchase, construct, reconstruct, improve, or equip or provide by other means a building or rooms, other than the courthouse, for the housing of county or district offices, county or district courts, justice of the peace courts, county records or equipment (including voting machines), or county jail facilities, or for the conducting of other public business, and thereafter Lease the building or rooms;

WHEREAS, Chapter 140, Local Government Code, permits a community supervision and corrections department, as a "specialized local entity," to enter into contractual arrangements, including Leases;

THEREFORE, this Lease Agreement (hereinafter "Lease") is made and entered into by and between the Lessor and the Lessee.

I

LEASED PREMISES

1.1. Lessor, for and in consideration of the rents, covenants, and promises herein contained to be kept, performed, and observed by the Lessee, does hereby lease and demise to the Lessee the real property (hereinafter the "Leased Premises") described as:

**1000 N. M ROAD
EDINBURG, TEXAS**

1.2. Lessor agrees to Lease said property to the Lessee together with all the improvements, rights, and privileges belonging thereto, and covenants the Lessee shall peaceably and quietly have, hold, and enjoy the Leased Premises for the term of the Lease.

1.3. Lessee accepts the leased Premises and acknowledges that its possession constitutes a conclusive admission that it has inspected the Leased Premises and found them in good condition and repair and in all respects in the configuration required by the lessee.

II TERM

2.1. The term of this Lease is for a period of ten (10) years with a ten (10) year renewal term, which shall begin on the date possession is granted to the Lessee by Lessor subject to earlier termination as hereinafter provided.

2.2. Lessor and Lessee hereby agree to renegotiate every two (2) years the rent and maintenance fee paid under Article III.

2.3. Notwithstanding anything to the contrary, it is agreed that this Lease may be terminated without cause by the Lessee at the Lessee's option if funding from the State of Texas is not appropriated or made available by the Legislature of the State of Texas that may be used for rental payments. Lessor may terminate this Lease without cause on sixty (60) days notice to Lessee.

2.4. If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease. The inclusion of this Article 2.4 shall not be construed as Lessor's consent for Lessee to hold over.

III RENT

3.1. In consideration for the use and occupancy of, and as rent for the Leased Premises, lessee promises and agrees to timely pay lessor during the term of this Lease a rental in the amount of **\$3,000.00** per month which includes the maintenance services. All payments of rent shall be subject to the availability of funds provided by the State of Texas appropriated or made available by the Legislature of the State of Texas.

3.2. Rental payments shall be due and owing by the Lessee the first day of each and every month for the duration of this lease agreement.

3.3. Point of contact of lease:

Valde Guerra, HC Commissioners Court Executive Officer
2818 S. Business Hwy. 281
Edinburg, Texas 78539
Phone: (956) 292-7025

3.4. Point of contact for billing and payment questions:

Sergio Cruz, HC Budget Officer
2818 S. Business Hwy. 281
Edinburg, Texas 78539
Phone: (956) 292-7025

IV USE OF LEASED PREMISES

4.1. Lessee shall use the Leased Premises for community supervision, administrative, and **substance abuse treatment facility services and offices**.

V SERVICE, MAINTENANCE AND UTILITIES

5.1. Lessor agrees to maintain all exterior walls, heating, fire protection, and air conditioning systems, and all other mechanical systems of the building. Lessor also agrees to maintain water lines within the building. Lessor shall be responsible for any water damage to walls and ceilings caused by plumbing, condensation, or other structural problems.

5.2. Lessor shall be responsible for janitorial, maintenance services and light bulb replacement.

5.3. Lessor shall be responsible for interior walls and ceilings to include painting and furnishing replacement wall paper.

5.4. Lessor shall be responsible for pest control.

5.5. Lessor shall be responsible for landscaping.

5.6. Lessor shall be responsible for the installation and maintenance of wiring for telephone, internal security, and surveillance systems.

5.7. Lessee shall be responsible for glass breakage not attributable to fair wear and tear or to natural occurrences such as windstorms.

VI INSURANCE

6.1. Lessor shall at all times during the term of this Lease maintain a policy or policies of insurance issued by and binding upon the insurance company, insuring the building and Leased Premises against all risk of direct physical loss in an amount equal to no less than eighty percent (80%) of the full replacement cost of the building, as of the date of the loss.

6.2. Lessee shall be responsible for maintaining insurance for any improvements it makes to the Leased Premises or for personal property of lessee placed on the Leased Premises.

VII WASTE AND NUISANCE

7.1. Lessee shall maintain the Leased Premises free from waste or nuisance and shall deliver the Leased Premises in good repair and sound condition at the termination of the Lease, ordinary wear and tear and damages by fire, tornado, or other casualty excepted. Lessee shall repair any damage to the Leased Premises not attributable to fair wear and tear or natural causes. In the event Lessee shall breach this Lease, Lessor shall have the right, but not the obligation to cause such repair or corrections to be made, and any reasonable costs therefore shall be payable by the Lessee to the Lessor, subject to the availability of funds provided by the State of Texas appropriated or made available by the Legislature of the State of Texas.

VIII ALTERATIONS, ADDITIONS, AND IMPROVEMENTS

8.1. Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of the Lessor. Consent for non-structural alterations, additions, or improvements shall not be unreasonably withheld by the Lessor. All alterations, additions, or improvements made by the Lessee shall become the property of the Lessor at the termination of this Lease.

8.2. Lessee shall have the right at all times to erect and install furniture and fixtures provided that Lessee complies with all applicable governmental laws, ordinances, and regulations. Lessee shall have the right to remove, at the termination of this Lease, such items so installed. Lessee shall repair any damage caused by such removal.

IX DAMAGE OR DESTRUCTION

9.1. If the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if they should be damaged so that rebuilding or repairs cannot reasonably be completed within ninety (90) working days from the date of the occurrence of the damage, this Lease shall terminate and rent shall be abated for the unexpired portion of this Lease, effective as of the date of the occurrence.

9.2. If the Leased Premises should be damaged by fire, tornado, or other casualty, but not to such an extent that rebuilding or repairs cannot reasonably be completed within ninety (90) working days from the date of the occurrence of the damage, this Lease will not terminate, but the Lessor shall at its sole cost and risk proceed forthwith to rebuild or repair the Leased Premises or to substantially restore the Leased Premises to the condition in which they existed prior to such damage. If the casualty occurs during the final three (3) months of the Lease term, the Lessor shall not be required to rebuild or repair such damage. If the

Leased Premises are to be rebuilt or repaired and are untenable in whole or in part following such damage, the rent payable hereunder shall be adjusted equitably. In the event that Lessor shall fail to complete such rebuilding or repairs within ninety (90) working days from the date of the occurrence of the damage, Lessee may at its option terminate this Lease by written notification at such time to the Lessor, whereupon all rights and obligations hereunder shall cease.

X LIABILITY INSURANCE

Lessee shall maintain in full force and effect during its occupancy of the Leased Premises a liability policy containing a liability limit of no less than the amounts prescribed by the Texas Tort Claim Act which as the date hereof are \$300,000 for aggregate bodily injury, \$100,000 per individual, and \$100,000 for property damage.

XI DEFAULT AND REMEDIES

11.1. If any of the following conditions occur, the Lessor may, at the Lessor's option, give to the Lessee notice that the Lessor has elected to end the term of the Lease at any time after the expiration of thirty (30) days from the date of service of such notice, in which event, after the expiration of said thirty (30) days, this Lease shall, at the option of the Lessor, terminate as if that were the day originally fixed herein for the expiration of the term of this Lease, and the Lessor, the agents or representatives of the Lessor, shall have the right, without further demand, to re-enter and take possession of the Leased Premises with or without process of law, and remove all persons and their property from the Leased Premises without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or breach of covenants:

- A. The Lessee has defaulted in the payment of any installment of rent, or other sums of money herein stipulated to be paid by Lessee, and if such default continued for a period of thirty (30) days after notice of such default and request for compliance has been given the Lessee by the Lessor; or
- B. The Lessee has failed to perform any covenant imposed upon Lessee hereunder, which does not involve the payment of liquidated sums of money and if such default has continued for a period of sixty (60) days after notice of said default has been given to Lessee.

Provided, however, that Lessor may not so cancel or terminate this Lease if any such default cannot reasonably be corrected within a sixty (60) day period for so long as Lessee proceeds in good faith and with due diligence to remedy and correct such default.

11.2. Notwithstanding the foregoing, Lessor will also have all other remedies provided by law or in equity for default by Lessee.

XII MORTGAGES

12.1. Lessee accepts this Lease subject to any deeds of trust, security interests, or mortgages which might now or hereafter constitute a lien upon the building or improvements therein or on the Leased Premises and subject to zoning ordinances and other building and fire ordinances and governmental regulations relating to the use of the property. Lessee shall at any time hereafter, on demand, execute any instruments, releases, or other documents that may be required by any mortgagee for the purpose of subjecting or subordinating this Lease to the lien of any such deed of trust, security interest, or mortgage.

XIII NOTICES AND ADDRESSES

13.1. All notices provided to be given under this Lease shall be made in writing addressed to the proper party at the following address:

LESSOR:

Hidalgo County
Attn: Ramon Garcia
Hidalgo County Judge
304 W. University Drive
Edinburg, Texas 78539

LESSEE:

Hidalgo County Community Supervision
And Corrections Department
Attn: Arnold Patrick, Director
3100 S. Business Hwy. 281
Edinburg, Texas 78539

XIV LEGAL CONSTRUCTION

14.1. In case any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions thereof and this Lease shall be constructed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**XV
AMENDMENT**

15.1. 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.

**XVI
COMMITMENT OF REVENUES**

15.2 In the event that, during any term hereof, the Lessor does not appropriate sufficient funds to meet the obligations of Lessor under this Agreement, Lessor may terminate this Agreement upon sixty (60) days written notice to Lessee. Lessor agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of Lessor pursuant to the provisions of Tex. Loc. Govt. Code Ann. § 271.903 (Vernon Supp. 1996).

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the last date indicated below.

Executed in Hidalgo County, Texas by:

Lessor: Hidalgo County

By: Ramon Garcia
Ramon Garcia

Title: Hidalgo County Judge

Date: _____

Approved by Commissioner's Court
on 9/11/13 RO

Lessee: Hidalgo County Community Supervision
And Corrections Department

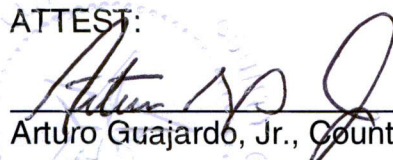
By: _____
Arnold Patrick

Title: Director

Date: _____

“ Lease Of Facility-1000 N. M Road-Edinburg, Texas”

ATTEST:



Arturo Guajardo, Jr., County Clerk

Approved as to form:
Atlas, Hall & Rodriguez, LLP


By: _____
Stephen L. Crain

APPROVED BY COMMISSIONERS COURT ON: **SEPTEMBER 11, 2013**

Zimbra

evangelina.garcia@co.hidalgo.tx.us

Fwd: Draft Interlocal Lease Agreement

From : Martha Salazar <martha.salazar@co.hidalgo.tx.us> Wed, Sep 04, 2013 02:19 PM
Subject : Fwd: Draft Interlocal Lease Agreement
To : Evangelina Garcia
<evangelina.garcia@co.hidalgo.tx.us>, valde guerra
<valde.guerra@co.hidalgo.tx.us>, Sergio Cruz
<sergio.cruz@co.hidalgo.tx.us>

Ms. Vangie:
Use this e-mail for approval from legal as to form.
Thanks,
Marty

From: "Steve Crain" <scrain@atlashall.com>
To: "Martha Salazar" <martha.salazar@co.hidalgo.tx.us>
Sent: Wednesday, September 4, 2013 2:18:18 PM
Subject: RE: Draft Interlocal Lease Agreement

It will work. ←

From: Martha Salazar [mailto:martha.salazar@co.hidalgo.tx.us]
Sent: Wednesday, September 04, 2013 1:51 PM
To: Steve Crain; valde guerra; Sergio Cruz
Cc: Evangelina Garcia; Darlene H. Betancourt; Lauro Torres (Budget office)
Subject: Fwd: Draft Interlocal Lease Agreement

Mr. Crain:
As directed by CC, Mr. Valde Guerra scheduled a meeting with Mr. Arnold Patrick, Exec. Director of the HC Adult Probation Department to discuss the request to waive all lease fees for the new term of an ILA for the property housing HC Substance Abuse & Treatment Facility. Mr. Patrick has a deadline (Fri., 9-06-13) to submit his proposed contribution alternative to HC other than the historic rate of \$5K/month. As the current lease expired on 08-27-13 (with no holdover or extension options) we have drafted the attached document for your review and comment as to form in order to leave only the dollar amount for insertion when CC takes action on Tuesday 9-10-13.
Thanks,
Marty S.

From: "Evangelina Garcia" <evangelina.garcia@co.hidalgo.tx.us>