

LEASE AGREEMENT

THIS AGREEMENT, made effective February ____, 2020 by and between the City of Laredo, a Municipal Corporation, hereinafter called "Lessor" and the Webb County Head Start Program, hereinafter called "Lessee", witnessed:

Lessor, for and in consideration of the rent hereinafter specified to be paid by Lessee, and the covenants and agreements hereinafter contained, by the Lessee to be kept and performed, lease to Lessee, the following properties:

| | | |
|-------------------------|-----------------------|---|
| Jesus Garcia Head Start | 2518 Cedar Avenue | Lots 1, 2, 3 and 4, Block 321, Eastern Division City of Laredo, Webb County Texas |
| Tatangelo Head Start | 2200 Zacatecas Street | Lots 7,8,9,10,11, and 12, Block 1302, Eastern Division City of Laredo, Webb County Texas |
| Villa Alegre Head Start | 3501 Eagle Pass | Lots 6, 8, W ½ of Lots 5 and 7, N 56' of Lot 4, and W ½ of Lot 3, Block 912, Western Division City of Laredo, Webb County Texas |
| Coordinators Annex | 2802 McDonell Avenue | Lot 5 & 6, Block 113, Eastern Division, City of Laredo, Webb County, Texas |

For the use of Lessee's Head Start Centers at the locations referenced above on the following terms and conditions:

1. **TERM, RENTAL ESCALATION, OPTION & HOLDING OVER:**
 - A. The term of this lease shall be for ONE (1) YEAR
 - B. The lease shall commence February ____, 2020 and shall terminate on January ____, 2021.
 - C. Lessor also grants Lessee an option to renew this lease for an additional One (1) year period, provided that the Lessee gives Lessor written notice that it wishes to exercise said option. Not less than thirty days prior to the expiration of the primary term.
 - D. Any holding over after the expiration of the term of the lease, [or after expiration of term of lease as renewed, if it is renewed] shall be from month-to-month.
 - E. Without waiving other rental escalation provisions in this contract, monthly rentals may be adjusted annually during the extension periods by an amount which is equivalent to the percent change in the Consumer Price Index (CPI) from the preceding calendar year's average.
2. **RENTAL:** Lessee covenants and agrees to pay to Lessor as rent for the said premises the sum of THREE THOUSAND THIRTY FIVE DOLLARS AND TWENTY NINE CENTS (\$3,035.29) per month, due and payable upon the first day of each month, commencing February ____, 2020.

| | | |
|-------------------------|-----------------------|----------|
| Jesus Garcia Head Start | 2518 Cedar Avenue | \$928.00 |
| Tatangelo Head Start | 2200 Zacatecas Street | \$635.71 |
| Villa Alegre Head Start | 3501 Eagle Pass | \$921.58 |
| Coordinators Annex | 2802 McDonell Avenue | \$550.00 |

3. **PURPOSE:** Said premises shall be used by the Lessee to provide such services as the Head Start Program for Child Development.
4. **IMPROVEMENTS:** Lessee may, at Lessee's sole cost and expense, make such changes, alternations or improvements (including the construction of buildings) as may be necessary to fix existing needs; provided however, that no change, alternation or improvement may be so made without the prior written approval of the City Manager; and all permanent buildings, fixtures and improvements of every kind and nature whatever installed by the Lessee shall remain the property of Lessor. Any improvements not permanent in nature made by Lessee can be removed in such a manner as not to injure or damage the demised premises; and provided further, that should Lessee fail to remove said building, fixtures or improvements as above provided, Lessor

at its option, may require Lessee to remove the same, in the event that Lessee shall fail to remove said buildings, fixtures the same upon termination of the lease, provided that such removal shall be done in such a manner as not to injure or damage the demised premises; and provided further, that should Lessee fail to remove said buildings, fixtures or improvements as above provided, Lessor at its option, may require Lessee to remove the same, in the event that Lessee shall fail to remove said buildings, fixtures and improvements after receipt of notice from Lessor. Lessor may remove the same and dispose of the same as it sees fit, and Lessee agrees to sell, assign, transfer and set over to Lessor all of Lessee's right, title and interest in and to said buildings, fixtures, improvements and any personal property not removed by Lessee, for the sum of ONE DOLLAR (\$1.00). Lessee further agrees that should Lessor remove said buildings, fixtures and improvements as above provided that Lessee will pay Lessor upon demand the cost of such removal plus the cost of transportation and disposition, thereof.

5. RESERVATIONS BY LESSOR: The Lessor reserves the right to require and make modifications to the leased land for the benefit of the public as Lessor determines and for such purpose the Lessor shall have right of ingress to and egress from the leased land to make any such modification. The Lessor further reserves the right to maintain all current utility lines located in the leased premises. The Lessor further reserves the right to construct additional utility lines either by itself or my its licensees or franchises in and through the leased land, such construction or installation of any additional utility lines must be preceded by fifteen (15) days written notice to Lessee. Any maintenance or construction work done by Lessor or its licenses or franchises will be done with an effort to minimize any damage to or interference with any improvements hereinafter installed on the leased land by the Lessee; however, it is understood and agreed by Lessee, that in no event shall Lessor be responsible to Lessee for any damage to the leased premises or for any damage to the leased land or for any interference with its use by Lessee, arising out of any maintenance, construction or installation of utility lines on the leased land whether by Lessor or its licensees or franchisees.
6. RESERVATIONS BY LESSEE: The Lessee reserves right to terminate the lease of any or all of the listed properties at any time after providing a 60 day written notice to the Lessor in accordance with notice provisions set forth in Paragraph 12.
7. REPAIRS-MAINTENANCE: Lessee represents that Lessee has inspected and examined the leased land and accepts them in the present condition, and agrees that Lessor shall not be required to make any improvements or repairs whatsoever in or upon the premises hereby leased; Lessee agrees to make any and all improvements and repairs at Lessee's sole cost and expense, and agrees to keep said land safe and in good order and condition at all times during the term hereof. Lessee shall maintain seeded and/or sodded and well-watered and mowed landscaping to all premises and prevent erosion from occurring and upon termination of this Lease, the Lessee will quit and surrender possession of said premises quietly and peacefully; Lessee further agrees to lease said premises free from all nuisances and dangerous and defective conditions.
8. ASSIGNMENT AND MORTGAGE: Neither the leased premises nor any portion thereof, shall be sublet nor shall this Lease or any interest therein be assigned, hypothecated or mortgaged by Lessee, and any attempted assignment, subletting, hypothecation or mortgaging of this lease shall be no force or effect, and shall confer no rights upon any assignee, subleasee, mortgagee or pledge.
9. LIABILITY: LESSEE shall, at its own expense, during the term of this lease, keep the leased premises insured against loss or damages by fire or other casualty.
 - 1.1. LESSEE shall furnish the City with original copies of valid insurance policies herein required upon execution of the contract and shall maintain said policies in full force and effect at all times throughout the term of this contract.
 - 1.2. Commercial General Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence and \$2,000,000 general aggregate for bodily injury and property damage, which coverage shall include products/completed operations (\$1,000,000 products/ completed operations aggregate), and XCU (Explosion, Collapse, Underground) hazards. Coverage must be written on an occurrence form. Contractual Liability must be maintained covering the Lessees obligations contained in the contract. The general aggregate limit must be at least two (2) times the each-occurrence limit.

- 1.3. Workers Compensation insurance at statutory limits, including Employers Liability coverage a minimum limits of \$1,000,000 each-occurrence each accident/\$1,000,000 by disease each-occurrence/\$1,000,000 by disease aggregate.
- 1.4. Commercial Automobile Liability insurance at minimum combined single limits of \$1,000,000 per-occurrence for bodily injury and property damage, including owned, non-owned, and hired car coverage.
- 1.5. A Comprehensive General Liability insurance form may be used in lieu of a Commercial General Liability insurance form. In this event, coverage must be written on an occurrence basis, at limits of \$1,000,000 each-occurrence, combined single limit, and coverage must include a broad form Comprehensive General Liability Endorsement, products/completed operations, XCU hazards, and contractual liability.
- 1.6. With reference to the foregoing insurance requirement, Lessee shall specifically endorse applicable insurance policies as follows:
- 1.7. The City of Laredo shall be named as an additional insured with respect to General Liability and Automobile Liability.
- 1.8. All liability policies shall contain no cross liability exclusions or insured versus insured restrictions.
- 1.9. Webb County agrees to waive our right to subrogate against the City for damages caused by our sole negligence and our joint negligence. Webb County retains the right to subrogate against the City for damages cause by the City's sole negligence.
- 1.10. All insurance policies shall be endorsed to require the insurer to immediately notify The City of Laredo of any material change in the insurance coverage.
- 1.11. All insurance policies shall be endorsed to the effect that The City of Laredo will receive at least sixty-(60) days' notice prior to cancellation or non-renewal of the insurance.
- 1.12. All insurance policies, which name The City of Laredo as an additional insured, must be endorsed to read as primary coverage regardless of the application of other insurance.
- 1.13. Required limits may be satisfied by any combination of primary and umbrella liability insurances.
- 1.14. Lessee may maintain reasonable and customary deductibles, subject to approval by The City of Laredo.
- 1.15. Insurance must be purchased from insurers that are financially acceptable to the City of Laredo.
- 1.16. All insurance must be written on forms filed with and approved by the Texas Department of Insurance. Certificates of Insurance shall be prepared and executed by the insurance company or its authorized agent and shall contain provisions representing and warranting the following:
- 1.17. Sets forth all endorsements and insurance coverages according to requirements and instructions contained herein.
- 1.18. Shall specifically set forth the notice-of-cancellation or termination provisions to The City of Laredo.

Upon request, Lessee shall furnish The City of Laredo with certified copies of all insurance policies. Certificates and insurance are subject to review and approval from the City of Laredo Risk Management department.

However, LESSEE shall maintain public liability insurance at all times throughout the term of this lease. LESSOR reserves the right to make its acceptance of an insurance company a condition of this lease such

that

disapproval or revocation of approval thereof shall authorize Lessor to terminate this lease.

10. TERMINATION BY LESSOR OR LESSEE: Lessor or Lessee may terminate this lease at any time by serving upon Lessee in the manner hereinafter provided in Paragraph 12, a written notice of its election so to terminate, which said notice shall be served at least 60 days prior to the date in said notice named for such termination.
11. DEFAULT: In the event that Lessee shall be in default of any payment of rent or in the performance of any of the terms or conditions herein agreed to be kept and performed by Lessee, then in that event, Lessor may terminate and end this lease, within a 30 day notice and Lessor may enter the said premises and remove all persons and property there from; in the event Lessor shall bring a legal action to enforce any of the terms hereof, or to obtain possession of said premises by reason of any default of Lessee, or otherwise, Lessee agrees to pay Lessor all costs of such legal action, including reasonable attorney's fees and/or court costs.
12. NOTICES: Any notices which are required hereunder, or which either Lessor or Lessee may desire to serve upon the other, shall be in writing and shall be deemed served when delivered personally, or when deposited in the United States mail, postage prepaid, return receipt requested, addressed to Lessee as follows:

To Lessee:

County Judge
County of Webb
1000 Houston Street
Laredo, Texas 78040

Xerox copy to:

Aliza Oliveros, Director,
Webb County Head Start Program
5904 West Drive, Unit 6 & 7
Laredo, Texas 78041

To Lessor:

The City Manager
City Hall
1110 Houston St.
Laredo, Texas 78040

Xerox copy to:

City Attorney
City Hall
1110 Houston Street
Laredo, Texas 7800.

13. WAIVER: Waiver by Lessor of any default in performance by Lessee of any of the terms, covenants or conditions contained herein, shall not be deemed a continuing waiver of the same of any subsequent herein.
14. COMPLIANCE WITH LAWS: Lessee agrees to comply with all the laws, ordinances, rules and regulations, which may pertain or apply to the leased land and the use thereof.
15. LESSOR MAY ENTER: Lessee agrees that Lessor, its agents or employees, may enter upon said premises at any time during the life of this lease for the purpose of inspection and for the purposed stated in Paragraph 5, above, with the understanding that said work will be performed in such a manner as to cause a minimum interference with the use of the property by the Lessee.
16. MECHANIC'S LIENS: Lessee agrees that at least five (5) days before any construction work, labor or materials are done, used or expended by Lessee or on Lessee's behalf by any person, firm or corporation or by any contractor, that Lessee will post and record, or cause to be posted and recorded, as provided by law, a notice of non-responsibility on behalf of Lessor, giving notice that the Lessor is not responsible for any work, labor or materials used or expended, or to be used or expended on the leased land.
17. ENTIRE AGREEMENT: This lease incorporates the entire agreement of the parties.
18. NO WAIVER: the failure on the party of either party to exercise or to delay in exercising, and no course of dealing with respect to any right hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any other right. The remedied provide herein are cumulative or not exclusive of any remedies provided by law or in equity.

19. COMPLIANCE WITH ALL LAWS: The parties agree to comply with all applicable federal, state and local statutes, ordinances, rules and regulations with regard to the Head Start Program for which the leased premises are used by Lessee.

SIGNED, IN DUPLICATE ORIGINALS, ON THE THIS ____ DAY OF _____, 2020.

LESSOR: CITY OF LAREDO

BY: _____
Rosario Cabello
Interim Co-City Manager

BY: _____
Robert A. Eads
Interim Co-City Manager

LESSEE: WEBB COUNTY HEAD START PROGRAM

BY: _____
Tano E. Tijerina
Webb County Judge

CITY SECRETARY

By: _____
Jose A. Valdez, Jr.
City Secretary

COUNTY CLERK

By: _____
Margie Ramirez Ibarra
Webb County Clerk

APPROVED AS TO FORM:

By: _____

Kristina Laurel Hale
City Attorney

APPROVED AS TO FORM:

By: _____

Director of Civil/Legal Division

Final Reading of Ordinances 11.

City Council-Regular

Meeting Date: 02/03/2020

Initiated By: Rosario Cabello, Co-Interim City Manager

Initiated By: Rosario C. Cabello, Co-Interim City Manager

Staff Source: Tina Martinez, CD Director

SUBJECT

2020-O-013 Authorizing Co-Interim City Managers to execute the renewal of a lease agreement with Webb County for its Head Start Program for the following parcels of land, at their current rate for a one (1) year term, as referenced below.

| | | | |
|-------------------------|------------------------|--------------------|--|
| Jesus Garcia Head Start | 2518 Cedar Avenue | \$900.00 per Month | |
| Tatangelo Head Start | 2200 Zacatecas Street | \$616.00 per Month | |
| Villa Alegre Head Start | 3501 Eagle Pass Avenue | \$893.00 per Month | |
| Coordinators Annex | 2802 McDonell Avenue | \$550.00 per Month | |

Leases will be renewed for a one (1) year term with an option to renew for an additional term of one (1) year at a new adjusted rate based on the Consumer Price Index (CPI); Providing for an effective date.

PREVIOUS COUNCIL ACTION

During the City Council meeting of January 21, 2010, by motion, Council authorized staff to proceed as presented.

BACKGROUND

On April 2, 2012, Ordinance No. 2012-O-053 authorized the initial lease of the parcels. The Webb County Head Start Program has requested the City of Laredo's consideration to renew their existing rental space of the above-mentioned parcels of land.

Webb County has agreed to the renewal terms and extension option.

The Real Estate Division finds that it would be in the best interest of the City of Laredo to execute the lease agreement with Webb County in order to continue serving the children of the community.

COMMITTEE RECOMMENDATION

N/A

STAFF RECOMMENDATION

Passage of the Ordinance as presented.

Fiscal Impact

Fiscal Year:

Budgeted Y/N?:

Source of Funds:

Account #:

Change Order: Exceeds 25% Y/N:

FINANCIAL IMPACT:

Funds will be deposited into 101-0000-361-2013 (CAA Headstart Program).

Attachments

Ordinance 2020 O 013

Webb County Agreement
