

THE STATE OF TEXAS §

COUNTY OF UPSHUR §

INTERLOCAL AGREEMENT
FOR THREE (3) YEAR LEASE OF THE
OLD GILMER ISD ADMINISTRATION BUILDING CAMPUS
LOCATED AT 500 SOUTH TRINITY STREET
GILMER, TEXAS

BACKGROUND

This Agreement is between Upshur County, Texas ("COUNTY") acting by and through its duly authorized County Commissioners Court, and the Gilmer Independent School District ("GILMER ISD"), acting by and through its duly authorized representative, the Superintendent of schools.

WHEREAS, the COUNTY will begin a major renovation of the original Upshur County Courthouse on the square in Gilmer, Texas beginning on or about January 1, 2023 which will require the relocation of all county departments and county employees currently housed in the Upshur County Courthouse for a period of three (3) calendar years between January 1, 2023 and December 30, 2025; and

WHEREAS, the GILMER ISD currently does not utilize any of the buildings or acreage known as the OLD GILMER ISD Administration Building and campus from which the GILMER ISD has vacated current operations; and

WHEREAS, the Old Administration Building and campus is not currently being maintained for use for classroom instruction and the lease of said premises to the COUNTY for said period of time would greatly assist in maintaining said property; and

WHEREAS, the COUNTY is in dire need of the Old Administration Building and campus to relocate all county operations currently being conducted in the Upshur County Courthouse which can no longer be conducted there due to the renovation of the Courthouse; and

WHEREAS, the Interlocal Cooperation Act contained in Chapter 791 of the Texas Government Code provides legal authority for the parties to enter into this Agreement; and

WHEREAS, during the performance of this Agreement and of the governmental functions contemplated hereby, both the Upshur County Commissioner's Court and the GILMER ISD each make the following findings:

A) That this Agreement serves the common interests of both parties;

B) This Agreement will benefit the public;

C) The division of costs, as well as the obligations undertaken by each party, fairly benefits and compensates both parties to this agreement, i.e., the COUNTY will upgrade the property for office use to prevent further dilapidation of some of the facilities and will insure the Administrative Building against loss, thereby saving GILMER ISD from further financial burden to either upkeep the property or to have it demolished; and

D) The Upshur County Commissioner's Court and the GILMER ISD have authorized their representatives to sign this Agreement.

NOW, THEREFORE, LET ALL WITNESS THIS LEASE BY AND BETWEEN UPSHUR COUNTY, TEXAS AND THE GILMER ISD;

BY THIS DOCUMENT BOTH AGREE AS FOLLOWS:

THREE YEAR LEASE AGREEMENT

1) This Lease is entered into between GILMER ISD and Upshur County, Texas. GILMER ISD is hereinafter referred to as the "Landlord", and Upshur County, Texas is hereinafter referred to as the "Tenant". Occasionally the Landlord may be referred to as "GILMER ISD" and Upshur County, Texas as the "COUNTY".

2) In consideration of the mutual covenants and agreements of this lease, and other good and valuable and obvious consideration, GILMER ISD demises and leases to Upshur County, Texas, and Upshur County, Texas leases from GILMER ISD, the premises situated at 500 South Trinity Street in Gilmer, Upshur County, Texas commonly known or referred to as the Old GILMER ISD Administration Building, the Trinity Street Gymnasium, and Campus, which constitutes 5.18 acres, more or less, and legally described as Lots 3-6, 11-13, of BLOCK 79 of the OLD TOWN OF GILMER, and being the same property identified as Property ID: 44125 according to the Upshur County Appraisal District, and all other improvements located thereon, all of which real property is hereinafter referred to generally as "the premises" or "the leased premises" in this document.

3) The term of this lease is three (3) calendar years, for the years 2023, 2024 and 2025, and begins on January 1, 2023, and ends on December 30, 2025, unless terminated sooner as provided in this lease.

4) The COUNTY will pay GILMER ISD the sum of One Dollar (\$1.00) per year as fixed rent for the premises, and the rent will be due on the 1st business day in January of 2023, 2024 and 2025. The County may prepay the rent for the entire lease term of Three Dollars (\$3.00) on the 1st business day of January, 2023.

5) The COUNTY may use the premises for all lawful purposes during the lease term, which will primarily be county departmental operations. The COUNTY will not use, or permit the use of, the premises in any manner that results in waste of the premises, harm to the premises or which constitutes a nuisance or for any illegal purpose.

6) The COUNTY will maintain the premises and keep them free from further waste and nuisance, and further will maintain all electrical, plumbing, heating and air conditioning systems, and the like. The COUNTY will maintain the walkways surrounding any of the buildings, the stairways and any and all necessary replacements of these items.

7) The COUNTY will pay all utility charges for water, electricity, heat, air conditioning, natural gas, telephone services and internet services in and about the premises during the lease term. The COUNTY will pay the charges directly to the utility company or municipality furnishing said services before any of such charges shall become delinquent. The COUNTY will transfer all of said services into the COUNTY's name and any charges or expenses for said utilities will be prorated by and between the parties up to the 1st business day of January, 2023. The COUNTY will further pay for garbage removal from the premises during the lease term.

8) The COUNTY may make all necessary alternations, additions to, changes of, and improvements to any of the leased premises for which it has Landlord's prior consent by virtue of this document. All of such alternations, additions or improvements made by the COUNTY will become the Landlord's property when this lease terminates, unless the COUNTY exercises its option to purchase the premises as hereinafter set forth. Further, if any alternations, additions or improvements to the premises are mandated by legal requirements related to the accessibility by persons with disabilities the COUNTY will be solely responsible for making such changes.

9) The COUNTY may erect signs on any portion of the premises, including but not limited to exterior walls, interior walls and the like. The COUNTY will not permit any mechanic's lien to be placed on the premises or any improvements installed on the premises. If a mechanic's lien is filed on the premises or improvements for any reason by virtue of the COUNTY's use of the premises, the COUNTY will promptly either pay for or indemnify the Landlord from any such lien.

10) The COUNTY will at its own expense, during the lease term, keep the Administration Building insured against loss or damage by fire, wind, storm or theft with extended coverage, at an agreed amount during each year. Insurance coverage will also cover any direct loss by wind, storm, hail, explosion, riot, civil commotion, aircraft vehicles, smoke or water damage by one or more insurance companies authorized or admitted to do business in Texas. Any insurance policy must name both the COUNTY and the Landlord as named insureds. Any proceeds for loss or damage to the Administration Building shall be used for the repair and restoration of the building.

11) The Landlord shall have the right to enter the premises at all reasonable times for the purpose of inspection, maintenance, or inspecting repairs or alterations to the premises, or for any other purposes necessary to protect Landlord's interest in the premises or to perform its duties under this lease. The Landlord may come and go onto the premises to access any closed areas to which only the Landlord has access to or the key, such as the locked storage room on the second floor of the main building during normal business hours.

12) Both the COUNTY and the Landlord are under the protection of governmental immunity from lawsuits and also known at the common law as sovereign immunity. Nevertheless, the COUNTY will indemnify and hold the Landlord harmless against any claims, demands, damages, costs, expenses including reasonable attorney's fees for defending the claims and demands, which may arise from the conduct or management of the COUNTY's business on the premises or from the COUNTY's use of the premises. This indemnity includes any act which may be allegedly committed by the COUNTY as the tenant, any of its agents, contractors, employees or the like. If any such action or proceeding is brought against the Landlord by reason of any such claim, upon being provided notice from the Landlord, the COUNTY will defend the action or proceeding by counsel mutually agreeable to both parties.

13) Summary of Lease Agreement. The COUNTY's use of the premises for the three year period of time stated herein is intended to be at no cost or obligation of GILMER ISD whatsoever. The primary consideration to GILMER ISD is that the premises will be somewhat cleaned up, updated and used, thereby saving the Landlord the cost of demolition of the premises, insuring the premises, or paying for utilities associated with the premises. All of those actions called for on the part of Upshur County is a material inducement for the Landlord to enter into this lease agreement. Likewise, the COUNTY's use of the premises for said three year term for county operations is a material inducement for the COUNTY to enter into this lease agreement. This lease agreement mutually benefits both parties to this lease. The COUNTY has pledged to GILMER ISD that if it does not purchase the premises as hereinafter

provided from the Landlord, that it will return the premises to the Landlord in better condition than when the COUNTY received the use of the premises.

14) Right to Purchase. Upshur County, Texas is hereby given the option of purchasing the premises described hereinabove from GILMER ISD for the fair market value of same, to be tendered to GILMER ISD on or before December 30, 2025. The COUNTY shall notify GILMER ISD if it intends to exercise this option to purchase no later than June 30, 2025. Should the COUNTY elect to purchase the premises, it will be solely responsible for the payment of all surveys of the property, the preparation of legal documents necessary to facilitate the sale, and any commercial real estate appraisals necessary to establish the fair market price. If the parties cannot agree as to the fair market value of the property, the COUNTY will procure a commercial real estate appraisal to establish the price at the COUNTY'S expense. If the Landlord does not agree to the fair market value established in the first appraisal, the Landlord will have the right to obtain its own commercial real estate appraisal performed which cost will also be paid by the COUNTY. The fair market value will then be established in the middle of both appraisals, or the mean average thereof. Each appraisal shall be performed by a qualified commercial real estate appraiser licensed in the State of Texas.

If the COUNTY does not elect to purchase the property as allowed hereinabove, all improvements and additions to the property shall be forfeited back to the Landlord, GILMER ISD. This provision shall not be construed to include any office equipment, furniture or plugged in appliances which do not otherwise qualify as fixtures.

15) All legal notices to the COUNTY shall be made to the Office of the Upshur County Judge, P.O. Box 730, Gilmer, Texas 75644. All legal notices to GILMER ISD shall be sent to the Office of the Superintendent, 245 North Bradford Street, Gilmer, Texas 75644.

16) The effective date of this agreement shall be January 1, 2023. This lease agreement does not automatically renew for like terms after the expiration of the three year period of time stated herein.

17) There shall never be any waiver of immunity by either party under any legal theory unless both parties agree to same in writing. Neither party may waive the immunity of the other party in connection with any matter that in any way relates to or touches the performance called for by this agreement.

18) Although unimaginable, if litigation should come forth as the result of either party's obligations under this agreement, venue of any such proceeding shall lie exclusively in Upshur County, Texas. The parties do not enter into this agreement to protect any specific third party. The intent of this

agreement excludes the idea of a suit by a third party beneficiary. The parties to this agreement do not consent to the waiver of sovereign immunity under Texas law to the extent either party has immunity under Texas law. The relationship between the parties to this agreement does not create a partnership or joint venture between the parties. This agreement does not appoint any party as the agent for the other party.

TO CERTIFY THIS WRITTEN AGREEMENT, witness the signatures hereto below.

COUNTY OF UPSHUR:



Todd Tefteller, County Judge
Date: December 5, 2022



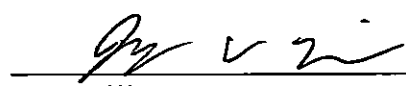
Gene Dolle,
Commissioner, Pct. 1



Michael Ashley
Commissioner Pct. 3

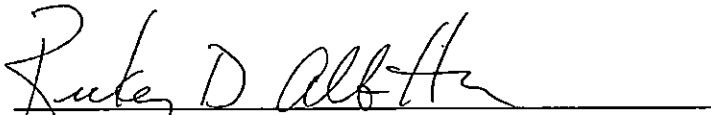


Dustin Nicholson,
Commissioner, Pct. 2



Jay Miller,
Commissioner, Pct. 4

GILMER INDEPENDENT SCHOOL DISTRICT:



Rick Albritton, Superintendent
Date: December 12, 2022

Attest:



GILMER ISD Secretary