SUBLEASE AGREEMENT - TORNILLO INDEPENDENT SCHOOL DISTRICT

SUBLANDLORD: Tornillo Independent School District

P.O Box 170

Tornillo, Texas, 79853

Email:

SUBTENANT: County of El Paso, Texas.

Email:

FOR: Sublease of Premises.

PREMISES: Coyote Park, being 8.81 acres of land, more or less, lying in Section 10,

Block L, University Lands, El Paso County, Texas, and located at 600

O.T. Smith Road in Tornillo, Texas.

APPROXIMATE TOTAL ACREAGE RENTED TO TENANT: 8.81 acres of land.

COMMENCEMENT DATE: July 1, 2025.

ENDING DATE: June 30, 2035, with two (2) options to renew for

successive 10-year terms as permitted in Paragraph

5 "Option to Renew."

MONTHLY RENT: NO DOLLARS AND NO CENTS (\$0.00).

UTILITIES TO BE PAID BY **SUBTENANT:** None. <u>Sub-Landlord</u> shall pay all utilities.

1. PREMISES:

Tornillo Independent School District ("SublLandlord" or "TISD"), for and in consideration of the covenants and agreements herein contained to be kept and performed by the parties, does hereby sublease to the County of El Paso, Texas ("SubtTenant" or "County"), the property known as Coyote Park, being 8.81 acres of land, more or less, lying in Section 10, Block L, University Lands, El Paso County, Texas, and located at 600 O.T. Smith Road in Tornillo, Texas, to include the use of any structures, buildings, facilities, parking areas, pathways, and other common areas (the "Premises") to have and to hold for the duration of the Sublease term.

2. BACKGROUND AND INTENT:

In 2015, TISD, as tenant and The University of Texas System Board of Regents doing business as University Lands ("Landowner" or "UTLands") as landlord, UTLands entered into that certain Commercial Lease No. 8954 with the effective date of July 1, 2015 with a 10-year land termlease for Coyote Park. In 2019, County and TISD entered into an interlocal ("2019 Interlocal"), running coterminous with the land lease and through 2038, relating to certain improvements and maintenance to Coyote Park, attached as Exhibit A. All rights and obligations under the 2019 Interlocal remain unchanged with respect to those specific improvements.

In 2024, the El Paso County, Texas voters approved the use of bond funds by County for various improvements to Coyote Park. In 2025, TISD and UTLands renewed the 10-year land lease for Coyote Park by way of that certain Commercial Lease No. 8954 with the effective date of July 1, 2025 ("Master Lease"), attached as Exhibit B. County and TISD now wish to enter into this land Sublease.

The parties expressly intend and agree that, in accordance with <u>the Master Lease</u>, this Sublease, the 2019 Interlocal, any voter-approved bond requirements, and any other applicable agreement between them, County will control, occupy, use, and improve the Premises and TISD will maintain and make repairs to the Premises.

Additionally, it is the express intent of the parties to fully comply with any and all laws, rules, and regulations relating to voter-approved bonds and bond funds usage, and any interpretation of this Sublease shall be consistent with this intent.

The Recitals set forth above are true and correct and are incorporated into this Sublease as binding agreements of the parties. All Sublease exhibits are attached hereto and incorporated for all purposes by this reference.

3. RENT/CONSIDERATION:

No monetary rent or other financial consideration shall be paid by County to TISD for use of the Premises. The parties acknowledge and agree that County's activities and operations at the Premises are sufficient, valid, and binding consideration for this Sublease, and are consistent with the best interests of the public.

4. **USE**:

County shall continuously use, control, and occupy the Premises <u>solely</u> for the purpose of a Public Education Facility and for purposes <u>reasonably</u> incidental thereto. County shall be entitled to ingress and egress of the Premises and to use any existing or future improvements on the Premises for recreational, education, and other open uses consistent or incidental with the intended purposes.

In order to comply with laws, rules, and regulations relating to the use of voter-approved

bond funds on improvements at the Premises, parties acknowledge and expressly agree that at all times during the Sublease: 1) the Premises shall remain open to the public, 2) County shall have substantial control of the Premises, and 32) County shall have full access to the Premises and its facilities and improvements solely for the purpose of a Public Education Facility and for purposes reasonably incidental theretoany purpose, including without limitation, to make or supervise maintenance, repairs, alterations, or additions to the Premises and its facilities and improvements. County is expressly granted the right to schedule, operate, and control events at the Premises. This Sublease is subject and subordinate at all times to the Master Lease between TISD and UTLands, and County agrees to comply with all applicable terms of the Master Lease.

5. OPTION TO RENEW:

County is hereby granted two (2) options to renew this Sublease for successive ten (10) year terms, each a ("Renewal Term")under the same terms and conditions. Notice shall be given on or before ninetythirty (930) days before the expiration of a term, and within tenfive (105) days after receipt thereof, TISD shall deliver to County a notice of confirmation of the Sublease renewal, provided, that County shall not have defaulted under the terms of this Sublease for the Renewal Term to be exercisable. The Renewal Term shall be on the same terms and conditions contained in this Sublease except that TISD may make any necessary changes to such terms to comply with its internal policies and/or applicable law. Any termination of this Sublease at any time shall terminate all rights of renewal or extension hereunder and shall release the parties from further liability hereunder except for any obligations which by their express terms survive the termination or expiration of this Sublease.

6. TAXATION:

County, TISD and UTLands are all political subdivisions of the State of Texas, and therefore the Premises are exempt from taxes. To the extent any such taxes (whether categorized as ad valorem, real property, personal property, roll back or similar taxes) are due and owing as a result of the Improvements or County's use thereof, County shall be responsible and shall pay before delinquency all such amounts to the applicable authorities. County shall not be liable for any taxes from which it is exempt due to its status as a tax-exempt political subdivision of the State of Texas. The County's Tax Identification Number is 746000762.

7. UTILITIES:

TISD shall pay for the following utilities necessary for the use of the Premises: sewer, water, gas and electricity. All other utilities shall be the sole responsibility of County, to include any utilities required by any improvements. TISD shall pay all utilities.

8. INSURANCE:

County is self-insured for liability and workers' compensation coverage. County will provide to TISD evidence of coverage upon request. County shall maintain such coverage or equivalent throughout the term of this Sublease. Nothing herein shall be construed to require TISD to provide or pay for insurance covering County's activities, personnel, or operations at the Premises. County shall be responsible at its sole cost for timely satisfying all insurance requirements required of TISD under the Master Lease.

9. MAINTENANCE, REPAIRS, ALTERATIONS, AND ADDITIONS:

- a. Definitions.
 - i. <u>Repair:</u> To mend or bring back that which was broken, damaged, or defective as near as possible to its original working order.
 - ii. <u>Maintenance or Maintain</u>: Scheduled, periodic, work that is necessary to sustain or support safe, efficient, continuous operations, or to prevent the decline, failure, lapses, or deterioration of the Premises or improvements. Maintenance or Maintain includes repair work that is routine in nature but excludes capital or structural replacements unless expressly assigned.
- b. Maintenance and Repairs. All rights and obligations established under the 2019 Iinterlocal continue unaffected as to those certain improvements described therein and herein. As regards the Premises and improvements not subject to the 2019 Interlocal or as otherwise provided in Section 10 herein, TISD shall commence required repairs as soon as reasonably possible after written notice by County or though observation by TISD and complete such repairs within the timeframes set out in Section 10. Except for damage caused by negligent or intentional act or omission of County, TISD, at its own expense, shall keep in good condition and maintain and repair: bond-funded improvements, existing improvements and structures, sidewalks, landscaped areas, fences and structural walls, parking and driveway areas, glass, roof, foundation, and exterior plumbing up to the point plumbing lines enter the building, interior plumbing such as ruptured lines or stoppage in sewage by roots or line breakage. In addition to any other repair obligations of County as provided elsewhere in this Leases, County shall be responsible for maintaining and repairing bond-funded improvements, fixtures, equipment, or personal property. If County causes stoppage, County shall promptly repair the stoppage at County's expense. Fixed equipment such as air conditioning, ventilation, heating, "HVAC" systems, and water heater are to be maintained by TISD only to the extent of ordinary servicing and preventive care; major repairs, replacements, or upgrades shall be the responsibility of County, along with electrical power sources, except for public power lines. TISD shall not make any changes to the premises which materially impair the size or dimensions of the demised Premises nor shall TISD make any changes to the aggregate amount of the parking space without prior consent of County. Such consent shall not be unreasonably withheld, conditioned, or delayed.

- c. Alterations and Additions. County shall obtain TISD's prior written consent before making any alterations, additions, improvements, or utility installations in, on, or about the Premises, except for non-structural alterations. Any alterations, or additions shall be done in a good and workmanlike manner in accordance with all applicable legal requirements.
- **d.** County shall keep the interior of Premises not required to be maintained by TISD in good and sanitary order, damage by unavoidable casualty excepted.

Upon expiration of this Sublease, County shall surrender the Premises in the same condition as received, except for ordinary wear and tear, and damage by fire, flood, water runoff, earthquake, act of God, unavoidable casualty, or the elements alone. County, at its sole cost and expense, shall promptly agrees to repair any damage to the Premises caused by or in connection with the removal of any articles of personal property, business or trade fixtures, machinery equipment, or permanent improvements or additions.

10. DAMAGE AND DESTRUCTION:

- **a.** Notwithstanding anything herein to the contrary, TISD shall not be responsible for loss or damage to fixtures, equipment or other improvements or property installed or placed by County on the Premises, except where such damage is due to TISD's negligence or willful failure to maintain or make repairs.
- b. Partial Damage. TISD shall repair such damage as soon as reasonably possible and this Sublease shall continue in full force and effect. TISD's obligations shall be limited to routine maintenance items as set forth in this Sublease; County shall be responsible for all other repairs, including those relating to bond-funded improvements, and County's fixtures, equipment, or personal property. This Sublease shall remain in effect during such repairs provided they can reasonably be completed within ninety (90) days; if repairs require more than ninety (90) days, the parties shall confer in good faith regarding termination. TISD shall not be deemed in breach of this Sublease for any delay in repairs caused by circumstances beyond its reasonable control, including shortages of labor, materials, insurance proceeds, or acts of God. For purposes of this provision, minor repairs shall be completed within thirty (30) days and major repairs shall be completed within sixty (60) days of the damage. Failure to make timely repairs shall be considered a breach of this Sublease.
- c. Total Destruction. If during the term of this Sublease, the Premises shall be damaged or destroyed from any cause, so as to render un-tenantable more than fifty percent (50%) of the floor area, the parties shall confer in good faith to determine whether repair or reconstruction is feasible within a reasonable time and consistent with applicable requirements. If repair or reconstruction is feasible, this Sublease shall

remain in effect and the responsible party shall promptly proceed with such repairs at its expense. If repair or reconstruction is not feasible, either party may elect to terminate this Sublease upon written notice to the other. Termination shall not relieve County of its obligations to remove its property and restore the Premises to a safe condition, nor shall it relieve either party of any obligations accrued prior to the date of destruction. County reserves the right to automatically terminate the Sublease as of the date of such total destruction.

11. LANDOWNER CONSENT:

This Sublease is contingent upon written consent from the Landowner, which shall be attached as Exhibit C. TISD also represents and warrants to County that it has paid or will pay all required sublease fees and fulfilled all conditions and obligations set by the Landowner to allow the Premises to be subleased to County.

12. GOVERNMENTAL FUNCTION:

The parties expressly agree that, in all things relating to this Sublease, <u>TISD and</u> County <u>areis</u> performing a governmental function, defined by the Texas Tort Claims Act. The parties further expressly agree that every act or omission of <u>TISD and</u> the County, <u>respectively</u>, which in any way pertains to or arises out of this Sublease is within the definition of governmental function.

13. GOVERNMENTAL PROTECTIONS:

Nothing in any of the Sublease terms and conditions modifies or waives any governmental or official immunity or limitation of liability enjoyed by County, its elected officials, or employees at common law or under other Texas law. The parties expressly understand that each is a political subdivision of the State of Texas, and nothing in this Sublease will be construed as a waiver or relinquishment by County, its elected officials, or employees or by TISD, its Board of Trustees, Superintendent, administrators, officers, or employees; of their right to claim such exemptions, privileges and immunities, if any, as may be provided by law.

14. COMPLIANCE WITH LAW:

Both County and TISD shall comply with all applicable federal, state, and local laws, statutes, ordinances, regulations, and codes in connection with the use, occupancy, operation, improvement, and maintenance of the Premises.

15. NO THIRD-PARTY BENEFICIARIES:

This Sublease does not confer or create any rights or obligations to any third party.

16. GOVERNING LAW AND VENUE:

The laws of the State of Texas shall govern the validity, construction, interpretation, and effect of this Sublease. Sole and exclusive venue and jurisdiction shall lie in El Paso County, Texas.

17. ENTRY BY **SUB**LANDLORD:

TISD shall have the right at reasonable times to enter the Premises to inspect, maintain, repair, or make alterations or additions to the Premises. <u>During any apparent emergency</u>, <u>TISD may enter the Premises without liability therefor and without in any manner affecting County's obligations under this Sublease. Nothing herein contained, however, shall be deemed to impose upon TISD any obligation, responsibility or liability whatsoever, for any care, maintenance or repair except as otherwise herein expressly provided.</u>

18. HOLDOVER:

If County remains in possession of all or any part of the Premises after the expiration of the Sublease term, this Sublease shall continue on a month-to-month basis terminable by TISD upon thirty (30) days' written notice. During any such holdover, County shall remain subject to all terms and obligations of this Sublease and shall be liable for any actual damages incurred by TISD as a result of the holdover, in addition to TISD's right to seek injunctive or other equitable relief.

19. NOTICES:

All notices or demands to be given by TISD or County hereunder shall be in writing and shall be deemed delivered a) the date of actual hand-delivery; or b) two (2) days after depositing the notice or demand in the U.S. mail, certified or registered, postage pre-paid, addressed to the party at the addresses listed on the final page of this Sublease.

20. CONTINGENCIEST FUNDING:

County is a political subdivision of the State of Texas, and as such adopts its budget according to State law for a period of one year beginning on October 1st and terminating on September 30th of each year. The improvements, actions, or programs which County may be conducting on the Premises may also be subject to contingent funding from other sources. In the event that sufficient funds are not included in the next annual budget or funds are cut off from other sources, or fiscal emergency, County may terminate this Sublease (without penalty or further payment) by giving written notice to TISD, effective immediately or on September 30th of the then-current fiscal year, whichever County determines to be most advantageous to its operations on the Premises.

Likewise, TISD is a political subdivision of the State of Texas, and County acknowledges

that this Sublease and its terms are subject to approval of TISD's Board of Trustees (which shall be attached as Exhibit D), and continued funding in accordance with applicable law. In the event that the Board of Trustees does not approve of this Sublease or its continued performance, or that sufficient funds are not available to TISD, TISD may terminate this Sublease (without penalty or further payment) by giving written notice to County, effective immediately or as of the end of the then-current fiscal year, at TISD's discretion.

21. MORTGAGES AND ESTOPPEL CERTIFICATE:

County's and TISD's rights under this Sublease shall remain undisturbed in the event of foreclosure or other event changing ownership or legal title to the Premises.

22. LIENS:

County and TISD shall keep the Premises free from any liens arising out of work performed, materials furnished, or obligations incurred by County or TISD.

23. ENVIRONMENTAL ISSUES:

Except with respect to County's regular course of conduct as a public education institution, any customary custodial or cleaning supplies, any existing building materials used for construction of the Portables, and in full compliance with applicable law, County shall not cause or permit any Hazardous Material to be brought upon, kept or used in or about the Premises by County, its agents, employees, contractors or invitees without the prior written consent of TISD which consent shall not be unreasonable withheld, condition or delayed. Any such Hazardous Materials allowed by this Section 23, or by TISD, will be used, kept and stored in a manner that complies with all laws regulating any such Hazardous Material so brought upon or used or kept in or about the Premises.

Hazardous Material. As used herein, the term "Hazardous Material" means any pollutant, toxic substance, regulated substance, hazardous waste, hazardous material, hazardous substance, oil, hydrocarbon, asbestos or similar item as defined in or pursuant to the Resource Conservation and Recovery Act, as amended, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Federal Clean Water Act, as amended, the Safe Drinking Water Act, as amended, the Federal Water Pollution Control Act, as amended, the Texas Water Code, as amended, the Texas Solid Waste Disposal Act, as amended, or any other federal, state or local environmental or health and safety related, constitutional provisions, law, regulation, ordinance, rule, or bylaw, whether existing as of the date hereof, previously enforced or subsequently enacted (collectively the "Environmental Laws").

County shall promptly, but in any event within five (5) days therefore, advise TISD in writing of (a) any governmental or regulatory actions instituted or, to County's actual knowledge, threatened under any Environmental Law affecting County or the Premises, (b) all claims made or threatened by any third party against County or the Premises relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any

Hazardous Materials, (c) the discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Premises that could cause the Premises to be classified in a manner which may support a claim under any Environmental Law, and (d) the discovery of any occurrence or condition on the Premises or any real property adjoining or in the vicinity of the Premises which could subject County the Premises to any restrictions in ownership, occupancy, transferability or use of the Premises under any Environmental Law. If County fails to timely take curative action and upon five (5) day advance written notice from TISD and opportunity to cure, TISD may elect to join and participate in any settlements, remedial actions, legal proceedings or other actions initiated in connection with any claims under any Environmental Law and to have its reasonable attorney's fees paid by County. At its sole cost and expense, County agrees when applicable or upon request of TISD to promptly and completely cure and remedy every violation of an Environmental Law caused by County, its agents, employees, contractors or invitees. The obligations of County under Section 23 shall survive the expiration or earlier termination of this Sublease.

24. **DEFAULT:**

If either party breaches this Sublease, the other party may exercise its rights and remedies as it may be entitled to under law or equity.

25. MISCELLANEOUS:

- a. Signs: County may, at County's expense, install signs approved by TISD. All signs shall be removed at the termination of this Sublease. Sign work shall be done in such a manner to avoid injury, defacement or overloading of the building.
- b. Severability: If any provision of this Sublease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Sublease shall not be affected thereby, and each term and provision of this Sublease shall be valid and be enforceable to the extent permitted by law.
- **c.** Assignment and Subletting: County shall not assign, sublet, transfer, pledge, or encumber this Sublease or any interest therein without the prior consent of TISD.
- d. Amendment: 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.
- e. County is prohibited by law from indemnifying or holding harmless TISD. County does not agree to indemnify or hold harmless TISD except to the extent expressly permitted by applicable law under any circumstances. TISD acknowledges that no tax, nor interest nor sinking fund has been set, adopted, or established for the payment of any indemnity or obligation. Likewise, TISD is prohibited by law from indemnifying or holding County harmless. TISD does not agree to indemnify or hold harmless County except to the extent expressly permitted by applicable law, and nothing herein shall be construed to waive or limit TISD's rights and remedies for County's breach of this Sublease, negligence, or willful misconduct. County

- acknowledges that no tax, nor interest nor sinking fund has been set, adopted, or established for the payment of any indemnity or obligation.
- f. County shall, subject to all zoning ordinances and other laws and regulations governing or regulating the use of the premises, and all easements, rights-of-way, and prescriptive rights, at all times have peaceable and quiet enjoyment and possession of the demised Premises.
- g. This instrument, and any attachments to it, constitutes the entire agreement between TISD and County relative to the Premises and this Sublease and the exhibits and attachments may be altered, amended or revoked only by an instrument in writing signed by the governing bodies of both TISD and County.

[signature page follows]

<u>SUB</u> I ENAN I	<u>SUB</u> LANDLUKD
COUNTY OF EL PASO, TEXAS	TORNILLO INDEPENDENT SCHOOL
	DISTRICT
<u>By:</u>	— <u>By:</u>
Ricardo A. Samaniego	Rosy Vega-Barrio
El Paso County Judge	Superintendent
Approved As to Form:	ATTEST:
Diana Shearer	Delia Briones
Assistant County Attorney	County Clerk
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EXHIBIT A

2019 INTERLOCAL AGREEMENT BETWEEN TISD & COUNTY FOR IMPROVEMENTS AND MAINTENANCE TO COYOTE PARK (see attached)



<u>**EXHIBIT B**</u>
UNIVER<u>S</u>ISTY OF TEXAS SYSTEM COMMERICAL LEASE NO. 8954

(see attached)



EXHIBIT C UNIVERSITY OF TEXAS SYSTEM'S WRITTEN CONSENT TO THIS SUBLEASE

(see attached)



EXHIBIT D TISD CERTIFICATE OF MINUTES (see attached)

