

RESOLUTION NO. 21-255

**A RESOLUTION APPROVING THE TERMINATION OF A
LEASE PURCHASE AGREEMENT BETWEEN THE CITY OF
PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT
CORPORATION AND MEATHEAD TRUCKING, LLC**

WHEREAS, per Resolution 20-193, the City Council of the City of Port Arthur approved the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") entering into a Lease Purchase Agreement attached hereto as **Exhibit "A"** with Meathead Trucking, LLC ("Meathead Trucking") for the lease with an option to purchase land within the Highway 73 Business Park for its trucking operations; and

WHEREAS, Meathead Trucking has requested to terminate the Lease Purchase Agreement due to the lack of work materializing for them for more than a year's time; and

WHEREAS, the PAEDC Board of Directors at its regular Board meeting of June 7, 2021 considered and approved the termination of the Lease Purchase Agreement with Meathead Trucking; and

WHEREAS, such termination of the Lease Purchase Agreement would be in the public interest and would permit the utilization of the property for other uses.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORT ARTHUR, TEXAS:

Section 1. That the facts and opinions in the preamble are true and correct.

Section 2. That the City Council of the City of Port Arthur approves the termination of the Lease Purchase Agreement between PAEDC and Meathead Trucking, LLC.

Section 3. That a copy of the caption of this Resolution be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 2nd day of June A.D., 2021, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:

Mayor Bartie; Mayor Pro Tem Frank,

Councilmembers Holmes, Jones, Kinlaw
Mark and Moser.

NOES: None


Thurman Bartie, Mayor


ATTEST:


Sherri Bellard, City Secretary

APPROVED:


Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:


Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:



Valecia R. Tizeno, City Attorney

Exhibit "A"

LEASE PURCHASE AGREEMENT

This Lease Purchase Agreement dated July 1, 2020 is made on this 7th day of July between the City of Port Arthur Section 4A Economic Development Corporation ("Seller/Landlord") and Meathead Trucking, LLC ("Buyer/Tenant").

WHEREAS, the Landlord is the owner of a approximately 5.8 acres of real property located in the City of Port Arthur, Texas and located on Highway 73 more commonly referred to as the Highway 73 Business Park and more particularly described in Exhibit A attached hereto and included herein (the "Property"); and

WHEREAS, the Tenant is the owner of a trucking company and desires to lease the Property for its trucking operations; and

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows

LEASE

The Landlord desires to lease the Property described in Exhibit "A" adjacent to Hwy 73. The Buyer also agrees to make site improvements that are necessary to raise the Property for suitable use. In consideration thereof, the Landlord offers to lease said property for the sum of \$900.00 per month exclusive of taxes and insurance to the Landlord's. The first payment shall be made on 1st day of August, which is rent for the Property.

All payments as rent shall be payable on the 1st of each month. An amount equal to fifty percent (50%) of the lease purchase payments shall be credited to the Tenant and applied to the purchase price of the said Property in the event that the Tenant exercises his/her purchase option. \$1,000

(B) Form of Payment

Payment shall be made by the Tenant each month by cash/personal check/money order/ payable to the City of Port Arthur Section 4A Economic Development Corporation on the 1st day of each month.

(C) In the event of the rent not paid by the due date, the Tenant shall pay a fine which is equal to 10% of the monthly rental payment.

(D) Term

This Lease shall commence on August 1, 2020 and expire on July 31, 2025.

1. OPTION TERM

Provided that the Tenant does not default on the agreement, the Tenant has the option to purchase from the period which commences on August 1, 2020 and expires on January 31, 2025 which is six months prior to the expiration of this Lease.

2. Notice for Purchase Option

If the Tenant desires to exercise the Option to Purchase, he/she/they shall provide written notice to the Landlord of their intent to purchase. The closing date shall be specified in the notice, which must occur prior to the expiry of this lease purchase agreement.

3. Option Consideration

As per lease purchase agreements the Tenant shall pay the Landlord the sum of \$1,000.00 as a non-refundable fee in consideration for this Option to Purchase. The amount shall be adjusted in the purchase price at the time of closing.

4. Purchase Price

4.1 Both parties hereby agree that the purchase price for the aforementioned Property shall be the appraised value according to an independent certified appraiser with the appraisal being conducted the year the Property is purchased. The Landlord shall credit fifty percent (50%) of the Lease payments to the purchase price.

4.2 Included in the purchase price is the Property.

5. Non-Assignable

The agreement is non-assignable and the Tenant has no right to assign, convey, or transfer the lease purchase agreement to any other party without express written permission of the Landlord.

6. Closing Costs

The Tenant agrees that any fees associated with closing costs shall be borne exclusively by the Tenant.

7. Finance

7.1 As per lease purchase agreements the Tenant is solely responsible for obtaining financing in order to exercise the option to purchase. The Landlord makes no warranties of the availability of finance regarding the option to purchase.

7.2 Both parties acknowledge that the availability of finance is unpredictable and this agreement is not entered into on any guarantee made by either party.

8. Default

If the Tenant defaults on payments under the lease purchase agreement then the Landlord retains the right to terminate this agreement by giving written notice, and seek other remedies available to the Landlord according to law. Upon termination, the Tenant shall not be entitled to any refund of rent. It is expressly understood that the Tenant shall comply with all the terms and conditions of this lease purchase agreement in order for it to be enforceable and effective.

9. Acknowledgments

Both parties hereby agree that they are executing this lease purchase agreement voluntarily and not under any duress or undue influence. The parties have read and understood the terms and conditions of the agreement and its binding effect on them. Both parties have sought legal advice prior to setting forth their signature on this lease purchase agreement.

10. Governing Laws

The terms and conditions of this lease purchase agreement shall be governed, construed, and interpreted under the law of the State of Texas. Any dispute arising out of this agreement shall be in a court of competent jurisdiction in Jefferson County, Texas.

11. Modifications

No modification or waiver of rights can be made to this lease purchase agreement without the express written consent of both parties.

12. Maintenance and Repairs

The Property is delivered to the Tenant on an 'as is' basis on the date of execution of this agreement. The Tenant shall bear all the expenses for maintenance and repair of the said Property. The Tenant shall have the right to undertake improvements as may be deemed necessary, and bear the costs for such improvements. However, Tenant shall bear the expense to return the Property to its original state as on the day this Lease was executed. Further, Tenant shall comply with the Deed Restrictions and Covenants attached to this Agreement as Exhibit B.

13. Binding Agreements

Both parties hereby agree that this lease purchase agreement supersedes any other oral or written lease purchase agreements in relation to the Property. This agreement shall be binding on both parties, their heirs, assigns, administrators, representatives, or successors.

14. Covenants of the Landlord

The Landlord hereby agrees not to lease the Property to any other third party nor pledge, transfer, sell, option, or convey the said Property. Any violation of this paragraph shall be deemed as a

breach of contract. The Landlord shall keep all liens, taxes, mortgages, or any other encumbrances on the Property in good standing.

15. Covenants of the Tenant

15.1 The Tenant shall pay all bills, utility charges including and not limited to water, gas, oil, electricity, taxes, and insurance for the said Property from the date of execution of this lease purchase option.

15.2 The Tenant shall use the Property exclusively for use that complies with the current City of Port Arthur zoning designation and shall obey all laws, rules, regulations, and ordinances of all Federal, State, and Local governmental authorities.

Executed and agreed to on this 7th day of July, 2020.

LANDLORD/SELLER

**The City of Port Arthur Section 4A
Economic Development Corporation**

By: Floyd B. [Signature]

Its: CEO

TENANT/BUYER

Meathead Trucking, LLC

By: [Signature]

Its: Owner