

THE STATE OF TEXAS §
COUNTY OF NUECES §

INTERLOCAL COOPERATION AGREEMENT

This Interlocal Cooperation Agreement ("Agreement") is made by and between the CITY OF CORPUS CHRISTI ("City"), a municipal corporation and home-rule city of the State of Texas, acting by and through its duly authorized City Manager, and the CORPUS CHRISTI INDEPENDENT SCHOOL DISTRICT ("District"), acting by and through its governing body, the Board of Trustees.

WHEREAS, the City desires to relocate its Fire Station #5.

WHEREAS, the District desires to and agrees to lease 0.993 acre tract of land (43,255 sq. ft.) of the Seven Oaks Addition to the City to build a new fire station.

WHEREAS, the City agrees to construct and designate a facility for joint use of both parties.

NOW, THEREFORE, in consideration of the mutual covenants in this Agreement and the attached Ground Lease, the participating local governments ("Parties"), authorized by appropriate actions of their governing bodies, hereby agree as follows:

SECTION 1. PURPOSE.

The purpose of this Agreement is to allow the City to build a new Fire Station #5 on the District's real property described as 0.993 acre tract of land (43,255 sq. ft.) out of lots 1-4, and a portion of lot 5, block 4, of the Seven Oaks Addition, and more specifically described on the attached and incorporated Exhibit "A" (hereafter referred to as the "Property").

SECTION 2. SERVICES, OBLIGATIONS, AND RIGHTS OF THE CITY.

- a) Prepare bid documents, manage, and, except as specifically provided in Section 3 below, pay for (1) the construction of a new fire station building and a joint use facility on district property and (2) demolition and clean-up of all existing structures.
- b) Designate a portion of the facility described above (a minimum of 800 square feet, including restrooms) as a Joint Use Facility ("Facility"). The City is not responsible for furnishing and equipping the Facility, unless such furnishings and equipment are needed for the City's anticipated use.
- c) Maintain a schedule of availability to the Facility. The District may use the Facility for educational purposes and the City may use the Facility for City's community purposes. City has priority use and reserves the exclusive use of the Facility on election days and for election events, unless otherwise

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agreed by the Parties from time to time. The District shall have priority use of the Facility during the District's school year, unless otherwise agreed by the Parties from time to time. Prior to each school year, the parties' designated contact persons shall meet and cooperate to establish a schedule of anticipated use of the Facility for the upcoming school year during the District's school hours. However, such a use schedule does not modify the priority usage rights described in this paragraph or elsewhere in the Agreement.

- d) Provide parking spaces for City's employees and two (2) disabled parking spaces for the Joint Use Facility. The District and its employees, teachers, students, visitors, agents, and invitees to the Facility shall use Miller High School parking lot.
- e) Provide typical utilities (i.e. electrical and computer outlets), telecommunication lines, and other infrastructure as required under applicable codes to the Facility, excluding specialized equipment.
- f) Request the removal of any District personnel, students, instructors, or visitors whose conduct or work may have a detrimental effect on safety or student learning. The City is not responsible for or in charge of supervising any District students or visitors to the Facility under any circumstances. District will provide security and/or adult supervision to the Facility during its use.
- g) Designate, mark and/or denote Rose and Pierpoint Streets ("Side Streets") as "Fire Lane/No Parking – Tow Away Zone". During District events held at Buccaneer Stadium, District will provide security to ensure that the side streets will be cleared and free of obstruction for passage of the City's emergency vehicles and traffic.

SECTION 3. SERVICES, OBLIGATIONS, AND RIGHTS OF THE DISTRICT.

- a) Provide the City with one-hundred ninety-three thousand eight hundred (\$193,800.00) dollars toward costs of building/structure demolition/disposal, asbestos removal, Department of Safety and Health Services notification, air monitoring, A/E fees, project administrative costs, etc. All costs in excess of this amount for the demolition, planning, construction, or maintenance requirements under this Agreement shall be borne by the City.
- b) Provide adequate security and/or adult supervision of students and/or visitors to the Facility during its use.
- c) Provide janitorial services to the Facility after each District use. Keep Facility in good, clean and safe condition, and dispose of trash, rubbish and waste in the trash receptacle designated by the City. Keep all cords, wires, and equipment in Facility secured or taped down when and where applicable.
- d) Provide furniture and/or equipment, including telecommunication equipment, needed by the District at the Facility. All personal property and trade fixtures

furnished by the District remain the property of the District, unless the personal property and trade fixtures are specifically donated to the City.

- e) Provide the City with at least five (5) business days notice prior to scheduling any educational activities at the Facility, unless the District has already reserved the Facility for particular days on the schedule provided under Section 2.c above. Activities must be confined, complied, and conformed to the District's policies.
- f) Reimburse the City or repair any damages caused by the District's employees, agents, students, teachers, visitors, or invitees during its use of the Facility, except as may be prohibited or provided otherwise by law.
- g) Keep employees, teachers, students, and visitors from entering adjoining City's premises or Fire Station #5, unless for emergency purposes.
- h) Keep the noise level of the Facility at a reasonable level not to violate the City's noise ordinances or to disrupt Fire Station #5 daily operation.
- i) Allow City to use the Buccaneer Stadium parking lot, if not in use by the District, for overflow parking.

SECTION 4. PAYMENT AND FUNDS.

Payment shall be made within thirty (30) days from receipt of the other party's request for reimbursable expenses incurred in the performance of this Agreement, provided the request for payment is properly prepared, executed, and documented (i.e. valid invoices or receipts; and/or verified statement or supporting documentation). Each party which performs services under this Agreement will do so with funds available from its current revenues.

SECTION 5. TERM OF AGREEMENT.

For and in consideration of one dollar a year, along with the benefits of the Agreement stated herein, receipt of which is hereby acknowledged, the District hereby agrees to lease to the City the Property, for a term of fifty (50) years, according to the terms of the Ground Lease attached to this Agreement as Exhibit "B" ("Ground Lease") and incorporated fully herein. The City has the option to renew the lease for an additional term of fifty (50) years. If the City desires to exercise this option, it must notify the District in writing of its desire to extend the lease no later than one year prior to the expiration of the lease; otherwise the lease will terminate on the expiration date. The City Manager is authorized to execute any and all subsequent renewals and/or amendments to this Agreement. The Ground Lease will be irrevocable so long as the building construction by the City on the lease premises is used as a City fire station, and the District will grant the rights of ingress and egress to the lease premises.

SECTION 6. INTERLOCAL COOPERATION ACT.

The Parties agree that activities contemplated by this Agreement are “governmental functions and services” and that the Parties are “local governments” as that term is defined in the Interlocal Cooperation Act. This Agreement is made pursuant to Chapter 791 of the Texas Government Code.

SECTION 7. LIABILITY.

Each party to this Agreement will be responsible for any civil liability for its own actions under this Agreement, except that nothing in this Agreement shall constitute a waiver or limitation on any immunity, defense, or other protection afforded either party under state or federal law. The liability, if any, of either party, shall be that prescribed by the laws of the State of Texas.

SECTION 8. MISCELLANEOUS.

- (a) Severability. In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant, or condition herein contained, provided that such invalidity does not materially prejudice either the City or District in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.
- (b) Entire Agreement. This Agreement, including Attachments, represents the entire agreement between the Parties, and supersedes any and all prior agreements between the Parties, whether written or oral, relating to the subject of this Agreement.
- (c) Written Amendment. Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party. No officer or employee of any of the Parties may waive or otherwise modify the limitations in this Agreement, without the express action of the governing body of the Party.
- (d) Notices. All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the seventh (7th) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed below, or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

City
City Manager
City of Corpus Christi
1201 Leopard
Corpus Christi, Texas 78401

District
Superintendent
Corpus Christi ISD
801 Leopard Street
Corpus Christi, Texas 78403

- (e) Non-Waiver. Failure of any party hereto to insist on the strict performance of any of the Agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.
- (f) Successors. This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer or agent of the City or District or any of its officer, agent, or employee.
- (g) No Waiver of Immunity. No party hereto waives or relinquishes any governmental, official, or other immunity or defense on behalf of itself, its officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.
- (h) Validity and Enforceability. If any current or future legal limitations affect the validity or enforceability of a provision of this Agreement, then the legal limitations are made a part of this Agreement and shall operate to amend this Agreement to the minimum extent necessary to bring this Agreement into conformity with the requirements of the limitations, and so modified, this Agreement continue in full force and effect.
- (i) No Third Parties Benefit. This Agreement and all activities under this Agreement are solely for the benefit of the Parties and not the benefit of any third party.
- (j) Laws and Venue. Both the City and District shall comply with all applicable Federal, State, County, and local laws, ordinances, rules, and regulations pertaining to this Agreement and each party's respective performance thereunder. This Agreement will be interpreted according to the Texas laws which govern the interpretation of contracts. Venue for an action arising under this Agreement shall lie in Nueces County, Texas and be in accordance with the Texas Rules of Civil Procedure.
- (k) Warranty. The Agreement has been officially authorized by the governing body of each party, and each signatory to this Agreement guarantees and warrants that the signatory has full authority to execute the Agreement and to legally bind their respective party to this Agreement.
- (l) Non-Assignment. Neither this Agreement, nor any interest therein, is assignable or transferrable, in whole or in part, directly or indirectly, without the prior consent of the City and District; however, this Agreement is binding upon the parties to this Agreement and their respective heirs, successors, and assigns.
- (m) Contact person: The parties have designated the following individuals as their contact person to schedule activities or use of the Facility.

City:

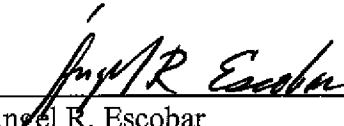
District:

Administrator
Fire Department

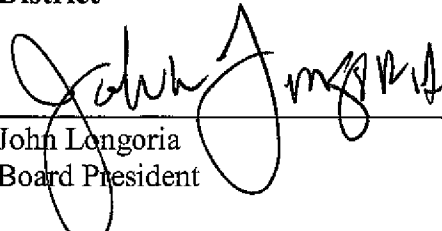
Administrator

City of Corpus Christi

Corpus Christi Independent School District



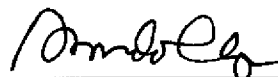
Angel R. Escobar (Date) 2/9/11
City Manager



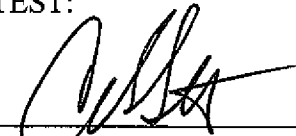
John Longoria (Date) 01/10/11
Board President

ATTEST:

ATTEST:




Armando Chapa (Date) 2/9/11
City Secretary



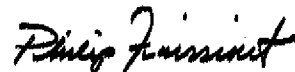
Carol A. Scott (Date) 01/10/11
Board Secretary

APPROVED AS TO FORM:


APPROVED AS TO FORM:

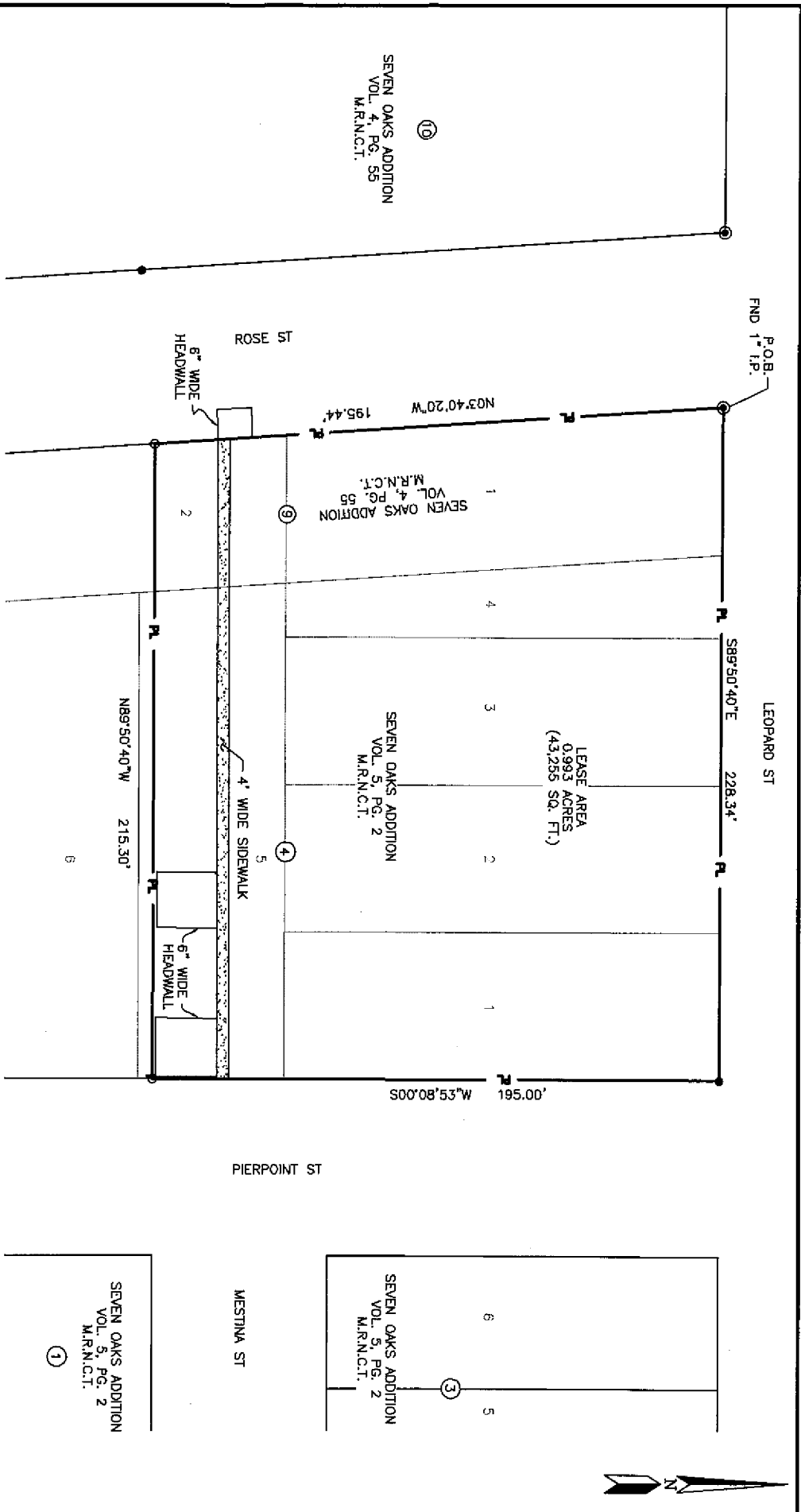


T. Trisha Dang (Date) 1/20/11
Assistant City Attorney
For City Attorney



Philip D. Fraissinet (Date) January 6, 2011
Attorney For Corpus Christi ISD

Res. 028945 AUTHORIZED
BY COUNCIL 02/08/11

SECRETARY *bb*



NOTES:
 - MAP TO ACCOMPANY FIELD NOTES.

LEGEND
 ● FOUND IRON PIPE
 ● FOUND 5/8" IRON ROD
 ○ SET 5/8" IRON ROD

BEARINGS ARE WITH REFERENCE
 TO THE NORTH BOUNDARY LINE OF
 BLOCK 4, SEVEN OAKS ADDITION,
 VOL. 5, PG. 2, M.R.N.C.T.



FIRESTATION NO. 5 RELOCATION (BOND 2008)

OWNER: CORPUS CHRISTI INDEPENDENT SCHOOL DISTRICT, VOL. 2289, PG. 611, D.R.N.C.T.

BEING A 0.993 ACRE TRACT OF LAND (43,255 SQ. FT.) OUT OF LOTS 1-4, AND A PORTION OF LOT 5, BLOCK 4, OF THE SEVEN OAKS ADDITION, RECORDED IN VOLUME 5, PAGE 2, MAP RECORDS OF NUECES COUNTY, TEXAS, ALSO BEING OUT OF LOT 1, AND A PORTION OF LOT 2, BLOCK 5, SEVEN OAKS ADDITION, RECORDED IN VOLUME 4, PAGE 35, MAP RECORDS OF NUECES COUNTY, TEXAS.



CITY OF CORPUS CHRISTI, TEXAS
 Department of Engineering Services
 Survey Division 361-826-3551

Drawn By: A. JIMENEZ
 Checked By: O. NESWITZ
 Date Drawn: 10/09/2009
 Project: 5245

File:C:\PROJECTS\FIRESTATION\dwg\FIRESTATIONS5.dwg

SHEET 1 OF 1

GROUND LEASE

between

CORPUS CHRISTI INDEPENDENT SCHOOL DISTRICT

and

CITY OF CORPUS CHRISTI

dated as of

February 9, 2011

EXHIBIT "B"



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EXHIBITS

The following exhibits are attached hereto and made a part hereof:

Exhibit "A" Survey of and Legal Description of Property

Exhibit "1" Amortization Schedule for Improvements

GROUND LEASE

THIS GROUND LEASE ("Lease") is made and entered into as of this 9th day of ~~FEBRUARY~~ 2011 ("Effective Date") by and between the Corpus Christi Independent School District ("CCISD" or "DISTRICT"), a public school district organized under the Texas Education Code and a political subdivision of the State of Texas, ("Lessor"), and the City of Corpus Christi, a municipal corporation and home-rule city of State of Texas, ("Lessee"), pursuant to that certain Interlocal Cooperation Agreement dated as of ~~FEB 9~~, 2011 ("Interlocal Agreement"), to which this Lease is attached as an exhibit and incorporated fully therein.

ARTICLE I

Definitions

In addition to terms defined elsewhere in this Lease, the terms defined in this Article I shall, for all purposes of this Lease and the attached exhibits and all agreements supplemental hereto, have the meanings herein specified, unless provided otherwise:

"Applicable Law" shall mean all federal, state, county, and city laws, ordinances, implementing regulations, executive orders, interpreting authorities, and requirements of Governmental Authorities (as hereinafter defined) governing Lessee's construction of the Improvements, use of the Property, or any of the rights and obligations under this Lease. Additionally, "Applicable Law" shall include, but not be limited to, Title VI of the Civil Rights Act of 1964, as amended; Title VII of the Civil Rights Act; Title IX of the Education Amendments of 1974; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Americans with Disabilities Act; The Family Educational Rights and Privacy Act of 1974; the Texas Education Code; and Chapter 61, Subchapter CC of Title 19 of the Texas Administrative Code, the Texas Local Government Code; the Texas Government Code, and the Corpus Christi Code of Ordinances.

"Business Days" shall mean any day that (a) is not Saturday or Sunday; (b) is not a public holiday as defined by Chapter 662 of the Texas Local Government Code; (c) is not a day designated as a non-work day by either CCISD or the City; and (d) both CCISD and the City are open for business.

"Environment" shall mean ambient air, surface water, ground water, land surface and subsurface strata.

"Environmental Laws" shall mean any federal, state, or local laws, ordinances, codes, rules, regulations, judicial or administrative orders or judgments, permits, licenses, or policies directed to, governing, addressing, or imposing liability or use, storage, treatment, transportation, manufacture, refinement, handling, production, disposal, or other standards of conduct with respect to or otherwise relating to (i) protection of human health, natural resources, or the environment; or (ii) manufacturing, processing, distribution, use, treatment, storage, disposal, release or threatened release, spilling, leaking, pumping, pouring, emitting, injecting, depositing, escaping, dumping, or leaking of Hazardous Materials (as herein defined). Such laws shall include, but not be limited to, the following acts, as amended: the Comprehensive

Environmental Response Compensation and Liability Act of 1980; the Hazardous Materials Transportation Act; the Resource Conservation and Recovery Act; the Toxic Substances Control Act; the Clean Water Act; the Clean Air Act; the Safe Drinking Water Act; and in the regulations adopted in publications promulgated pursuant to the foregoing acts.

"Governmental Authority" or "Governmental Authorities" shall mean the City of Corpus Christi, Nueces County, the State of Texas, the federal government or any other governmental entity, federal or state agency, or local political subdivision of the State of Texas that has jurisdiction and power over the Property; *provided, however*, that such term shall not include the Corpus Christi Independent School District.

"Hazardous Materials" shall mean (a) petroleum or petroleum products, fractions, derivatives or additives, natural or synthetic gas, urea formaldehyde, foam insulation, polychlorinated biphenyls, and radon gas; (b) radioactive materials, substances, and waste and radiation; (c) any flammable substances or explosives; (d) all asbestos (friable or non-friable) and lead-based paint; (e) any substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "solid waste," "toxic chemicals," "toxic pollutants," "contaminants," "pollutants," "solid waste," "hazardous wastes," "extremely hazardous substances," "restricted hazardous wastes," or words of similar import under any Environmental Law; and (f) any other substance to which exposure is prohibited, limited, or regulated under any Environmental Law.

"Improvements" shall mean, collectively, all improvements, machinery, equipment, fixtures, facilities, structures and personal property of every kind and description and of a permanent nature that will be erected on the Land during the Term of this Lease by or on behalf of Lessee, including the Joint Use Facility.

"Interlocal Cooperation Agreement" shall mean that agreement between the City of Corpus Christi and the Corpus Christi Independent School District dated as of FEB. 9, 2011 to which this Ground Lease is attached as an exhibit and incorporated therein.

"Joint Use Facility" shall mean that portion of the Improvements to be constructed on the Land by Lessee that shall be available for use by Lessor for educational purposes and Lessee as described in this Lease and the Interlocal Cooperation Agreement.

"Land" shall mean that 0.993 acre tract of land (43,255 sq. ft.) out of lots 1-4, and a portion of lot 5, block 4, of the Seven Oaks Addition, and more specifically described on the attached and incorporated Exhibit "A" (hereafter referred to as the "Property").

"Lease Year" shall mean each twelve (12) month period throughout the Term commencing on the first day of the first full month following the Commencement Dates (as defined herein) and expiring on the last day of the twelfth full calendar month following such date, except that the first Lease Year also includes the partial month in which the Commencement Dates occurs and the last Lease Year shall expire at midnight on the Expiration Dates (as defined herein) or earlier termination of this Lease, as the case may be.

"Property" shall mean the Land and the Improvements.

"Release" shall be defined as it is in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 (22).

"Term" shall mean that period of time during which this Lease is in effect as described in Article 3.1 below, unless sooner terminated under the terms of this Lease.

ARTICLE II

Grant, Easements, and Licenses

2.1 Grant. In consideration of the covenants and agreements herein made by the parties hereto, including, without limitation, Lessee's agreement to use the Property for the purposes set forth herein and to assume the responsibilities for development as set forth herein, Lessor hereby demises and leases to Lessee and Lessee hereby leases from Lessor the Land for the Term, upon the terms and conditions herein provided.

2.2 As-Is. Lessee has made a complete inspection of the Land and agrees it will accept the Land for the purposes set forth herein "AS IS" "WITH ALL FAULTS" on the Commencement Dates without recourse to Lessor; except as otherwise set forth herein.

2.3 Joint Use Agreement. Lessor and Lessee shall have the right to access and use the Joint Use Facility under the terms of and as more particularly described in the Interlocal Cooperation Agreement. .

ARTICLE III

Term and Termination

3.1 Lease of Land. Subject to the terms, covenants and agreements contained herein, the term of this Lease with respect to the Land is for a period of fifty (50) years, commencing on FEBRUARY 9, 2011 (the "Lease Commencement Date") and expiring on FEB 9 2061 (the "Lease Expiration Date"), unless earlier terminated in accordance with the terms hereof. The City has an option to renew the lease for an additional term of fifty (50) years which it may exercise pursuant to the terms of the Interlocal Cooperation Agreement.

3.2 Right to Terminate. Lessor and Lessee each shall have the right to terminate this Lease at any time by delivering to the other party three hundred sixty-five (365) days prior written notice of the same, specifying the date on which the Lease shall terminate the Lease (the "Termination Date"); Except as set forth herein, in the event that the Lease is terminated by Lessor prior to FEB 9 2061, Lessor shall pay Lessee for the unamortized costs paid by Lessee to construct the Improvements, including the Joint Use Facility, as set forth in an Amortization Schedule that will be provided by the City at the completion of the construction of the Improvements and which will become part of this Lease as Exhibit 1. The foregoing obligation to pay for the applicable unamortized costs of the Improvements does not apply in the event that the Lease is terminated by the Lessee for a reason other than default or breach by Lessor or if Lessor terminates the Lease because of default or breach by Lessee as set forth in Article 11. On the Termination Date, this Lease automatically shall terminate, all of the terms, covenants, and conditions of this Lease thereafter shall be null and void and of no further force and effect, and

neither party shall have any further obligation or liability to the other under this Lease, except for the payment of the applicable unamortized costs as required under this Section 3.3 in the event of termination by Lessor for a reason other than default or breach of Lessee or in the event of termination by Lessee for default or breach of Lessor. During the Term, the parties agree that the Lease will be amended to incorporate adjustments to the applicable amortization schedule for the Improvements made necessary by the actual and direct costs expended by Lessee for capital improvements to the Improvements such as replacement of roofing, HVAC equipment, and other mechanical systems.

3.3 Surrender of Property. Upon the expiration or earlier termination of this Lease, Lessee shall surrender the Property and title and ownership of all Improvements, excluding removable fixtures, personal property, equipment, and/or machinery, to Lessor.

ARTICLE IV

Use, Maintenance, Regulations, Liens, Operating Costs, and Alterations

4.1 Lessee's Use of Property - Fire Station.

(a) Lessee's Use of Property. Lessee may use the Property only for the operation of a Fire Station for the City of Corpus Christi or similar function and related uses associated with such a function, or in the event that the Property is not used for a fire station or similar function through no fault of either party or in the event that both parties agree, Lessee may use the Property for any other municipal or educational purposes in partnership with Lessor that provides a mutual benefit to both Lessor and Lessee. Lessee will not use or permit use of the Property for any other purpose without the prior written consent of Lessor. Lessee shall not engage in or permit any act or omission in or about the Property that is in violation of Applicable Law. Additionally, other than in connection with the aforementioned permitted uses, Lessee shall not do or permit to be done anything that may invalidate or increase the cost of any insurance policy covering the Land.

(b) Lessor and Lessee's Use of Property. Lessor and Lessee's use of the Property shall be as described in the Interlocal Cooperation Agreement under Sections 2 and 3.

4.2 Maintenance.

Except as may be otherwise specifically set forth in this Lease with respect to the obligations of Lessor, Lessee shall, at all times during the Lease Term, at its sole cost and expense, except for damages caused by Lessor, keep and maintain the Property, the Improvements, landscaping and lawn care, and supplemental heating and air conditioning systems serving the Improvements (including all plumbing connected to said facilities or systems installed therein) in good order and repair and in a clean and neat condition. Lessee shall be responsible for and pay for the cost of any repairs, except for damages caused by Lessor, to the Property made necessary by Lessee's use of the Property. In the event that Lessee fails to maintain and repair the Property in accordance with this Section 4.2(a) and has failed to remedy or commence the remedy and diligently pursue the cure thereof such non-performance within thirty (30) Business Days after receipt of written notice from Lessor, Lessor, at its option, may

make such repairs or replacements, and Lessee, upon demand, shall pay Lessor for the cost thereof. At no time during the Term, except when the damages are caused by Lessor, will Lessor, through exercise of any right or privilege of this Lease, be deemed responsible to Lessee or any third party for the maintenance and/or condition of the Property. Lessor may, at its sole costs and expense, review and/or inspect the maintenance records of the last five (5) years of the lease Term prior to the surrender of the Property.

4.3 Operating Costs. In addition to any other costs for which Lessee is specifically required to pay or is responsible under this Lease, Lessee shall be responsible for and shall pay all Operating Costs connected to or related to the Property that accrue during the Term. For purposes of this Lease, the term "Operating Costs" shall include, without limitation, the following:

(a) refuse removal, waste disposal, janitorial services, and/or any other related service used by Lessee and Lessor shall be responsible for its own janitorial services and/or any other related services during its use of the Joint Use Facility;

(b) cost of utilities (including taxes and other charges incurred in connection therewith from which Lessee or Lessor is not exempted by any Governmental Authority) provided to the Land or Improvements;

(c) fuel, supplies, equipment, tools, materials, service contracts;

(d) gardening and landscaping costs; and

(e) costs incurred because of a violation of Applicable Law by Lessee.

4.4 Applicable Law.

(a) Throughout the Term, Lessee and Lessor each shall comply with all Applicable Law including Environmental Laws.

(b) Upon prior written notice to Lessor, Lessee shall have the right to contest the validity or application of any Applicable Law or Environmental Laws, by appropriate legal proceedings diligently conducted in good faith, in the name of Lessee.

4.5 Liens Arising Through Lessee. Lessee will not permit the Land to become subject to any lien in connection with its use of the Land or construction of the Improvements. Notwithstanding the foregoing, in the event any lien shall be filed against the Land based upon any action or inaction of Lessee, Lessee shall promptly take such action as will remove or satisfy the lien; *provided, however,* that Lessee, at its sole cost and expense, may contest the validity or amount of any such lien, and, pending the determination of such contest, postpone the removal or satisfaction thereof, except that Lessee shall not postpone such removal or satisfaction so long as to permit or cause any loss of title to all or any part of the Land or its appurtenances.

4.6 Liens Arising Through Lessor. In the event any lien shall be filed against the Property based upon any action or inaction of Lessor, Lessor shall promptly take such action as will remove or satisfy the lien; *provided, however,* that with respect to a lien affecting the Land,

Lessor may contest the validity or amount of any such lien, and, pending the determination of such contest, postpone the removal or satisfaction thereof, except that Lessor shall not postpone such removal or satisfaction so long as to permit or cause any loss of title to all or any part of the Property.

4.7 Alterations. After the completion of the construction of the Improvements, Lessee shall have the right from time to time to make, or cause to be made, at its sole cost and expense, improvements, additions, alterations, and changes (collectively "Alterations") in or to the Land it deems necessary or desirable to carry out any activity or use permitted by Section 4.1, including any alteration, demolition, or removal of existing Improvements or items of personal property on the Land; *provided however*, that any such Alterations comply with Applicable Law. All such alterations shall be performed in accordance with Sections 4.4(a), 5.1(h) and 5.1(i) of this Lease.

ARTICLE V

Improvements

5.1 Construction of Improvements.

(a) Lessee, at its sole cost and expense, shall construct the Improvements, as provided in this Article V.

(b) The Improvements shall include a Joint Use Facility that will contain, at a minimum, 800 square feet of building space that will be sufficient for Lessor's educational purposes. Lessee shall consult Lessor regarding the design and construction of the Joint Use Facility, and Lessor shall designate and provide, within three (3) days, Lessee with a contact person and information who will review the design and construction of the Joint Use Facility.

(c) Lessee agrees to design Improvements, which shall include all drawings and other documents for the development of the Property, construction of the Improvements, construction of the infrastructure necessary to serve the Property, and all signage documents (collectively, the "Construction Documents"), to be in compliance with Applicable Laws.

(d) Lessee shall promptly submit proposed Construction Documents of the Joint Use Facility to Lessor for review to ensure compliance with the Applicable Laws, including the Education Code and related regulations, and consistency with Lessor's anticipated use of the Joint Use Facility.

(e) Lessor shall promptly review the Construction Documents to ensure compliance with Applicable Law and consistency with Lessor's anticipated use of the Joint Use Facility and inform Lessee in writing of its objections, if any, to the Construction Documents for the failure of such Construction Documents to comply with Applicable Law or Lessor's anticipated use of the Joint Use Facility, and Lessee will revise the said Construction Documents and deliver a corrected version to Lessor for approval within a reasonable period of time, after Lessee receives Lessor's notice of disapproval and objections. Lessor shall bear the costs and expenses for any modifications and/or revisions it requests to be made to the Construction Documents except for those changes which are necessary for the design to comply with

Applicable Laws, including the Education Code and related regulations, as well as the requirements of this Lease or the Interlocal Agreement. Failure of Lessor to respond to Lessee within ten (10) Business Days shall be deemed to be Lessor's approval of said submittal. Any deviations from or modifications to the Construction Documents after such Construction Documents have been approved by Lessor must be first reviewed and approved by Lessor for conformance to the above prior to issuance or construction according to the deviations or modifications.

(f) Lessee may submit Lessee's site-related drawings for obtaining Permits, as hereinafter defined, to the appropriate Governmental Authority as needed to meet Lessee's schedule. However, if the documents submitted for Permits have not been approved by Lessor and/or are not in compliance with Applicable Law, Lessee will submit drawings for Permit modifications to bring them into compliance with the Architectural Standards before construction.

(g) The final Site Plan shall comply with Applicable Law. Lessee shall construct, at its sole cost and expense, all necessary infrastructure to operate the Improvements, including, but not limited to, connections, extensions and other facilities to the point of distribution to the Property or adjoining public streets or easements to bring sufficient public water supply, storm sewer, sanitary sewer, gas service, telephone, electric power required, and as may be required by this Lease and Applicable Law for Lessee's use of the Property.

(h) Upon receipt of Lessor's approval of the Construction Documents, and upon receipt of all applicable Permits (as hereinafter defined), Lessee shall construct the Improvements and the infrastructure related thereto in conformance with (i) the approved Construction Documents; (ii) certain standards to be used in construction of Improvements on the Property and any related infrastructure, as required by Section 12.1; (iii) all Applicable Law; and (iv) any other requirements set forth in this Article V or in this Lease.

(i) Prior to commencing construction of the Improvements, Lessee shall, at Lessee's sole cost and expense, obtain all construction permits, licenses and regulatory approvals (the "Permits") required by Applicable Law for the construction, maintenance, occupancy, and operation of the Property.

(j) Lessee shall provide one copy, either electronic or paper, of as-built drawings to Lessor within a reasonable time after the final completion of the construction of the Improvements.

5.2 Construction of Driveways.

(a) Lessee, at its sole cost and expense, shall construct necessary driveways ("Driveways") to provide ingress and egress to the Improvements.

(b) Notwithstanding anything to the contrary contained in this Lease, prior to commencing construction of the Driveways, Lessee, at its sole cost and expense, shall obtain all Permits required by Applicable Law and/or any Governmental Authority for the construction of the Driveways. Prior to termination of this Lease, Lessee shall maintain the Driveways.

(c) Lessee hereby grants, establishes, and creates for the benefit of the Lessor's Property and Lessor, its agents, contractors, representatives, invitees, employees, and licensees, a non-exclusive easement for the purposes of pedestrian ingress and egress over, upon, and across the Driveways for access to and use of the Joint Use Facility.

5.3 Construction and Maintenance of Drainage System.

(a) The drainage system shall consist of the bio-retention ponds, the storm sewer pipes, and inlets required or advisable for the purpose of mitigating the effect of development and redevelopment of the Property and Lessor's Property ("Drainage System"). The Drainage System shall be located on, traverse, and serve the Property and the Lessor's Property and shall be constructed in accordance with the standards set forth in Applicable Law.

(b) Lessor hereby grants to Lessee during the term of this Lease a non-exclusive license to enter upon Lessor's Property for the purpose of constructing that part of the Drainage System necessary to drain the Property.

(c) Lessor shall be responsible for maintaining that part of the Drainage System that serves the Property until this Lease is terminated.

5.4 Ownership of Improvements. Lessor and Lessee agree that the Improvements shall be considered the property of Lessee during the Term and, on the expiration or earlier termination of the Lease or any part of the Lease, all Improvements physically attached or affixed, to or incorporated in or made part of the Land shall become the property of Lessor. Notwithstanding the foregoing, Lessee may remove any fixtures, equipment, machinery, and/or other personal property (collectively "Removables") at the time of surrender of the Property to Lessor as long as such Removables do not damage the Improvements or the Land, unless Lessee repairs such damage.

ARTICLE VI

Taxes, Assessments, and Utilities

6.1 Tax-Exempt Status. Lessor and Lessee acknowledge that both parties are entitled to exemption from ad valorem taxation and that the Property will not be subject to such taxation. In the event ad valorem taxes are assessed against the Property at any time during the Term due to a change in Lessee's tax-exempt status Lessee, at its sole cost and expense, will defend against any such assessment. If such defense is unsuccessful and the Property is subjected to ad valorem tax liability, Lessee shall pay for any ad valorem taxes assessed against the Property.

6.2 Utilities. Lessee, at its sole cost and expense, including without limitation any impact or other fees related to the Utilities (as hereinafter defined), shall cause to be installed and maintained within the Property all facilities necessary to supply to the Land and Improvements, including, but not limited to, all water, storm sewer and drainage facilities (in accordance with the terms of this Lease and Applicable Law, sanitary sewer, gas, electricity, telephone, and other utility facilities required in furtherance of Lessee's use of the Property ("Utilities")). Lessee shall be responsible for all costs and expenses of maintaining and servicing all Utilities, except Lessor

shall pay for any service charges associated with phone or other telecommunication charges needed for the Joint Use Facility.

ARTICLE VII

Security

Lessee shall be responsible for the access control to the Property, however, Lessor shall be responsible, at its sole costs and expense, for providing security and/or adult supervision of students and visitors, during its use of the Joint Use Facility. During its use of the Joint Use Facility and during Lessor-sponsored events at Buccaneer Stadium, Lessor shall provide security to enforce parking violations by its employees, students, and invitees on Rose and Pierpoint Streets and shall be responsible for maintaining those streets cleared and free of obstruction for passage of Lessee's emergency vehicle and traffic.

ARTICLE VIII

Insurance

8.1 Lessee's Insurance. Lessee, at Lessee's sole cost and expense, shall obtain and maintain in effect for the Term of the Lease the following insurance coverage:

(a) special causes of loss (formerly known as "all-risk") property insurance (including coverage for fire and other casualties) on the Improvements covered in this Lease, insuring against all perils on a replacement cost basis or with other reasonable coverage;

(b) commercial or business automobile liability coverage with limits not less than imposed by Sections 101.023 and 101.051 of the Civil Practice and Remedies Code, including coverage for owned, non-owned, and hired vehicles;

(c) commercial general liability coverage in accordance with Tort Claims Act limits while joint use facility being used by Lessee;

(d) workers' compensation for Lessee's employees, in the amounts and types required by Applicable Law; and

(e) Notwithstanding anything to the contrary contained herein, Lessee may self-insure the obligations set forth in Sections 8.1(b), (c) and (d) above.

8.2 Insurance Companies. Each of the insurance policies required under Section 8.1(a) shall be issued by solvent insurance carriers legally licensed and authorized to do business in the State of Texas and having ratings of Best's Insurance Guide, A-/VIII or Standard & Poor Insurance Solvency Review A- or better.

8.3 Additional Requirements. The parties acknowledge that Lessee is self-insured and that, except for the property insurance required under Section 8.1(a), the levels of insurance above shall be satisfied by Lessee's self-insurance. Lessee agrees to furnish a letter confirming the City's self-insured status and a copy of the certificate for the property insurance required

under Section 8.1(a), demonstrating that the foregoing insurance policies are in full force and effect and will not be cancelled without thirty (30) days prior written notice to each of such parties. Lessee will provide property insurance on the Joint Use Facility and City owned contents.

8.4 Waiver of Subrogation. With respect to the coverage described in Sections 8.1 (b), (c) and (d), and 8.7 (b), (c) and (d), whenever any loss, cost, damage or expense resulting from fire, explosion, or any other casualty or occurrence is incurred by either Lessor or Lessee, or anyone claiming by, through, or under Lessor or Lessee in connection with the Property; and such party is then covered, in whole or in part, by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability the other party may have on account of such loss, cost, damage, or expense, to the extent of any amount recovered by reason of such insurance, and waives any right of subrogation which otherwise might exist in or accrue to such party on account thereof; provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof.

8.5 Blanket Policies. Lessee may obtain the insurance policies required under Section 8.1 under a blanket or umbrella insurance policy or policies covering other properties as well as the Property; *provided, however,* that any such policy or policies of blanket insurance shall specify therein (or Lessee shall furnish Lessor with a written statement from the insurers under such policy or policies specifying) the amount of the total insurance allocated to the Property, which amounts shall not be less than the amounts required by Section 8.1(a) above. Except for the right of Lessee to provide coverage under a blanket or umbrella insurance policy or policies, the insurance policies required under this Article 8 must meet all other insurance requirements hereunder.

8.6 Change in Applicable Laws. In the event that any Applicable Laws are repealed, amended, or otherwise changed that would require insurance in a type or amount other than set forth herein or would operate to increase the risks of the respective parties with regard to the Property, the insurance requirements under this Article 8 will be adjusted and this Lease shall be amended to reflect the change in coverage necessitated thereby.

8.7 Lessor's Insurance. Lessor, at Lessor's sole cost and expense, shall obtain and maintain in effect for the Term of the Lease the following insurance coverage for the Joint Use Facility and District owned property:

(a) special causes of loss (formerly known as "all-risk") property insurance (including coverage for fire and other casualties) on District owned contents covered in this Lease, insuring against all perils on a replacement cost basis or with other reasonable coverage;

(b) commercial or business automobile liability coverage with limits not less than imposed by Sections 101.023 and 101.051 of the Civil Practice and Remedies Code, including coverage for owned, non-owned, and hired vehicles;

(c) commercial general liability coverage in accordance with Tort Claims Act limits while District use the Joint Use Facility;

(d) workers' compensation for Lessor's employees, in the amounts and types required by Applicable Law; and

(e) Notwithstanding anything to the contrary contained herein, Lessor may self-insure the obligations set forth in Sections 8.7(b), (c) and (d) above.

8.8 Insurance Companies. Each of the insurance policies required under Section 8.7(a) shall be issued by solvent insurance carriers legally licensed and authorized to do business in the State of Texas and having ratings of Best's Insurance Guide, A-/VIII or Standard & Poor Insurance Solvency Review A- or better.

ARTICLE IX

Condemnation

9.1 Termination. If, at any time during the Term, title to all or substantially all of the Property shall be taken in condemnation proceedings, such that the Property can no longer be used for its intended purpose, by any right of eminent domain or by any conveyance in lieu of or in settlement of a condemnation or eminent domain proceeding by the Governmental Authority with such jurisdiction and power over the Property ("Condemnation"), this Lease shall immediately terminate and be of no further force or effect as of the date the Property is actually physically occupied by the condemnor. Lessor shall be entitled to all proceeds from any Condemnation relating to the Land, and Lessee shall be entitled to all proceeds from any Condemnation relating to the Improvements.

9.2 Partial Condemnation. In the event of a partial Condemnation which does not terminate this Lease, this Lease shall continue in effect as to the remainder of the Land for the balance of the Term. Proceeds from any such partial Condemnation shall be distributed in the same manner as those for a full Condemnation.

ARTICLE X

Assignment

10.1 Assignment and Transfer.

(a) Lessee may not assign, transfer, sell, convey, or pledge this Lease or any portion, obligation or interest herein or hereunder, or all or any portion of Lessee's leasehold estate under this Lease, or sublet all or any portion of the Property to any party without Lessor's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

(b) Lessor may not assign, transfer, sell, convey or pledge this Lease or any portion, obligation or interest herein or hereunder without Lessee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

ARTICLE XI

Default

11.1 Lessee Event of Default. Lessee's failure to observe or perform any material provisions of this Lease for ninety (90) days after receipt of written notice specifying such failure shall constitute an event of default under this Lease ("Lessee Event of Default"); *provided, however,* that if Lessee has commenced to cure the same within such ninety (90) day period and thereafter shall prosecute the curing of same with reasonable diligence, then the time within which such failure may be cured shall be extended for such period as may be reasonably necessary to complete the same with reasonable diligence, but in no event more than one hundred eighty (180) days, unless a longer period is agreed to by the parties.

11.2 Lessor's Remedies for Lessee's Default. If a Lessee Event of Default shall have occurred and all cure periods shall have passed, Lessor shall have the right at its election, then or at any time thereafter so long as such Lessee Event of Default remains uncured, to either give written notice to Lessee of its election to (a) terminate this Lease on a date specified in such notice, which date shall not be less than ninety (90) days after the giving of such notice, or (b) pursue other remedies available to Lessor at law and equity. In the event Lessor chooses to terminate the Lease pursuant to subsection (a), thereafter the Lease shall terminate and the parties shall have no further rights, liabilities or obligations hereunder except as otherwise expressly provided for herein.

11.3 Lessor's Default. Lessor's failure to observe or perform any material provisions of this Lease for ninety (90) days after receipt of written notice specifying such failure shall constitute an event of default under this Lease ("Lessor Event of Default"); *provided, however,* that if Lessor has commenced to cure the same within such ninety (90) day period and thereafter shall prosecute the curing of same with reasonable diligence, then the time within which such failure may be cured shall be extended for such period as may be reasonably necessary to complete the same with reasonable diligence, but in no event more than one hundred eighty (180) days, unless a longer period is agreed to by the parties.

11.4 Lessee's Remedies for Lessor's Default. If a Lessor Event of Default shall have occurred and all cure periods shall have passed, Lessee shall have the right at its election, then or at any time thereafter so long as such Lessor Event of Default remains uncured, to give written notice to Lessor of its election to (a) terminate this Lease on a date specified in such notice, which date shall not be less than ninety (90) days after the giving of such notice, or (b) pursue other remedies available to Lessee at law and equity. In the event Lessee chooses to terminate the Lease pursuant to subsection (a), thereafter the Lease shall terminate and the parties shall have no further rights, liabilities or obligations hereunder except as otherwise expressly provided for herein.

11.5 No Waiver of Default. No waiver of any breach of any covenant or provision of this Lease shall be construed to be a waiver of any other covenant or provision.

ARTICLE XII

Environmental

12.1 Hazardous Materials.

(a) Lessee hereby represents to Lessor that Lessee shall not use or permit the use of any Hazardous Materials in violation of applicable Environmental Laws in the development, construction, operation, maintenance, occupancy, or use of the Property. In addition, Lessee shall not engage in any act or omission that is in violation of any Environmental Laws. Nothing in this section shall be construed to prohibit Lessee's use of any material, hazardous or otherwise, if necessary to carry out its duties and responsibilities as an emergency responder or as it relates to Lessee's duties and responsibilities as firefighters and public safety officers.

(b) Lessor hereby represents to Lessee that Lessor shall not use or permit the use of any Hazardous Materials in violation of applicable Environmental Laws in the use of the Joint Use Facility. In addition, Lessor shall not engage in any act or omission that is in violation of any Environmental Laws.

12.2 Environmental Insurance. In the event that either Lessor or Lessee elects to acquire insurance for protection against any environmental risks, the party making such election shall bear the responsibility and costs associated with acquiring such insurance.

12.3 Other Environmental Inspections and Surveys. Lessor grants Lessee the right to conduct other environmental and geophysical inspections and surveys, including such inspections that require intrusive testing on the Property, subject to the requirements under this Section 12.4. Prior to commencing such inspections and testing, Lessee shall provide notice to Lessor of the intended visit, the identity of the personnel to access the Property, and the date and time of the intended visit. During such inspections and surveys, Lessee shall ensure that activities on the Property are neat and workmanlike and that all waste materials are properly handled and disposed of. Lessee shall be responsible for the acts of all personnel accessing the Property during such inspections and surveys and shall promptly (i) notify Lessor of and (b) repair any damages resulting from such personnel's activity on the Property. Lessee shall ensure that all of its contractors conducting inspections or surveys on the Property shall indemnify and release Lessor and its agents, employees, and officials from any and all liability, including attorney's fees, arising from property damage, personal injury, or loss of life that may occur in connection with such activities. Lessee shall provide Lessor a copy of any reports produced as a result of such environmental inspections or surveys.

ARTICLE XIII

Limitation of Liability and Release

13.1 Mutual Release. EXCEPT IN CONNECTION WITH THE OTHER PARTY'S FAILURE TO COMPLY WITH THIS LEASE OR APPLICABLE LAWS, LESSOR AND LESSEE HEREBY RELEASE EACH OTHER AND THEIR RESPECTIVE

REPRESENTATIVES, AGENTS, EMPLOYEES, AND OFFICIALS FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITY, OR EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES), ARISING FROM LOSS OF LIFE, PERSONAL INJURY AND/OR PROPERTY DAMAGE, CAUSED BY OR RESULTING FROM ANY ACT OR OMISSION OF THE OTHER PARTY, ITS REPRESENTATIVES, AGENTS, EMPLOYEES, AND OFFICIALS, IN CONNECTION WITH SUCH PARTY'S USE OR OCCUPANCY OF THE PROPERTY, OR RELATING TO THE ENVIRONMENTAL CONDITION OF THE LAND.

THE PROVISIONS OF THIS SECTION 13.1 SHALL SURVIVE, AND SHALL CONTINUE IN FULL FORCE AND EFFECT FOLLOWING THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

13.2 Non-Waiver.

(a) LESSEE DOES NOT WAIVE OR RELINQUISH ANY IMMUNITY OR DEFENSE ON BEHALF OF ITSELF AND ITS OFFICERS, EMPLOYEES AND AGENTS AS A RESULT OF ITS EXECUTION OF THIS LEASE AND PERFORMANCE OF THE FUNCTIONS OR OBLIGATIONS DESCRIBED HEREIN. NOTHING HEREIN SHALL BE CONSTRUED AS CREATING ANY PERSONAL LIABILITY ON THE PART OF ANY OFFICER, DIRECTOR, EMPLOYEE OR REPRESENTATIVE OF LESSEE.

(b) LESSOR DOES NOT WAIVE OR RELINQUISH ANY IMMUNITY OR DEFENSE ON BEHALF OF ITSELF AND ITS TRUSTEES, OFFICERS, EMPLOYEES AND AGENTS AS A RESULT OF ITS EXECUTION OF THIS LEASE AND PERFORMANCE OF THE FUNCTIONS OR OBLIGATIONS DESCRIBED HEREIN. NOTHING HEREIN SHALL BE CONSTRUED AS CREATING ANY PERSONAL LIABILITY ON THE PART OF ANY OFFICER, DIRECTOR, TRUSTEE, EMPLOYEE OR REPRESENTATIVE OF LESSOR.

ARTICLE XIV

Representations and Warranties

14.1 Lessee's Representations. As consideration to Lessor to enter into this Lease, Lessee hereby represents and warrants to Lessor that, notwithstanding anything herein to the contrary, as of the Effective Date:

(a) Organization. Lessee is a home-rule city organized under the laws of the State of Texas and a political subdivision of the State of Texas, with all necessary power and authority to enter into this Lease and to consummate the transactions herein contemplated.

(b) Power and Authority. The execution, delivery and performance of this Lease by Lessee are within Lessee's powers and have been duly authorized by all necessary action of Lessee.

(c) No Conflict. The execution and delivery hereof and the performance by Lessee of its obligations under this Lease do not violate, conflict with or result in a breach of or constitute an event of default under, and are not inconsistent with any material terms or material

provisions of, any contract, agreement, instrument, or Applicable Laws to which Lessee is a party or is subject or any judgment, order, or decree applicable to Lessee.

(d) No Consents. Upon the execution of this Lease by Lessee, Lessee will have caused all governmental proceedings required to be taken by or on behalf of Lessee to authorize Lessee to make and deliver this Lease and to perform the covenants, obligations, and agreements of Lessee hereunder. No consent, authorization, approval, order, or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the execution or delivery of this Lease by Lessee or the performance by Lessee of its covenants, obligations, and agreements hereunder, other than any such approval, which already has been unconditionally given.

(e) Valid and Binding Obligation. This Lease is the legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization, or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) No Pending Litigation, Investigation or Inquiry. There is no action, proceeding, inquiry, or investigation, at law or in equity, before any court, arbitrator, governmental or other board or official, pending or, to the knowledge of Lessee, threatened against or affecting Lessee, which Lessee in good faith believes that the outcome of which would (i) materially and adversely affect the validity or enforceability of, or the authority or ability of Lessee under, this Lease to perform its obligations under this Lease, or (ii) have a material and adverse effect on the consolidated financial condition or results of operations of Lessee or on the ability of Lessee to conduct its business as presently conducted or as proposed or contemplated to be conducted.

14.2 Lessor's Representations. As consideration to Lessee to enter into this Lease, Lessor represents and warrants to Lessee that, notwithstanding anything herein to the contrary, as of the Effective Date:

(a) Organization. Lessor is a public school district under the Texas Education Code and a political subdivision of the State of Texas, with all necessary power and authority to enter into this Lease and to consummate the transactions herein contemplated.

(b) Power and Authority. The execution, delivery, and performance of this Lease by Lessor are within Lessor's powers and have been duly authorized by all necessary action of Lessor.

(c) No Conflict. The execution and delivery hereof and the performance by Lessor of its obligations under this Lease do not violate, conflict with, or result in a breach of or constitute an event of default under, and are not inconsistent with any material terms or material provisions of, any contract, agreement, instrument, or Applicable Laws to which Lessor is a party or is subject or any judgment, order, or decree applicable to Lessor.

(d) No Consents. Upon the execution of this Lease by Lessor, Lessor will have caused all governmental proceedings required to be taken by or on behalf of Lessor to

authorize Lessor to make and deliver this Lease and to perform the covenants, obligations, and agreements of Lessor hereunder. No consent, authorization, approval, order, or other action by, and no notice to or filing with, any court or Governmental Authority or regulatory body or third party is required for the execution or delivery of this Lease by Lessor or the performance by Lessor of its covenants, obligations, and agreements hereunder, other than any such approval which already has been unconditionally given.

(e) Valid and Binding Obligation. This Lease is the legal, valid, and binding obligation of Lessor, enforceable against Lessor in accordance with its terms, except as limited by applicable relief, liquidation, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization, or similar laws affecting the rights or remedies of creditors generally, as in effect from time to time.

(f) No Pending Litigation, Investigation or Inquiry. There is no action, proceeding, inquiry or investigation, at law or in equity, before any court, arbitrator, governmental, or other board or official, pending or, to the knowledge of Lessor, threatened against or affecting Lessor, which Lessor in good faith believes that the outcome of which would (i) materially and adversely affect the validity or enforceability of, or the authority or ability of Lessor under, this Lease to perform its obligations under this Lease, or (ii) have a material and adverse effect on the consolidated financial condition or results of operations of Lessor or on the ability of Lessor to conduct its business as presently conducted or as proposed or contemplated to be conducted.

(g) Parties in Possession; Liens. There are no tenants other than Lessor, there are no other parties in possession of any part of the Property and no one has any right to occupy any part of the Property. There are no liens, recorded or otherwise, which affect title to the Property.

ARTICLE XV

Notices

Any notice required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered; (ii) deposited in the United States mail, prepaid and registered addressed to the parties to be notified with return receipt requested; (iii) transmitted by nationally-recognized courier service; or (iv) transmitted by facsimile. For purposes of notice, the addresses of the parties shall be as follows:

(a) In the case of Lessor:

Superintendent
Corpus Christi Independent School District
801 Leopard Street
Corpus Christi, Texas 78403-0110

(b) In the case of Lessee:

City Manager
City of Corpus Christi
1201 Leopard Street
Corpus Christi, Texas 78401

All notices and other communications shall be deemed to have been duly given on (i) the date of receipt if delivered personally; (ii) seven (7) days after the date of posting if transmitted by mail; (iii) the day after delivery to the courier if transmitted by courier; or (iv) the date of transmission with confirmation if transmitted by facsimile, whichever shall first occur. Notice in any other manner shall be effective only if and when received by the party to be notified. Any party may change its address for purposes hereof by notice to the other party in the manner prescribed herein.

ARTICLE XVI

Covenants Binding

The terms, covenants, agreements, provisions and conditions of this Lease shall be binding upon and inure to the benefit of the successors and assigns of Lessor and the successors and assigns of Lessee and shall be construed as covenants running with the land.

ARTICLE XVII

Memorandum of Lease

Either party may prepare a Memorandum of Lease which shall be signed by Lessor and Lessee simultaneously (or at any time during the Term hereof) with the execution hereof, to be recorded pursuant to the provisions of law, which Memorandum shall set forth the Lease provisions, or the substance thereof, as either party desires.

ARTICLE XVIII

Miscellaneous

18.1 No Partnerships or Joint Ventures. Nothing herein contained shall be construed to make the parties partners or joint venturers or to make Lessor liable for any obligations incurred by Lessee in the conduct of its business and no party dealing with Lessee shall be entitled to look to Lessor or to Lessor's interest in the Property for the recovery of any sum owed by Lessee or any damages for which Lessee may be liable. Nothing herein contained shall be construed to make the parties partners or joint venturers or to make Lessee liable for any obligations incurred by Lessor in the conduct of its business and no party dealing with Lessor shall be entitled to look to Lessee or to Lessee's interest in the Property for the recovery of any sum owed by Lessor or any damages for which Lessor may be liable.

18.2 Additional Documents. Each party agrees that at any time and from time to time upon the written request of the other party, it will execute, acknowledge and deliver to the other

party not later than ten (10) days after said written request such certificates or other documents as the requesting party may reasonably request in connection with this Lease.

18.3 Severability. If any term or provision of this Lease shall, to any extent, be illegal, invalid or unenforceable, the remainder of this Lease shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law. Furthermore, in lieu of such illegal, invalid or unenforceable provision, there shall be automatically as a part of this Lease, a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

18.4 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

18.5 Entire Agreement. It is expressly understood and agreed by and between the parties hereto that this Lease and the documents referred to herein set forth all of the promises, agreements, conditions, and understandings, whether written or verbal, between Lessor and Lessee relative to the subject matter contained herein and/or the Property and that there are no promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

18.6 No Merger of Estates. The leasehold estate shall not merge with the fee estate in the event that the same person or entity acquires, owns or holds, directly or indirectly, the fee estate and the leasehold estate in the Property.

18.7 Choice of Law; Venue. This Lease shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice of law rules thereof which may direct the application of the laws of another jurisdiction. Venue shall be in Nueces County, Texas.

18.8 Table of Contents and Captions. The table of contents and the captions under the Article numbers of this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

18.9 Modifications. Each and every modification and amendment of this Lease shall be in writing and signed by Lessor and Lessee, and each and every waiver of, or consent to, or departure from any representation, warranty, covenant, or other term of this Lease shall be in writing and signed by the affected party thereto.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument as of the day and year first above written.

City of Corpus Christi (Lessee)

Corpus Christi Independent School District (Lessor)

Angel R. Escobar 2/9/11
Angel R. Escobar (Date)

John Longoria 01/10/11
John Longoria (Date)

City Manager

Board President

ATTEST:

ATTEST:

Armando Chapa 2/9/11
Armando Chapa (Date)
City Secretary

Carol A. Scott 01/10/11
Carol A. Scott (Date)
Board Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:

T. Trisha Dang 1/20/11
T. Trisha Dang (Date)
Assistant City Attorney
For City Attorney

Philip D. Fraissinet January 6, 2011
Philip D. Fraissinet (Date)
Attorney For Corpus Christi ISD

Res. 028945 AUTHORIZED
BY COUNCIL 02/08/11
AC
SECRETARY *pp.*