

TEXAS STATE MUSEUM OF ASIAN CULTURES  
LEASE AGREEMENT

WHEREAS, the City of Corpus Christi, Texas, ("City") is the owner of real property known as the ILA Building, located at Corpus Christi, Texas, Beach Addition, Block 89, fractional lots 7, 8, and 9, and full lots 10, 11, and 12, together with all improvements thereon ("Property") as shown in Site Map "Exhibit A"; and

WHEREAS, the Texas State Museum of Asian Cultures, a Texas non-profit corporation ("Lessee") desires to lease the Property, rehabilitate the existing improvements, and/or construct new improvements.

In consideration of the foregoing and the mutual promises herein contained, City and Lessee agree as follows:

1. Use. City does hereby lease, let, and demise to Lessee the Property as shown in "Exhibit A" Site Map, together with all improvements located thereon. Lessee shall operate the Improvements and the Property exclusively for the following purposes, and uses incidental thereto: advancement of knowledge, appreciation and enjoyment of Asian cultures including but not limited to programs, exhibits, performances, promotions, classes, training, and education in Asian cultures. Such activities shall be conducted on a regular, continuous basis, and facilities constructed on the Property shall be operated during regular, reasonable business hours with the understanding that the City wishes to have as much activity in the area as possible throughout the week including weekends.

Lessee agrees to operate the Property in a manner consistent with the use plan presented to City. Any other uses of the Property by Lessee shall be prohibited without prior written approval of the City Manager or his designee ("City Manager"). Lessee shall have the right to establish and maintain its administrative offices within the structure and to provide meeting rooms for the activities of Lessee or any of its support groups, as specified in the use plan.

2. Construction or Rehabilitation. Lessee shall have the right, but shall not be obligated, to rehabilitate existing or to construct additional improvements on the Property, subject to approval by the City Council.

Plans and specifications for the rehabilitation and/or new construction of improvements, site improvements, parking, irrigation system and landscaping and any changes thereto must be

approved by the City Manager prior to the start of construction thereof, and shall be consistent aesthetically and in quality of construction with other properties in the Bayfront Arts and Sciences Park and be in conformance with all City codes. Lessee shall consult with and obtain approval of all irrigation system and landscaping improvements from the Director of Parks and Recreation.

Local vendors and contractors shall be utilized for all new construction to the greatest extent possible.

Lessee shall have sole and full responsibility for preparing the plans, advertising for bids, supervising construction and accepting the improvements when completed.

The cost of construction, rehabilitation, landscaping, irrigation and other site improvements shall be borne entirely by Lessee. It is understood that City does not assume and will not in any way be responsible for any of the financial obligations incurred or created by Lessee in connection with the construction of the improvements. Lessee agrees to save and hold City harmless from any and all charges, claims or liability of any nature whatsoever as provided below.

3. Terms and Hours of Operations. The term of this Lease Agreement shall begin sixty (60) days after execution of this Lease Agreement and continue for fifteen (15) years, subject to the provisions concerning termination as stated herein. Lessee shall be open to the public during regular office hours of Lessee for a minimum period of at least four (4) hours per day for five (5) days out of each week. Lessee shall post a sign outside the structure detailing the hours the same is open for public inspection.

Lessee's activities will have priority on use of the ILA Building; however, Lessee shall permit use of the Property by City and civic and community groups on a reasonable time basis, if such use will not interfere with previously scheduled activities of Lessee. Lessee shall have the right to charge rental fees for the use of the Property and in addition thereto, to charge actual out-of-pocket costs incurred by Lessee through the use by others.

Lessee may refuse the use of the Property to any person, firm or corporation, for any event which is deemed to be unsuitable by virtue of the limitations of the design and outfitting of the Property or by virtue of failure to meet the moral standards of the community, but Lessee shall promptly report any such refusals made on this basis to City.

4. Rent. Lessee will provide advancement of knowledge, appreciation, and enjoyment of Asian cultures by providing programs, exhibits, performances, and education in Asian cultures on an on-going basis; will rehabilitate the ILA building and/or construct new improvements on the Property; will provide interior and exterior maintenance to the ILA Building and any new improvements; and will provide grounds maintenance for the Property in lieu of making monthly rental payments.

5. Furnishing Building. It is understood that Lessee will be responsible for furnishing and equipping the ILA Building and that City has no obligation to furnish any equipment or furnishings for Lessee. All personal property furnished by or on behalf of Lessee will remain the property of Lessee unless specifically donated to City.

6. Maintenance. Lessee will maintain the lawn and vegetation of the Property at its own expense, including any garden or extensive landscaping. Lessee will maintain, at its sole expense, the Facilities and any Improvements on the Property, including without limitation all fixtures connected therewith, all personal property thereon, exterior walks and driveways, and all other areas which City has not agreed to maintain under this Lease Agreement. Maintenance shall be of such quality as to maintain the Property in a first-class condition, consistent and in harmony with the standard of maintenance of improvements on properties leased by City to other tenants in the Bayfront Arts and Science Park. Lessee shall not undertake exterior construction, remodeling, redecorating, or signage beyond normal maintenance without prior written consent of the City Manager. No major interior construction shall be undertaken without prior written consent of the City Manager. Lessee shall obtain, at its own expense, all building permits.

7. INDEMNITY. ***LESSEE SHALL FULLY INDEMNIFY, SAVE AND HOLD HARMLESS CITY, ITS OFFICERS, EMPLOYEES, AND AGENTS AGAINST ANY AND ALL LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, AND ACTIONS OF ANY NATURE WHATSOEVER ON ACCOUNT OF PERSONAL INJURIES (INCLUDING, WITHOUT LIMITATION ON THE FOREGOING, PREMISES DEFECTS, WORKERS' COMPENSATION AND DEATH CLAIMS), OR PROPERTY LOSS OR DAMAGE OF ANY KIND WHATSOEVER, WHICH ARISE OUT OF OR ARE IN ANY MANNER CONNECTED WITH, OR ARE CLAIMED TO ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH, THE PERFORMANCE BY LESSEE OF ITS OBLIGATIONS***

***UNDER THIS LEASE AGREEMENT OR LESSEE'S USE, OPERATION OR OCCUPANCY OF THE PROPERTY.***

***LESSEE SHALL AT ITS OWN EXPENSE INVESTIGATE ALL SUCH CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON AND PAY ALL CHARGES OF ATTORNEYS AND ALL OTHER COSTS AND EXPENSES OF ANY KIND ARISING FROM ANY SUCH LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, AND ACTIONS.***

8. Compliance with Laws. Lessee agrees that in the operation of the Property it will promptly comply with and fulfill all ordinances, regulations and codes of Federal, State, County, City and other governmental agencies applicable to the Property, including without limitation compliance with American with Disabilities Act requirements, and all ordinances or regulations imposed by City for the correction, prevention and abatement of nuisances or code violations in or connected with the Property during the term of this Lease Agreement, at Lessee's sole expense and cost.

9. Signage. Lessee shall not place, paint or otherwise affix any signs at, or on or about the Property, or any part thereof, without prior written consent of City Manager. City Manager shall have the right at any time to require Lessee to remove, paint or repair the signs allowed. Should Lessee not remove, paint or repair the said signs within thirty (30) days of demand therefor in writing, City may fulfill its demands and charge the expense of same to Lessee. Payment for such work shall be made within thirty (30) days of receipt of said bill. This paragraph does not apply to temporary signs, in conformity with city codes, on the Property for two weeks or less.

10. Right to Enter and Inspect. The City reserves the right to enter the Property at any reasonable time during business hours during the existence of this Lease Agreement, after reasonable notice to Lessee, for the purpose of inspecting the same in order to determine whether the terms of this Lease Agreement are being- observed and carried out, including but not limited to, both exterior and interior maintenance.

11. Insurance.

(A) Lessee shall secure and maintain at Lessee's expense, during the term of this Lease, insurance of the type and with the amount of coverage shown on the Exhibit "B", which is incorporated in this Lease by reference.

(B) The Certificate of Insurance must be sent to the Risk Manager prior to occupancy of and operations at the Premises. Lessee agrees to notify Lessor of any substantive change to its insurance coverage.

(C) Lessee shall provide, during the term of this Lease, copies of all insurance policies to the Risk Manager upon written request by the City Manager. The Risk Manager shall retain the right to annually review the amount and types of insurance maintained by Lessee, to require increased coverage limits, if reasonably necessary in the interest of public health, safety, or welfare, and to decrease coverage, if so warranted.

(D) In the event of any necessary increase, Lessee shall receive ninety (90) days written notice prior to the effective date of the requirement to obtain increased coverage. In the event alcoholic beverages are to be served or consumed on any Premises covered by this Lease, the Lessee shall additionally obtain or cause to be obtained alcoholic beverage liability insurance in the amount of one million dollars (\$1,000,000.00) covering the event or time period when alcoholic beverages are to be served or consumed.

(E) Lessee shall, prior to any addition or alteration to, in, on, or about the Premises, obtain prior clearance, in writing, from the Risk Manager that the proposed addition or alteration will not necessitate a change or modification in the existing insurance coverage maintained by Lessee. This clearance is in addition to the prior consent required by Section 19(a), as contained herein.

(F) The City carries the property and flood insurance on the building. Lessee is responsible for insuring its own contents.

12. Subletting or Assignment. Lessee shall not assign this Lease Agreement nor sublet the Property or any part thereof without the prior written consent of the City. The consent of the City shall not be unreasonably withheld. This restriction does not include renting all or part of the Property for a period of less than one (1) week.

13. Defaults. Upon thirty days prior written notice to Lessee, City may, at its option, in addition to any other remedy or right hereunder or by law, terminate this Lease Agreement upon occurrence of any of the following conditions ("Defaults"), provided that Lessee has not cured the Default prior to termination;

(1) Failure to operate the Property for the purposes set forth in Paragraph 1 except during periods necessary for repairs or renovation approved by the City Manager in writing or except as otherwise contemplated by this Lease Agreement.

(2) Failure to abate any nuisance specified in writing by the City Manager within a reasonable time specified in writing by the City Manager.

(3) Lessee's assignment of this Lease Agreement or attempted assignment or subletting, without prior written consent of City.

(4) Failure to have in effect policies of contractor's insurance, liability insurance, and/or workers' compensation insurance as required by City Manager.

(5) Failure to pay any taxes prior to the due date.

(6) Abandonment of the Property.

(7) Failure of Lessee to correct any other breach in the performance or observance of any other covenant or condition of this Lease Agreement.

(8) Failure to pay payroll taxes, medicare taxes, FICA taxes, unemployment taxes, and all other related taxes in accordance with Circular E Employer's Tax Guide, Publication E, as it may be amended.

Upon termination of this Lease Agreement as hereinabove provided, or pursuant to statute, or by summary proceedings or otherwise, City may enter forthwith and resume possession either by summary proceedings, or by action at law or in equity or by force or otherwise, as City may determine, without being liable in trespass or for any damages. The foregoing rights and remedies given to City are, and shall be deemed to be, cumulative of any other rights of City under law, and the exercise of one shall not be deemed to be an election, and the failure of City at any time to exercise any right or remedy shall not be deemed to operate as a waiver of its right to exercise such right or remedy at any other or future time.

No assent, express or implied, by City to any breach of any of Lessee's covenants, agreements, conditions, or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition, or term hereof.

14. Termination. Lessee or the City shall have the right to terminate this Lease Agreement by giving the other party ninety (90) days prior written notice of the date of termination, in which case all obligations on the part of Lessee shall also terminate as of the date of termination, so long as the Property is returned in same or better condition as upon the

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effective date of the Lease, normal wear and tear excepted. If the Property is not in such condition, Lessee shall repair the Property to such condition within sixty (60) days after termination of this Lease.

15. Property of City. Upon expiration of this Lease Agreement, or upon termination thereof for any reason, all buildings, improvements, and fixtures placed on the Property by Lessee shall become property of City.

16. Landlord/Tenant. It is specifically agreed and understood that the parties intend and do hereby create a landlord/tenant relationship, and this Lease Agreement shall be construed conclusively in favor of that relationship. Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that no provision contained herein, nor any of the acts of the parties hereto, shall be deemed to create any relationship between the parties herein other than that of Landlord and Tenant.

17. Amendments. No changes or modifications to this Lease Agreement shall be made, nor any provision waived, unless in writing signed by a person authorized to sign agreements on behalf of each party. This Lease Agreement supersedes all previous agreements between the parties.

18. General Provisions.

A. Invalidity. If any clause or provision of this Lease Agreement is illegal, invalid or unenforceable under present or future law effective during the term of this Lease Agreement, then and in that event, the remainder of this Lease Agreement shall not be affected thereby, and in lieu of each such clause or provision, shall be added automatically as part of this Lease, a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

B. Publication. Lessee agrees to pay the costs of newspaper publication of this Lease Agreement and related ordinance as required by the City Charter.

C. Terms. This Lease Agreement is made and accepted subject to all ad valorem taxes that may be levied and assessed on the Property and/or its improvements, furnishing and contents during the term of this Lease Agreement, the payment of which is hereby assumed by Lessee.

D. Utilities. Lessee shall obtain, at its own expense all utility services, garbage collection, janitorial services, security services, and similar services during the Lease period.

E. No Waiver. No assent, express or implied, by City to any breach of any of Lessee's covenants, agreements, conditions or terms hereof shall be deemed or taken to be a waiver of any succeeding breach of any covenant, agreement, condition or term hereof.

F. Lessee's Acknowledgment. By Lessee's execution hereof, Lessee acknowledges that Lessee has read this Lease Agreement and understands that this Lease Agreement is not binding on the City until properly authorized by the City Council and executed by the City Manager of the City of Corpus Christi, Texas.

G. Nondiscrimination. Lessee will not on the grounds of handicap, sex, race, color, or national origin, discriminate or permit discrimination against any person or groups of persons in any manner. City hereby reserves the right to take such action as the United States Government may direct to enforce this covenant.

H. No Debts. Lessee will incur no debts or obligations on the credit of the City of Corpus Christi.

I. Notices. All notices required or allowed under the Lease shall be:

1. hand-delivered;
2. mailed by certified mail;
3. faxes; or
4. sent by overnight mail.

If hand-delivered or faxed, the notice shall be deemed received on the day delivered or faxed. If the notice is sent overnight mail, the notice shall be deemed received on the next business day after it was sent. If the notice is mailed by certified mail, the notice shall be deemed received on the third business day after it was mailed. Notice shall be sent as follows:

If to City:

Director of Parks and Recreation  
City of Corpus Christi  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

If to Lessee:

Texas State Museum of Asian Cultures  
1809 N. Chaparral  
Corpus Christi, Texas 78401

J. Concession Rights. Lessee shall have the right to provide concession activities, including food and beverages. City shall have the right to approve all prices charged, which



approval is delegated to the City Manager. Lessee must notify City of proposed price changes sixty (60) days prior to the proposed change. The price change shall be immediately effective upon approval of the City Manager. Lessee shall prominently display a list of prices to be charged at each location where concession items are sold, and such prices shall not exceed prices charged for similar services under similar conditions elsewhere in the city. Lessee shall offer concession services to other users of the Property on the same basis and at the same prices as for Lessee.

K. Publication Costs. Lessee shall pay for the cost of publishing the Lease description and related ordinance, if required by the City Charter, in the legal section of the local newspaper.

*Remainder of page intentionally left blank; signature page to follow.*

EXECUTED IN DUPLICATE, each of which shall be considered an original, on the day of \_\_\_\_\_, 2014.

ATTEST:

CITY OF CORPUS CHRISTI

\_\_\_\_\_  
Rebecca Huerta  
City Secretary

\_\_\_\_\_  
Ronald L. Olson  
City Manager

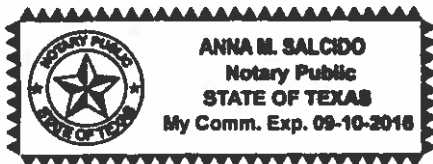
**LESSEE: TEXAS STATE MUSEUM OF ASIAN CULTURES**

By: Jenny Lin  
Name: Jenny Lin  
Title: VP of the Board  
Date: 10/15/2014

ACKNOWLEDGEMENT

THE STATE OF TEXAS §  
COUNTY OF NUECES §

This instrument was acknowledged before me on the day of 15<sup>th</sup> day of Oct., 2014 by Jenny Lin (name), VP of the Board (title) of the Texas State Museum of Asian Cultures, a Texas non-profit corporation, on behalf of said corporation.



Anna M. Salcido  
Notary Public, State of Texas  
Printed Name: ANNA M. SALCIDO  
Expiration Date: 09-10-2016

APPROVED AS TO LEGAL FORM this 16 day of October, 2014.

By: Buck Brice  
Buck Brice  
Assistant City Attorney  
for City Attorney

**Exhibit A – Lease Boundaries**  
**Texas State Museum of Asian Cultures**



**EXHIBIT B**

**INSURANCE REQUIREMENTS**

**I. LESSEE’S LIABILITY INSURANCE**

- A. Lessee shall not commence work under this agreement until all insurance required herein has been obtained and approved by the City’s Risk Manager or designee. Contractor must not allow any subcontractor to commence work until all similar insurance required of the subcontractor has been so obtained.
  
- B. Lessee shall furnish to the Risk Manager or designee and Director of Parks and Recreation Department, two (2) copies of Certificates of Insurance, with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the Risk Manager or designee. The City must be listed as an additional insured for the General Liability policy, and a waiver of subrogation is required on all applicable policies.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-Day Notice of Cancellation required on all certificates or by policy endorsement(s)	Bodily injury and Property Damage Per Occurrence / aggregate
Commercial General Liability including: 1. Broad Form 2. Premises – Operations 3. Products/Completed Operations Hazard 4. Contractual Liability 5. Broad Form Property Damage 6. Independent Contractors	\$1,000,000 Per Occurrence
PROPERTY INSURANCE	Lessee shall purchase All – Peril Property Coverage to provide coverage for Personal Property.
WORKERS’ COMPENSATION	Which Complies With The Texas Workers’ Compensation Act And Paragraph II Of This Exhibit.
EMPLOYER’S LIABILITY	\$500,000 / \$500,000 / \$500,000

- C. In the event of accidents of any kind related to this project, Lessee shall furnish the Risk Manager with copies of all reports of such accidents within ten (10) days of the accident.

**II. ADDITIONAL REQUIREMENTS**

- A. Lessee must obtain workers’ compensation coverage through a licensed insurance

company in accordance with Texas law. The contract for coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The coverage provided must be in amounts sufficient to assure that all workers' compensation obligations incurred will be promptly met.

- B. Lessee shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Lessee's sole expense, insurance coverage written on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of no less than A- VII.
- C. Lessee shall be required to submit a copy of the replacement certificates of insurance to City at the address provided below within 10 days of the requested change. Lessee shall pay any costs incurred resulting from said changes. All notices under this Article shall be given to City at the following address:

City of Corpus Christi  
Attn: Risk Management  
P.O. Box 9277  
Corpus Christi, TX 78469-9277

- D. **Lessee agrees that with respect to the above required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:**
- List the City and its officers, officials, employees, volunteers, and elected representatives as additional insured by endorsement or compatible policy language, as respects operations, completed operations and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy
  - Policies "other insurance" clause shall not apply to the City of Corpus Christi where the City is an additional insured shown on the policy;
  - Workers' compensation and employers' liability policies will provide a waiver of subrogation in favor of the City; and
  - Provide thirty (30) calendar days advance written notice directly to City of any suspension, cancellation, non-renewal or material change in coverage, and not less than ten (10) calendar days advance written notice for nonpayment of premium.
- E. Within five (5) calendar days of a suspension, cancellation, or non-renewal of coverage. Lessee shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Lessee's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.

- F. In addition to any other remedies the City may have upon Lessee's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Lessee to discontinue sales/work hereunder, until Lessee demonstrates compliance with the requirements hereof.
- G. Nothing herein contained shall be construed as limiting in any way the extent to which Lessee may be held responsible for payments of damages to persons or property resulting from Lessee's or its subcontractor's performance of the work covered under this agreement.
- H. It is agreed that Lessee's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this agreement.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this agreement.

2014 Parks and Recreation Dept.  
Museum of Asian Cultures, Lease Agreement – ins. reqs.  
9/2/2014 ds Risk Management