

## LEASE AGREEMENT

This Lease AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2024 by and between THE CITY OF CORPUS CHRISTI, a Texas home-rule municipal corporation ("CITY"), acting for the benefit of its Corpus Christi Police Department (the "Police Department"); and FLINT HILLS RESOURCES CORPUS CHRISTI, LLC ("FHR"), owner of a place of business located at 2825 Suntide Road, Corpus Christi, Texas 78409.

**WHEREAS**, the CITY desires to lease from FHR, and FHR desires to lease to CITY the following-described property owned by FHR (the "Property") located at 1925 Tuloso Road, Corpus Christi, Texas 78409, for the benefit of CITY's Police Department:

**PROPERTY:** The following-described portions of FHR's building and property. located 1925 Tuloso Road, Corpus Christi, Texas 78409 in Corpus Christi, Texas (formerly known as the Tuloso-Midway School building and property):

**Office Space** located and described as follows: approximately 3,413.93 square feet of space including former indoor Physical Education room and adjacent offices (see Exhibit A for location); and

**Parking Spaces:** Approximately 40 parking spaces in locations to be reasonably designated by FHR (separate areas may be designated for use during FHR's business hours and during FHR's non-business hours), which locations may change from time to time upon reasonable notice by FHR to the CITY; and

**Shared Spaces:** Certain ingress and egress routes to and from the Office Space and Parking Spaces to be reasonably designated by FHR, and the rest rooms located at Training Center entry (see Exhibit A), which routes and areas are also used by FHR and others.

**NOW, THEREFORE**, the Parties state and agree as follows:

1. **LEASE.** FHR hereby leases to CITY, and CITY hereby leases from FHR, the above-described Property; this lease shall be for a term, upon the rentals, and subject to the terms and conditions set forth in this Agreement.

2. **TERM.** The initial term of the Agreement shall begin on \_\_\_\_\_, 2024 ("Effective Date") and extend to the end of the day on the last day of \_\_\_\_\_, 2028 ("Initial Term"), subject to earlier termination as provided herein. Thereafter, the term of this Agreement may be extended for one additional term of one year, at CITY's option after giving FHR written notice of its intention to exercise its option 120 days prior to the expiration of the initial term ("Extension Term"). Provided, however, that FHR shall have the right to terminate this Agreement upon 15 days written notice to the CITY if the CITY materially breaches any of its obligations hereunder and fails to cure such breach within a reasonable period of time following notice of such breach from FHR. Upon expiration or termination of the Initial Term or Extended Term of this Agreement, the CITY shall surrender the Office Space to FHR in as good a condition as it was at the beginning of the Initial Term, reasonable wear from authorized use excepted,

remove the CITY's personal property and fixtures located on the Property hereunder (except as otherwise agreed to by the parties), and timely repair any damage to the Property caused by the CITY's activities hereunder.

3. **RENT.** CITY agrees to pay to FHR \$5,000 per month, payable at the commencement of this Agreement, as rent for the Property during the Initial Term of this Agreement. The rent for the Extension Term of this Agreement, if exercised, shall be \$5,000 per month payable in advance of each month. All payments shall be mailed to the following address or at such other address as FHR may direct in writing from time to time:

WL Bates & Co.  
901 N. Carancahua  
Corpus Christi, Texas 78401

4. **USE.** The Property leased to CITY hereunder shall be used by the CITY's Police Department as follows:

**ACTIVITIES PERMITTED:** Patrolman assembly and departure station, conducting briefings, completion of reports and other normal police administration duties.

**ACTIVITIES NOT PERMITTED:** The CITY's Police Department may not detain or question suspects or others on the Property. CITY's Police Department is prohibited from permitting members of the public to enter upon and access the Property, whether for purposes of police-related business or other purposes, unless entry is otherwise permitted in accordance with the terms of this Agreement.

Additionally, CITY shall use the Property and conduct its Activities hereunder: (i.) in a good and workmanlike manner; (ii.) in compliance with FHR's reasonable site-security and site-safety requirements that are made known to the CITY; and (iii.) in accordance with all applicable laws and good industry standards. The CITY will not store any dangerous or hazardous materials at the Property.

5. **INSPECTION, NO REPRESENTATION BY FHR; DISCLAIMER OF WARRANTIES.** CITY acknowledges that it is entering into this Agreement without relying upon any representations by FHR concerning the condition (physical, environmental, title, or otherwise) of the Property or the fitness of the Property for any particular purpose; rather, CITY acknowledges that it is relying solely upon its independent investigation of the Property to determine the status of the Property. **FHR disclaims all warranties, express or implied, with respect to the Property, including, but not limited to, any warranty of title, warranty of merchantability, or warranty of fitness for a particular purpose, whether arising by operation of law or otherwise. CITY acknowledges that it is leasing the Property in an "AS IS, WHERE IS" condition, with all faults or defects, both patent and latent.**

6. **REPAIRS; ALTERATIONS.** The CITY will perform, at its expense, all necessary or appropriate activities concerning the preparation of the Property for use hereunder, but the CITY will not make or allow to be made any material alterations, additions, or modifications to the Property, or any part thereof, without first obtaining written approval from FHR. As part of such

approval-process, the parties acknowledge that they will normally attempt to agree on how to handle any such changes/improvements upon the termination of this Agreement (e.g., whether improvements will be left on the Property, or removed, upon such termination). FHR shall have the right to have a representative present during all times that such alterations, additions, or modifications on or to the Property are occurring; such activities shall not occur without having an FHR representative present except if FHR waives, in writing, its right to have a representative present. CITY shall provide at least 48 hours advance notification to FHR of any such planned alterations, additions, or modifications to the Property. Approvals or inspections by FHR of such activities shall have no effect on and shall not operate as a waiver by FHR of any of CITY's duties and obligations under this Agreement. To the extent any such work involves the use of non-governmental contractors, such approval may be conditioned on such contractors providing indemnity protections and insurance-endorsements directly to FHR that are similar in nature to what FHR requests of its own contractors. The CITY shall be responsible for promptly repairing and remediating, at its expense, any damage to property or the environment that is caused by the CITY's use of the Property hereunder.

7. **UTILITIES; SERVICES.** The CITY will be responsible, at its expense, for providing the following services for the Office Space: janitorial service, routine (non-structural) maintenance, light bulb replacement and trash service, to the extent relating to the CITY's use of the Property. The CITY will arrange for and pay for any telephone, internet, and other communications-related utility services relating to its use of the Property. FHR will provide reasonable amounts of utilities (water, electricity, etc.) to the Property using existing connections and arrangements, at no additional cost to the CITY. FHR will provide all fire safety equipment and fire alarm systems.

8. **OTHER OPERATIONS.** The CITY recognizes and acknowledges that FHR has certain operations on or in the vicinity of the Property, and the CITY agrees to make reasonable efforts to conduct its Activities Permitted hereunder in a manner that does not unreasonably interfere with such operations. The CITY acknowledges that the Shared Spaces and the parking area in the vicinity of the Property are also being used by FHR and others during the term of this Agreement but FHR shall make reasonable efforts to avoid unreasonable interference with the use of the Property by the CITY hereunder. The parties will (upon the request of either) meet to discuss and coordinate any shared usage of any portion of the Property and/or associated parking area during the term of this Agreement. FHR agrees to provide current copies of life safety system inspections and copies of future inspections. In addition, FHR agrees to conduct, at their expense, inspections of all life safety systems on a periodic basis. Any recommendations for corrections to life safety systems will be made at the expense of FHR.

9. **ASSIGNMENTS; LIENS.** The CITY shall not assign this Agreement in whole or in part nor sublet all or any part of the Property without the prior written consent of FHR. The CITY shall not permit any mechanics' liens, materialmen's liens, or other liens to be filed against the Property. If any such lien is filed against the Property during the term of this Agreement relating to the CITY's use of the Property hereunder, CITY shall be entitled to discharge the lien at the CITY's expense.

10. **TAXES.** FHR shall pay all ad valorem taxes that may be levied on or assessed against the Property during the term of this Agreement. The CITY shall pay all taxes or other governmental

assessments or charges (if any) that may be assessed by reason of its use of the Property hereunder or that relate to the CITY's property located on the Property.

11. **INSURANCE.** The CITY shall, at all times during the term of this Agreement, maintain (or, at its election, "self insure") the following insurance (the CITY shall provide to FHR a certificate of insurance evidencing such insurance prior to the term of this Agreement, and periodically as needed thereafter to show continuing coverage Commercial General Liability Insurance with a minimum limit of \$1,000,000 per occurrence for bodily injury and property damages, and shall name FHR as an additional insured on such policy using Endorsement CG 20 26 11 85 (or equivalent), with such insurance being primary not in excess of any other insurance available to FHR. The insurance limit specified above may be satisfied with a combination of primary and Umbrella/Excess Insurance):

- a) Statutory Workers' Compensation Coverage and Employers' Liability Coverage with a limit of \$1,000,000;
- b) Commercial Automobile Liability Coverage with a combined single limit of \$1,000,000; and
- c) Property Insurance covering any alterations, additions or improvements made by CITY as well as any trade fixtures, furniture, equipment, supplies, contents, and other property owned, leased, held or possessed by CITY and contained in the Office and Shared Space, and such insurance coverage shall be in an amount equal to 100% of the full replacement cost value of the improvements and property.
- d) The general liability policy shall include FHR as an additional insured on a primary and non-contributory basis. The property policy will include FHR as a loss payee as its interest may appear. CITY's policies shall be written to provide the insurer waives all rights or recovery against FHR in connection with any loss or damage covered by the policy. All policies shall provide that they may not be cancelled without thirty (30) days prior written notice to FHR. CITY shall furnish FHR with a certificate(s) of insurance evidencing that the required insurance is in full force and effect.

**12. INDEMNITY. TO THE EXTENT ALLOWED BY LAW, CITY agrees that this indemnity is specifically provided by the CITY and funded by CITY under the insurance the CITY is to procure and maintain for the Initial Term and Extended Term of this Agreement. This indemnity creates no unfunded debt. Therefore, TO THE EXTENT ALLOWED BY LAW, CITY agrees to indemnify, defend, and hold FHR and its employees harmless against any claims, strict liability claims, attorney's fees, damages, or other liabilities arising out of claims for personal injury or death to the employees or invitees of the CITY entering the Property hereunder, even if such injury/death is caused by the negligence of the indemnified parties, but only to the extent that the CITY's obligations under this sentence are covered by up to \$1,000,000 of General Liability insurance under an "Indemnity Under Contract" Endorsement EL217. The CITY hereby agrees during the term of this Agreement to carry at least \$1,000,000 of General Liability insurance, including Endorsement EL217, covering this Agreement.**

13. **Notices.** Notices and Endorsements required hereunder must be sent as follows.

**IF TO FHR:**

Flint Hills Resources Corpus Christi, LLC  
Attn: Plant Manager  
2825 Suntide Road  
Corpus Christi, TX 78409

**IF TO CITY:**

City of Corpus Christi  
Attn:  
City Hall Bldg, 5<sup>th</sup> Floor  
1201 Leopard St.  
Corpus Christi, TX 78401

*With a copy to:*  
City Attorney's Office  
P.O. Box 9277  
Corpus Christi, TX 78469

14. **Severability.** In the event that one or more of the provisions contained in this Lease shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed to give full force and effect to the meaning and intent hereof as if such invalid, illegal, or unenforceable provision had never been contained herein.

15. **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the state in which the Property is located without giving effect to any choice or conflict of law provision or rule (whether of the state in which the Property is located or any other jurisdiction) that would cause the application of laws of any jurisdiction other than those of the state in which the Property is located.

16. **Entire Agreement; Modifications; Enforcement.** This Agreement contains the entire agreement of the parties with respect to the subject matter thereof, and supersedes all prior and contemporaneous agreements, whether written or oral, between the parties with respect to the lease of the Property. This Agreement may not be modified except by an instrument signed by both parties. Failure to enforce strictly and promptly any of the conditions of this Lease shall not operate as a waiver of any of FHR's rights hereunder.

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

**FLINT HILLS RESOURCES CORPUS CHRISTI, LLC** *KMB*

By: 

Printed Name: Phil Gaarder

Title: Executive Vice President - Operations

**CITY OF CORPUS CHRISTI**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**Flint Hills Resources Training Center**

