

**AMENDMENT NO. 1 TO LEASE AGREEMENT BETWEEN
THE CITY OF CORPUS CHRISTI AND
THE ART COMMUNITY CENTER OF CORPUS CHRISTI, INC.**

WHEREAS, the City of Corpus Christi ("City"), a Texas home-rule municipal corporation, and the Art Community Center of Corpus Christi, Inc. ("Art Center"), a Texas non-profit organization, entered into a 20-year lease, adopted by Ordinance Number 031941 on December 10, 2019;

WHEREAS, the Art Center has approached the City about expanding its current lease and presenting a capital improvement and expansion of the Art Center; and

WHEREAS, the expansions, improvements, capital improvements, and maintenance will add to the attractions available for citizens and tourists and add to the beauty of the Bayfront.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1) This Amendment No. 1 amends the Lease Agreement between the City and the Art Center regarding the lease generally described in the recitals above.
- 2) It is the intent of the parties to expand the current footprint of the property leased to the Art Center to include the area from the parking lot to Lomax Street. The Leased Premises are amended to read as follows:

"An area bounded on the south side by the North curb line of Cooper's Alley, the west side by the east curb line of Shoreline Drive, the north side by south curb line of Lomax Street (formerly William Street), and the west curb line of the old northbound Shoreline Drive right-of-way."

- 3) Lease is amended to add the following section:

"2.1 Construction.

- (a) City grants the Art Center during the term of this Lease the use of the Leased Premises for construction and expansion of the current facilities on the Leased Premises.
- (b) Construction under this section means relocating parking lot(s), renovations to current buildings, and any and all new construction projects under Phase 1 of a long-range plan.
- (c) Prior to commencing any construction, the supervising architect shall submit the construction plans to the City Manager or designee for approval and such approval shall be required for the issuance of any and all building permits required by the City. Those plans shall be submitted for final City approval to the City Manager or designee

within 24 months of the date the Capital Improvement Plan is approved by Council, under the Section 2 of the Lease Agreement.

- (d) Construction must begin within 9 months of final approval by City Manager or designee.
- (e) Construction must be completed within 18 months of commencement of construction, unless an extension is granted prior to the expiration of 18 months. Any request for an extension under this paragraph must be made in writing and approved by signature of the City Manager or designee.
- (f) The Art Center may not close off any part of the Leased Premises by fencing or any other materials, limiting public access to any part of the Leased Premises, until such time as construction begins. The Art Center will make all effort to keep as much of the Leased Premises open and accessible to the public at all times.
- (g) The Art Center shall require any and all contractors who are awarded contracts for construction to further all payment bonds and/or performance bonds as required by law and provide proof of such compliance before any construction commences.
- (h) The Art Center shall include in all Art Center construction agreements the following provision:

Contractor does hereby agree to waive all claims, release, indemnify, defend, and hold harmless CITY and all of its officials, officers, agents, and employees, in both their public and private capacities, from and against any and all liability, claims, losses, damages, suits, demands, or causes of action including all expenses of litigation and/or settlement, court costs, and attorney fees which may arise by reason of injury to or death of any person or for loss of, damage to, or loss of use of any property occasioned by error, omission, or negligent act of Contractor, its officers, agents, employees, subcontractors, invitees, or any other person, arising out of or in connection with the performance of this agreement, and Contractor shall at his or her own cost and expense defend and protect the City of Corpus Christi from any and all such claims and demands.
- (i) The Art Center shall also require the contractors in all Art Center construction agreements to furnish insurance in such amounts as specified by the City's Risk Manager and Certificate of Insurance shall be provided to the City before any construction commences.

- U) The Art Center agrees that all work to be performed by it or its contractors, including all workmanship and materials, shall be of first-class quality and shall be performed in full compliance and in accordance with all federal, state, and local laws, ordinances, codes, and regulations and such work shall be subject to City inspection during the performance thereof and after it is completed.

- (k) The Art Center shall discharge all obligations to contractors, subcontractors, materialmen, workmen, and/or other persons for all work performed and for materials furnished for or on account of the Art Center as such obligations mature. The Art Center expressly agrees that it will neither give nor grant, nor purport to give or grant any mechanic's or materialmen's lien upon the City's property or upon any Art Center construction and improvements thereupon in the process of construction or repair, nor allow any condition to exist or situation to develop whereby any party should be entitled, as a matter of law, to a mechanic's or materialmen's lien against the City's property or construction and improvements thereon, and the Art Center will discharge any such lien within 30 days after notice of filing thereof.

- (l) Before any work on City property begins, the Art Center shall present the City Manager or designee with evidence of contractors' insurance coverages and City building and construction permits."

4) Lease is amended to add the following section:

"2.2. Default under 2.1.

- (a) In the event that the Art Center fails to meet the construction requirements under Amendment No. 1, 2(A), the Leased Premises will revert to the original lease provisions, and the area bounded from 15 feet north of what was formerly the north curb line of John Sartain Street (formerly known as Laguna Street) to the north side by south curb line of Lomax Street (formerly William Street) will revert back to the City without any further amendment.

5) Lease is amended to add the following section:

"2.3 Costs of Construction. Unless otherwise agreed in writing by the City Manager, the complete cost of developing all necessary plans and specifications, as provided in this Amendment (Lease), and the cost of construction of the construction and improvements at the Art Center shall be borne solely by the Art Center and be at no expense to City. The Art Center shall pay all taxes, special assessments, or levies, if any, assessed during the term against or relating to the Art Center construction and/or improvements City's property, including ad valorem taxes pursuant to the

Texas Property Tax Code, until such time as ownership of such is transferred to the City."

6) Lease is amended to add the following section:

"2.4 Ownership of Art Center Improvements. All alterations and Art Center improvements on or in City's property at the commencement of the term, or those that may be installed or erected during the term, shall revert to the City and shall become part of City's property upon completion and acceptance by the City Manager, no later than the end of the lease agreement and any amendments thereto. Any warranties given to the Art Center regarding construction and/or improvements, or any part thereof, shall be transferred and assigned to City at the same time as the Art Center Improvements are accepted by the City."

7) Lease is amended to add the following section:

"2.5 Maintenance of Art Center Improvements. Upon completion of construction and/or improvements, the Art Center, at its sole expense, shall perform maintenance and repair to the Leased Premises, including landscaping, and repairs and maintenance of the HVAC system(s), and roof(s), buildings, parking, and grounds, and they shall be kept in good condition and attractive appearance. The City shall be responsible for utilities such as water, wastewater, gas, and garbage collection and disposal."

8) Lease is amended to add Paragraph 3(b) to read as follows:

"(b) The Art Center shall be responsible for all maintenance and repairs on any and all new facilities and/or buildings once construction begins on the Leased Premises and through the term of this Lease. The Art Center shall take over maintenance and repair of all parking lots and shall take over all landscaping duties once construction begins on the Leased Premises and through the term of this Lease. The City will continue maintenance and repair on the exterior paint of the existing building."

9) Lease is amended to add the following section:

"20. The City shall have the right to use the premises or any part thereof rent-free for meetings, seminars, training classes, or other non-commercial uses, provided that City shall promptly reimburse the Art Center, for any

out-of-pocket expenses incurred by Art Center (such as the cost of set-up and take-down personnel and other expenses) in connection with such use. Such non-commercial use of the premises by City shall not compete with or conflict with the dates previously booked by the Art Center for paying events booked in advance upon reasonable notice to Art Center. Upon request of City, the Art Center shall provide a list of available dates for the City's use of the Art Center.

- 10) All other terms and conditions of the previously executed Lease between the parties which are not inconsistent herewith shall continue in full force and effect.

Signatures on next page.

EXECUTED this _____ day of _____, 2024 , by the authorized representative of the parties.

City of Corpus Christi

By: _____

Name: _____

Title: _____

Date: _____

Art Community Center of Corpus Christi, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Approved as to Legal Form on ___ of _____, 2024:

Adelita Cavada, Assistant City Attorney
Attorney for the City Attorney
City of Corpus Christi