

**AMENDMENT NO. 3 TO PADRE ISLAND YACHT CLUB LEASE TO
APPROVE RENEWAL OF LEASE OF 2.89 ACRES OF CITY PROPERTY
NEAR WHITECAP WASTEWATER TREATMENT PLANT FOR ADDITIONAL
10 YEARS AND PROVIDE A NEW OPTION TO RENEW FOR 5 YEAR TERM**

Whereas, on August 23, 2011, the Corpus Christi City Council authorized a Lease with Padre Island Yacht Club ("Club"), a Texas nonprofit corporation, regarding the Club's lease of approximately 2.55 acres of City property adjacent or near Whitecap Wastewater Treatment Plant through July 11, 2025 with an option to renew upon City Council approval for additional 10 years through July 11, 2035, (the "Lease"); and

Whereas, on December 12, 2017, the City Council authorized Amendment No. 1 to expand leased area to 2.89 acres (See Exhibit A "Premises") and revise annual rents to greater of \$2300 annually or 10% of all gross income from monthly assessments and slip rentals;

Whereas, Amendment No. 1 also added that the approval for the 10-year renewal term may not be unreasonably withheld as long as the Club is in compliance with the Lease and the requested renewal is in compliance with the City's long-term wastewater management plans;

Whereas, on April 21, 2020, the City Council authorized Amendment No. 2 to revise insurance exhibit, and adjust rental payments effective January 1, 2020 to quarterly rents the greater of \$2,500 per quarter or 5% of gross income from slip rentals and membership fees;

Whereas, the Club has requested that the 10-year renewal term be approved;

Whereas, the City finds that the requested 10-year renewal term is in compliance with the City's long-term wastewater management plans;

Whereas, the Club has requested the Lease be further amended to provide an additional 5-year renewal term to begin July 11, 2035 subject to renegotiation of terms and quarterly rent amounts and upon written approval of the authorized representatives of the parties;

Whereas, the parties agree to further amend the Lease to provide for early termination after 90 days' notice in the event the City Manager determines that such early termination is necessary for operation of the Whitecap Wastewater Treatment Plant;

Whereas, HB 2518 established new requirements relating to required lease terms for public property leased to a nongovernmental entity;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1) Section 2 of the Lease regarding the Term is hereby amended to add new subsections 2.d. and 2.e. and 2.f. to read as follows:

“2. Term:

- d. Upon expiration of the current term on July 11, 2025, the Lease continues in effect and is renewed for the additional ten-year term through July 11, 2035 (“renewal term”) under the same terms and conditions as provided in the Lease as amended by Amendment No. 1 and Amendment No. 2 and Amendment No. 3.
- e. During calendar year 2033, the Club may notify the City Manager in writing to initiate discussions for a new 5 year renewal term to begin July 11, 2035. If the Club’s continued use of the Premises does not interfere with the City’s wastewater management plans as determined by the sole discretion of the City Manager, then the parties may negotiate terms and conditions for one additional five-year term, to begin July 11, 2035, subject to renegotiation of the terms and quarterly rent amounts and upon written approval of the City Manager or designee and the Club.
- f. Notwithstanding subsection e. above, if the Lease is not renewed by written agreement of the parties as of July 11, 2035, then this Lease shall terminate as of July 11, 2035 and the rights and possession of the Premises and any improvements to the Premises revert to the City as provided in Section 9 of the Lease.

2) Section 18 of the Lease regarding Termination is hereby replaced and amended to read as follows:

“18. Termination.

- (A) The City Manager may terminate this Lease on ninety (90) days’ written notice due to Club’s failure to comply with the provisions and covenants in this Lease or to keep any required insurance policies in force during the entire term of this Agreement. The Contract Administrator will give the Consultant written notice of the breach and set out a reasonable opportunity to cure. If the Club has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.
- (B) Alternatively, the City Manager may terminate this Lease at any time on ninety (90) days’ written notice to Club in the event the City Manager determines that such termination is necessary for the operation of the Whitecap Wastewater Treatment Plant.”

- 3) Section 4 of the Lease regarding Improvements is amended to add new subsection j. to provide language required by Texas Government Code Section 2252.909, to read as follows:

"j. As required by Texas Government Code Section 2252.909, Club must include in each contract for the construction, alteration or repair of an improvement to the leased property, a condition that the contractor must execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code and a performance bond equal to the amount of the contract.

Club and its contractor must provide the Director of Water Systems with a notice of commencement as required by Tex. Government Code Section 2252.909 and copies of the required bonds at least 90 days prior to start of construction, alteration, or repair of any improvement to the leased property begins."

- 4) All other terms and conditions of the previously executed Lease and any prior amendments between the parties which are not inconsistent herewith shall continue in full force and effect.
- 5) This Amendment No. 3 becomes effective on the sixty-first day after final City Council approval upon execution by City Manager or designee.
- 6) Club agrees to pay costs of newspaper publications required by the City Charter.

Agreed to by the authorized representative of the parties.

City of Corpus Christi, Texas

By: _____

Name: _____

Title: _____

Date: _____

Approved as to legal form:

Assistant City Attorney
For the City Attorney

Padre Island Yacht Club

By: _____

Commodore

Date: _____

ACKNOWLEDGMENT

STATE OF TEXAS §

§

COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____, 2024, by _____, as the _____, of Padre Island Yacht Club, a Texas nonprofit corporation, on behalf of the corporation.

Notary Public, State of Texas

Exhibit A – to be inserted-Premises map