

GRAZING LEASE AGREEMENT WITH
4S FARMS PARTNERSHIP AND ORDNER FARMS

STATE OF TEXAS §
COUNTY OF NUECES § KNOW ALL BY THESE PRESENTS:

This grazing lease agreement ("Lease") is entered into this by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City"), and 4S Farms Partnership and Ordner Farms ("Lessee"), Texas for-profit corporations, in consideration of the mutual covenants contained in this Lease.

1. PREMISES. The City leases to Lessee 28.73 acres (the "Premises"), more particularly as shown as Parcel 3 in the map referenced as "Exhibit A", attached to this Lease and incorporated herein by reference. The Premises is limited to the description provided in and the restrictions shown in "Exhibit B," which is attached to this Lease and incorporated herein by reference.
2. PURPOSE. The purpose of this Lease is to enable Lessee to utilize the Premises for the grazing of cattle and for no other purpose. The use of the Premises shall be limited as laid out in this Lease and as shown in Exhibit A.
3. LEASE TERM. The term of this Lease is for three years and commences upon October 1, 2026 ("Effective Date" and "Initial Term"). For annual lease payment purposes, October 1 of every succeeding calendar year following the execution of this Lease is deemed the anniversary date of the Lease ("Anniversary Date").
4. Beginning on October 1, 2027, and on each Anniversary Date thereafter for the duration of this lease term, the Lease Payment shall increase by 1% annually of the initial Lease Payment.
5. LEASE PAYMENT.
 - a. Upon Effective Date, Lessee must pay the City an annual lease payment of \$1,102.66 which is based on \$38.38 per acre x 28.73 acres ("Lease Payment"). The Lease Payment is due at the beginning of the Lease and on or before each Anniversary Date. A late fee of \$200 will be assessed for each month payment remains outstanding. Failure to pay late fees may be considered a breach of this Lease and subject to termination.
 - b. The Lease Payment must be remitted to:

 City of Corpus Christi
 P.O. Box 9257
 Corpus Christi, TX 78469-9257
 - c. Lease Payments are not refundable if this Lease is terminated prior to completion of its full three-year term.
6. In the event Lessee holds over beyond the expiration of the term herein provided with the consent, express or implied, of the City, any such holdover is a tenancy at sufferance, and

such holdover period will only be from month-to-month and subject to the conditions of this Lease. Lessee acknowledges and agrees in advance that any such holdover does not constitute a renewal of this Lease, and any holdover period is subject to Lessee's payment of a monthly rental amount equal to 1/12 of the last annual Lease Payment.

7. ACCEPTANCE OF PREMISES DISCLAIMER.

- a. LESSEE ACKNOWLEDGES THAT IT IS LEASING THE PREMISES "AS IS" WITH ALL FAULTS AS MAY EXIST ON THE PREMISES AND THAT NEITHER LESSOR, NOR ANY EMPLOYEE OR AGENT OF LESSOR, HAS MADE ANY REPRESENTATIONS OR WARRANTIES AS TO THE CONDITION OF SUCH PREMISES. LESSEE HEREBY WAIVES ANY AND ALL CAUSES OF ACTION, CLAIMS, DEMANDS, AND DAMAGES BASED ON ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF SUITABILITY FOR A PARTICULAR PURPOSE, ANY AND ALL WARRANTIES OF HABITABILITY, AND ANY OTHER IMPLIED WARRANTIES NOT EXPRESSLY SET FORTH IN THIS LEASE.
- b. LESSEE ACKNOWLEDGES AND AGREES THAT, UPON LESSEE'S REQUEST PRIOR TO THE EXECUTION OF THIS LEASE, LESSEE HAS BEEN PROVIDED, TO ITS SATISFACTION, THE OPPORTUNITY TO INSPECT THE PREMISES FOR ANY DEFECTS AS TO THE SUITABILITY OF SUCH PROPERTY FOR THE PURPOSE TO WHICH LESSEE INTENDS TO USE THE PREMISES AND IS RELYING ON ITS OWN INSPECTION.
- c. LESSEE ACKNOWLEDGES THAT ANY AND ALL STRUCTURES AND IMPROVEMENTS, IF ANY, EXISTING ON THE PREMISES ON THE COMMENCEMENT DATE OF THIS LEASE ARE ACCEPTED "AS IS" WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THAT THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY LESSOR WITH RESPECT TO SUCH STRUCTURES AND IMPROVEMENTS. LESSEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT, OR OTHER ASSERTION BY LESSOR WITH RESPECT TO ANY EXISTING STRUCTURES OR IMPROVEMENTS BUT IS RELYING ON LESSEE'S EXAMINATION OF THE SAME.
- d. THE CITY, HAVING FEE SIMPLE RIGHTS TO THIS LAND, DOES NOT WARRANT ITS TITLE TO THE PREMISES AND DOES NOT GUARANTEE LESSEE'S QUIET POSSESSION OF SAME. LESSEE ACKNOWLEDGES AND IS AWARE THAT THE PREMISES IS CONTAINED WITHIN A LARGER AREA OF LAND OWNED BY THE CITY AND CURRENTLY USED FOR ACTIVE AIRPORT OPERATIONS AND RELATED PURPOSES. THIS LEASE AND THE RIGHTS AND PRIVILEGES GRANTED LESSEE IN AND TO THE PREMISES ARE SUBJECT TO ALL COVENANTS, CONDITIONS, RESTRICTIONS, AND EXCEPTIONS OF RECORD OR APPARENT. LESSEE ACKNOWLEDGES THAT LESSOR DOES NOT OWN ALL MINERAL AND GAS RIGHTS TO THE PREMISES, AND LESSEE IS SUBJECT TO ANY EXPLORATORY AND PRODUCTION RIGHTS OF THE MINERAL OWNERS AND WHICH COULD PRODUCE DAMAGES TO LESSEE'S LEASEHOLD. NOTHING CONTAINED IN THIS LEASE MAY BE CONSTRUED TO IMPLY THE CONVEYANCE TO LESSEE OF RIGHTS IN THE PREMISES THAT EXCEED THOSE OWNED BY THE CITY.

- e. THE PROVISIONS OF THIS SECTION SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

8. USE AND MAINTENANCE.

- a. Lessee shall use the Premises for grazing cattle only and cannot make any other use of the Premises without the prior written consent of the Director of Aviation ("Director"). The number of heads of cattle is limited to heads of cattle allowed per acre as established by the Texas Agricultural Extension Service.
- b. Lessee shall not construct any improvements on the Premises, except for fencing as required for containing cattle to be grazed on Premises. Lessee must, at his sole expense, construct if necessary and maintain a fence for the purpose of containing all cattle to be grazed on the Premises. Lessee agrees that at all times, cattle must be secured within the fenced area and not allowed to graze or wander outside the fenced area of the Premises, identified on the attached Attachment B. Upon discovery or notification of cattle that are not within the fenced area of the Premises, Lessee must immediately re-secure all cattle within the fenced area of the Premises at Lessee's own expense. The City retains the right to timely re-secure any cattle that are not within the fenced area of the Premises, as stated herein, and Lessee agrees to reimburse the City for its associated cost thereof plus 15% of said associated cost within 30 days of Lessee's receipt of written demand by the City.
- c. Lessee shall not use the Premises for storage or equipment or supplies. Lessee is permitted to place any above-ground stock tanks for watering livestock and any feed bins necessary for grazing purposes, so long as any tanks and bins are removed from Premises upon expiration or earlier termination of this Lease. Any such tanks and bins placed on the Premises remain the personal property of the Lessee at all times. No other personal property of Lessee may be placed or permitted to remain on the Premises without sufficient identification of the personal property and the prior written consent of the Contract Administrator.
- d. Lessee shall observe and obey all applicable federal, state, and local laws, rules, and regulations and all rules set out by the City for the operation of the Premises. At the expiration of this Lease, Lessee shall surrender the Premises in as good condition as the same are now in, natural wear and tear and damage from the elements only accepted. Lessee will not permit any alcoholic beverages on the Premises. Lessee agrees to conduct all of Lessee's operations on the leased premises in a reasonable, efficient, and prudent manner.
- e. Growth Control. Lessee will prevent the growth of and keep the Premises (including cultivated fields, turn rows, ditches, fence rows, and lands adjacent to the Premises) free from Johnson grass, Bermuda grass, cockleburrs, burdock plants, and other noxious weeds and undesirable vegetation, and keep the cultivated portion of the Premises free from all sprouts and stumps.
- f. Without limiting the foregoing, Lessee specifically agrees:
 - 1. Chemical Notification. The use of all agricultural chemicals, fertilizers, and

pesticides will be in a lawful, safe, and prudent manner. The Aviation Director will determine and approve the time and place any aerial or ground chemicals, fertilizers, and pesticides will be used due to the proximity of the airport and its employees and the public. Under normal circumstances, the notice of intent to use agricultural chemicals, fertilizers and pesticides must be provided in writing no less than five business days prior to use and addressed to:

City of Corpus Christi
Director of Aviation
1000 International Drive
Corpus Christi TX 78406
Fax: (361) 826-4533

2. Growth Control. Lessee will prevent the growth of and keep the Premises (including cultivated fields, turn rows, ditches, fence rows, and lands adjacent to the Premises) free from Johnson grass, Bermuda grass, cocklebur, burdock plants, and other noxious weeds and undesirable vegetation, and keep the cultivated portion of the Premises free from all sprouts and stumps.
9. REQUIRED MODIFICATION OR AMENDMENT OF LEASE. If the FAA or its successor requires modifications or amendments to this Lease as a condition precedent to granting funds for Airport improvements, Lessee agrees to consent to the modifications or amendments to this Lease as may be reasonably required for the City to obtain the funds; provided, however, that Lessee will not be required to change the use of the Premises, or accept a relocation or reduction in size of the Premises until Lessee and the City have fully executed an amendment to this Lease that is mutually satisfactory to all parties regarding any terms or conditions of this Lease affected by said required actions, so long as this amendment is not unreasonably delayed by Lessee. If Lessee fails to act in a reasonable time to execute amendments or if no agreement can be reached in a reasonable time frame, this shall be considered a material breach of this Lease and subject to termination.
10. FEES, TAXES, & UTILITIES. Lessee shall pay, if applicable to Lessee's leasehold interest and Lessee's use and business operations at the Premises, all ad valorem taxes, personal property taxes, licenses, utility fees and charges, and all other fees and taxes required to be paid during this Lease. Lessee shall pay, at its sole cost and expense, all taxes, fees, utilities, and charges on or prior to the due date. Within three business days of approval of this Lease and remittance of the initial Lease Payment, Lessee shall ensure that the water utility account and any electrical account, if electricity is available and connected at the Premises, and all other utility account(s) for the Premises are transferred and/or set up in the Lessee's name and all required deposits paid. Payment by Lessee of all utility charges must be timely paid when such charges become due and are not permitted to become delinquent at any time during the term of the Lease.
11. SUBORDINATION TO U.S. AND FAA REQUIREMENTS. This Lease is subordinate to the provisions of any existing or future agreement between the City and the government of the United States relating to the operation or maintenance of the Airport, where the execution of said agreement(s) is required as a condition to the expenditure of federal funds for the development of the Airport. If the effect of said agreement(s) with the United States, either under this Section or under Section 8 above, is to remove any or all of the Premises from the control of Airport or to substantially destroy the value of the Premises,

then this Lease shall terminate immediately without any further obligation on part of City to Lessee.

12. **RECORDKEEPING.** Lessee shall keep an accurate book of accounts regarding all business matters pertaining to the cultivation of the Premises, and these account books must be open to inspection by the Director upon reasonable demand during the City's normal business hours.
13. **INSURANCE.**
 - a. **Coverages.** Lessee shall comply with the insurance requirements in Exhibit C, attached hereto and incorporated herein by reference.
 - b. **Failure of Lessee.** Failure of Lessee to procure and maintain in force the required insurance coverages constitutes a material breach of the Lease upon which the City may immediately terminate this Lease if Lessee does not furnish proof of the required insurance coverages to the City within 10 days of written notice to Lessee.
 - c. **Insurance Coverage Adjustments.** The types and amounts of insurance coverage specified in the Lease is subject to adjustment by the City's Risk Manager.
14. **DAMAGE TO CITY OR FRANCHISEE IMPROVEMENTS.** Lessee must pay for all damages to any City or franchisee utility lines and equipment located on the Premises caused by Lessee's grazing operations and must replace all lines or equipment injured or destroyed because of Lessee's operations. If damage occurs to any gas, storm, wastewater, or water line ("City Improvements"), or to any City equipment located on the Premises, the City's representative will determine the extent of damage and amount of repairs and/or replacement needed to the City Improvements, and, as determined by the City's representative, a City gas, storm, wastewater, or water division crew will be brought in and immediately allowed to make all necessary repairs and/or replacements. An additional fee will be due for the cost of a City inspector for any portion of a day spent inspecting construction, maintenance, repair, replacement, or relocation of said utility lines and equipment pursuant to this paragraph. All costs incurred by City (including labor and materials) associated with the repairs and/or replacement of the lines and equipment must be paid by Lessee.
15. **ASSIGNMENT AND SUBLEASING.** Lessee shall not at any time, without the express prior written consent of the Director, assign, sublease, or transfer, or permit or participate in any assignment, sublease, or transfer, of this Lease or any of the rights, powers, or privileges granted under this Lease. Consent to an assignment or sublease shall not be unreasonably withheld by City. In the event of an approved assignment or sublease, Lessee shall notify any assignee or sublessee that they shall be liable under all terms, conditions, and obligations of this Lease. Lessee further acknowledges and agrees that, notwithstanding any approved assignment or sublease, Lessee shall also remain liable under all terms, conditions, and obligations of the Lease unless released in writing by the Director.
16. **HUNTING.** This Lease does not grant Lessee any rights to hunt on the Premises, and Lessee may not hunt nor allow any other party to hunt on the Premises without the express written consent of the Director.

17. SECURITY.

- a. Lessee, its officers, employees, agents, contractors, and invitees must comply with all applicable federal and local security regulations, as the same may be amended. *Lessee covenants to indemnify and hold harmless City, its officers, and employees from any charges, fines, or penalties that may be assessed or levied by the FAA or Transportation Security Administration by reason of the negligent or intentional failure of Lessee, its officers, employees, agents, contractors, or invitees to comply with security regulations, regardless of whether the fine, charge, or penalty is levied against the City or the Lessee.*
- b. Each of Lessee's employees needing access to a restricted area (must wear a security badge while in any restricted area. Lessee will pay an issuance fee for each badge and a replacement fee for each lost security badge. The Aviation Director may also require the payment of a reasonable deposit fee for each security badge issued consistent with fees charged to other tenants at the Airport. Lessee must notify the Aviation Director immediately after any employee of Lessee who was issued a security badge is terminated or loses a badge. Lessee and Lessee's employees must comply with all City and federal security regulations and requirements.

18. FEDERAL CODE REQUIREMENTS FOR EQUIPMENT USE. Lessee covenants to comply with the notification and review requirements set out in the FAR, Part 77, as amended [14 CFR Part 77, as amended], if Lessee plans to use equipment in its operation that requires notification as outlined in this regulation.

19. CONTROL OF STRUCTURES AND EQUIPMENT. Lessee shall not erect nor permit the erection of any structure, antenna, or building, nor permit the growth of any tree on the Premises, which has its highest point above a mean sea level elevation established by FAA and the City as a height limitation on said structure, antenna, building, or object. The City may enter the Premises and remove the encroaching structure, antenna, building, or object without notice and at Lessee's expense plus an additional administrative charge of 15%.

20. AERIAL APPROACHES. The Aviation Director may take any action necessary to protect the Airport's aerial approaches against obstruction, including the right to prevent Lessee from erecting or permitting to be erected any building or structure on or adjacent to the Airport which, in the Aviation Director's opinion, would limit the usefulness of the Airport or constitute a hazard to aircraft.

21. RIGHT OF OVERFLIGHT. The City hereby reserves, for the use and benefit of the public, a right of flight for the passage of aircraft above the surface of the Premises together with the right to cause in the airspace noise as may be inherent in the operation of aircraft now known or hereafter used for navigation thereof or flight in the air, and using the airspace for landing at or taking off from, or operating on, the Airport.

22. HAZARDOUS SUBSTANCES.

- a. For the purposes of this Lease, "hazardous substance or material" means and refers to one or more of the following:
 - 1. Asbestos;
 - 2. Any substance, material or waste defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act (42 U.S.C. Section 6901, et. seq.);
 - 3. Any substance, material or waste defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601, et. seq.);
 - 4. Any substance, material or waste defined as a "regulated substance" pursuant to Subchapter IX of the Solid Waste Disposal Act (42 U.S.C. Section 6991, et. seq.); or
 - 5. Any substance, material or waste which is reasonably considered by the City to pose an actual or potential threat to persons or property in, around, or on the Premises.
- b. Lessee shall comply with all environmental laws, rules, regulations, orders, and permits applicable to the use of the Premises and improvements including, but not limited to, required National Pollutant Discharge Elimination System Permits and all applicable laws relating to the use, storage, generation, treatment, transportation, or disposal of hazardous or regulated substances. Except for the hazardous substances governed by and transported in full compliance with the transportation laws of the state or federal government, Lessee must not knowingly use, store, generate, treat, transport, or dispose of any hazardous or regulated substances, materials, or waste on or near the Premises without the Aviation Director's prior written approval and without first obtaining all required permits and approvals from all authorities having jurisdiction over the operations conducted on the Premises.
- c. If Lessee determines that a threat to the environment including, but not limited to, a release, discharge, spill, or deposit of a hazardous substance or regulated substance has occurred or is occurring which affects or threatens to affect the Premises or the persons, structures, equipment, or other property upon the Premises or the Airport, Lessee must immediately notify the Aviation Director as required by law or regulation by verbal report in person or by telephone, to be promptly confirmed in writing. Lessee must cooperate fully with the Aviation Director in promptly responding to, reporting, and remedying a threat to the environment including, without limitation, a release or threat of release of a hazardous or regulated substance into the drainage system, soil, ground, or surface water, waters, or atmosphere in accordance with applicable law or as authorized or approved by any federal, state, or local agency having authority over environmental matters.
- d. Lessee shall keep a readily accessible file of Materials Safety Data Sheets ("MSDS") for each hazardous material or substance on the Premises or transported, in accordance with federal and state transportation laws, which file

must be posted and immediately available to any Airport employee who responds to a report of a discharge of a hazardous substance or material on the Premises. Lessee will require any operator of the facilities on the Premises to make best efforts to determine which hazardous substance or material was accidentally discharged and ensure that the MSDS sheet is available for the first responders to the Premises.

- e. Lessee will cause prompt remediation and the payment of all costs associated with any action or inaction of Lessee that directly or indirectly prevents the City, acting through the Airport, from materially conforming to all then applicable environmental laws, rules, regulations, orders, or permits relating to the Premises. The rights and obligations set forth in this section shall survive the expiration or earlier termination of this Lease.
 - f. Lessee shall furnish to the Director, within five days of receipt by Lessee, copies of any and all notices or correspondence directed to Lessee or any other party at the Premises from any governmental entity, other entity, or person indicating a violation or possible violation of any laws, rules, or regulations including, without limitation, any law, rule, or regulation regarding hazardous materials or substances (as such term is defined in this Lease).
23. NO DEBTS. Lessee shall not incur any debts or obligations on the credit of the City during the term of this Lease.
24. COMPLIANCE WITH STATE AND FEDERAL LAWS. The following provisions are in this contract for compliance with state and federal law, and the City does not opine on their validity or enforceability. Lessee shall bear the entire sole burden for complying with any of these clauses. Prior to the enforcement of any of the following clauses, the City will give at least 30 days notice of alleged violation thereof and an opportunity for the Lessee to be heard concerning the alleged violation, effect thereof on the City, and proposed remedial measures:
- Lessee warrants that it is and will continue to be an equal opportunity employer and hereby covenants that no employee or customer will be discriminated against because of race, religion, sex, age, disability, creed, color, or national origin.
 - Lessee shall provide all services and activities required to comply with the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, Public Law 93-1122, Section 504, and with the provisions of the Americans with Disabilities Act of 1990, Public Law 101-336 [S.933].
 - Lessee agrees to comply with Tex. Gov't Code § 2252.908 and submit Form 1295 to the City with the signed agreement. The Parties agree that the City is not responsible for the information contained in Form 1295.
 - In accordance with Tex. Gov't Code §2252.909, Lessee must include in each contract for the construction, alteration or repair of an improvement to this leased property a condition that the contractor execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code and a performance bond equal to the amount of the contract and conditioned on the faithful performance of the contractor's work in accordance with the plans, specifications and contract documents. Lessee must provide the City with a notice of commencement at least 90 days prior to start of construction, alteration or repair that complies with Texas Gov't Code § 2252.909.

25. NOTICES.

- a. All notices, demands, requests or replies provided for or permitted by this Lease must be in writing and delivered by any one of the following methods: (1) by personal delivery; (2) by deposit with the U.S. Postal Service as certified mail, return receipt requested, postage prepaid; or (3) by deposit with an overnight express delivery service, and sent to the following address:

If to City:

City of Corpus Christi
Attn: Aviation Director
1000 International Drive
Corpus Christi, TX 78406
Phone: (361) 826-1292

If to Lessee:

4S Farms Partnership
Attn: Scott Suggs
2475 County Road 69
Robstown, TX 78380
Phone: (361) 816-8811

Ordner Farms
Attn: Scott Ordner
2475 County Road 69
Robstown, TX 78380
Phone:

- b. Notice deposited with the U.S. Postal Service in the manner described above will be deemed effective two business days after deposit, postage prepaid. Notice by overnight express delivery service will be deemed effective one business day after delivery to the overnight express carrier, with proof of receipt.
- c. Either party may notify the other, in the manner described above, of a change of address. Any such change of address must be sent within 10 days of the effective date of the change.
26. ***INDEMNITY. LESSEE WILL FULLY INDEMNIFY, HOLD HARMLESS, AND DEFEND THE CITY, ITS OFFICERS, EMPLOYEES, AND AGENTS ("INDEMNITEES") FROM AND 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, WORKERS' COMPENSATION AND DEATH CLAIMS), OR PROPERTY LOSS OR DAMAGE OF ANY KIND WHATSOEVER WHICH MAY ARISE OUT OF OR IN ANY MANNER BE CONNECTED WITH, OR IS CLAIMED TO ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH, THE PERFORMANCE OF THIS LEASE BY***

LESSEE. LESSEE SHALL, AT LESSEE'S OWN COST AND EXPENSE, INVESTIGATE ALL SUCH CLAIMS AND DEMANDS, ATTEND TO THEIR SETTLEMENT OR OTHER DISPOSITION, DEFEND ALL ACTIONS BASED THEREON WITH COUNSEL SATISFACTORY TO THE CITY ATTORNEY, PAY ALL CHARGES OF ATTORNEYS, AND PAY ALL OTHER COSTS AND EXPENSES OF ANY KIND, INCLUDING EXPERT WITNESS FEES, ARISING FROM ANY SUCH LIABILITY, DAMAGE, LOSS, CLAIMS, DEMANDS, AND ACTIONS.

27. DEFAULT AND TERMINATION.

- a. The City reserves the right to terminate this Lease in the event that the Leased Premises, or any portion thereof, are required for either aeronautical use or non-aeronautical use. In such an event, the City shall provide the Lessee with 180 days written notice of termination. Upon the expiration of the notice period, the Lease shall terminate and the Lessee shall vacate the premises. The Lessee shall have no claim against the Lessor for compensation, damages, or loss of goodwill as a result of such termination.
- b. If Lessee defaults in performance of any of the promises or covenants contained herein, City may terminate this Lease following written notice to Lessee of the default and a reasonable opportunity to cure. Upon the occurrence of any uncured event of default, the City may, at its option, in addition to any other remedy or right given hereunder or by law, give notice to Lessee that this Lease terminates upon the date specified in the notice. Once terminated, the City has the right, without further notice to Lessee, to re-enter the Premises and remove all persons therefrom without being deemed guilty in any manner of trespass and also without prejudice to any remedies against Lessee for arrears of rent or breach of covenant.
- c. In the event that any rent is due and unpaid under the Lease, the City may resume possession of the Premises and relet the same for the remainder of this Lease term at the best rent the City may obtain, for the account of the Lessee, who must pay any resulting deficiency; and the City will have a lien as security upon all crops, goods, wares, chattels, implements, fixtures, furniture, tools, and other personal property which are located or were placed on the Premises, which lien is cumulative of and in addition to any statutory landlord's lien created by law.
- d. In the event Lessee has paid the full cash rent at the start of the Lease or any applicable annual Anniversary Date, Lessee shall have the right to harvest any existing crops that have been planted prior to the termination of the Lease.
- e. The failure of City or Lessee to insist on strict performance of any of the terms, covenants, or conditions of this Lease is not a waiver of any right or remedy that City or Lessee may have and is not a waiver of the right to require strict performance of all the terms, covenants and conditions of the Lease thereafter nor is deemed to be a waiver of any remedy for the subsequent breach or default of

any term, covenant or condition of the Lease.

28. **REMOVAL OF PERSONAL PROPERTY.** It is Lessee's responsibility to remove its personal property of every kind and type from the Premises prior to termination or expiration of the Lease. Lessee agrees that any personal property remaining on the Premises after the termination or expiration of the Lease automatically becomes the City's property without any further notice, action, or process of law for disposition by the City as the City deems appropriate in the Director's sole discretion, without compensation to Lessee. Lessee shall also be invoiced for the City's costs to remove Lessee's personal property from the Premises after termination or expiration of the Lease, and Lessee shall pay the invoice within 30 days of receipt.
29. **CONDITION OF PROPERTY UPON EXPIRATION OR TERMINATION.** Lessee covenants and agrees that, upon expiration or any earlier termination of this Lease, however caused, Lessee shall quit and surrender the Premises and perform all repairs reasonably necessary to restore the Premises to the same condition it was in at the time this Lease was entered into, reasonable wear and tear, acts of God, fire and flood damage or destruction where Lessee is without fault, excepted.
30. **RIGHTS OF THE CITY.**
 - a. The City reserves the right to sell, use, or lease for a governmental or public use different from the present use all or any part of the Premises at any time during the term of this Lease. Should the Premises be sold, used, or leased before expiration of this Lease and the purchaser or lessee is not willing to take the property subject to this Lease and demands immediate possession, then the Lessee agrees to vacate within 30 days following receipt of the notice to vacate. Should it become necessary for Lessee to vacate in case of a sale or lease, then, the City will pay Lessee, for the Premises or portion thereof vacated, the following amounts, to-wit: a proportionate share of the then-applicable annual Lease Payment paid, which share is determined by dividing (i) the number of days of the term remaining after vacation by Lessee by (ii) the total number of days in the term, and multiplying the resulting percentage by the annual Lease Payment amount paid by Lessee.
 - b. The City reserves and excepts from this Lease those easements reasonably necessary for the purpose of assigning, exploring, prospecting, mining, drilling, developing, producing, saving, transporting, storing, treating, removing, and owning the reserved minerals and oil and gas in the Premises to the extent such easements are implied under Texas common law to allow access to severed estates.
 - c. City retains the right to use or cross the Premises with utility lines and easements. City may exercise these rights without compensation to Lessee for damages to the Premises from installing, maintaining, repairing, or removing the utility lines and easements. City must use reasonable judgment in locating the utility lines and easements to minimize damage to the Premises.
 - d. It is understood and agreed by Lessee that the City retains sole authority to negotiate settlement of any and all claims for damage by reason of activities in

connection with the operation, development, and exploration for oil, gas, and other minerals on the Premises. Lessee shall promptly notify the City of any and all damages to the Premises and/or crops growing thereon that may be occasioned by operation, development, or exploration for oil, gas, or other minerals, or that may be occasioned by any other activity during the Lease term, which Lessee observes, learns of, or has reason to be made aware of any such damage.

- e. The City, by and through its officials, officers, employees, and agents, has the right at all times during the Lease term to ingress and egress to the Premises for the purpose of conducting any business incident to the activities of the City and for purposes of inspection, repair, fire or police action, and enforcement of the terms of this Lease, and includes the regular and necessary operation of vehicles and equipment on the shared roadways bisecting and crossing the Premises.
- 31. CONDEMNATION. If the whole or a substantial part of the Premises are taken or condemned by the City, or any entity with legal authority to exercise eminent domain rights, for any public use or purpose, then and in that event, the term of this Lease shall cease and terminate from the date when possession of the part or whole so taken or condemned is required for such use or purpose. If less than a substantial part of the Premises are taken or condemned by the City and, as a result thereof, Lessee believes the ability to continue the purpose of this Lease has been eliminated, the question of a possible partial Lease Payment refund, if any, may be submitted in writing by Lessee to the City for consideration.
 - 32. DISCLOSURE OF INTERESTS AND STATE OF TEXAS FORMS. Lessee agrees to comply with City of Corpus Christi Ordinance No. 17112 and complete the *Disclosure of Interests* form as part of this Lease contract. Lessee agrees to comply with Texas Government Code Section 2252.908 and complete Form 1295 *Certificate of Interested Parties* as part of this Lease contract. For more information, please review the information on the Texas Ethics Commission's website at <https://www.ethics.state.tx.us>. Lessee also agrees to comply with Chapter 176 of the Texas Local Government Code and file Form CIQ with the City Secretary's Office, if required. For more information and to determine if you, as Lessee, need to file a Form CIQ, please review the information on the City Secretary's website at <http://www.cctexas.com/government/city-secretary/conflict-disclosure/index>.
 - 33. MODIFICATIONS. No changes or modifications to this Lease may be made, nor any provision waived, unless in writing and signed by a person authorized to sign lease agreements on behalf of each respective party.
 - 34. COMPLIANCE WITH LAWS.
 - a. General. Lessee covenants to promptly observe, comply with and execute, and shall cause any sublessee to promptly observe, comply with and execute, the provisions of any and all present and future governmental laws, ordinances, rules, regulations, requirements, orders and directions applicable to the use and occupancy of the Premises. A material breach of this covenant, which is not remedied within any permitted cure period, may be cause for City's exercising its rights under the Lease. During any period of Lessee's good faith challenge to any

such laws, ordinances, rules, regulations, requirements, orders and directions in a court of competent jurisdiction, Lessee's inaction shall not be deemed a breach of this Lease.

- b. Federal. Lessee shall comply and shall require any sublessee to comply with all applicable federal laws, rules, and regulations including, without limitation, the Drug Free Workplace Act, the Violence in the Workplace Act, the Americans with Disabilities Act, and any other acts the U.S. Congress passes that apply to the uses and operations at the Premises.
 - c. State. Lessee shall comply with all applicable laws, rules, and regulations of the State of Texas.
 - d. Local. Lessee shall comply with all applicable City ordinances, and rules and regulations promulgated by the Aviation Director.
35. RELATIONSHIP OF THE PARTIES. This Lease establishes a landlord/tenant relationship, and none other, and this Lease must be construed conclusively in favor of that relationship. In performing this Lease, both City and Lessee will act in an individual capacity and not as agents, representatives, employees, employers, partners, joint venturers, or associates of one another. The employees or agents of either party shall not be, nor be construed to be, the employees or agents of the other party for any purpose whatsoever.
36. GENERAL PROVISIONS.
- a. Mineral Rights. The City expressly reserves all water, gas, oil, and mineral rights in and under the soil beneath the Premises in which it holds an interest and reserves the right to conduct or provide for testing and removal of any such City-owned water, gas, oil, or minerals from the Premises.
 - b. No Waiver of Forfeiture. Any failure or neglect of the City or Lessee at any time to declare a forfeiture of this Lease for any breach or default whatsoever hereunder does not waive City's or Lessee's right thereafter to declare a forfeiture for like or other or succeeding breach or default.
 - c. Force Majeure. Neither City nor Lessee will be deemed to be in breach of this Lease if either is prevented from performing any of its obligations under this Lease by reason of force majeure. "Force Majeure" for the purposes of this Lease means any prevention, delay, or stoppage due to strikes, lockouts, labor disputes, acts of God to include severe inclement weather and sustained periods of rain or snow, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform and claiming the force majeure. All of the foregoing events excuse the performance by either party for a period equal to any prevention, delay, or stoppage, including the obligations imposed with regard to commencement or payment of rental and other charges to be paid by Lessee pursuant to this Lease and the obligation of City to deliver the Premises.

- d. Rules and Regulations. Lessor has adopted minimum operational standards ("Minimum Standards") and rules and regulations ("Rules and Regulations"), which shall govern Lessee in the use of the Premises and all common facilities, a copy of each of which has been furnished to the Lessee and are incorporated herein by reference. Lessee agrees to comply fully at all times with these governing documents. Lessor, in its sole discretion, shall have the right to amend, modify, and alter these Minimum Standards and Rules and Regulations from time to time in a reasonable manner and may introduce other regulations as deemed necessary for the purpose of assuring the safety, welfare, convenience, and protection of property of Lessor, Lessee, and all other tenants and customers of the Airport; provided, however, that Lessor shall give Lessee reasonable advance notice of any such amendments, modifications, or alternations of the Minimum Standards and Rules and Regulations.
 - e. Venue. Venue for any action brought under this Lease lies in Nueces County, Texas, where the Lease was executed and will be performed.
 - f. No Third-Party Benefit. No provision of this Lease creates a third-party claim against the City or the Lessee beyond that which may legally exist in the absence of any such provision.
 - g. Permits, Licenses, and Taxes. Lessee shall procure all permits and licenses, pay all charges, fees, and taxes including, but not limited to, all payroll taxes, Medicare taxes, FICA taxes, unemployment taxes, and all other related taxes according to Internal Revenue Circular E "Employer's Tax Guide," Publication 15, as it may be amended, and give all notices and respond to all communications that are necessary and incident to the due and lawful conduct of business at and occupancy of the Premises by Lessee. Lessee must provide proof of payment of any tax within 10 days after the Director's written request for the same.
 - h. Trash and Refuse. Lessee must arrange for the collection and lawful disposal of all trash and other refuse resulting from operations on the Premises; must provide and use suitable, sealed fireproof receptacles approved by the Aviation Director for all trash and other refuse generated by the use of the Premises; must prohibit the piling of boxes, barrels, or other similar items in or within view from a public area; and must pay, or cause to be paid, the costs associated with trash removal and disposal.
 - i. Delegation. Any obligations of the Lessee required by this Lease may be delegated to any approved sublessee by the terms of the sublease agreement between the parties, provided, however, that any such delegation shall not relieve Lessee of its liability, responsibilities, and obligations under this Lease.
 - j. Publication. Lessee must pay all newspaper publication costs, if any, for this Lease as required by the City Charter.
37. SEVERABILITY. If, for any reason, any section, paragraph, subdivision, clause, provision, phrase, or word of this Lease or the application hereof to any person or circumstance is, to any extent, held illegal, invalid, or unenforceable under present or future law or by a

final judgment of a court of competent jurisdiction, then the remainder of this Lease, or the application of said term or provision to persons or circumstances other than those as to which it is held illegal, invalid, or unenforceable, will not be affected thereby, for it is the definite intent of the parties to this Lease that every section, paragraph, subdivision, clause, provision, phrase or word hereof be given full force and effect for its purpose. To the extent that any clause or provision is held illegal, invalid, or unenforceable under present or future law effective during the term of this Lease, then the remainder of this Lease is not affected thereby, and in lieu of each such illegal, invalid, or unenforceable clause or provision, 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, will be added to this Lease automatically.

38. **BINDING AGREEMENT.** It is mutually understood and agreed that the covenants, conditions, and provisions contained in this Lease to be performed by the respective parties are binding on the parties and their respective successors, assigns, and heirs.
39. **ENTIRETY CLAUSE.** This Lease and the exhibits incorporated and attached hereto constitute the entire agreement between the City and Lessee for the use granted. All other agreements, promises and representations with respect thereto, unless contained in this Lease, are expressly revoked, as it is the intention of the parties to provide for a complete understanding within the provisions of this document, and the exhibits incorporated and attached hereto, the terms, conditions, promises, and covenants relating to Lessee's use of the Premises.

Signatures on next page.

IN WITNESS WHEREOF, the undersigned have duly executed this Lease as of the dates set forth below.

LESSOR:
CITY OF CORPUS CHRISTI

Assistant City Manager

Date

ATTEST:

Rebecca Huerta, City Secretary

Date

Approved as to legal form: _____

Assistant City Attorney,
For Miles Risley, City Attorney

LESSEE:
4S FARMS PARTNERSHIP ORDNER FARMS

Shane Suggs,

Scott Ordner,

Date

Date

Exhibits:

Exhibit A - Map of Premises

Attachment B – Scope of Lease

Exhibit C - Insurance Requirements

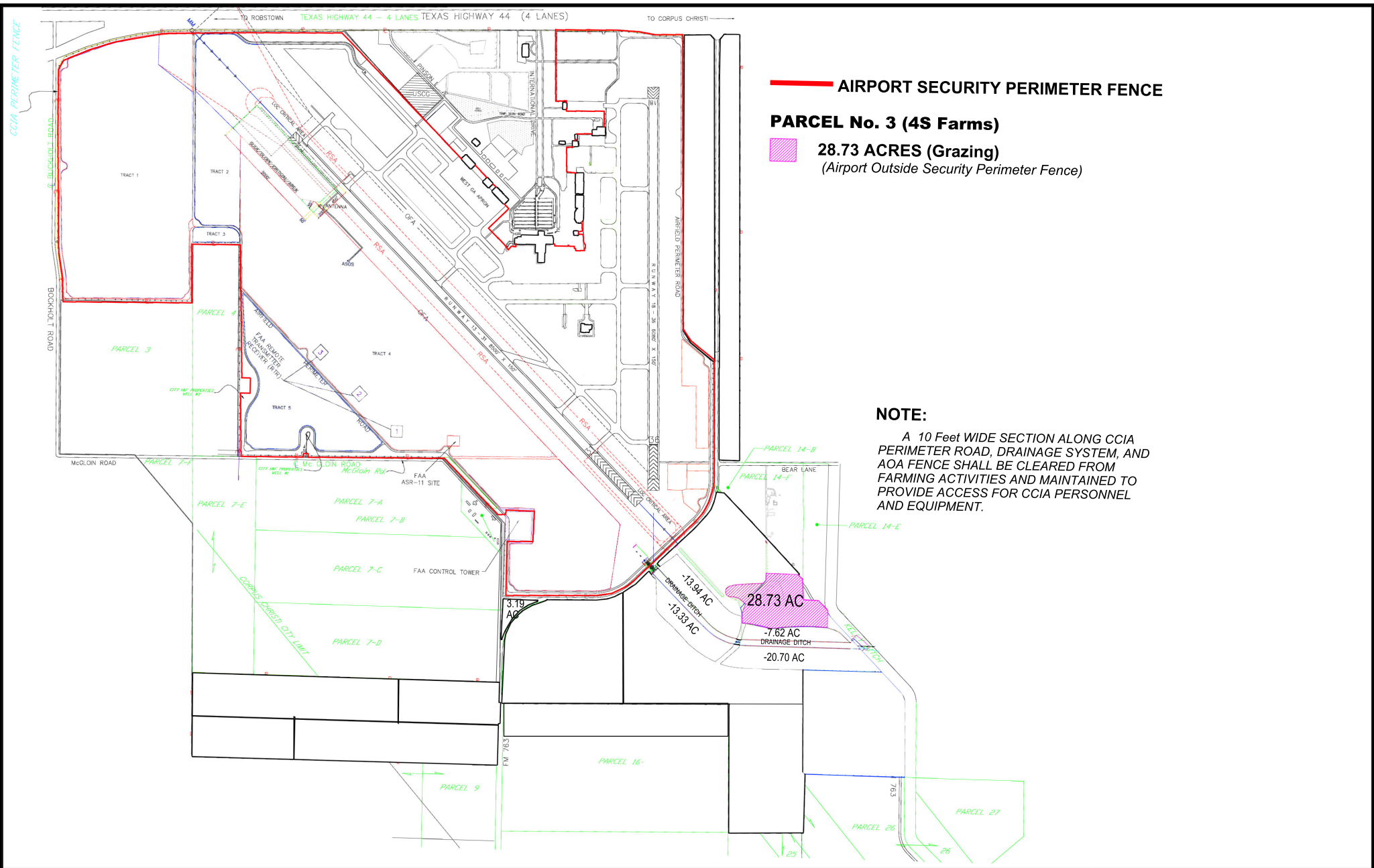


Exhibit B

Scope of Lease

1.1. General Requirements

The Corpus Christi International Airport (CCIA) possess agricultural and grazing land, which is located at 1000 International Drive, Corpus Christi, Texas. A significant portion of land remains unimproved and available for agricultural and grazing use.

1.2. Scope of Lease

The Corpus Christi International Airport possess 1,311.54 acres of land on airport property, which is available for lease. Out of 1,311.54 acres, approximately 1,282.81 acres is available for agricultural and approximately 28.73 is available for cattle grazing. Parcel description shown in Exhibit A, Drainage ditch layout shown in Exhibit B.

A. Farm Land

Parcel 2

The parcel as shown in Exhibit A is approximately 640.48 acres of land and all the acres are outside the boundaries of Airport security fence.

B. Farm Land Lease Restriction

1. No crops shall be allowed along the side of runway 13-31 closer than 530' from the runway centerline
2. No crops shall be allowed along the side of runway 18-36 closer than 530' from the runway centerline.
3. No crops shall be allowed in the runway approach areas closer than 1000' from the runway end.
4. No crops shall be allowed within 130' of the taxiway centerline.
5. Crops shall not be planted closer than 10 feet from the perimeter fence, access roads, and drainage ditches.
6. Crops shall not block the line of sight between runways (mid-point to mid-point)
7. Aerial application of oil based product of any kind is prohibited. Automated Weather Observation System (AWOS) sensors subject to contamination
8. All equipment and hay bales must be moved back adjacent to the nearest perimeter road at the end of each workday.
9. Cotton, Corn and Wheat are acceptable crops subject to harvesting prior to Bird

migration season. Bird Migration season generally runs from Mid-February through May and early September through December.

C.Grazing Land – Parcel 3

The grazing land as shown in Exhibit A is available for lease is approximately 28.73 acres; and is outside the boundaries of the Airport security fence.

EXHIBIT 5-A

INSURANCE REQUIREMENTS

I. CONTRACTOR'S LIABILITY INSURANCE

- A. Contractor must not commence work under this agreement until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor Agency to commence work until all similar insurance required of any subcontractor Agency has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Contract Administer one (1) copy of Certificates of Insurance (COI) with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. The City must be listed as an additional insured on the General liability and Auto Liability policies **by endorsement**, and a waiver of subrogation is required on all applicable policies. **Endorsements** must be provided with COI. Project name and or number must be listed in Description Box of COI.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
Commercial General Liability Including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/ Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Personal Injury- Advertising Injury	\$1,000,000 Per Occurrence
PERSONAL PROPERTY INSURANCE	Lessee, at their own expense, shall be responsible for insuring all owned, leased or rented personal property.

- C. In the event of accidents of any kind related to this agreement, Contractor must furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Applicable for paid employees, Contractor must obtain workers' compensation coverage through a licensed insurance company. The coverage must be written on a policy and endorsements approved by the Texas Department of Insurance. The workers' compensation coverage provided must be in an amount sufficient to assure that all workers' compensation obligations incurred by the Contractor will be promptly met.
- B. Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor'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. Contractor shall be required to submit a copy of the replacement certificate of insurance to City at the address provided below within 10 days of the requested change. Contractor 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 Manager
P.O. Box 9277
Corpus Christi, TX 78469-9277

D. Contractor 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, as respects operations, completed operation and activities of, or on behalf of, the named insured performed under contract with the City, with the exception of the workers' compensation policy;
- Provide for an endorsement that the "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 30 calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination in coverage and not less than 10 calendar days advance written notice for nonpayment of premium.

E. Within 5 calendar days of a cancellation, non-renewal, material change or termination of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor'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 Contractor'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 Contractor to remove the exhibit hereunder, and/or withhold any payment(s) if any, which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.

G. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this agreement.

H. It is agreed that Contractor'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.

2026 Insurance Requirements

Ins. Req. Exhibit **5-A**

Leases of City Property – Leases of City Real Property

01/01/2026 Risk Management – Legal Dept.