

GRAZING LEASE AGREEMENT

STATE OF TEXAS §

KNOW ALL BY THESE PRESENTS:

COUNTY OF NUECES §

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

1. PREMISES. The City leases to Lessee 28.73 acres (the "Premises"), more particularly described as portions of ASSESSORS MAP 149 199.586 ACS OUT OF TR 6 and KELLY MARGARET LAND 15.901 ACS OUT TR 2, located near Kelly Ditch and FM 763, as shown as Parcel No. 3 in the map referenced as "**Attachment B**", which is attached to this Lease and incorporated by reference in this Lease as if it were set out here in its entirety. The Premises is limited to the description provided in and the restrictions shown in "**Attachment A**," which is attached to this Lease and incorporated by reference in this Lease as if it were set out here in its entirety.

2. PURPOSE. The purpose of this Lease, between City and Lessee, 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 Attachment A. The Lessee shall use the Premises in accordance with "**Exhibit 1**," the Request for Proposals (RFP) No. 1507 and "**Exhibit 2**," the Lessee's submitted proposal, which exhibits are incorporated by reference in this Lease as if set out here in their entirety.

3. LEASE TERM. This Lease is for a **five-year term** beginning **October 1st, 2018**, and ending at midnight on **September 30th, 2023**, subject to prior termination as set out in this Lease. 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"). The Lease may be renewed for one additional three-year term upon agreement of the Parties. If the Lease is renewed, the Lease Payment, as defined below, will be adjusted upward by the percentage change in the Consumer Price Index- All Urban Consumers (CPI-U) for the Houston-The Woodlands-Sugarland, TX area- All Items, during the one-year period immediately preceding the most recent available information at the time of such renewal, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or of any revised or successor index hereafter published by the Bureau of Labor Statistics.

4. LEASE PAYMENT.

A. Upon Lessee's execution of this Lease and the City Council's approval, Lessee must pay the City an annual lease payment of **\$1005.55** which is based on **\$35** per acre x **28.73** acres ("Lease Payment"). Any one-time bonus payment that was included in a bid by Lessee and accepted as consideration for this Lease must also be remitted with the initial Lease Payment. The Lease Payment is due at the beginning of the Lease and on or before each Anniversary Date.

B. The Lease Payment must be delivered or mailed to:

City of Corpus Christi
Department of Aviation A/R
1000 International Drive
Corpus Christi, Texas 78406

C. Lease Payments are not refundable if this Lease is terminated prior to completion of its full five-year term.

D. 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 or extension 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. Any holdover may be terminated at any time by the City or Lessee by giving 30 days prior written notice to the other party.

5. 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 5 SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

6. USE AND MAINTENANCE.

A. Lessee must use the Premises for the purposes of grazing cattle limited to the number of heads of cattle allowed per acre as established by the Texas Agricultural Extension Service, and for no other purpose without the express written consent of the City's Director of Aviation or designee ("Aviation Director"). Lessee may not construct any improvements on the Premises, except for fencing as required herein for containing cattle to be grazed on the Premises. Lessee may not use the Premises for storage of equipment or supplies. Lessee is permitted to place on the property 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 the Premises upon the 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.

B. 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 therefor by the City.

C. 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 a 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, cockleburrs, burdock plants, and other noxious weeds and undesirable vegetation, and keep the cultivated portion of the Premises free from all sprouts and stumps.

7. **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 pay increased Lease Payments, 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.

8. **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.

9. **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 9 or under Section 7 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.

10. **RECORDKEEPING.** Lessee will keep an accurate book of accounts regarding all business matters pertaining to the use of the Premises, and these account books must be open to inspection by the Aviation Director upon reasonable demand during the City's normal business hours.

11. **INSURANCE.**

A. Coverages. Lessee must obtain and keep in force during the term of this Lease insurance policy or policies in the amounts and with the types of insurance coverages set out in the attached "**Attachment C**," which exhibit is incorporated by reference as if fully set out here in its entirety.

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 on the Anniversary Date of the Lease. Notice of any such required adjustment(s) will be provided to Lessee not less than 30 days prior to the Anniversary Date.

12. **FINANCING.** The City recognizes that Lessee may borrow funds for grazing purposes, or for other purposes, secured by a first lien security interest in Lessee's leasehold estate in the Premises. The fee simple estate of City in the surface estate, burdened by Lessee's leasehold estate, must not be subject to any liens, and any security lien instrument to which Lessee is a party must contain the following language, or other similar language approved in advance by the City Attorney:

"Lender agrees that the lien created by this instrument is effective only as to the leasehold estate of Lessee created under that certain Lease effective on October 1, 2018, by and between the City of Corpus Christi and Lessee, and that this instrument does not affect the fee simple interest in the Premises owned by the City of Corpus Christi. In the event of any foreclosure by any lender of a lien or liens on the Lessee's leasehold estate in the Premises or Lessee's improvements, if any, such lender or other

purchaser at foreclosure, its successors and assigns, will succeed to all rights, privileges, and duties of Lessee including, without limitation, the duty to pay rent.”

13. **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 as a result of Lessee’s grazing 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. For purposes of calculating time, a half-day of four hours or more constitutes a whole working day; any work time in excess of eight hours a day or which occurs on a Saturday, Sunday, or a holiday will be calculated at a daily rate of \$53.77 an hour. An additional fee will be due for the cost of a City inspector at a daily rate of \$286.80 for any portion of a day spent inspecting construction, maintenance, repair, replacement, or relocation of said utility lines and equipment pursuant to this paragraph. A franchisee whose franchisee improvements are damaged will follow the same process as set out for damage to City Improvements. 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.

14. **ASSIGNMENT AND SUBLEASING.** Lessee shall not at any time, without the express prior written consent of the City Manager, 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 City Manager.

15. **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 City Manager.

16. **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. **To the extent allowed by law, 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 (including the area outlined in Section 17 of this Lease) must wear a security badge while in the 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.

17. ACCESS TO AIRCRAFT OPERATING AREA.

A. Lessee and its respective contractors, suppliers of materials, furnishers of services, employees, agents, and business invitees must comply with all present and future laws, rules, regulations, and ordinances promulgated by the City, the Airport, the federal Transportation Security Administration ("TSA"), the FAA, or other governmental agencies to protect the security and integrity of the Airport's aircraft operating area ("AOA"), as shown on the attached "**Attachment B**", which is incorporated in this Lease as if fully set out herein. Subject to the approval of the Aviation Director, Lessee must adopt procedures to control and limit access to the AOA by Lessee and its respective contractors, suppliers of materials, furnishers of services, employees, agents, and business invitees in accordance with all present and future City, Airport, TSA, and FAA laws, rules, regulations, and ordinances.

B. Lessee must pay all FAA and TSA fines associated with security breaches or infractions committed by Lessee's employees, agents, contractors, suppliers, and business invitees in the AOA, regardless of whether the fine is assessed to the City or the Airport, as set out in the City Code of Ordinances, Sec. 9-31.

C. Lessee agrees to indemnify, hold harmless, and defend the City, its officers, employees, agents, and representatives against the risk of legal liability for death, injury, or damage to persons or property, direct or consequential, arising from entry of persons into the AOA where permitted, allowed, or otherwise made possible by Lessee, its employees, contractors, suppliers of materials, furnishers of services, business invitees, agents, or any other person under the direction of Lessee in violation of City, Airport, TSA, and FAA laws, rules, regulations, or ordinances or Lessee's approved procedures for controlling access to the AOA.

D. Lessee will have access to the Premises, subject to compliance with all applicable Airport, TSA, and FAA security procedures. Movement of all persons in the AOA and Premises must be cleared in accordance with Airport, TSA, and FAA rules and regulations. Lessee is primarily responsible for opening and closing any security gates and doors permitting access between the Premises and the AOA.

E. No vehicles owned or operated by Lessee may operate within the movement or non-movement areas of the AOA except those in compliance with Airport, TSA, and FAA rules and regulations.

18. OPERATION WITHIN AIRPORT CERTIFICATION. Lessee must comply with all rules that are applicable to its operations at the Airport under the Airport Certification Rules of the Federal Aviation Regulations ("FAR"), Part 139, as amended [14 CFR Part 139, as amended].

19. 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.

20. 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 fifteen percent (15%).

21. **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.

22. **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.

23. **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.); and
- 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 by oral report in person or by telephone, to be promptly confirmed in writing, the Aviation Director as required by law or regulation. 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 use 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 Aviation 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).

24. **NO DEBTS.** Lessee shall not incur any debts or obligations on the credit of the City during the term of this Lease.

25. **NON-DISCRIMINATION/AFFIRMATIVE ACTION**

A. **Nondiscrimination—General.** Lessee for itself, and as a requirement for any sublessee, their personal representatives, successors in interest, and assigns, as a part of the consideration hereof covenants that: (1) no person on the grounds of race, creed, color, religion, sex, age, national origin, handicap, or political belief or affiliation will be excluded from participation in, denied the benefits of or otherwise be subjected to discrimination in the use of the Premises; (2) in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, religion, sex, age, national origin, handicap, or political belief or affiliation will be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (3) Lessee will cause to the best of its ability the Premises and Improvements to be in compliance with all other requirements imposed by or pursuant to 14 CFR Part 152, Subpart E Non Discrimination in Aid Program and Title VI of the Civil Rights Act of 1964 and 49 CFR, Subtitle A, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Title and Regulations may be amended, and with other applicable state or federal laws or regulations, as amended.

B. **Nondiscrimination—Business Owner.** This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The concessionaire or contractor (Lessee) agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. The concessionaire or contractor (Lessee) agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23 that it enters and causes those businesses to similarly include the statements in further agreements.

C. **Remedy for Breach.** If the Lessee is found by a final verdict of a court of competent jurisdiction to have deliberately breached a non-discrimination covenant, or to have permitted any sublessee to deliberately breach a non-discrimination covenant, the City may immediately enforce the remedies directed by the Court's decision, which may include the City's right to reenter the

Premises, retake possession thereof, and terminate the Lease. This provision is not effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are completed, including exercise of any rights to appeal.

D. **Affirmative Action.** Lessee shall cause to be implemented an affirmative action program as required by 14 CFR Part 152, Subpart E, to provide (i) that no person on the grounds of race, creed, color, religion, sex, age, national origin, handicap, or political belief or affiliation is excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E; (ii) that no person will be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by that subpart; (iii) that third parties otherwise retained by Lessee shall provide similar assurances to Lessee to undertake affirmative action programs and to require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E. Lessee, at no expense to the City, shall comply with any applicable requirements of the Americans with Disabilities (ADA) as it may be amended, with respect to the Premises and its improvements.

26. **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
Aviation Director
1000 International Drive
Corpus Christi, TX 78406
Phone: (361)-289-0171

If to Lessee:

S & S Farms Partnership
Attn: Shane Suggs
Address: 2475 C.R.69
Robstown, Texas 78380
Phone: (361)-816-8811

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.

27. **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.

28. DEFAULT AND TERMINATION.

A. 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.

B. 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.

C. 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.

D. 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.

29. REMOVAL OF PERSONAL PROPERTY.

A. Removal of Equipment. Upon termination or expiration of this Lease, Lessee must remove all permitted personal property and/or cattle from the Premises within 30 days after termination or expiration of the Lease. Any damage to the Premises caused by Lessee's removal of its property and/or cattle must be repaired by Lessee within 30 days after termination or expiration of the Lease, at Lessee's expense, and to the satisfaction of the Aviation Director.

B. Notwithstanding the foregoing, if Lessee fails to remove personal property and/or cattle within 30 days from the date of termination or expiration of this Lease, then the City Manager, may at his or her option, take title to the said personal property and/or cattle and sell, lease, or salvage the same, as permitted by law. Any net expense the City Manager incurs on behalf of the City in disposing of the personal property and/or cattle must be paid by Lessee within 10 days of the City Manager's written demand thereof. The City Manager will provide Lessee with a written itemized breakdown of the costs recaptured, if any, by the sale, lease, or salvage of the property and/or cattle, and the balance due, which must be paid by Lessee upon receipt of said itemized breakdown.

30. **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.

31. **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.

32. **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.

33. **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>.

34. **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.

35. **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.

36. **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.

37. **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 City Manager'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.

K. **Livestock Identification.** Livestock must be tagged with identification ear tags or other recognized tagging method so that owner and individual animal may be determined.

L. **Animal Health.** Lessee shall comply with all federal, state and local animal health laws, and regulations with respect to livestock grazing on the Premises. Any livestock that requires medical intervention must be treated by the licensed veterinarian immediately. Lessee will be contacted once injured or ill livestock is discovered. If lessee does not respond within a reasonable timeframe in relation to the injury the City Manager or City caretaker may contact the listed veterinarian for emergency treatment at lessee's expense.

M. **Removal of Dead Livestock.** Lessee, at Lessee's own expense, shall immediately dispose of any dead animals in a manner satisfactory to the Aviation direction and in accordance with local ordinances. Disposal shall take place within 24 hours or sooner after notification of Lessee.

N. **Animal Aggressiveness.** Livestock shall not be overly aggressive as to pose a risk towards neighbors and visiting city officials. Any such livestock must be removed immediately from premises once aggressive behavior has developed. Lessee accepts full responsibility and hold harmless the City for any injuries or damages caused by such aggressive animal.

O. **Escaped Livestock.** Lessee is responsible for any damage caused by escaped livestock. If any livestock escapes lessee must be able to respond to within 2 hours to contain animal. After the livestock is secured lessee must take measures to ensure that the escape will not reoccur. The number of escaped livestock with livestock identification numbers, details of accident and remedial actions taken must be recorded in log book.

P. **Supplemental Feeding.** Supplemental feeding may be allowed in any lease year provided lessee annually submits a prior written request and subsequent written permission is granted from Aviation director. Care must be taken so that Supplemental Feed does not introduce any non-native outside plants through left over seeds or rodents.

38. **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.

39. **ORDER OF PRECEDENCE.** In the event of any conflicts or inconsistencies between this Lease, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:

- A. this Lease (excluding attachments and exhibits);
- B. its attachments;
- C. RFP No. 1507 (Exhibit 1); then, the Lessee's submitted proposal (Exhibit 2).

40. **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.

41. **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.

Executed in triplicate by the parties. By Lessee's execution below, Lessee acknowledges that Lessee has read this Lease and understands that this Lease is not binding on the City until properly authorized by the City Council and executed by the City Manager or designee.

[SIGNATURE PAGE TO FOLLOW]

LESSOR: CITY OF CORPUS CHRISTI

ATTEST:

Sylvia Carrillo
Assistant City Manager

Rebecca Huerta
City Secretary

APPROVED AS TO LEGAL FORM: _____, 20__.
MILES RISLEY, CITY ATTORNEY

Assistant City Attorney

LESSEE:

Scott Ordner, Partner

Date

Shane Suggs, Partner

Date

Nova Ordner, Partner

Date

Lisa Suggs, Partner

Date

THE STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on ____ day of _____, 2018, by
Scott Ordner.

Notary Public

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, and Airport Operating Area(AOA) shown in Exhibit C.

A. Farm land

The Farm Land is divided between two parcels.

1. Parcel 1

The first parcel as shown in Exhibit A is approximately 692.35 acres of land and all acres of land are within the boundaries of the Airport security fence and will require security backgrounds checks, airport badges and training in accordance with TSA rules and regulations to access. The first parcel of land will also require the lessee to undergo airport driver training in accordance with Federal Aviation Administration rules and regulations.

2. Parcel 2

The second parcel as shown in Exhibit A is approximately 590.46 acres of land and all the acres are outside the boundaries of Airport security fence.

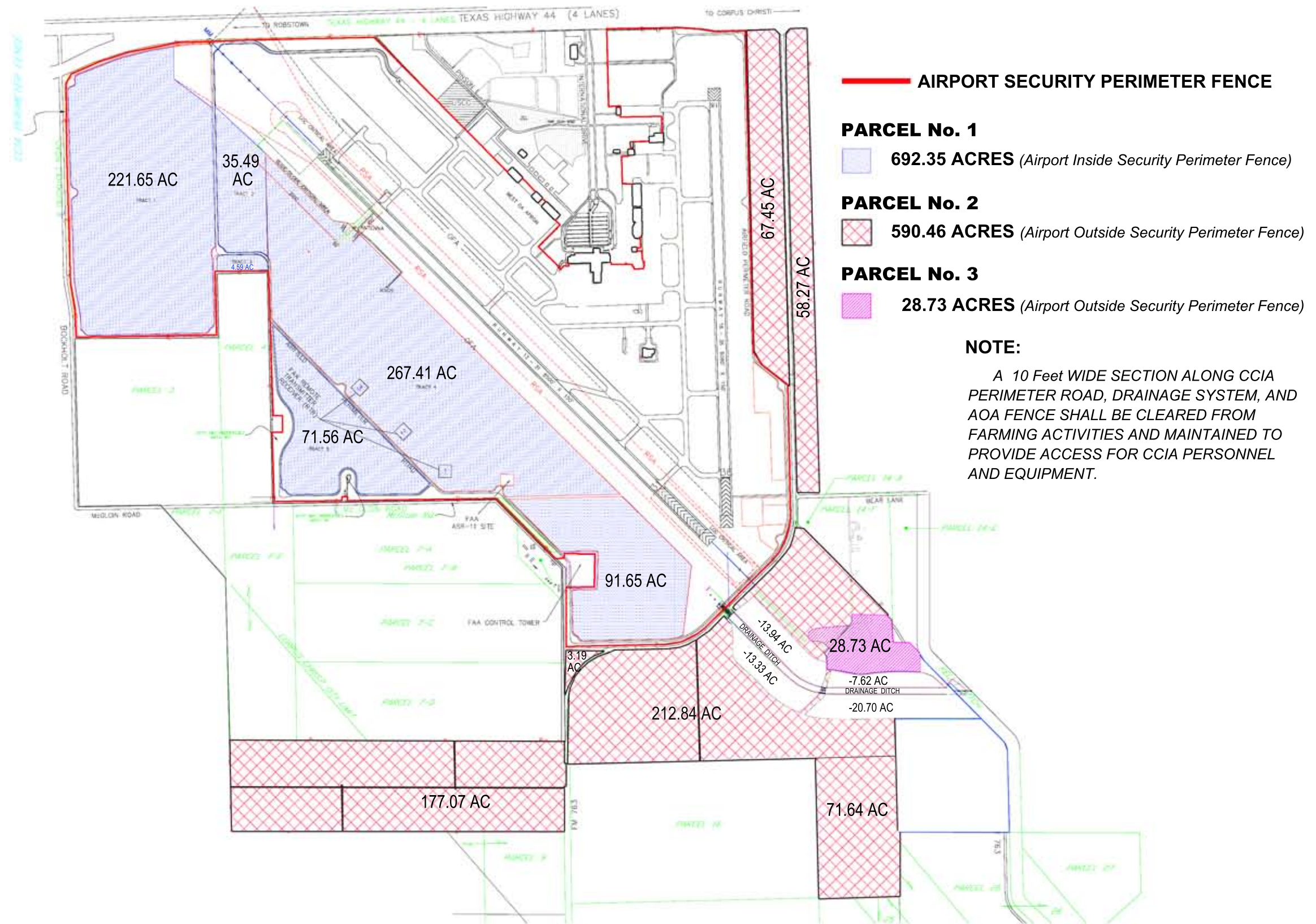
B. Farm Land Lease Restriction

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 work day.
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.



NOTE:

A 10 Feet WIDE SECTION ALONG CCIA PERIMETER ROAD, DRAINAGE SYSTEM, AND AOA FENCE SHALL BE CLEARED FROM FARMING ACTIVITIES AND MAINTAINED TO PROVIDE ACCESS FOR CCIA PERSONNEL AND EQUIPMENT.



DEPARTMENT OF AVIATION

SCALE:	N.T.S.
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EXHIBIT A
PARCELS No. 1, 2 & 3

PREPARED BY:	CB
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APPR BY: FS

DATE: 06-11-2018

PROJECT NO.	
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CORPUS CHRISTI
INTERNATIONAL AIRPORT 2018

PAGE 1 OF 1

Exhibit B

[illegible]

Area = 368.80 acres

Attachment B

Exhibit C

Map of Premises: Airport Operating Area(AOA)



Insurance Requirements

LESSEE'S LIABILITY INSURANCE

- A. Lessee must not commence work under this contract until all insurance required has been obtained and such insurance has been approved by the City. Lessee must not allow any subcontractor, to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Lessee must furnish to the City's Risk Manager and Contract Administrator one (1) copy of Certificates of Insurance 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 **endorsement** is required on GL, AL and WC if applicable. **Endorsements** must be provided with Certificate of Insurance. Project name and/or number must be listed in Description Box of Certificate of Insurance.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
30-day advance written notice of cancellation, non-renewal, material change or termination required on all certificates and policies.	Bodily Injury and Property Damage Per occurrence - aggregate
COMMERCIAL GENERAL LIABILITY including: 1. Commercial Broad Form 2. Premises – Operations 3. Products/Completed Operations 4. Contractual Liability 5. Independent Contractors 6. Broad Form Property Damage 7. Personal Injury	\$1,000,000 Per Occurrence \$1,000,000 Aggregate

- C. In the event of accidents of any kind related to this contract, Lessee 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, Lessee 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 statutory amounts according to the Texas Department of Insurance, Division of Workers' Compensation. An All States Endorsement shall be required if Lessee is not domiciled in the State of Texas.
- 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 renewal certificates of insurance throughout the term of this contract and any extensions within 10 days of the policy expiration dates. All notices under this Exhibit 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. **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, and volunteers, as additional insureds by endorsement with regard to 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;
 - 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 thirty (30) calendar days advance written notice directly to City of any, cancellation, non-renewal, material change or termination 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 cancellation, non-renewal, material change or termination 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 stop work hereunder, and/or withhold any payment(s) which become due to Lessee 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 contract.
- 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 contract.
- I. It is understood and agreed that the insurance required is in addition to and separate from any other obligation contained in this contract.

2018 Insurance Requirements

Legal Dept.

Grazing and Farm Land Lease Insurance Requirements

01/18/2018 sw Risk Management