

THE STATE OF TEXAS  
COUNTY OF NUECES

KNOW ALL MEN BY THESE PRESENTS

This Lease Agreement, is made this \_\_\_\_ day of \_\_\_\_\_, 2016, by and between Nueces County, Texas (hereinafter called Lessor), acting by and through Samuel L. Neal, Jr., County Judge of Nueces County heretofore authorized by Commissioners Court, Nueces County, Texas and L & H Farms LLC, (hereinafter called Lessee).

WITNESSETH

I

DESCRIPTION OF THE LAND

That the said Lessor does by these presents, lease and demise unto the said L & H Farms LLC the following described real property:

229.58 acres located at the Richard M. Borchard Regional Fairgrounds and is shown on EXHIBIT A.

Lessee agrees and acknowledges that in taking this lease, Lessee takes the lease and the demised premises subject to all existing easements and restrictions affecting the occupation and use thereof, and subject to all statutes, ordinances and regulations of competent governmental authority affecting the occupancy and use thereof, in force now and subsequently during the term of this lease and any renewals of this lease.

II

TERM

For an original term of four (4) years beginning on the \_\_\_\_ day of \_\_\_\_\_, 2016 and terminating the \_\_\_\_ day of \_\_\_\_\_, 2020 with an option to extend for one (1) additional year. County must receive written notice of lessee's intent to extend six (6) months prior to the end of original term. Said land is to be used for farming as that term is understood in the farming industry/community; and for no other purpose upon the following covenants.

III  
CONTRACT PRICE

That the lessee shall pay, as rent payment for said premises, twenty-four thousand dollars (\$24,000) cash or one hundred four dollars and fifty three cents (\$104.53) per acre with a revenue sharing BONUS. The revenue sharing BONUS comes into play when said crop is sold and County's share of one-fourth (1/4) on cotton crops (including cotton seeds) and one-third (1/3) on grain crops exceeds \$104.53 per acre. Said rent will be for each and every year during the period of said term, such sum to be paid annually within fourteen (14) days of said crops being sold each year. If at three (3) months after the harvest the crop has not been sold, the payment of twenty-four thousand dollars (\$24,000) shall be required. Lessee's Proposal Response Form is EXHIBIT B and is incorporated into this paragraph and this Lease Agreement.

Lessor shall not pay a percentage of the cost of the fertilizer and harvesting on cotton crops (including cotton seeds) and a percentage of the cost of fertilizer and harvesting on grain sorghum or any other type of crop(s) under this lease agreement.

Lessor reserves the right to terminate the lease during the term of the lease. If such termination occurs after Lessee has prepared the ground by fertilizing or planting of crops, then Lessor shall pay Lessee the costs incurred. Lessee shall provide sufficient evidence of the reasonable and necessary costs incurred.

All rentals required to be paid to Lessor by Lessee are payable to Nueces County, Commissioner Court Administration Department at the Nueces County Courthouse, 901 Leopard Street, Room 302.03, Corpus Christi, Texas, 78401.

IV  
TERM EXPIRATION OR TERMINATION

That at the expiration of the term of this lease, Lessee agrees to yield up and surrender the possession of said premises to Lessor without further notice, in as good a state and condition as reasonable use and wear thereof will permit.

Lessor shall have the right to terminate the lease for default of the covenants as stated in Paragraph V or for the purposes set out in Paragraph III.

Lessor shall have the right to terminate this lease agreement upon a default of any covenants under paragraph V of this agreement by giving ten (10) days written notice pursuant to the notice paragraph of this agreement. If the breach continues after ten (10) days Lessor has the right to exercise its option of legal remedies outlined in paragraph IX of this Agreement.

Lessor shall have the right to terminate the lease agreement, for the purposes set out in Paragraph III. Lessor shall give Lessee ten (10) days written notice pursuant to this notice paragraph of this Agreement and Lessee shall be compensated as stated in Paragraph III.

V  
COVENANTS

- A. Lessee will not use said premises for the purpose of conducting any business or activity which would be in violation of any State or Federal law or regulation or in violation of any ordinance or regulation of any governmental body, nor shall any use be made which would be deemed or considered a public or private nuisance.
- B. Lessee is authorized to sign all forms, applications, and contracts required by any State or Federal farm and crop programs as a Lessee.
- C. Lessee agrees that its use and occupancy of the leased premises shall be wholly and only at its own risk, and Lessor shall have no liability for loss or damage to the fixtures or other personal property of those so claiming under Lessee whether occurring by reason of theft, vandalism, fire or other casualty, nor for personal injury or death of any person.
- D. Lessee agrees and acknowledges that the lease is subject to all existing easements and restrictions affecting the possession and use thereof, and subject to all statutes, ordinances and regulations of competent governmental authority affecting possession and use thereof, in force now and subsequently during the term of this lease and any renewals of this lease.
- E. The Lessee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agrees as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements, on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to 49CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.
- F. The Lessee shall furnish the County the planned crop acreage for each crop year before planting and County shall promptly notify Offeror of any objection.

- G. Lessee is solely responsible for any loss as a result of a short fall and does not excuse Lessee from paying any lease rent payments.
- H. The County reserves the right to allow the Richard M. Borchard Fairgrounds property manager, Global Inc., to utilize fifty (50) acres adjacent to the fairgrounds. The property will be used when the land is dormant. Arrangements for the use of the 50 acres will be made between the Lessee and the property manager. The property manager will be responsible for returning the land to its original state.

## VI OTHER CONTRACTS AND REQUIREMENTS

It is expressly understood and agreed that this lease is subject to and subordinate to and controlled by provisions, stipulations, covenants and agreements contained in those certain contracts, agreements, resolutions and actions of the County of Nueces constituting agreements between the County and the United States of America and its agents and all regulations now and hereafter impose upon the County and that the Lessor shall not be liable to Lessee on account of any of the foregoing matters and all of such contracts, agreements, resolutions and regulations are incorporated herein by reference, and if any provision of this lease is determined to be at variance with same, such provision is unilaterally reformable at Lessors options.

Lessee recognizes a need for preparation and maintenance of the land vital to producing crops on the property and must be continued without interruption and that, upon expiration of the lease, or early termination, another awarded bidder/Lessee may continue the preparation and maintenance of the land. Lessee agrees to implement a phase in, phase-out plan as stated in EXHIBIT C and is incorporated as part of this Agreement. Lessee agrees to exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor.

## VII INDEMNIFICATION

**Lessee covenants and agrees to protect, indemnify and save Lessor and Lessor's legal representatives, successors and assigns, harmless from all claims for damages and or injuries to persons or property arising from injury to persons or property on the leased premises or in any manner growing out of or connected with Lessee's use or occupancy of the leased premises, as well as harmless from all**

**costs, attorney's fees, expenses and liability incurred in connection with any such claim or action.**

## VIII INSURANCE

The work shall not be commenced by Lessee until after the policy, or policies, evidencing the insurance coverage herein required, or certificates of such insurance, providing that the insurer shall give County thirty (30) days written notice prior to cancellation, material revision or intention not to renew, have been filed with the County.

In the event the Insurer refuses to provide the County with notice as detailed, the Lessee agrees to provide notice in writing immediately, and shall suspend all work until insurance is restored and proof, in a form acceptable to the County, is provided.

The Lessee, at his/her expense, shall purchase and maintain in force at all times during the term of this Contract, until the Project is finally completed and accepted by County, the insurance with limits not less than indicated below.

Identify the **project number** and **name** in the Certificate of Liability.

### A. Commercial General Liability:

Injury or death to any one person	\$100,000
Injury or death to any one occurrence	\$500,000
Damage or destruction to property per occurrence	\$100,000

A designated Project or Premises Endorsement (CG 25 01 11 85) which applies the general aggregate to the project must be provided. **Nueces County is to be named as additional insured and is required for this policy.**

Coverage is for everything that could occur on or result from Lessee farming the land under the lease.

## IX LEGAL REMEDIES

This lease is subject to the Lessee's performance of the covenants and conditions of this Lease Agreement. If Lessee defaults at anytime in any of the covenants herein contained, and the breach continues for more than ten (10) days after Lessee receives written notice thereof, the Lessor may, at his option, pursue any legal remedy to recover for the breach but continue the lease in force, or Lessor may re-enter the said premises

and repossess the same and remove all persons thereon, without giving notice to Lessee or deemed guilty of any manner of trespass. Failure of Lessor to enforce any and all remedies in the event of a breach or repeated breaches by Lessee of any provisions of this lease agreement shall not constitute or be deemed to be a waiver by Lessor of any such remedies in the event of additional breaches or by violations by Lessee. Lessor shall have the right to terminate the lease, and exercise any legal remedy available to Lessor.

X  
ASSIGNABILITY

The lease shall not be sold, assigned, sublet, conveyed, or transferred nor shall the Lessee assign any monies due under any contract entered into with the Lessor pursuant to these specifications, in whole or in part, without prior written consent of Lessor.

XI  
NOTICES

All notices to either party by the other required under this Lease Agreement shall be personally delivered or mailed to such party by Certified Mail Return Receipt Requested at the following respective addresses:

Lessor: Nueces County:

Samuel L. Neal Jr., County Judge  
901 Leopard St., Room 303  
Corpus Christi, Texas 78401

Lessee:

L & H Farms LLC  
2929 County Road 34  
Robstown, TX 78380

With Copy To:

Director of Commissioners Court Administration  
901 Leopard, Room 302.03  
Corpus Christi, Texas 78401

IN TESTIMONY WHEREOF, the parties of this Agreement have hereunto set their hands in duplicate, this the \_\_\_\_ day of \_\_\_\_\_, 2016.

LESSOR:

NUECES COUNTY, TEXAS

BY: \_\_\_\_\_  
Samuel L. Neal, Jr.  
County Judge

LESSEE:

BY:  \_\_\_\_\_

ATTESTED BY:

\_\_\_\_\_  
Kara Sands, County Clerk  
Nueces County, Texas