

Old Airport Property

THE STATE OF TEXAS §

COUNTY OF BAILEY §

LAND LEASE AGREEMENT

This Land Lease Agreement (herein "Agreement") made and entered into by and between **THE CITY OF MULESHOE, TEXAS**, a municipal corporation, (herein "Lessor") and _____ (herein "Lessee") is as follows:

1. Leased Premises. Lessor leases to Lessee, for the consideration hereinafter set forth and subject to the terms and provisions hereof, the real property situated in Bailey County, Texas described in Exhibit "A" and Exhibit "B" attached hereto and incorporated herein for all purposes (herein collectively "Leased Premises").

2. Term of the Agreement. Unless termination occurs under the provisions of Paragraph 11 of this Agreement, the term of this Agreement shall be for _____ years from the effective date of the Agreement. Upon mutual consent of both Parties, the lease may continue on a year-to-year basis following the original term of the Lease subject to either Party providing written notice of termination of the Agreement at least 90 days prior to the end of the Agreement or any prior renewal.

3. Consideration for the Agreement. Lessee agrees to pay Lessor cash rentals for the Leased Premises in the amount of \$ _____ (herein "Rentals") annually. The Rentals shall be due and payable (monthly, quarterly, or annually) in advance by the Lessee to the Lessor.

4. Lease Purpose. The Leased Premises are leased to the Lessee for the purpose of farm animal grazing and limited cultivation. The Leased Premises consists of approximately 225 acres of which approximately 110 are irrigated with treated effluent under a center pivot irrigation system and subject to a separate agreement with the Muleshoe Golf Course for use of the treated effluent. (Note: the Muleshoe Golf Course his primary use of the treated effluent.) Approximately 60 acres of the Leased Premises is in dry land cultivation. Acceptable use of the Leased Premises include: hay farming and farm animal grazing. Hunting on the Leased Premises will be strictly prohibited. Lessee shall not construct any permanent improvements upon the Leased Premises without the written consent of Lessor.

The Lessee shall not use the Leased Premises for any other purpose without first obtaining the written consent of the Lessor.

5. Water Usage. Stock water for the farm animals is available on the northwest corner of the Leased Premises. Stock water will be metered and billed at the city's regular water rates.

6. Stocking Rate. The maximum stocking rate for cattle to be grazed on the Leased Premises shall be no more than one (1) cow (with or without calf) per twenty-five (25) acres, one bull per 50 acres or one (1) heifer or steer per twelve (12) acres. The stocking rate for other farm animals shall be adjusted in accordance with the above stated rates.

7. **Maintenance of Fencing.** Lessee has had the opportunity to inspect the existing fencing upon the leased premises and agrees to accept the existing fencing as is, acknowledging that the existing fencing is sufficient to contain farm animals. Lessee shall be solely responsible for all maintenance of and repair to the existing permanent fencing situated around the Leased Premises, and upon termination of this Agreement, Lessee shall return the fencing to the Lessor in as good condition as same now is, reasonable wear and tear excepted.

8. **Lessee's Covenants.**

- A. Lessee shall pay the Rentals provided for herein as the same become due and payable.
- B. Lessee shall comply with all terms and conditions of this Agreement.
- C. Lessee shall use the Leased Premises for cattle, and other farm animals, in accordance with usual and customary grazing practices. Lessee shall not over graze the Leased Premises.
- D. Lessee shall properly maintain the Leased Premises.

9. **Hold Harmless.** Lessee shall indemnify, save and hold harmless and defend the Lessor, its agents, servants and employees, and each of them from and against and hold Lessor and its agents, servants and employees free and harmless of and from any and all lawsuits, claims, demands, liabilities, losses and expenses, including court costs and attorney's fees, for or on account of any injury to any person, or any death at any time resulting from such injury, or any damage to any property, which may arise or which may be alleged to have arisen out of or in connection with the conduct or management of Lessee's business on the Leased Premises, or Lessee's use and occupancy of the Leased Premises, or from any breach on the part of the Lessee of any conditions of this Agreement, or from any act, omission or negligence of any person or persons, including Lessee and Lessee's agents, employees, servants, guests or invitees in or about the Leased Premises with the express or implied consent of Lessee.

10 **Insurance.** Lessee agrees to maintain at Lessee's sole expense a standard type of general liability insurance policy, or its equivalent, issued by a licensed insurance company of Lessee's selection which provides limits of liability of at least **\$500,000** in general liability. Lessee will insure that Lessor is named as an additional insured on such policy, and further insure that any insurance company providing such required insurance agrees to provide notification of the cancellation or suspension of such policy to Lessor at least 10 days before such cancellation or suspension.

11. **No Assignment.** Lessee shall not transfer or assign this Agreement, in whole or in part, nor shall Lessee sublet the same, in whole or in part, without the express written consent of the Lessor.

12. **Default.** Should Lessee abandon the Leased Premises, or should Lessee fail to pay the Rentals provided herein as the same become due and payable, or should Lessee fail to comply with all of the terms and conditions imposed on Lessee as provided herein, or should Lessee fail to perform all or any part of the covenants herein contained, or should Lessee assign or attempt to assign this Agreement or any part hereof or should Lessee become bankrupt, or should Lessee make an assignment for the benefit of Lessee's creditors, then upon the occurrence of any one of these events of default, Lessor, at Lessor's option, and upon written notice to Lessee of the event of default, shall have the right to re-enter the Leased Premises and retake possession of the Leaded Premises. Thereupon, Lessee's rights herein shall cease and terminate without liability on Lessor's part, and the Rentals paid by Lessee to Lessor shall be forfeited as liquidated damages and Lessee will remain liable for all unpaid rents, past or future

13. **General Provisions.**

- A. This Agreement shall be construed under and in accordance with the Laws of the State of Texas and all obligations of the parties created by this Agreement are performable in Bailey County, Texas. Venue for any legal action will be in Bailey County.
- B. This Agreement constitutes the entire agreement of the parties with respect to the matters addressed herein and the terms and conditions of this Agreement supersede all prior agreements, understandings or discussions between the parties.
- C. No modification, consent or waiver of any provisions of this Agreement shall be effective unless the same be in writing and executed by the parties and then shall be effective only in the specific instance and for the purpose for which given.
- D. Except as otherwise provided in this Agreement, all notices, requests, demands and other communications herein will be in writing. Any such notice will be deemed delivered (whether actually received or not) when deposited in the United States postal service , postage prepaid, certified mail, return receipt requested, addressed to the intended recipient as follows:

If to Lessor, at:
City of Muleshoe, Texas
215 South 1st Street
Muleshoe, Texas 79347

If to Lessee, at:

Notice may also be given by, personal delivery, nationally recognized overnight courier service, facsimile or electronic delivery and will be effective when actually received.

Any address for notice may be changed by written notice as provided herein.

- E. No act, delay or omission, including the Lessor’s waiver of remedy because of or related to any default hereunder, shall constitute a waiver of any of the Lessor’s rights and remedies under this Agreement. All rights and remedies of the Lessor are cumulative and may be exercised singly or concurrently, and exercise of any one or more remedies will not be a waiver of any other.
- F. In the event that any portion of this Agreement shall be found or declared by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and be binding on all parties.
- G. In the event that either party hereto is required to employ counsel to enforce its rights under the terms and conditions of this Agreement, and such party prevails, as determined by a court of competent jurisdiction from which no appeal can be or is taken, such party shall be entitled to recover from the party against which it prevailed its reasonable attorney’s fees and expenses plus costs of suit.
- H. This Agreement shall be binding upon the parties to this Agreement and their respective heirs, executors, administrators, legal representatives, successors, and assigns when permitted by this Agreement.

EXECUTED effective this _____ day of _____, 2015.

THE CITY OF MULESHOE, TEXAS

By: _____

LESSEE

By: _____

Notary Statement...