

LEASE AGREEMENT

between

CITY OF DENTON

and

MAYHILL RENEWABLES, LLC

dated as of

_____, 2025

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Agreement") effective as of this _____ day of _____, 2025, by and between the CITY OF DENTON, a Texas home-rule municipal corporation ("City"), and Mayhill Renewables, LLC, a Texas limited liability company ("Lessee") and, together with City, the "Parties" and each a "Party").

RECITALS

WHEREAS, City is the owner of the property described in **Exhibit A** located in Denton, Texas (the "Property");

WHEREAS, City and Lessee have entered into or will enter into that certain Landfill & Digester Gas Agreement regarding constructing and operating facilities at the Property (the "LDGA");

WHEREAS, Lessee is a company specializing in designing and operating Landfill Gas (as defined in the LDGA) processing facilities and converting Landfill Gas to High-BTU Gas (as defined in the LDGA);

WHEREAS, City has the right, title and interest in and to the real property located in and around the landfill depicted on **Exhibit A**, together with the facilities, rights, and privileges hereinafter granted, (collectively referred to herein as the "Leased Property") and has full power and authority to enter into this Agreement in respect thereof;

WHEREAS, Lessee plans to develop a Landfill and Digester Gas processing facility, subject to the terms set forth herein and in the LDGA (the "Project");

WHEREAS, City desires to develop and permit uses of the Leased Property that are beneficial to the City and the general public;

WHEREAS, City has determined that the Project on the Leased Property will be beneficial to the City and serve a public purpose; and

WHEREAS, Lessee is qualified, willing and able to undertake such commercial development and use, and the City is willing to lease the Leased Property to Lessee for such activities; and

WHEREAS, the Parties hereto wish to memorialize their agreement with respect to the Leased Property herein.

NOW, THEREFORE, in consideration of the foregoing Recitals, which by this reference are hereby incorporated into this Agreement, and the mutual covenants contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, the Parties hereto agree as follows:

ARTICLE I
LEASE OF LEASED PROPERTY; TERM

Section 1.1 Lease of Leased Property.

A. City hereby leases to Lessee, and Lessee hereby rents from City for its exclusive use the Leased Property and any preexisting improvements (as defined herein), and all herein described rights incident thereto, for and during the Lease Term (hereafter defined) and upon and subject to the terms, provisions and conditions herein set forth. All improvements preexisting in, on or under the Leased Property as of the Commencement Date, as hereafter defined, shall be referred to herein as "Preexisting Improvements". The "Leased Property" shall be deemed to include the Preexisting Improvements and the LDGA Facilities, as hereafter defined.

Section 1.2 Lease Term. The term of this Agreement shall be for an initial term commencing on _____, 2025 (the "Commencement Date") and continuing for twenty (20) years thereafter, unless sooner terminated pursuant to the provisions of this Agreement. The Lease Term may be extended by mutual consent of the Parties for conditioned upon the coincident extension of the LDGA between the City and Lessee. However, the foregoing shall not preclude the Parties from entering into a new lease to be effective after the expiration of the Lease Term. If the LDGA is terminated for any reason, this Agreement shall also automatically terminate, and City and Lessee shall have no further obligations or liabilities hereunder except as otherwise stated herein.

Section 1.3 Holding Over; Rights at Expiration.

A. If Lessee does not vacate the Premises following termination of this Agreement, Lessee will become a tenant at sufferance. No holding over by Lessee, whether with or without the consent of Landlord, will extend the Agreement term. Lessee stipulates that its possession of the Leased Property after the expiration of the Agreement term, as a tenant of sufferance, will cause damage to City in excess of fair market value of rent resulting, in part, due to City operations at the Property.

B. Lessee further agrees that, upon the expiration or termination of the Lease Term, the Leased Property will be delivered to City in good working order and condition, reasonable wear and tear and matters covered by insurance excepted, and the Improvements, as hereafter defined, will be delivered to City in as good a condition as when such Improvements were constructed, located, installed, placed or erected in, upon or under the Leased Property, reasonable wear and tear and matters covered by insurance excepted.

C. Except as otherwise expressly set forth elsewhere herein, Lessee shall have no rights with respect to any improvements made to the Leased Property during the Lease Term that are not otherwise required to be removed by City.

Section 1.4 Inspection of Leased Property; Access to Books and Records. City, through its duly authorized agents, shall have at any reasonable time the right to enter the Leased Property and the Improvements, as hereafter defined in Section 3.2.A., for the purpose of periodic inspection for fire protection, maintenance and to investigate compliance with the terms of this Agreement; provided, however, that except in the case of emergency, Lessee shall have no less than forty-eight (48) hours' notice and an opportunity to have an employee or agent present. The City agrees that any entry pursuant to this Section 1.4 will not unreasonably interfere with Lessee's construction or operations. Lessee agrees to provide any documents that may be reasonably requested by City to determine compliance with this Agreement within thirty (30) days of such request.

Section 1.5 Ownership of Leased Property. City and Lessee intend and hereby agree that the Leased Property shall be and remain the property of City during the entire term of this Agreement and thereafter.

ARTICLE II

RENTAL

Section 2.1 Rent.

A. In consideration for the use of the Leased Property herein granted, Lessee shall pay to City the following rental amounts (the "Rent"). The monthly rent shall be in the sum of ONE THOUSAND AND NO/100 DOLLARS (\$1000) per month (sales tax included). On or prior to the Commencement Date, Lessee shall pay City a sum equal to the first month's Rent, which shall be applied to the first month's Rent due under this Agreement. All other Rent payments will be due in advance on or before the first day of the month to which the Rent payment relates. Failure to receive an invoice reflecting Rent in a timely manner does not absolve Lessee from its obligation to pay the monthly Rent on or before the first day of the month to which the Rent payment relates. If the Commencement Date or a termination date occurs on a day other than the first day of a calendar month, Rent for the first and last partial months will be prorated on the basis of the number of actual days in such month.

B. The Rent for the Leased Property shall be increased, but not decreased if extended pursuant to Section 1.2, with the first adjustment occurring on the first day of the month of any such Lease Term extensions. Adjustments to the rent shall be on the basis of the proportion that the then current and available month United States Consumer Price Index for all urban consumers ("CPI-U") for the Dallas-Fort Worth Bureau of Labor Statistics bears to the January 2025 index.

Section 2.2 Time and Place of Payments. The Rent, shall be payable by wire transfer monthly prior to the Commercial Operations Date as set forth in the LDGA. Thereafter, Rent shall be payable monthly along with the royalty payments consistent with Section 4.4 of the LDGA and is considered a Reimbursable Cost.

Section 2.3 Delinquent Rent. In the event Rent due pursuant to Section 2.1 or any other amounts payable by Lessee hereunder shall not be paid by Lessee on or before thirty (30) days after the due date thereof (the "Grace Period"), Lessee shall pay to City

as additional Rent, an interest charge equal to the lower of (i) the annual rate equal to the Prime Rate (as defined herein) then in effect plus two percent (2%) and (ii) the maximum percentage allowed by law, multiplied by the amount due for each full calendar month of delinquency, computed as simple interest. Interest shall be computed and assessed from the due date. The "Prime Rate" means the interest rate (sometimes referred to as the "base rate") for large commercial loans to creditworthy entities announced from time to time by Citibank, N.A. (New York), or its successor bank, or, if such rate is not announced, the rate published in The Wall Street Journal as the "Prime Rate" from time to time (or, if more than one rate is published, the arithmetic average of such rates), in either case determined as of the date the obligation to pay interest arises.

ARTICLE III

OCCUPANCY, USE AND CONDITIONS OF LEASED PROPERTY

Section 3.1 Condition of Leased Property. Lessee accepts the Leased Property in their present "as is" condition. **LESSEE RELEASES CITY AND HOLDS CITY AND CITY'S OFFICERS, DIRECTORS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND AGENTS HARMLESS FOR ANY CLAIMS ARISING OUT OF OR RELATED TO ANY CONDITION OF THE LEASED PROPERTY.**

Section 3.2 Project Construction and Ownership of Improvements.

A. The Parties agree that this Agreement is entered into specifically with the understanding that Lessee will build, construct, and complete the Project at its own expense in accordance with the requirements of the Denton Development Code and other City of Denton specifications unless this Agreement is sooner terminated pursuant to the terms herein. Any and all buildings, structures, fixtures, appurtenances, site work, site utilities, or other improvements to be located or constructed on the Leased Property by Lessee during the Lease Term shall be known as "Improvements". Improvements shall not include any Preexisting Improvements, Lessee Personal Property or LDGA Improvements, as hereafter defined. Those improvements made by City or Lessee to enable the delivery of Landfill Gas or Digester Gas from City to the equipment of Lessee will be referred to herein as the "LDGA Improvements". Any structures from which the Project business will be conducted that are placed on the Leased Property by Lessee during the Lease Term that can be disassembled and removed from the Leased Property without causing material damage to the Leased Property, Preexisting Improvements, Improvements or LDGA Improvements will be considered the personal property of Lessee ("Lessee Personal Property") and will not be considered "Improvements". Lessee agrees to commence construction of the Project within ninety (90) days after the Commencement Date and to complete the Project in accordance with all governmental requirements and specifications and to obtain a Certificate of Occupancy, and/or such other evidence of completion as may be applicable, as soon as practicable after the Commencement Date. Lessee shall not construct, locate, install, place or erect any improvements, other than the Improvements and LDGA Improvements, at, upon or under the Leased Property without the express prior written consent of City, which consent shall not be unreasonably withheld or delayed.

B. Lessee will own, operate, and maintain the LDGA Improvements as further set forth in the LDGA during the Lease Term. Effective upon the expiration or termination of this Agreement, the LDGA Improvements shall be removed by Lessee without material damage to the Leased Property by the date of expiration or termination of this Agreement. The Lessee Personal Property and any other personal property of Lessee that can be removed by Lessee without material damage to the Leased Property or to the Improvements, Preexisting Improvements or LDGA Improvements may remain the personal property of Lessee and may be removed by Lessee at any time on or before the end of the Lease Term. In connection with the expiration or termination of this Agreement, City reserves the right to require Lessee to remove the Lessee Personal Property from the Leased Property by the date of expiration or termination of this Agreement. If so required, Lessee shall remove the Lessee Personal Property from the Leased Property by the date of expiration or termination of this Agreement. Lessee shall, in removing any such Lessee Personal Property or other personal property, repair all damage to the Leased Property, Improvements, Preexisting Improvements, and LDGA Improvements caused by such removal. Any Lessee Personal Property or any other property, of any kind or type, left or remaining on the Leased Property at the expiration or termination of this Agreement shall be deemed abandoned property and, without liability of any kind to City and without payment of consideration of any kind to Lessee, at City's option may be removed, retained, stored, destroyed, or disposed of by City or its contractors, all at Lessee's expense. Lessee shall remove from property any and all hazardous or environmentally sensitive materials that are the result of Lessee's activities and are located upon or may accumulate or otherwise be placed on the Property ("Lessee Hazardous Material") and dispose of same in accordance with all applicable statutes, regulations, rules, orders, and ordinances. Lessee is not responsible for any Hazardous Materials that were on the Property prior to Lessee taking possession of the Property. It is expressly stipulated that Lessee Hazardous Material shall be deemed at all times the property of Lessee; and City may remove, retain, store (at Lessee's expense), destroy, or dispose of any personal property and any other property, of any kind or type, left or remaining on the Property at the termination of the Lease, without liability of any kind to the City. Preexisting Improvements are and shall continue to be owned by City. The rights and obligations provided in this Section 3.2.B, shall survive any expiration or termination of this Agreement.

Section 3.3 Access; Staging Areas. City agrees that if Lessee is not in breach of this Agreement beyond any applicable notice and cure period, Lessee and Lessee's employees, officers, directors, Project employees, contractors, subcontractors, suppliers, agents, invitees, and other representatives ("Lessee's Associates") are authorized to enter, exit and transit across the existing roads in the non-controlled access areas of the Property on a non-exclusive basis for purposes of ingress and egress to the extent reasonably necessary in connection with Lessee's construction of the Project authorized by City, Lessee's construction of the LDGA Improvements, and for Lessee's use, occupancy, and operations at the Leased Property. If one or more of the unimproved existing roads in the non-controlled access areas of the Property require improvement or modification, if approved in writing in advance by City, Lessee may undertake such road improvement or modification at Lessee's expense. If in connection with any construction authorized hereunder, Lessee wishes (i) to use or access the City's utility poles for purposes of attaching any telecommunications lines or cables, Lessee may do so only with City's prior approval pursuant to the template Pole Attachment Agreement passed by Ordinance 2016-271 signed by the Parties, or (ii) to temporarily stage any construction materials or

equipment, Lessee may do so only at those locations in the non-controlled access areas of the Property authorized by City in writing and only in the manner, and for the duration, permitted by City evidenced by the Temporary Construction Easement attached hereto as Exhibit B. Lessee shall not be obligated to pay any fees for the Temporary Construction Easement, however, Lessee shall provide a survey of the proposed Temporary Construction Easement for review, comment, and approval by the City. Lessee shall, at its expense, in connection with any of the activities described in this Section 3.3 or elsewhere in this Agreement, repair or restore any and all damage to the Property, Leased Property, Improvements, Preexisting Improvements, and LDGA Improvements caused by or resulting from the acts or omissions of Lessee or any of Lessee's Associates. Lessee and Lessee's Associates agree to comply with the reasonable security and safety policies, procedures and practices of the City at all times.

Section 3.4 Use of Leased Property and Compliance with all Laws and Regulations. Lessee agrees that it shall use the Leased Property and the Improvements only for its reasonable business purposes authorized by City from time to time in its sole discretion, which City-authorized business purposes include the construction and operation of Project facilities. Lessee and Lessee's Associates shall comply at all times, at Lessee's sole cost, with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Lessee's business or to Lessee's construction of the Improvements or LDGA Improvements, including any applicable laws or regulations pertaining to the construction of buildings or other improvements on public property, and that are applicable to Lessee's use, occupancy, or operations at the Leased Property, the Improvements or, to the limited extent provided herein, the Property (the "Laws and Regulations"), which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, policies, common law, and other pronouncements of any kind having the effect of law that may be applicable at any time during the term of this Agreement including, but not limited to, master plans and zoning codes, and all Laws and Regulations pertaining to the environment (the "Environmental Laws"); any and all plans and programs developed in compliance with such requirements; and all lawful, reasonable, and nondiscriminatory City policies and other requirements, including but not limited to restrictions on noise, dust and light spillover and any current or future agreements to which the City is a party restricting noise, dust, light spillover or operations on the Property. Lessee shall provide all required notices under the Laws and Regulations with respect to the Leased Property or the Improvements. If requested by City in writing, Lessee will verify, within a reasonable time frame, compliance with any Laws and Regulations. Further, in its use of the Leased Property and the Improvements, Lessee shall comply with the following:

A. **Address.** Lessee shall file with the Solid Waste Department and keep current its mailing and email addresses, landline telephone and cell phone numbers, and contacts where it can be reached in an emergency.

Section 3.5 No Unauthorized Use. Lessee and Lessee's Associates shall use the Leased Property, the Improvements and, to the limited extent provided herein only for purposes that are expressly authorized by this Agreement and shall not engage in any

unauthorized use of the same. Unauthorized uses include, but are not limited to, restricting access on any road or other area that Lessee does not lease; placing waste materials on or around the Leased Property or disposing of such materials in violation of any Laws and Regulations; any use that would constitute a public or private nuisance or adversely impact adjacent landowners; parking outside of the Leased Property or using automobile parking areas outside of the Leased Property, unless authorized by DME in writing; use of automobile parking areas within the Leased Property in a manner not authorized by this Agreement or City; any use that would interfere with any operation at the landfill or that would decrease the landfill's effectiveness (as determined by City in its sole discretion); and any use that would be prohibited by or would impair coverage under either Party's insurance policies or would cause an increase in the existing rate of insurance upon the Leased Premise.

Section 3.6 Permits and Licenses. Lessee shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Lessee's construction of Improvements or LDGA Improvements and the use, occupancy, or operations at the Leased Property or of the Improvements. Those permits and licenses include, but are not limited to, (i) all contractors doing work on the Leased Property, including work on or for the Improvements or LDGA Improvements, must be licensed by the State of Texas, (ii) if applicable, prior to commencing construction of any Improvements or LDGA Improvements, a permit must be obtained from the City and a copy of the permit must be furnished to DME, and (iii) if applicable, clearance must be obtained from the responsible health department or other agency. In the event that Lessee receives notice from any governmental entity that Lessee lacks, or is in violation of, any such permit, license or other requirement, Lessee shall provide City with timely written notice of the same and Lessee shall diligently pursue the resolution of any such issues.

Section 3.7 Payment of Taxes. Lessee shall pay (before their respective due dates) all taxes, including ad valorem taxes, and all fees, charges, assessments, and levies that relate to Lessee's use, occupancy, or operations at the Leased Property or the Improvements and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for any Improvements or LDGA Improvements). During the Lease Term, Lessee shall be responsible for any and all taxes generated by the Denton County Tax Assessor / Collector. With respect to the Leased Property and the Improvements, such taxes shall be prorated between Lessee and City on a daily basis for the tax years in which the Lease Term commences and expires or terminates. City shall either forward tax bills for the Leased Property to Lessee, or cause the taxing authority to mail the bills directly to Lessee.

Section 3.8 No Liens. No liens related to Lessee or Lessee's use, occupancy or operations may be placed upon the Leased Property. Within thirty (30) days, Lessee shall pay all lawful claims made against City and discharge all liens filed or which exist against the Leased Property to the extent such claims arise out of or in connection with, whether directly or indirectly, the failure to make payment for work done or materials provided by Lessee its contractors, subcontractors, or materialmen. However, Lessee shall have the right to contest the amount or validity of any such claim or lien without being in default

under this Agreement upon furnishing security in form acceptable to City, in an amount equal to one hundred percent (100%) of such claim or lien, which insures that such claim or lien will be properly and fully discharged forthwith in the event that such contest is finally determined against Lessee or City. City shall give timely notice to Lessee of all such claims and liens of which it becomes aware. When contracting for any work in connection with the Leased Property, Improvements or LDGA Improvements, Lessee shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against City's real property or any interest therein. Lessee is solely responsible for ensuring that all requirements are met such that such lien waivers are effective and enforceable (such as filing such contracts, if necessary). Furthermore, when completed, the Improvements and LDGA Improvements on the Leased Property shall be free from all construction liens.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations by City. City represents and warrants that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement, has duly executed and delivered this Agreement, and that this Agreement constitutes a legal, valid, and binding obligation of City.

Section 4.2 Representations by Lessee. Lessee represents and warrants that it has the right, power, and legal capacity to enter into and perform its obligations under this Agreement, has duly executed and delivered this Agreement, and that this Agreement constitutes a legal, valid, and binding obligation of Lessee.

ARTICLE V

OBLIGATIONS OF LESSEE

Section 5.1 Plans and Specifications; Re-Zoning. With respect to any Improvements and LDGA Improvements, Lessee shall select qualified architects and engineers to prepare and, if applicable, submit for approval, prior to construction or on a phased basis during construction, any architectural, site, structural, civil, mechanical, and/or electrical drawings and specifications for the Improvements and LDGA Improvements in the form and with the content required by the appropriate local planning and zoning authorities and pursuant to all applicable Laws and Regulations and this Agreement (collectively, the "Plans and Specifications").

Section 5.2 Operations and Maintenance. Lessee shall maintain the Leased Property and all Improvements in a condition that is clean, free of debris, safe, sanitary, and in good repair and shall not accumulate or permit the accumulation of any trash, refuse, debris, or anything that is unsightly, creates a fire hazard or nuisance, or causes inconvenience to adjoining properties. Lessee shall at its own expense create, execute, and maintain a comprehensive landscaping, tree canopy, and irrigation plan for the Leased Property in accordance with relevant local development and landscaping codes. Lessee

shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. Lessee shall promptly remedy any condition that fails to meet this standard. Without limiting the foregoing obligations, Lessee shall not store on the Leased Property any inoperable equipment, excess, discarded or unsightly materials, or materials likely to create a hazard; shall not use areas outside of enclosed buildings for storage; and shall store trash in covered metal receptacles. Any substance or material that is regulated by any Environmental Law ("Hazardous Materials") shall be governed by Section 5.6. In addition, Lessee agrees to comply with all applicable provisions of City's Texas Pollutant Discharge Elimination Multi-Sector General Permit.

Section 5.3 Utilities. City represents that there are water, sewer, and electrical lines accessible within the general vicinity of the Leased Property. Lessee shall be responsible, at Lessee's sole cost and expense, for obtaining all utility connections at or for the Leased Property, Improvements and Lessee Personal Property. Further, Lessee shall pay for telecommunications, television, internet, gas, light bulbs, electricity, water, sewer, and garbage and trash removal services provided to or used by Lessee and shall make such deposits as are required to secure service. Lessee shall be responsible for any water or sewer impact fees incurred by Lessee's and Lessee's Associates' use of the Leased Property. Any repairs of the LDGA Improvements or other utility lines, other than those which are the responsibility of the utility service, are the responsibility of Lessee.

Section 5.4 Signs. Lessee shall not place, or cause to be placed, any sign or signs on the Leased Property or the Improvements unless otherwise agreed to in writing by City.

Section 5.5 Security. Lessee is responsible to comply (at Lessee's sole cost) with all security measures that City, the United States Department of Homeland Security ("Homeland Security"), the National Electric Regulatory Commission ("NERC"), the Texas Reliability Entity ("TRE"), or any other governmental entity having jurisdiction may require now or in the future in connection with the Lessee's activities and operations on the Leased Property, including, but not limited to, any access credential and escort requirements, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Lessee or Lessee's Associates. Lessee shall protect and preserve security at the Leased Property.

Section 5.6 Hazardous Materials.

A. **No Violation of Environmental Laws.** Lessee shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Leased Property by Lessee or Lessee's Associates in violation of applicable Environmental Laws. Lessee is responsible for any such violation as provided by Section 7.1.

B. **Response to Violations.** Lessee agrees that in the event of a release or threat of release of any Hazardous Material by Lessee or Lessee's Associates at the DEC Property, Lessee shall provide City with prompt notice of the same. Lessee shall respond to any such release or threat of release in accordance with applicable Laws and Regulations. If City has reasonable cause to believe that any such release or threat of release has occurred, City may request, in writing, that

Lessee conduct reasonable testing and analysis (using qualified independent experts reasonably acceptable to City) to show that Lessee is complying with applicable Environmental Laws. City may conduct the same at Lessee's expense if Lessee fails to respond in a reasonable manner. Lessee shall cease any or all of Lessee's activities as City determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Lessee or Lessee's Associates violate any Environmental Laws at the Leased Property (whether due to the release of a Hazardous Material or otherwise), Lessee, at Lessee's sole expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable Environmental Laws; (ii) submit to City a written remediation plan, and City reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with City and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide City copies of all documents pertaining to any environmental concern that are not subject to Lessee's attorney-client privilege.

C. **Obligations upon Termination and Authorized Transfers.** Upon any expiration or termination of this Agreement or any change in possession of the Leased Property authorized by City, Lessee shall demonstrate to City's reasonable satisfaction that Lessee has removed any Hazardous Materials and is in compliance with applicable Environmental Laws. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the Leased Property. If the site is contaminated during Lessee's possession, Lessee shall bear all costs and responsibility for the required clean up, and shall hold City, its officers, elected and appointed officials, employees, and agents harmless therefrom unless such contamination was caused directly by the City. Notwithstanding anything to the contrary, the obligations of this Section 5.6.C. shall survive any termination of this Agreement.

Section 5.7 Trash, Garbage, and Other Refuse. Lessee shall pick up and provide for a complete and proper arrangement for the adequate sanitary handling and disposal of trash, garbage and other refuse, away from the Property through the City or any other licensed refuse hauler. Lessee is responsible for contacting the refuse hauler and arranging for such waste management, handling and disposal services and for payment of such services. Lessee shall provide and use suitable covered metal receptacles for all such garbage, trash, and other refuse on the Leased Property. Lessee shall not pile boxes, cartons, barrels, pallets, debris, or similar items in an unattractive or unsafe manner, on or about the Leased Property.

ARTICLE VI

INDEMNIFICATION AND INSURANCE

Section 6.1 Insurance. Lessee agrees to purchase at their own cost and maintain the minimum insurance coverage as provided below. Lessee shall provide satisfactory certificate(s) of insurance, including any applicable endorsements to the City no less than thirty (30) days prior to the scheduled program date.

- A. Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A or better**.
- B. Each policy shall be primary and noncontributory with any other coverage elsewhere afforded or available to the City, as well as provide primary coverage for all losses and damages caused by the perils covered thereby related to or arising from the Lessee's use of the property and shall not require the exhaustion of any other coverages afforded or available to the City.
- C. General Liability Insurance: General Liability insurance with combined single limits of not less than \$1,000,000.00 shall be provided and maintained by the Lessee. The policy shall be written on an occurrence basis, either in a single policy or in a combination of underlying and umbrella or excess policies. If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:
 - Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.
 - Coverage B shall include personal injury.
 - Coverage C, medical payments, is not required. If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:
 - Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.
 - Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.
- D. All Risk Property Insurance covering LESSOR'S buildings, including improvements and betterments with insured value equal to 80% replacement cost. Covered perils shall include, but not be limited to, Fire, Extended Coverage, and Vandalism & Malicious Mischief. The City of Denton will be shown as a loss payee, as their interest may appear.
- E. Pollution Liability Insurance covering losses caused by pollution conditions that arise from the operation of the Lessee coverage not less than \$1,000,000 each incident and in the aggregate. This can be achieved through a standalone pollution liability policy with limits not less than \$1,000,000 per occurrence and in the aggregate or through the addition of a pollution liability endorsement onto the general liability policy with limits not less than \$1,000,000 per occurrence and in the aggregate.

Liability policies shall be endorsed to provide the following:

- Name as Additional Insured the City of Denton, its Officials, Agents, Employees, and Volunteers.
- That such insurance is primary to any other insurance available to the Additional Insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

- Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.

Notice of Cancellation, Material Change, and Non-Renewal: All insurance required herein shall be endorsed to provide a 30-day notice of cancellation, material change, and non-renewal to the City to the extent commercially available. If this endorsement cannot be provided, Lessee will immediately provide written notice to the City should any of the insurance policies required herein be canceled, limited in scope, or not renewed upon expiration. Said notice must be provided no later than 30-days prior (except 10 days for nonpayment of premium) to any such action being taken. Lessee agrees to purchase general liability insurance in the amount of \$1,000,000.00 combined single limit to cover Lessee's operations as described in Section 3.4. Insurance coverage shall include City as an additional named insured, providing fifteen (15) days' notice of cancellation. Lessee shall submit Certificate(s) of Insurance to City within ten (10) working days after the effective date of this Agreement, and yearly thereafter.

Section 6.2 Indemnification and Duty to Pay Damages.

A. LESSEE SHALL INDEMNIFY AND HOLD CITY AND CITY'S OFFICERS, ELECTED AND APPOINTED OFFICIALS, EMPLOYEES, AND AGENTS EXEMPT AND HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, JUDGMENTS, COSTS, AND EXPENSES ASSERTED BY ANY PERSON OR PERSONS (INCLUDING AGENTS OR EMPLOYEES OF CITY, LESSEE, OR SUBLESSEE) BY REASON OF DEATH OR INJURY TO PERSONS OR LOSS OF OR DAMAGE TO PROPERTY RESULTING FROM (I) LESSEE'S BREACH OR OTHER VIOLATION OF THIS AGREEMENT, OR AND (II) LESSEE'S ACTIVITIES, INCLUDING BUT NOT LIMITED TO CONSTRUCTION ACTIVITIES BY LESSEE OR BY ANY OF LESSEE'S ASSOCIATES, OR OPERATIONS, OR ANYTHING DONE OR OMITTED BY LESSEE OR BY ANY OF LESSEE'S ASSOCIATES, UNDER THIS AGREEMENT EXCEPT TO THE EXTENT THAT SUCH CLAIMS, DEMANDS, SUITS, JUDGMENTS, COSTS, AND EXPENSES MAY BE ATTRIBUTED TO THE SOLE NEGLIGENCE OF CITY, ITS AGENTS, ITS EMPLOYEES.

B. LESSEE SHALL INDEMNIFY, DEFEND, RELEASE AND HOLD HARMLESS THE CITY OF DENTON TO ANY AND ALL CLAIMS FOR DAMAGES, FINES, PENALTIES, COSTS OR EXPENSES TO PERSONS OR PROPERTY THAT MAY ARISE OUT OF, OR BE OCCASIONED BY OR FROM: (I) THE USE AND OCCUPANCY OF THE AREA DESCRIBED IN EXHIBIT A; (II) THE PRESENCE, GENERATION, SPILLAGE, DISCHARGE, RELEASE, TREATMENT OR DISPOSITION OF ANY LESSEE HAZARDOUS SUBSTANCE ON OR AFFECTING THE AREA SET OUT IN EXHIBIT A; (III) ALL CORRECTIVE ACTIONS CONCERNING ANY DISCOVERED LESSEE HAZARDOUS SUBSTANCES ON OR AFFECTING THE AREA DESCRIBED IN EXHIBIT A, WHICH LESSEE AGREES TO UNDERTAKE AND COMPLETE IN ACCORDANCE WITH APPLICABLE FEDERAL, STATE AND LOCAL LAWS AND REGULATIONS. LESSEE AGREES TO DEFEND ANY AND ALL SUITS, CLAIMS, OR CAUSES OF ACTION BROUGHT AGAINST THE CITY OF DENTON ON ACCOUNT OF SAME, AND DISCHARGE ANY JUDGMENT OR JUDGMENTS THAT MAY BE RENDERED AGAINST THE CITY OF DENTON IN CONNECTION THEREWITH. FOR

PURPOSES HEREOF, "LESSEE HAZARDOUS SUBSTANCE" MEANS THE FOLLOWING: (A) ANY "HAZARDOUS SUBSTANCES" UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT, 42 U.S.C. SECTION 9601 ET SEQ., AS AMENDED DUE TO LESSEE'S ACTIVITIES; (B) ANY "HAZARDOUS SUBSTANCE" UNDER THE TEXAS HAZARDOUS SUBSTANCES SPILL PREVENTION AND CONTROL ACT, TEX. WATER CODE, SECTION 26.261 ET SEQ., AS AMENDED DUE TO LESSEE'S ACTIVITIES; (C) PETROLEUM OR PETROLEUM-BASED PRODUCTS (OR ANY DERIVATIVE OR HAZARDOUS CONSTITUENTS THEREOF OR ADDITIVES THERETO), INCLUDING WITHOUT LIMITATION, FUEL AND LUBRICATING OILS DUE TO LESSEE'S ACTIVITIES; (D) ANY "HAZARDOUS CHEMICALS" OR "TOXIC CHEMICALS" UNDER THE OCCUPATIONAL SAFETY AND HEALTH ACT, 29 U.S.C. SECTION 651 ET SEQ., AS AMENDED DUE TO LESSEE'S ACTIVITIES; (E) ANY "HAZARDOUS WASTE" UNDER THE RESOURCE CONSERVATION AND RECOVERY ACT, 42 U.S.C. SECTION 6901 ET SEQ., AS AMENDED; AND (F) ANY "CHEMICAL SUBSTANCE" UNDER THE TOXIC SUBSTANCE CONTROL ACT, 15 U.S.C. SECTION 2601 ET SEQ., AS AMENDED. REFERENCES TO PARTICULAR ACTS OR CODIFICATIONS IN THIS DEFINITION INCLUDE ALL PAST AND FUTURE AMENDMENTS THERETO, AS WELL AS APPLICABLE RULES AND REGULATIONS AS NOW OR HEREAFTER PROMULGATED THEREUNDER DUE TO LESSEE'S ACTIVITIES. THIS SECTION BY NO MEANS IMPOSES ADDITIONAL LIABILITY UPON LESSEE FOR HAZARDOUS MATERIALS THAT WERE ON THE PROPERTY PRIOR TO LESSEE TAKING POSSESSION OF THE PROPERTY.

C. City shall not be liable to Lessee for any damage by or from any act or negligence of any tenant or other occupant by any owner or occupant of adjoining or contiguous property.

D. Lessee agrees to pay for all damages to the Leased Property, the Improvements, the Preexisting Improvements, the LDGA Improvements, and any related apparatus or appurtenances caused by Lessee's misuse or neglect thereof.

E. Lessee shall be responsible and liable for its conduct and the conduct of Lessee's Associates in, on and around the Leased Property, including but not limited to under or around any transmission lines.

F. The provisions of this Section 6.2 and the remedies and rights provided in this Section 6.2 shall survive any expiration or termination of this Agreement.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.1 Lessee's Default. The occurrence of any of the following events shall constitute a default by Lessee under this Agreement unless cured within thirty (30) days following written notice of such violation from City: (i) Lessee fails to timely pay any Rent; (ii) Lessee or Lessee's Associates violate any requirement under this Agreement (including, but not limited to, abandonment of the Leased Property); (iii) Lessee assigns

or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Leased Property except as expressly permitted in this Agreement; (iv) Lessee files a petition in bankruptcy or has a petition filed against Lessee in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; (v) Lessee petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days; (vi) Lessee defaults in constructing any Improvements that are required to be constructed under this Agreement; (vii) Lessee dissolves or dies; (viii) Lessee is in default under the terms of the LDGA; or (ix) the LDGA terminates or expires. Notwithstanding the foregoing, with respect to clause (ii) of the previous sentence, if the nature of Lessee's requirement is such that more than thirty (30) days are reasonably required for performance or cure of such requirement, Lessee shall not be in default if Lessee commences performance within such 30-day period and thereafter diligently pursues the same to completion.

Section 7.2 Default by City. City shall not be in default under this Agreement unless City fails to perform an obligation required of City under this Agreement within thirty (30) days after written notice by Lessee to City. If the nature of City's obligation is such that more than thirty (30) days are reasonably required for performance or cure, City shall not be in default if City commences performance within such thirty (30) day period and thereafter diligently pursues the same to completion.

Section 7.3 Remedies for Failure to Pay Rent. If any Rent required by this Agreement shall not be paid when due, and City has provided Lessee with the required notice and opportunity to cure as set forth in Section 7.1, City shall have the option to:

A. Terminate this Agreement, take possession of the Improvements, resume possession of the Leased Property for its own account, and recover immediately from Lessee the differences between the Rent and the fair rental value of the Property for the Lease Term, reduced to present worth; or

B. Terminate this Agreement and the LDGA, take possession of the Leased Property, resume possession of the Leased Property, re-lease the Leased Property for the remainder of the Lease Term for the account of Lessee, and recover from Lessee, at the end of the Lease Term or at the time each payment of Rent comes due under this Agreement as City may choose, the difference between the Rent and the rent received on the re-leasing or renting of the Leased Property

In an event of default by Lessee City shall also recover all reasonable and documented expenses incurred by reason of an event of default, including reasonable attorneys' fees.

Section 7.4 Remedies for Breach of Agreement. If Lessee breaches or fails to perform any provision of this Agreement other than the agreement of Lessee to pay Rent, City shall provide written notice to Lessee identifying the breach or specifying the performance required. If Lessee fails to remedy the breach within the required notice and cure period set forth in Section 7.1 City may terminate this Agreement or take any such action it is legally entitled to take, including instituting litigation to compel performance of this Agreement. Should litigation be filed by City and it is the prevailing party in that

litigation, Lessee shall be liable for all reasonable and documented expenses related to such litigation, including City's reasonable attorneys' fees.

Section 7.5 **Cross Default.** Any event of default under the LDGA (or under any of the other agreements referenced therein or executed in connection therewith) by either City or Lessee shall be an event of default hereunder.

Section 7.6 **Survival.** The provisions of this Article VII and the remedies and rights provided in this Article VII shall survive any expiration or termination of this Agreement.

ARTICLE VIII

ASSIGNMENT AND SUBLEASING

Section 8.1 Assignment by Lessee.

A. Except as otherwise set forth in Section 8.1(B) of this Agreement, Lessee shall not assign any of its rights under this Agreement, including, but not limited to, rights in any Improvements, (whether such assignment is voluntarily or involuntarily, by consolidation, dissolution, change in control, or any other manner), and shall not delegate any performance under this Agreement, except with the prior written consent of City to any of the same, in City's sole discretion. As a condition of obtaining such consent, the City reserves the right to require the transferee receiving any such rights from Lessee to (i) provide its financial statements or other financial or credit information to City for review, (ii) provide replacement insurance certificates for the insurance required under this Agreement prior to the effective date of the transfer or assignment, (iii) provide a security deposit or letter of credit in the manner and form acceptable to City securing payment and other obligations under this Agreement, and/or (iv) execute a new lease agreement provided by City. Regardless of City's consent, Lessee shall not be released from any obligations for matters arising during the time when this Agreement was in effect. Any purported assignment or delegation of rights or delegation of performance in violation of this section is void.

B. Notwithstanding anything to the contrary contained in this Article VIII, an assignment or transfer of this Agreement (each a "Transfer"): (i) to a successor to Lessee by merger, consolidation or reorganization or in connection with the sale of all or substantially all of the assets of Lessee (a "Successor"); or (ii) to an entity which is controlled by, controls, or is under common control with Lessee, shall not require City's consent. Lessee shall notify City of any such Transfer and promptly supply City with any documents or information reasonably requested by City regarding such Transfer or such entity, and further provided that no uncured event of default exists. "Control," as used in this Section, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person or entity, whether by the ownership of voting securities, by contract or otherwise.

C. Upon the expiration or termination of this Agreement with respect to the Improvements and upon construction or installation with respect to the LDGA Improvements, Lessee hereby grants, assigns, transfers, and conveys to City, without warranty, the following:

(a) The non-exclusive right to the use of the Plans and Specifications at the Leased Property to the extent the Plan and Specifications are owned by Lessee;

(b) A non-exclusive license to any copyright interests in the Plans and Specifications held by Lessee to reproduce and distribute in connection with the Leased Property only; and

(c) The right to enforce, in Lessee's own name as a proper party, (i) any subcontracts related to the Improvements or other maintenance or services contracts in force with respect to the Leased Property or Improvements and any warranties arising under any of them or in connection with the performance thereof, as the case may be.

Section 8.2 Assignment by City. City shall have the right, in City's sole discretion, to assign any of its rights under this Agreement (and in connection therewith, shall be deemed to have delegated its duties), and upon any such assignment, Lessee agrees that Lessee shall perform its obligations under this Agreement in favor of such assignee.

Section 8.3 Encumbrances. Lessee shall not encumber or permit the encumbrance of the Leased Property or any of Lessee's rights under this Agreement. Any purported encumbrance of rights in violation of this Section 8.3 is void.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1 Waiver of Exemption. Any constitutional or statutory exemption of Lessee of any property usually kept on the Leased Property, from distress or forced sale, is waived.

Section 9.2 Addresses. All notices given under this Agreement to City shall be sent to the City in care of Solid Waste Director, City of Denton Solid Waste, 1527 S. Mayhill Rd. Denton, Texas 76208, with a copy to the City Attorney, City of Denton, at 215 E. McKinney, Denton, Texas 76201 and to the Real Estate Department 401 N. Elm St. Denton, Texas 76201, or such other place as City shall specify in writing. All notices given under this Agreement to Lessee shall be sent to:

Name _____

Address _____

City, State, ZIP _____

Telephone Number _____

E-mail address _____

Notices given under this Agreement to the Lender, if any, shall be sent to the address provided by the Lender to City in writing. Any notice properly mailed by registered mail, postage and fee prepaid, shall be deemed delivered when mailed, whether received or not, and all notices sent via overnight delivery service or email shall be deemed delivered when received.

Section 9.3 No Waiver. The waiver by City in writing of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or condition or any subsequent breach of the same or any other term, covenant, or condition herein contained. The subsequent acceptance of Rent hereunder by City shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant, or condition of this Agreement, other than the failure of Lessee to pay the particular Rent so accepted, regardless of City's knowledge of such preceding breach at the time of acceptance of such Rent.

Section 9.4 Lessee's Subordination. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures or other security interest of City or City's successor in interest. Lessee shall execute and deliver to City any documents required to evidence and perfect such subordination.

Section 9.5 Additional Charges as Rent. Any charges assessed against Lessee by City for services or for work done on the Leased Property or the Improvements by order of Lessee or otherwise accruing under this Agreement shall be considered as Rent due.

Section 9.6 Non-Interference With Operation of the Landfill. Lessee expressly agrees for itself, its successors, and assigns that Lessee and its successors and assigns will not conduct operations in or on the Leased Property or the Improvements in a manner that in the reasonable judgment of City, (i) interferes or might interfere with the reasonable use or operation of the Landfill or Property by the City; (ii) hinders or might hinder police, fire fighting, or other emergency personnel in the discharge of their duties; (iii) would or would be likely to constitute a hazardous condition at the Landfill or Property; (iv) would or would be likely to increase the premiums for insurance policies maintained by City; (v) is in contradiction to any rule, regulation, directive, or similar restriction issued by agencies having jurisdiction over the Landfill or Property; or (vi) would involve any illegal purposes. In the event this covenant is breached, City reserves the right, after prior written notice to Lessee, to enter upon the Leased Property and the Improvements and cause the abatement of such interference at the expense of Lessee. In the event of a breach in security caused by Lessee, resulting in fine or penalty, such fine or penalty will be considered and charged to Lessee as Rent.

Section 9.7 Interpretation.

A. References in the text of this Agreement to articles, sections, or exhibits pertain to articles, sections, or exhibits of this Agreement, unless otherwise specified.

B. The terms “hereby,” “herein,” “hereof,” “hereto,” “hereunder,” and any similar terms used in this Agreement refer to this Agreement. The term “including” shall not be construed in a limiting nature, but shall be construed to mean “including, without limitation.”

C. Words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

D. Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect the meaning, construction or effect of this Agreement.

E. Words importing the singular shall include the plural and vice versa. Words of the masculine gender shall be deemed to include correlative words of the feminine and neuter genders.

F. Capitalized terms in this Agreement that are used throughout this Agreement and in any Annexes, Exhibits and Schedules hereto shall have the meaning or definition ascribed to it herein. Absent such meaning or definition in this Agreement, such term shall have the meaning or definition ascribed to it in the LDGA between the Parties.

Section 9.8 Force Majeure. No act or event, whether foreseen or unforeseen, shall operate to excuse Lessee from the prompt payment of rent or any other amounts required to be paid under this Agreement. If City (or Lessee in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the Party so delayed or hindered. A “force majeure event” is an act or event, whether foreseen or unforeseen, that prevents a Party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such Party, and that such Party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, epidemics, pandemics (but not the COVID-19 pandemic), viruses, diseases, quarantines, acts of government, public health emergencies and changes in law. Lessee hereby releases City and City’s officers, elected and appointed officials, employees, and agents from any and all liability, whether in contract or tort (including strict liability and negligence) for any loss, damage, or injury of any nature whatsoever sustained by Lessee, its employees, agents, or invitees during the Lease Term, including, but not limited to, loss, damage, or injury to the Leased Property or the personal property of Lessee that may be located or stored in, on or under the Leased Property or the Improvements due to a force majeure event.

Section 9.9 Governing Law and Venue. This Agreement has been made in and will be construed in accordance with the laws of the State of Texas. In any action initiated by one Party against the other, exclusive venue and jurisdiction will be in the appropriate state courts in and for Denton County, Texas.

Section 9.10 Amendments and Waivers. No amendment to this Agreement shall be binding on City or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

Section 9.11 Severability. If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any Party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.

Section 9.12 Relationship of Parties. This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

Section 9.13 Further Assurances. Each Party shall execute any document or take any action that may be necessary or desirable to consummate and make effective a performance that is required under this Agreement.

Section 9.14 The Lessee hereby represents that (i) it does not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153, Texas Government Code, as a company known to have contracts with or provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, "foreign terrorist organization" shall have the meaning given such term in Section 2252.151, Texas Government Code.

Section 9.15 Texas Local Government Code 2274.0102 Certification

The Lessee hereby represents that Mayhill Renewables, LLC is not:

(A) owned by or the majority of stock or other ownership interest in Mayhill Renewables, LLC is not held or controlled by:

(i) individuals who are citizens of China, Iran, North Korea, Russia, or a designated country under Section 2274.0102, Texas Government Code; or

(ii) a company or other entity, including a governmental entity, that is owned or controlled by citizens of or is directly controlled by the government of China, Iran, North Korea, Russia, or a designated country; or

(B) headquartered in China, Iran, North Korea, Russia, or a designated country.

Section 9.16 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together,

shall constitute one and the same instrument. A signed copy of this Agreement delivered by facsimile, e-mail, or other means of electronic transmission (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 9.17 Prohibition on Contracts with Companies Boycotting Israel. Lessee acknowledges that in accordance with Chapter 2271 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. By signing this Agreement, Lessee certifies that Lessee's signature provides written verification to the City that Lessee: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Section 9.18 Prohibition on Contracts with Companies Boycotting Certain Energy Companies. Lessee acknowledges that in accordance with Chapter 2276 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. By signing this agreement, Lessee certifies that Lessee's signature provides written verification to the City that Lessee: (1) does not boycott energy companies; and (2) will not boycott energy companies during the term of the Agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Section 9.19 Prohibition on Contracts with Companies Boycotting Certain Firearm Entities and Firearm Trade Associations. Lessee acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. By signing this Agreement, Lessee certifies that Lessee's signature provides written verification to the City that Lessee: (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Section 9.20 Prohibition On Contracts with Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization. Section 2252 of the Texas Government Code restricts City from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. By signing this Agreement, Lessee certifies that Lessee's signature provides written

verification to the City that Lessee, pursuant to Chapter 2252, is not ineligible to enter into this Agreement and will not become ineligible to receive payments under this Agreement by doing business with Iran, Sudan, or a foreign terrorist organization. Failure to meet or maintain the requirements under this provision will be considered a material breach.

Section 9.21 Termination Right for Contracts with Companies Doing Business with Certain Foreign-Owned Companies. The City of Denton may terminate this Agreement immediately without any further liability if the City of Denton determines, in its sole judgment, that this Agreement meets the requirements under Chapter 2275, and Lessee is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or other designated country (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or other designated country, or (iii) is headquartered in China, Iran, North Korea, Russia, or other designated country.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the ____ day
of _____, 2025.

CITY OF DENTON

By: _____
Sara Hensley, City Manager

ATTEST:
Lauren Thoden, City Secretary

By: _____

**THIS AGREEMENT HAS BEEN BOTH
REVIEWED AND APPROVED**
as to financial and operational obligations
and business terms.

Signature

APPROVED AS TO LEGAL FORM:
Mack Reinwand, City Attorney

Title

By: _____

Department
Date Signed: _____

ACKNOWLEDGMENT

THE STATE OF TEXAS §

COUNTY OF DENTON §

This instrument was acknowledged before me on the ____ day of _____, 2025,
by Sara Hensley, City Manager of the City of Denton, on behalf of said municipality.

NOTARY PUBLIC, STATE OF TEXAS

MAYHILL RENEWABLES, LLC, LESSEE

By: _____

Name: PAUL MORROW

Title: PRESIDENT

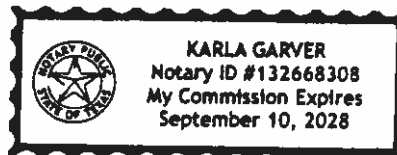
LESSEE NOTARY

THE STATE OF Texas §

COUNTY OF Midland §

This instrument was acknowledged before me on the 24 day of July, 2025, by Paul Morrow on behalf of said company.

Karla Garver
NOTARY PUBLIC, STATE OF TEXAS



**EXHIBIT A
LEASE PROPERTY**



Coleman & Assoc. Land Surveying

P. O. Box 686
Denton, Texas 76202
Phone (940)565-8215 Fax (940)565-9800
REGISTRATION #10095100

1.703 Acres of Land

FIELD NOTES to all that certain tract of land situated in the G. Walker Survey Abstract Number 1330, City of Denton, Denton County, Texas and being a part of Lot C, Solid Waste I as shown by the plat thereof recorded in Cabinet V, Page 987 of the Plat Records of Denton County, Texas; a part of the called 0.5050 acre tract described in the deed to the City of Denton recorded in Volume 1177, Page 207 of the Deed Records of Denton County, Texas; a part of the called 114.7 acre tract described in the deed to the City of Denton recorded in Volume 1177, Page 166 of the said Deed Records; a part of the called 2.6465 acre tract described in the deed to the City of Denton recorded in Volume 1177, Page 171 of the said Deed Records; part of the called 0.126 acre tract described in the deed to the City of Denton recorded in Volume 1177, Page 166 of the said Deed Records; and part of the called 0.4729 acre tract described in the deed to the City of Denton recorded in Volume 1177, Page 191 of the said Deed Records; the subject tract being more particularly described as follows:

BEGINNING for the Northeast corner of the tract being described herein at a 5/8 inch iron rod with a red plastic cap stamped "COLEMAN RPLS 4001" set (hereinafter referred to as 5/8IRS) in the North line of the current City of Denton Landfill Permit Boundary on the South side of an asphalt road and being South 88 Degrees 09 Minutes 42 Seconds East a distance of 95.66 feet from the Northeast corner of the said Lot C;

THENCE South 01 Degrees 12 Minutes 45 Seconds West departing the road across the 0.4729 acre tract a distance of 143.77 feet to a 5/8IRS for the Southeast corner of the herein described tract on the North side of an open ditch;

THENCE South 89 Degrees 50 Minutes 56 Seconds West along the North side of the said ditch across the 0.4729 acre tract passing at a distance of 97.3 feet the East line of Lot C and continuing along, in all, a total distance of 191.80 feet to a 5/8IRS for an angle point in the South line of the herein described tract;

THENCE North 01 Degrees 22 Minutes 14 Seconds West departing the North side of the ditch and continuing across Lot C a distance of 14.63 feet to a 5/8IRS for an angle point in the South line of the herein described tract;

THENCE North 87 Degrees 23 Minutes 07 Seconds West continuing across Lot C passing at a distance of 205.5 feet the West line thereof and across the 114.7 acre tract and the 0.5050 acre tract, in all, a total distance of 345.04 feet to a 5/8IRS for the Southwest corner of the herein described tract;

THENCE North 01 Degrees 41 Minutes 24 Seconds East across the 0.5050 acre tract a distance of 131.11 feet to a 5/8IRS for the Northwest corner of the herein described tract;

THENCE South 88 Degrees 09 Minutes 42 Seconds East across the said 0.5050 acre tract and the said 114.7 acre tract passing at a distance of 139.91 feet the Northwest corner of Lot C and continuing along the same course, in all, a total distance of 535.58 feet to the PLACE OF BEGINNING and enclosing 1.703 acres of land.

See accompanying Exhibit.



Exhibit B
Temporary Construction Easement

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

TEMPORARY CONSTRUCTION EASEMENT

| | | |
|---------------------------|----------|--|
| THE STATE OF TEXAS | § | |
| | § | KNOW ALL MEN BY THESE PRESENTS: |
| COUNTY OF DENTON | § | |

THAT the City of Denton ("Grantor"), a Texas home-rule municipal corporation, in consideration of the sum of Ten and No/100 Dollars (\$10.⁰⁰) and other good and valuable consideration in hand paid by _____ ("Grantee"), a _____ corporation, receipt of which is hereby acknowledged, has granted, bargained, sold, and conveyed, and does by these presents grant, bargain, sell, and convey unto Grantee a non-exclusive temporary construction easement for _____ (the "Construction Activities"), in, along, upon, under, and across the following described property owned by Grantor, and situated in Denton County, Texas, located in the _____ Survey, Abstract Number _____ (the "Property") to wit:

**PROPERTY AREA DESCRIBED AND
DEPICTED IN EXHIBIT "A"
ATTACHED HERETO AND MADE A PART HEREOF**

It is agreed that Grantee, in consideration of the benefits above set out, will remove from the Property such obstructions as may now be found upon said Property as reasonably necessary in connection with, and solely for the purpose of, the Construction Activities and access in, along, upon, under, and across said Property. Grantee shall not make changes in grade, elevation, or contour of the land or surface of the land within the Property, the project area, or other adjacent areas without the prior written consent of the City.

Grantee, its agents, employees, contractors, workmen, and representatives shall have the right of ingress, egress, and regress in, along, upon, under, and across said Property for the purpose of the Construction Activities or any part thereof.

Grantee hereby agrees to obtain all required permits and governmental approvals for its Construction Activities so as to meet all regulatory requirements and shall complete all construction in a workmanlike manner. Grantee shall not construct any permanent improvements on the Property hereunder that would continue to exist on the Property after the termination of this temporary construction easement without prior consent of the City. Upon completion of construction, Grantee shall promptly restore the surface of the Property, the project area, and any other area disturbed by its Construction Activities, including but not limited to the public roadway and adjoining pedestrian walkways, as applicable, to a condition that is substantially the same as or better than it existed prior to such construction, and shall leave the Property, the project area, and adjacent areas free of all trash, litter, refuse, and debris generated or resulting in connection with the Construction Activities.

TO HAVE AND TO HOLD said temporary construction easement unto the said Grantee until the earlier of (i) the completion of the Construction Activities, or (ii) ____ days after the Effective Date hereof (as hereafter defined), at which time this temporary construction easement will terminate and be of no further force and effect.

Witness my hand, this the _____ day of _____, 20__ (the "Effective Date").

GRANTOR:

CITY OF DENTON

BY: _____
Sara Hensley, City Manager

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

BY: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.

Signature

Title

Department

Date Signed: _____

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

BEFORE ME, the undersigned authority, on this day personally appeared **Sara Hensley**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same as the act and deed of the **City of Denton, a Texas home-rule municipal corporation**, as the **City Manager** thereof, for the purposes and consideration therein expressed, in the capacity therein stated and she is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____ 2021.

Notary Public, State of Texas

GRANTEE:

By: _____
Printed Name: PAUL MORROW
Title: PRESIDENT

THE STATE OF Texas §
 §
COUNTY OF Midland §

BEFORE ME, the undersigned authority, on this day personally appeared Paul Morrow, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of the

Maghill Renewables, LLC, as the President thereof, for the purposes and consideration therein expressed, in the capacity therein stated and he is authorized to do so.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of July 2025

Karla Garver
Notary Public, State of Texas

