

COMMERCIAL LEASE AGREEMENT

THIS AGREEMENT made, entered into and executed this the _____ day of _____, 2026, by and between Tellus Diamondhead, LLC (hereinafter "Lessors"), and City of Diamondhead, Mississippi, (hereinafter "Lessee"). Lessors and Lessee contract and agree as follows:

1. Lessor hereby leases unto Lessee the following land and any improvements thereon (hereinafter "the leased property"): Unimproved land located North of Interstate 10 in Diamondhead, Mississippi more particularly described as: vacant lot on Noma Drive.
2. The term of this lease shall be for a primary term of three (3) days, commencing on _____, 2026, and expiring at midnight on _____, 2026, unless extended as provided for herein.
3. During the primary term, Lessee shall pay to Lessors, as rental, the sum of One Dollar (\$1.00) per day, in advance, on or before the first day of the lease term.
4. The leased property, which Lessee accepts in its "AS IS, WHERE IS" condition, may be used for the following purposes and for no other purposes: Parking for Sponsored Events held by the City of Diamondhead, Mississippi, including but not limited to: Fourth of July Celebration; or other lawful purpose approved by Lessors. Lessee shall provide security for all Sponsored Events held by the City of Diamondhead, Mississippi. Lessee, at its sole cost and expense, may place gravel, crushed stone, or similar base material on the leased property as reasonably necessary to provide a stable parking surface for guests, provided Lessee first obtains Lessors' written approval of the type, depth, and placement of such material. Lessee shall provide Lessors with written notice of each Sponsored Event, including the expected date, duration, and anticipated number of vehicles, no fewer than ten (10) business days prior to such event. Any rock, gravel, or other material placed on the leased property shall, at Lessors' sole election, either (i) remain on the property as a permanent improvement without compensation to Lessee, or (ii) be removed by Lessee at its own expense, with the property restored to substantially the same condition that existed prior to such placement, within fifteen (15) days following expiration or termination of this Agreement.
5. (A) Indemnity: Lessors and Lessee shall indemnify, defend and hold harmless the other as follows:
 - (i) Lessee shall indemnify, defend and hold Lessor harmless from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind resulting from its (including its employees, guests, invitees) negligence, breach, or violation or non-performance of any condition hereof.
 - (ii) Lessor shall indemnify, defend and hold Lessee harmless from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind resulting from its negligence, breach, or violation or non-performance of any condition hereof.
 - (iii) Lessee, as the sponsor and operator of each Sponsored Event, shall additionally indemnify, defend and hold Lessor harmless from any and all losses, fines, suits, damages, expenses, claims, demands and actions of any kind arising out of or related to the Sponsored Event, including but not limited to bodily injury, death, or property damage suffered by attendees, guests, or third parties while on the leased property, regardless of whether such losses arise from the negligence of Lessee, except to the extent caused by the gross negligence or willful misconduct of Lessor. This indemnity is subject to the limitations, caps, and immunities, if any, applicable to Lessee under the Mississippi Tort Claims Act, Miss. Code Ann. §§ 11-46-1 et seq., as may be amended.
- (B) Insurance: Lessee shall, during the entire term of the Lease keep in full force and effect a policy of public liability insurance with respect to the Property. Such coverage shall include a broad form general liability endorsement. The policy shall contain a clause that the Lessee will not cancel or change the insurance without first giving the Lessors ten (10) days prior written notice. Such policy shall provide minimum combined single limit coverage of not less than \$1,000,000 per occurrence

and \$2,000,000 in the aggregate, shall name Tellus Diamondhead, LLC as an additional insured, and shall be primary and non-contributory as to any insurance carried by Lessor. Lessee shall furnish Lessor with a certificate of insurance evidencing such coverage no later than ten (10) business days prior to the commencement of the lease term and prior to each Sponsored Event held thereafter.

6. Lessee will keep the leased property in a clean and wholesome condition and will comply at all times with all lawful health and police regulations. Lessee shall provide for the removal of its own trash, waste paper, boxes and cartons and shall not permit any accumulation of such materials. Lessee shall not engage in any act which shall constitute a nuisance. Lessee shall be allowed to mow and otherwise maintain the property in advance of the event to enable visitors to access and park on the property. Lessee shall be responsible, at its sole cost, for repairing any damage to the leased property caused by Lessee, its employees, agents, contractors, invitees, or guests during the term of this Agreement, ordinary wear and tear excepted, and shall complete such repairs within fifteen (15) days following the date the damage occurs or is discovered, whichever is later. Lessor and Lessee shall jointly document the condition of the leased property, including photographs, immediately before and immediately after each Sponsored Event. Prior to the commencement of the lease term, Lessee shall deposit with Lessor the sum of \$0.00 as a damage deposit, to be held by Lessor and applied toward the cost of any repairs required under this Section, with any unused portion refunded to Lessee within thirty (30) days after the conclusion of the lease term.
7. Lessee shall permit Lessors and his agents to enter the Property at all reasonable times for any of the following purposes to inspect the same: (i) to maintain the property, (ii) to make repairs to the Property as the Lessor is obligated or may elect to make, and (iii) to post notices of non-responsibility for alterations or additions or repairs.
8. It is understood and agreed that the relationship of the parties hereto is strictly that of Lessor and Lessee and that the Lessors have no ownership in the Lessee's enterprise and the Agreement shall not be construed as a joint venture or partnership. The Lessee is not and shall not be deemed to be an agent or representative of the Lessors.
9. All notices from Lessee to Lessors shall be served or sent to:

Jon McCraw, City Manager
5000 Diamondhead Circle
Diamondhead, MS 39525

Until further written notice to Lessors, all notices from Lessors to Lessee shall be served or sent to Lessee at the following address:

Tellus Diamondhead, LLC
Attn: T Davis Gordon
PO Box 3630, Bay St Louis, MS 39521

All notices to be given under this Agreement shall be in writing and shall be served personally or sent by United States certified or registered mail.

10. This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any other manner other than by agreement in writing signed by all parties hereto or their respective successors in interest.
11. If any section, paragraph, sentence or portion of this Agreement or the application thereof to any party or circumstance shall, to any extent, be or become invalid or illegal, such provision is and shall be null and void, but, to the extent that said null and void provisions do not materially change the overall agreement and intent of this entire agreement, the remainder of this Agreement shall not be affected thereby and each remaining

provision of this Agreement shall be valid and enforceable to the fullest extent provided by law.

12. This Agreement shall be governed in accordance with the laws of the State of Mississippi.

WITNESS the signatures of the parties, this the 26 day of June, 2026.

LESSOR:

LESSEE:

Tellus Diamondhead, LLC

By: T Davis Gordon

Title: Owner

City of Diamondhead, Mississippi

By: Jon McCraw

Title: City Manager