

AI-15515
TML RERATE
DRAINAGE DISTRICT

4.

Date: 05/19/2009
Submitted By: Jaime Salazar, DRAINAGE DISTRICT
Submitted For: Jaime Salazar
Department: DRAINAGE DISTRICT

Information

CAPTION

Discussion and approval of District's Liability - Property Re-rate Exposure Summary with Texas Municipal League (TML) for General Liability, Errors and Omissions, Auto Liability, Physical Damage, Property & Worker's Compensation.

BACKGROUND

Fiscal Impact

Attachments

No file(s) attached.

Form Routing/Status

Route Seq	Inbox	Approved By	Date	Status
1	Budget & Management	Veronica Lopez	05/15/2009 09:45 AM	APRV
2	Sylvia Solis	Sylvia Solis	05/15/2009 04:52 PM	APRV
3	Final Approval		05/15/2009 05:48 PM	NEW

Form Started By: Jaime Salazar
Started On: 05/15/2009 08:30 AM
Final Approval Date: 05/15/2009

**L&G/D&B Invoices /SER Pymt Req /Audit Report
DRAINAGE DISTRICT**

Date: 05/19/2009
Submitted By: Minerva Luna, DRAINAGE DISTRICT
Department: DRAINAGE DISTRICT

Information

CAPTION

- A. Request approval of Payment Request No. 7 to SER Construction Partners, LTD. for the Construciton of DHS Levee Segment 0-6BC (1.38 miles).
- B. Request approval of Payment Request No. 9 to SER Construction Partners, LTD. for the Construction of DHS Levee Segment 0-7 (0.90 miles).
- C. Request approval to process manual checks to SER Construction Partners, LTD. for the above mentioned projects pending approval from County Auditor and pending the electronic transfer of funds from Department of Homeland Security (DHS).
- D. Request approval to process payment on Invoices to Dannenbaum Engineering for professional engineering services in relation to the following DHS Segments:

1. DHS Segment 0-5	Invoice 441001/14/XV
2. DHS Segment 0-6A	Invoice 441007/10A/XV
3. DHS Segment 0-6A Wall Extension	Invoice 441007/08B/XV
4. DHS Segment 0-6B	Invoice 441008/10/XV
5. DHS Segment 0-6C	Invoice 441009/09/XV
6. DHS Segment 0-7	Invoice 441002/13A/XV
7. DHS Segment 0-7A	Invoice 441002/11B/XV
8. DHS Segment 0-8	Invoice 441003/11/XV
9. DHS Segment 0-9 PH I	Invoice 441004/13A/XV
10.DHS Segment 0-9 PH II	Invoice 441004/13B/XV
11.DHS Segment 0-9A	Invoice 441004/11C/XV
12.DHS Segment 0-9A	Invoice 441004/12C/XV
13.DHS Segment 0-10	Invoice 441005/13A/XV
14.DHS Segment 0-10A	Invoice 441005/11B/XV
15.DHS Segment 0-10A	Invoice 441005/12B/XV

- E. Request approval to process manual checks to Dannenbaum Engineering pending approval from County Auditor and pending the electronic transfer of funds from Department of Homeland Security (DHS).
- F. Request approval to process payment of invoices to L&G Engineering for professional engineering services in relation to the following DHS Segments:

1. DHS Segment 0-4A	Invoice 7488
2. DHS Segment 0-5	Invoice 7485
3. DHS Segment 0-6A	Invoice 7490
4. DHS Segment 0-6BC	Invoice 7491

G. Request approval to process manual checks to L&G Engineering pending the approval from County Auditor and pending the electronic transfer of funds from Department of Homeland Security (DHS).

H. Submittal and Presentation of the Hidalgo County Drainage District #1 Financial Audit Report for 2008.

BACKGROUND

Fiscal Impact

Attachments

No file(s) attached.

Form Routing/Status

Route Seq	Inbox	Approved By	Date	Status
1	Budget & Management	Ivan Cantu	05/14/2009 09:31 AM	APRV
2	Final Approval		05/15/2009 05:48 PM	NEW

Form Started By: Minerva Luna
Started On: 05/13/2009 12:53 PM
Final Approval Date: 05/15/2009

AI-15453

6.

WA#39

DRAINAGE DISTRICT

Date: 05/19/2009

Submitted By: Sylvia Sanchez, DRAINAGE DISTRICT

Submitted For: Sylvia Sanchez

Department: DRAINAGE DISTRICT

Information

CAPTION

Approval of WA#39 for L&G Engineering Laboratory LLC to provide geotechnical engineering services for the HCDD1 Main Drainage System - Hurricane Dolly Assesment.

BACKGROUND

Fiscal Impact

Attachments

No file(s) attached.

Form Routing/Status

Route Seq	Inbox	Approved By	Date	Status
1	Budget & Management	Veronica Lopez	05/13/2009 11:17 AM	APRV
2	Sylvia Solis	Sylvia Solis	05/15/2009 04:52 PM	APRV
3	Final Approval	Angela Garcia	05/15/2009 05:48 PM	APRV

Form Started By: Sylvia Sanchez

Started On: 05/13/2009 09:58 AM

Final Approval Date: 05/15/2009

AI-15382

7.

**Amendment to Lease Agreement-Real Property
DRAINAGE DISTRICT**

Date: 05/19/2009
Submitted By: Lora Briones, DRAINAGE DISTRICT
Submitted For: Lora Briones
Department: DRAINAGE DISTRICT

Information

CAPTION

Authorization to extend land usage lease agreement for an additional one (1) year term between Gary L. Jackson and the Drainage District for the spoil land parcels as it relates to the South Alamo Drain Project.

BACKGROUND

Fiscal Impact

Attachments

Link: [Alamo Drain](#)

Form Routing/Status

Route Seq	Inbox	Approved By	Date	Status
1	Budget & Management	Veronica Lopez	05/13/2009 01:54 PM	APRV
2	Sylvia Solis	Sylvia Solis	05/14/2009 02:03 PM	APRV
3	Final Approval		05/15/2009 05:48 PM	NEW

Form Started By: Lora Briones
Started On: 05/07/2009 10:34 AM
Final Approval Date: 05/15/2009

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**AMENDMENT TO LEASE AGREEMENT BETWEEN
GARY L. JACKSON AND
HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

This AMENDMENT TO THE LEASE AGREEMENT dated September 11, 2007 BY AND BETWEEN GARY L. JACKSON (the "Lessor") AND HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 (the "Lessee") is entered into between the parties effective this ____ day of _____ 2009.

WHEREAS, Gary L. Jackson as Lessor and Hidalgo County Drainage District No. 1 as Lessee executed that one certain Lease Agreement dated September 11, 2007 for that certain real property described on Exhibit A attached hereto.

WHEREAS, Lessee and Lessor desire to amend the Lease Agreement (the "Lease Agreement") as hereinafter provided.

NOW THEREFORE, for and in consideration of the terms and provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessee and Lessor hereby agree to the following amendment to the Lease Agreement:

1. The first paragraph of the Lease Agreement is deleted in its entirety and the following is inserted in lieu thereof:

This Lease Agreement made this 11th day of September, 2007, by and between Gary L. Jackson (hereinafter referred to as the "Lessor") and Hidalgo County Drainage District No. 1, (hereinafter referred to as the "Lessee").

2. Section 2.2 is deleted in its entirety and the following is inserted in lieu thereof:

The term of this Lease shall commence (the "Commencement Date") on September 11, 2007. The term of this Lease shall end on the last business day of the thirty-six (36th) month following the Commencement Date, unless sooner terminated or extended as herein provided.

3. Except as modified herein, all terms and conditions of the Lease Agreement, as amended, remain in full force and effect and Lessor and Lessee ratify and confirm the terms and provisions of the Lease Agreement as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

LESSOR
GARY L. JACKSON

LESSEE
HIDALGO COUNTY DRAINAGE
DISTRICT NO. 1



APPROVED AS TO FORM:

ATLAS & HALL, L.L.P.

By:  _____ 
Stephen L. Crain

STATE OF TEXAS §

COUNTY OF HIDALGO §

LEASE AGREEMENT

THIS LEASE AGREEMENT made this 11 day of Sept, 2007, by and between Hidalgo County Drainage District No. 1, (hereinafter referred to as the "Lessor") and Gary L. Jackson (hereinafter referred to as the "Lessee")

①

WITNESSETH THAT, in consideration of the rents, covenants and agreements hereinafter set forth, such parties enter into the following lease agreement:

ARTICLE I

INCORPORATION OF OTHER DOCUMENTS

Section 1.1 Documents Incorporated. The documents listed as Exhibits below and attached to this Lease Agreement are incorporated herein by this reference, as if fully set forth herein verbatim:

Exhibit "A" containing a legal description of the Leased Premises.
Exhibit "B" being an unexecuted Earnest Money Contract.

ARTICLE II

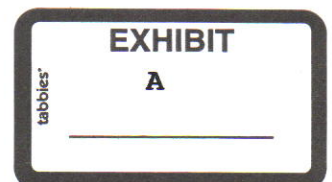
LEASED PREMISES AND TERM

Section 2.1. Leased Premises. In consideration of the rents hereinafter reserved and agreed to be paid by Lessee, Lessor hereby leases to Lessee, and Lessee hereby rents from Lessor the real property as described in Exhibit "A" (herein called the "Leased Premises"), together with the non-exclusive use and benefit of the appurtenant rights and privileges, therewith.

Section 2.2. Lease Term. The term of this Lease shall commence (the "Commencement Date") on 9/11/2007 2007. The term of this Lease shall end on the last business day of the twenty-fourth (24th) month following the Commencement Date, unless sooner terminated or extended as herein provided.

2

Section 2.3. Acceptance of Premises: Substantial Completion by Lessor. Lessee accepts the Leased Premises "AS IS".



ARTICLE III

FIXED RENT

Section 3.1. Fixed Rent. Lessee agrees and covenants to pay Lessor a lump sum payment in the amount of \$125.00 dollars per acre for each Lease Year occurring during the term of this Lease on or before _____ for the first Lease Year and a like amount in advance on or before commencement of the second Lease Year.

Section 3.2. All Taxes Current. Lessor represents and warrants that all real property taxes and assessments relating to the Leased Premises, except current taxes and assessments not delinquent, have been paid in full.

Section 3.2.2. Late Rental Payment. Any Rent or other amounts to be paid by Lessee which are not paid when due shall bear interest at the greater of 5.0% per annum. If the Commencement Date is other than the first day of a month, Lessee shall pay on the Commencement Date a prorated partial rent for the period prior to the first day of the next calendar month.

ARTICLE IV

UTILITIES AND SERVICES

Section 4.1. Utilities. Lessee shall not install any equipment in the Leased Premises which can exceed the capacity of any existing utility facilities and if any equipment installed by Lessee requires additional utility facilities, the same shall be installed at Lessee's expense in compliance with all applicable requirements and Lessee shall be solely responsible for and promptly pay all charges for use or consumption of sewer, gas, electricity, water and all other utility services.

Section 4.2. Covenant of Title and Quite Enjoyment. Lessor represents and warrants to Lessee that Lessor is solely vested with fee simple title to the Leased Premises and has full right and lawful authority to lease the Premises to Lessee pursuant to the terms hereof. Lessor covenants with Lessee to keep Lessee in quiet enjoyment and possession of the Leased Premises during the term of this Lease, provided Lessee is not in default under this Lease. Lessor further represents and warrants to Lessee that: (i) no zoning or similar ordinance, restrictive covenant or other encumbrance or restriction prevents the use of the Premises for the intended purposes or otherwise conflicts or is inconsistent with the terms of this Lease; (ii) no joinder or approval of any other person or entity is required with respect to Lessor's right and authority to enter into this Lease including any lender or mortgagee; and (iii) there is no underlying or superior lease with respect to the Leased Premises.

ARTICLE V

CONDUCT OF BUSINESS BY LESSEE

Section 5.1. Use of Leased Premises. The Leased Premises shall be occupied and used by Lessee and Lessee's contractors solely for the purposes of depositing spoils and other excavated materials from the construction of a drainage facility known as the Alamo drain.

ARTICLE VI

SURRENDER OF LEASED PREMISES

Section 6.1. Surrender of Premises. At the expiration of the tenancy hereby created, Lessee shall level and grade the Premises to substantially the same level as the Leased Premises were in on the Commencement Date, reasonable wear and tear and damage by unavoidable casualty excepted.

ARTICLE VII

INSURANCE

Section 7.1. By Lessee. Lessee agrees to carry public liability insurance on the Leased Premises during the term hereof, covering both Lessee and Lessor as assureds, with the limits as provided by the Texas Tort Claims Act.

Section 7.2. Mutual Waiver of Subrogation Rights. Lessor and Lessee and all parties claiming under them mutually release and discharge each other from all claims and liabilities arising from or caused by any casualty or hazard covered or required hereunder to be covered in whole or in part by insurance on the Leased Premises or in connection with property on or activities conducted on the Leased Premises, and waive any right of subrogation which might otherwise exist in or accrue to any person on account thereof, provided that such release shall not operate in any case where the effect is to invalidate or increase the cost of such insurance coverage (provided, that in the case of increased cost, the other party shall have the right, within thirty (30) days following written notice, to pay such increased cost, thereby keeping such release and waiver in full force and effect).

ARTICLE VIII

ASSIGNMENT AND SUBLETTING

Section 8.1. Consent Required. Lessee will not sell, assign, sublease, mortgage, pledge or in any manner transfer this Lease or any interest therein, or sublet all or any part of the Leased Premises, or license concessions or lease or space of facilities therein, without

Lessor's written consent. Consent by Lessor to any assignment, subletting or concession shall not waive the necessity for consent to any subsequent assignment or subletting or concession. This prohibition shall include a prohibition against any subletting or assignment by operation of law. If this Lease is assigned or in any part of the Leased Premises underlet or occupied by anybody other than Lessee or Lessee's contractors, Lessor may collect rent from the assignee, or occupant and apply the same to the rent herein reserved, but no such assignment, occupancy or collection of rent shall be deemed a waiver of this covenant or the acceptance of the assignee, or occupant as Lessee, or a release of Lessee, or a release of Lessee from the performance by Lessee or any payments of rent or covenants on the part of Lessee herein contained. Notwithstanding any assignment or subletting, Lessee shall remain fully liable on this Lease and for the performance of all terms, covenants and provision of this Lease.

ARTICLE IX

EMINENT DOMAIN

Section 9.1. Condemnation. If ten percent (10%) or more of the Leased Premises shall be acquired or condemned by right of eminent domain for any public or quasi public use or purpose, then Lessor at its election may terminate this Lease by giving notice to Lessee of its election, and in such event rentals shall be apportioned and adjusted as of the date of termination. If the Lease shall not be terminated as aforesaid, then it shall continue in full force and effect, and Lessor shall within a reasonable time after possession is physically taken (subject to delays due to shortage of labor, materials or equipment, labor difficulties, breakdown of equipment, government restrictions, fires, other casualties or other causes beyond the reasonable control of Lessor) repair or rebuild what remains of the Leased Premises for Lessee's occupancy; and a just proportion of the Minimum Annual Rent shall be abated, according to the nature and extent of the damage to the Premises, until such repair and rebuilding are completed, and thereafter for the balance of the Lease Term.

Section 9.2. Damages. Lessor reserves, and Lessee assigns to Lessor, all rights to damages on account of any taking or condemnation of any act of any public or quasi public authority for which damages are payable. Lessee shall execute such instrument of assignment as Lessor requires, join with Lessor in any action of the recovery of damages, if requested by Lessor, and turn over to the Lessor any damages recovered in any proceedings. If Lessee fails to execute instruments required by Lessor, or undertake such other steps as requested, Lessor shall be deemed the duly authorized irrevocable agent and attorney-in-fact to Lessee to execute such instruments and undertake such steps on behalf of Lessee. However, Lessor does not reserve any damages payable for the trade fixtures installed by Lessee at its own cost which are not part of the realty.

ARTICLE X

DEFAULT BY LESSEE

Section 10.1. Causes of Default. The occurrence of any one or more of following shall be considered for all purposes to be a material default under and breaches of this Lease:

(a) any failure of Lessee to pay any rent, or charge, assessment or other amount after fifteen (15) days from the due date, when due hereunder;

(b) any failure of Lessee to perform or observe any other of the terms, provisions, conditions and covenants of this Lease for more than 30 days after written notice of such follows;

(c) Lessee has submitted any false report required to be furnished hereunder;

(d) Lessee shall become bankrupt or insolvent or file or have filed against it a petition in bankruptcy or for reorganization or arrangement or for the appointment of a receiver or trustee of all or a portion of Lessee's property, or Lessee makes an assignment for the benefit of creditors;

(e) the Premises come into the possession of any person other than expressly permitted under this Lease.

In any such event, and upon Lessee's failure to cure, Lessor's, demand or notice (the same being hereby waived by Lessee), Lessor, in addition to all other rights or remedies it may have, shall have the right thereupon or at any time thereafter to terminate this Lease by giving notice to Lessee stating the date upon which such termination shall be effective, and shall have the right, either before or after any such termination, to re-enter and take possession of the Leased Premises, remove all persons and property from the Leased Premises and store such property at Lessee's expense, all without notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage occasioned thereby.

Section 10.2. Lessee's Right to Cure. (i) With respect to defaults which involve Lessee's failure, in whole or in part, to timely pay Fixed Rent, or other assessments to Lessor, "Monetary Defaults", it is agreed that the occurrence of any Monetary Default shall constitute an Event of Default hereunder, if the Lessor shall declare such occurrence as an Event of Default and notify Lessee in writing of same, and Lessee shall fail to cure such default within thirty (30) days after the receipt of such notice from Lessor.

(ii) With respect to all other defaults hereunder, "Non-monetary Defaults", it is agreed that the thirty (30) business day cure period applicable to Monetary Defaults will be extended for a reasonable period of time, not to exceed twenty (20) days if Lessee shall,

prior to the expiration of the tenth (10th) business day of the cure period, provide the Lessor with a written explanation summarizing all actions Lessee shall have taken prior to the submission of such explanation to cure the default in question, together with a summary of the additional acts Lessee will take in the future to cure such default.

ARTICLE XI

DEFAULT BY LESSOR

Section 11.1. Default Defined: Notice. Lessor shall in no event be charged with default in any of its obligations hereunder unless and until Lessor shall have failed to perform such obligations within thirty (30) days (or such additional time as is reasonably required to correct any such default) after written notice to Lessor by Lessee, specifically describing such failure.

ARTICLE XII

HOLDING OVER; SUCCESSORS

Section 12.1. Successor. All rights and liabilities herein given to or imposed upon the respective parties hereto shall bind and inure to the several respective heirs, successors, administrators, executors and assigns of the parties and if Lessee is more than one person, they shall be bound jointly and severally by the lease. No rights, however, shall inure to the benefit of any assignee of the Lessee unless the assignment was approved by Lessor in writing as provided in Section 8.1 hereof.

ARTICLE XIII

MISCELLANEOUS

Section 13.1 Waiver. No waiver by Lessor or Lessee of any breach of any terms, covenants or conditions herein shall be deemed a waiver of the same or any subsequent breach of the same or any other term, covenant or condition. The acceptance of rent by Lessor shall not be deemed a waiver of any earlier breach by Lessee of any terms, covenant or condition hereof, regardless of Lessor's acknowledgment or such breach when such rent is accepted. No covenant, term or conditions of this Lease shall be deemed waived by Lessor or Lessee unless waived in writing.

Section 13.2. Accord & Satisfaction. Lessor is entitled to accept, receive and cash or deposit any payment made by Lessee for any reason or purpose or in any amount whatsoever, and apply the same at Lessor's option to any obligation of Lessee and the same shall not constitute payment of any amount owed except to which Lessor has applied the same. No endorsement or statement on any check or letter of Lessee shall be deemed an accord and satisfaction or otherwise recognized for any purposes whatsoever. The

acceptance of any such check or payment shall be without prejudice to Lessor's right to recover any and all amounts owed by Lessee hereunder and Lessor's right to pursue any other available remedy.

Section 13.3. Entire Agreement. There are no representations, covenants, warranties, promises, agreements, conditions or undertaking, oral or written, between Lessor and Lessee other than herein set forth. Except as herein otherwise provided, no subsequent alterations, amendment, change or addition to this Lease shall be binding upon Lessor or Lessee unless in writing and signed by them.

Section 13.4. No Partnership. Lessor does not, in any way or for any purpose, become a partner, employer, principal, master, agent or joint venture of or with Lessee.

Section 13.5. Force Majeure. If either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure material, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason like nature not the fault of the party delayed in performing work or doing acts required under this Lease, the period of such delay, notwithstanding the foregoing, the provisions of this Section 13.5 shall at no time operate to excuse Lessee from any obligations for payment of rent, or any other payments required by the terms of this Lease when the same are due, and all such amount shall be paid when due.

Section 13.6. Notice. All notices from Lessee to Lessor required or permitted by any provision of this agreement shall addressed and sent to Lessor as follows:

Lessor:
Gary L. Jackson
P. O. Box 13
Alamo, Texas 78516-0013

Lessee:
Hidalgo County Drainage District No. 1
Attn: Manager
902 N. Doolittle Rd
Edinburg, Texas 78540

All notices to be given hereunder by either party shall be written and sent by registered or certified U. S. mail, return receipt requested, postage pre-paid, addressed to the party intended to be notified at the address set forth above. Either party may, at any time, or from time to time, notify the other in writing of a substitute address for the above set forth, and thereafter notice shall be directed to such substitute address. Notice given as aforesaid shall be sufficient service thereof and shall be deemed given as of the date received, as evidenced by the return receipt of the registered or certified mail. A duplicate copy of all notices from Lessee shall be sent to any mortgage who has requested the notice.

Section 13.7. Captions and Section Numbers. This Lease shall be construed without reference to title of Articles and Sections, which are inserted only for convenience of reference.

Section 13.8. Limitations of Liability. Anything to the contrary herein, notwithstanding, there shall be absolutely no personal liability on persons, firms, or entities who constitute Lessor with respect to any of the terms, covenants, conditions and provisions of this lease, and Lessee shall look solely to the interest of Lessor, its successors and assigns, for the satisfaction of each and every remedy of Lessee in the event of default by Lessor hereunder, such exculpation of personal liability is absolute and without any exception whatsoever.

Section 13.9. Partial Invalidity. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 13.10. Memorandum of Lease; Recording. The parties agree not to place this Lease of record but each party shall, at the request of the other, execute and acknowledge so that the same may be recorded as a Short Form Lease or Memorandum of Lease, indicating Lease Term and any options to extend such Term, but omitting rent and other terms and an agreement specifying the date of commencement and termination of the Lease; PROVIDED, HOWEVER, that the failure to record said Short Form Lease, Memorandum of Lease or Agreement shall not affect or impair the validity and effectiveness of this Lease. Lessee shall pay all costs, taxes, fees and other expenses in connection with or prerequisites of recording. The provisions of this Lease shall control, however, in regard to any omissions from the Memorandum of Lease or any provisions hereof which may be in conflict with the Memorandum of Lease.

Section 13.11. Applicable Law. This Lease shall be construed under the laws of the State of Texas and shall be performable in Hidalgo County, Texas.

Section 13.12. Force Majeure. Lessor and Lessee shall be excused for the period of any delay in performance of any obligations hereunder when prevented from doing so by cause or causes beyond either party's control, which shall include all labor disputes, civil disturbance, war, war-like operations, invasions, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fires or other casualty, inability to obtain any material or service or acts of God.

ARTICLE XIV

OPTION TO PURCHASE

Section 14.1. Option To Purchase. For and in consideration of the payment of the Fixed Rent, and other payments hereunder for the Lease Term, Lessor (as "Optionor") grants to Lessee (as "Optionee"), the option to purchase the Lease Premises for the amount stated in the Earnest Money Contract attached hereto as Exhibit "B" subject to:

a. **Exercise of Option.** Optionee may exercise the Option to purchase (1) prior to Optionee's default in the Lease, (2) by execution and tender to Optioner of the Earnest Money Contract a copy of which is attached as Exhibit "B"(the "Option Contract") which will be delivered to the Lessor by the Lessee at any time before the end of the Lease Term, and (3) tendering any accrued monthly rental payment and other amounts which may then be due for Rent under the terms of this Lease. Optioner shall forthwith execute, acknowledge, and deliver to Optionee an executed and acknowledge copy of Option Contract within thirty (30) days of receiving the Option Contract.

b. **Automatic Termination.** If Optionee fails to exercise the option in accordance with the terms of this Lease, then the option to purchase granted by this Lease, and the rights of Optionee thereunder, shall automatically and immediately terminate without notice.

c. **Closing Costs.** Optionee shall be exclusively responsible for all costs of closing, including, but not limited to surveying costs, attorneys fees and recording fees.

IN WITNESS WHEREOF, Lessor and Lessee have signed and sealed this Lease as of the day and year first above written.

LESSOR:

By: Gary L. Jackson

Typed/Printed
Name: Gary L. Jackson
Title: Owner
Date: 9/11/07

LESSEE:

By: Hidalgo County Drainage District
No. 1

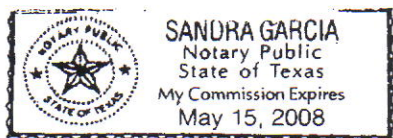
Typed/Printed Name: [Signature]
Title: Manager
Date: 9/13/07

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 11th day of September, 2007 by Gary L. Jackson.



[Handwritten Signature]

Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 13th day of September, 2007 by Godfrey Garza, Jr., Manager on behalf of Hidalgo County Drainage District No. 1, a public profit corporation.



[Handwritten Signature]

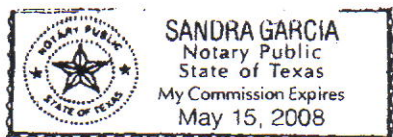
Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the 11th day of September, 2007 by Gary L. Jackson.



[Handwritten Signature]

Notary Public, State of Texas

ACKNOWLEDGMENT

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on the _____ day of September, 2007 by _____, Manager on behalf of Hidalgo County Drainage District No. 1, a public profit corporation.

Notary Public, State of Texas

INFORMATION FOR REAL ESTATE 1099-S REPORT FILING
as Required by the Internal Revenue Service

SOLICITATION

Section 6045 of the Internal Revenue Code, as amended by the Tax Reform Act of 1986, requires the reporting of certain information to the IRS on real estate transactions. The information may also be sent to other third parties. You are required by law to provide HIDALGO COUNTY, with your correct taxpayer identification number. If you do not provide HIDALGO COUNTY, with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law.

SS # 465-62-2511

LESSEE'S NAME

Gary L. Jackson
P.O. Box 13
Alamo, Texas 78516-0013

PERMANENT MAILING ADDRESS

P.O. Box 13
Alamo, Texas 78516-0013

TRANSACTION INFORMATION

Closing Date: 09/10/07

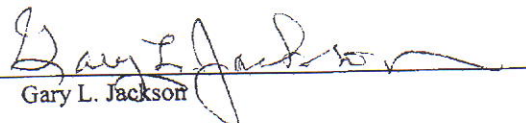
Description of Property: _____ (SEE ATTACHED DEED)

Contract Sales Price: \$ 1,250.00
If multiple sellers -
Request is hereby made that you allocate the sales price among the sellers (Yes or No)

Has the seller received (or will receive) property (other than cash and consideration treated as cash) or services as part of the consideration for this transaction? (Yes or No)

CERTIFICATION

Under penalties of perjury, I certify that the number shown on this form is my correct Taxpayer Identification number. I also certify that the other information shown herein is correct. I acknowledge receipt of a copy of this form.



Gary L. Jackson

09/10/07
Date

SUBSTITUTE FORM 1099

This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

FORM NO. II104.1

COPY
C&A

Leonel Garza Jr. & Associates, LLC
 1419 Dove Ste. 1
 McAllen, TX 78504

Invoice

Date	Invoice #
8/14/2007	690

Bill To
Hidalgo County Drainage District c/o Hidalgo County ROW 509 East Earling San Juan, Texas 78589

P.O. No.	Terms	Property Type
	Due on receipt	

Quantity	Description	Rate	Amount
1	Project: South Alamo Drain Owner: Border Farms a Texas Partnership Location: N/S of El Gato Road located East of Tower Road	1,000.00	1,000.00
1	Owner: Gary L Jackson Location: W/S of Tower Road North of Hall Acre Road Leonel Garza Jr. & Associates, LLC TIN # 74-2948770	1,000.00	1,000.00
Thank you for your business.		Total	\$2,000.00



PAID 205 2007

07-131-433-030-

NOTICE TO CASHIER: BE SURE WATERMARK IS ON REVERSE SIDE BEFORE CASHING



HIDALGO COUNTY
DRAINAGE DISTRICT #1
902 N. DOOLITTLE
EDINBURG, TEXAS 78542
CAPITAL PROJECTS FUND

FIRST NATIONAL BANK
MEMBER FDIC
88-2147/1149

No. 004686

Check Date	Check No.	Amount
09/11/07	00001220	\$1,250.00

VOID AFTER 90 DAYS

was allowed by the Board of Directors of Hidalgo County, Texas at its term meeting indicated above and to be paid out of the Capital Projects Fund

****One Thousand Two Hundred Fifty and 00/100 Dollars****

TO THE JACKSON, GARY L.
ORDER P.O. BOX 13
OF ALAMO, TX 78516-0013

Pay the above stated amount to the order of the payee named.

Norma G. Garcia

COUNTY TREASURER

⑈00001220⑈ ⑆1115921115⑆ ⑆0014018985⑆

Payee JACKSON, GARY L.

Account #:

00001220
09/11/2007

Invoice	Description	Amount
09-11-2007	LEASE AGREEMENT-ALAMO DRAIN OUTFALL	\$1,250.00

Total : \$1,250.00

Payee JACKSON, GARY L.

Account #:

00001220
09/11/2007

Invoice	Description	Amount
09-11-2007	LEASE AGREEMENT-ALAMO DRAIN OUTFALL	\$1,250.00

Total : \$1,250.00



**HIDALGO COUNTY
DRAINAGE DISTRICT #1**

902 N. DOOLITTLE
EDINBURG, TEXAS 78542

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