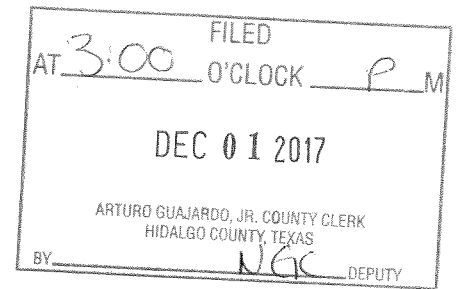


THE STATE OF TEXAS §  
§  
COUNTY OF HIDALGO §



**FARM LEASE**  
**C-17-222-11-28**

This Agreement of Lease is between the **COUNTY OF HIDALGO, TEXAS** ("Lessor") and **Starr Feedyards, LTD** ("Lessee").

In consideration of the mutual covenants and agreements herein set forth, and other good and valuable consideration, Lessor does hereby demise and lease to Lessee, and Lessee does hereby lease from Lessor, the premises situated in Hidalgo County, Texas, described as follows:

A **1200** acre tract of land, located at Mile 14 North Road (N/S), at the intersection of Jara Chinas Road, Hidalgo County, Texas. Tract 1-Lots Five through Eight (5-8) inclusive, **EYHORN LANDFILL SUBDIVISION NO. 1**, and Tract 2-Lots One through Eight (1-8) inclusive, **EYHORN LANDFILL SUBDIVISION NO. 2**, Hidalgo County, Texas more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes. (the "Farm" or the "premises").

The Farm shall be deemed to include 1280 acres for the purposes of this Lease.

**TERM**

1. This Lease shall be a term of two **(2) years** hereinafter referred to as the "initial lease term" commencing on December 28, 2017 and expiring on December 27, 2019; subject, however, to earlier termination as hereinafter provided. Hidalgo County reserves the right to continue this bid for an additional sixty (60) day grace period at the end of the contract term for unforeseen delay in award of new bid for next contract term.

**RENEWAL**

2. Provided Lessee is not in default hereunder, Lessee is granted the option to renew this Lease for an additional two (2) one (1) year term (the "Renewal Term as stated in the Request for Bid (RFB) Procurement Packet in Exhibit "B" attached hereto), under the same terms and conditions set forth in this Agreement except that the rent amount for the Property shall be established as proposed by Lessor in Exhibit "B" attached hereto (the "Bid Page") and which was accepted by County.

### **RENT**

3. Lessee agrees to pay to Lessor as a rent for the term hereof, the sum of **for Year 2018- \$54,000.00; Year 2019 - \$54,000.00; Year Lease payment will be made annually on or no later than January 10<sup>th</sup> of each year.**

### **TERMINATION**

4. Lessor may terminate this lease as to all or any part of the Farm at any time by giving Lessee notice of such termination at least thirty (30) days prior to the effective date of such termination without incurring any obligation, liability or damage to Lessee.

### **CONSIDERATION**

5. Lessee agrees to clear land and remove all brush to prepare the land for cultivation as consideration for this Agreement.

5. a. in further consideration of this Agreement, Lessee agrees to cultivate the Farm land in an efficient and economic manner and to employ all modern methods of farming as are customarily practiced in the area during the term hereof.

### **MAINTENANCE**

6. Lessee agrees and covenants to keep and maintain in good repair all buildings and other improvements on the Farm for the term of this Lease.

### **IMPROVEMENTS**

7. Lessee may not make any alterations, additions, or improvements to the Farm without the prior written consent of Lessor. Consent for nonstructural alterations, additions or improvements shall not be unreasonably withheld by Lessor. All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Lease; if Lessor so elects, however, if Lessor does not so elect Lessee shall promptly remove all alterations, additions, and improvements, and any other property placed on the Farm by Lessee, and Lessee shall repair any damage caused by such removal.

### **RIGHT TO ENTER**

8. Lessor or his authorized representative shall have the right, at any reasonable time, to enter on the premises for the purposes of making any major repairs, alterations, or improvements, and to inspect the Farm, as Lessor shall deem necessary or advisable.

**NO PARTNERSHIP**

9. This Lease shall not give rise to a partnership relationship between the parties hereto. Neither party shall have the authority to bind the other without his written consent.

**INDEMNIFICATION**

10. Lessee agrees and covenants to indemnify and hold Lessor harmless against any and all claims, demands, damages, costs, and expenses, including reasonable attorneys' fees for the defense thereof, arising from the conduct or management of Lessee's business or his use of the above-described premises, or from any negligent act or omission by Lessee, his agents, servants, employees, contractors, guests, or invitees on or about the premises. In the event that any action or proceeding is brought against Lessor by reason of any of the above, Lessee further agrees and covenants to defend the action or proceeding by legal counsel acceptable to Lessor.

**NO ASSIGNMENT OR SUBLEASE**

11. Lessee may not assign this Lease nor sublease any portion of the Farm leased hereunder without the prior written consent of Lessor.

**UTILITY CHARGES**

12. Lessee shall pay all utility charges for electricity, heat, water, gas, and power used in and about the Farm, to be paid before the same becomes delinquent. Lessee shall pay all flat rate water district taxes imposed on the Farm as well as the cost of irrigating the Farm, if applicable.

**BREACH**

13. If Lessor or Lessee fails to carry out any provision of this Lease, the other party shall have the right to terminate this Lease on ten (10) days' written notice to the offending party of his intention to do so. Nothing contained herein constitutes a waiver of the right of either party to damages occasioned by breach of this Lease.

**ENTIRE AGREEMENT -- AMENDMENT**

14. This Lease shall constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

15. It is understood that because of the general prolonged drought situation and need to manage and use water effectively and efficiently, Lessee will be allowed to pool the water allotment from Farm with the water allotment from other land farmed by Lessee for the term of this Agreement thus allowing the transfer of water allotment to and from other land that Lessee owns, operates, and supervises. This in no way effects the Lessor's basic water rights.

**NOTICES and ADDRESSESS**

16. All notices provided to be given under this agreement shall be given by certified mail or registered mail addressed to the proper party, or in person against a receipt. The date of mailing of any notice under this agreement shall be deemed to be the date of such notice and shall be effective from such date. The addresses of the parties of this agreement are as follows:

**LESSOR**

**LESSEE**

County Of Hidalgo, Texas  
Attn: Ramon Garcia, County Judge  
302 W. University Drive  
Edinburg, Texas 78539

Starr Feedyards, LTD  
Attn: Jack Scoggins Sr.  
144 Starr Feedyards Rd.  
Rio Grande City, Tx. 78582

**Commitment of Current Revenues Only**

17. In the event that, during any term hereof, the Commissioners Court does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice to Lessor. Lessee agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann. ' 271.903 (Vernon Supp. 1996).

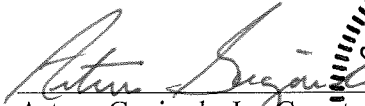
18. **Immunities.** Nothing in this Agreement is intended to and County does not hereby waive, release or relinquish any right to assert any of the defenses County enjoys by virtue of the state or federal constitution, laws, rules or regulations, and any sovereign, official or qualified immunity available to County as to any claim or action of any person, entity, or individual against County.

19. **VENUE. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER THE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.**

IN WITNESS WHEREOF, the undersigned Lessor and Lessee hereto execute this Agreement as of the day and year first above written

**LESSOR:  
HIDALGO COUNTY**

**ATTEST:**

  
Arturo Guajardo Jr., County Clerk




By: Ramon Marcia  
Ramon Garcia, County Judge

APPROVED BY  
COMMISSIONERS' COURT  
ON: 11/28/17 grs

**LESSEE: Starr Feedyards, LTD**

By: Jack Seogye  
Printed Name: Jack Seogye  
Title: Pres.

**APPROVED AS TO FORM:  
Atlas, Hall & Rodriguez, L.L.P.**

  
By: Stephen L. Crain