



term specified herein, unless sooner terminated unless sooner terminated as provided in this Lease or renewed and extended in accordance with this Section.

### **3. Hold Over**

**3.1** Holding over by Lessee after the expiration of this Lease Term shall not constitute a renewal of the lease or give Lessee any rights under the Lease in or to the leased property.

**3.2** If Lessee holds over and continues in possession of the leased property after expiration of this Lease or any extension thereof as provided in this Lease, Lessee will be deemed to be occupying the leased property on the basis of a month to month tenancy at sufferance, subject to all of the terms and conditions of this Lease. The inclusion of this Section shall not be construed as Lessor's consent for the Lessee to hold over.

### **4. Termination**

Lessor may terminate this lease as to all or any part of the Farm at any time by giving Lessee written 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.

### **5. Consideration**

**5.1** Lessee agrees to clear land and remove all brush to prepare the land for cultivation as consideration for this Lease.

**5.2** In further consideration of this Lease, 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.

### **6. Right to Enter**

Lessor or his authorized representative shall have the right, at any reasonable time, to enter on the leased property for the purposes of making any major repairs, alterations, or improvements, and to inspect the Farm, as Lessor shall deem necessary or advisable. Lessee understands and acknowledges that the County or an entity acting on its behalf may utilize the leased property for County related purposes, including but not limited to, environmental studies, at its discretion during the term of the lease. Lessee agrees that the County and/or entity acting on its behalf shall not be held responsible for damage caused by its use of the leased property.

### **7. No Partnership**

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. Lessee represents and maintains that Lessee is an independent contractor and is not an employee of County or any agency thereof.

### **8. Indemnification**

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 leased property, 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.

## **9. Rent**

**9.1** Lessee agrees to pay to Lessor as Rent the amount of \$73,600.00 for the term of this agreement as provided under section 1 and for each additional annual renewal term as provided under section 2 as further described in **Exhibit "A" and Exhibit "B"**. If in holdover, as provided under section 3, then rent shall be \$6,133.33 per month plus ten percent (10%) interest on the unpaid balance due.

**9.2** Year Lease payments will be made annually on or no later than JANUARY 10<sup>TH</sup>.

## **10. Taxes**

**10.1** Lessee is responsible for rendering and paying all taxes, if any, on the leased property and on Lessee's personal property located on the Premises.

**10.2** Lessee shall prepay all flat-rate taxes assessed against the Farm by the Irrigation District, in which the Farm is situated, upon execution of this Lease.

## **11. Use of Premises**

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 Lease 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.

## **12. Repairs and Maintenance**

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.

## **13. Utilities**

**13.1** 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.

**13.2** Lessee shall pay the cost of the irrigation property.

## **14. Breach**

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.

## **15. Alterations, Additions, and Improvements**

**15.1** 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.

**15.2** 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.

## **16. Signs**

**16.1** Subject to the prior written approval of Lessor, and further subject to applicable laws, ordinances, and regulations, Lessee may have the right to install a sign on the Farm.

**16.2** Lessee must remove all signs at the termination of this Lease and repair any damage resulting from the erection or removal of the signs.

## **17. Mechanic's Lien**

**17.1** Lessee will not permit any mechanic's lien or liens to be placed upon the Farm or improvements on the Farm. Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor to Lessee, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity.

**17.2** Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Farm or improvements on the Farm by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

## **18. Property Insurance and Indemnity**

**18.1** Lessee shall, at its own expense, during the term of this Lease provide insurance on the Farm –endorsed with the County as an additional insured– including all buildings and improvements on the Farm insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, drought, and smoke, in the aggregate amounts of not less than the full fair insurable value of the Farm, buildings, and improvements.

**18.2** The insurance is to be carried by one or more insurance companies licensed to do business in Texas and approved by Lessor.

**18.3** Lessee shall maintain all insurance on Lessee's personal property located within the Farm.

**18.4** Lessee covenants and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's crops and/or personal property located within the leased property.

**18.5** Prior to the execution of this Lease, Lessee shall provide County with evidence of such property insurance satisfying the insurance requirements herein and in the RFB Packet. Such evidence of insurance is attached hereto as “**Exhibit C**” and incorporated for all purposes.

## **19. General Liability Insurance**

**19.1** Lessee, at its own expense, shall provide and maintain in force during the term of this Lease, liability insurance with limits of at least Five Hundred Thousand Dollars (\$500,000.00), naming County as additional insured.

**19.2** Prior to the execution of this Lease, Lessee shall provide County with evidence of such general liability insurance satisfying the insurance requirements herein, and in the RFB Packet. See “**Exhibit C**”.

**19.3** Lessee, at its own expense, shall provide and maintain in force during the term of this Lease any other insurances and all other insurances, as further described in **Exhibit “A”**, which may be required or necessary.

## **20. Remedy for Failure to Provide Insurance**

Lessee shall furnish County with the original of all insurance policies required by this Lease. If Lessee does not provide such policies or proof of such insurance as set forth in this Lease, or if Lessee allows any insurance required under this Lease to lapse after receipt of notice of cancellation or non-renewal, or if Lessee fails to deliver proof of insurance showing coverages to County prior to the effective date of such insurance and the original insurance policy as required under this Lease, such failure shall be a default of Lessee under this Lease; or County may, but shall not be required, to take out such insurance and pay the premiums on the necessary insurance to comply with Lessee's obligations under the provisions of this Lease. Lessee agrees to and shall reimburse County all amounts spent by Lessor to procure and maintain such insurance within fifteen (15) days after demand from Lessor. Failure to pay such amount when due shall be a default of Lessee under this Lease.

## **21. Default**

If Lessee shall allow the rent to be in arrears, or shall remain in default under any other condition of this Lease for a period of ten (10) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Lease or, in the alternative, Lessor may re-enter and take possession of the Farm and remove all persons and property without being deemed guilty of any manner of trespass and relet the Farm land, or any part of the Farm, for all or any part of the remainder of the Lease term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure.

## **22. Rights and Remedies Cumulative**

The rights and remedies provided by this Lease are cumulative, and are in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. The use of any one right or

remedy by either party shall not preclude or waive that party's right to use any or all other remedies. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

**23. Waiver of Breach**

A waiver by either Lessor or Lessee of a breach of this Lease by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Lease.

**24. No Assignment or Sublease**

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

**25. ADA Compliance**

Lessee shall be responsible for ensuring compliance with the Americans with Disabilities Act (ADA) as amended. Any contest by Lessee of any law, rule, order, ordinance, regulation or requirement of the ADA shall be done with due diligence through appropriate legal proceeding at no cost to County, and shall not subject the County to criminal/civil prosecutions or penalties or encumbrance the leased property in any way.

**26. Miscellaneous**

**26.1 Notices and Addresses**

All notices provided to be given under this Lease 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 Lease shall be deemed to be the date of such notice and shall be effective from such date. The addresses of the parties of this Lease are as follows:

**Lessor/County:** County of Hidalgo  
Attn: County Judge  
100 E. Cano, 2nd Floor  
Edinburg, Texas 78539

**Copy to:** H.C. Purchasing Department  
Attention: Victor Webber, Contract Specialist II  
2802 S. Business Hwy. 281  
Edinburg, Texas 78539

**Lessee:** Starr Feedyards, LLC.  
Attn: Jack Scoggins Jr  
144 Starr Feedyards, LLC  
Rio Grande City, Texas 78582

Either party may change the address to which notices are to be sent by giving the other party notice of the new address in the manner provided in this section.

## **26.2 Ethical Provision**

It is understood that the employees of the County or individuals acting as agents for the County are not authorized to receive any type of personal payment, reimbursement, compensation, commission, gift or gratuity for services provided under this Lease. Lessee warrants that no employee or agent of the County has been retained to solicit or secure this Lease and that Lessee has not paid or agreed to pay and employee of County any fee, commission, percentage brokerage fee, gift or any other consideration contingent upon the making of this Lease, or as an inducement for entering into this Lease. The unauthorized offering or receipt of such payments may result in the immediate termination of this Lease.

## **26.3 Entire Agreement, Prior Agreements Superseded, and Amendments**

This Lease shall constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Lease. No amendment, modification, or alteration of the terms of this Lease shall be binding unless it is in writing, dated subsequent to the date of this Lease, and duly executed by the parties to this Lease.

## **26.4 Parties Bound**

This Lease shall be binding upon and inure to the benefit of, the parties to the Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Lease.

## **26.5 Texas Law to Apply**

THIS LEASE 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.

## **26.6 Legal Construction**

In case any one or more of the provisions contained in this Lease shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Lease, and this Lease shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Lease.

## **26.7 Information**

Lessee shall, at the request of Lessor, provide any and all information with respect to this Lease to any person designated by Lessor.

## **26.8 Commitment of Current Revenues Only**

In the event that, during any term hereof, the Commissioners Court of County does not appropriate sufficient funds to meet the obligations of County under this Lease, County may terminate this Lease upon sixty (60) days written notice to Lessee. County agrees, however, to use best efforts to

secure funds necessary for the continued performance of this Lease. The parties intend this provision to be a continuing right to terminate this Lease at the expiration of each budget period of County pursuant to the provisions of Texas Local Government Code.

### **26.9 Immunities**

It is expressly understood and agreed that, in the execution of this Lease, the County does not waive, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercising of governmental powers and functions.

### **26.10 Additional Documents**

The Parties agree that they will use reasonable, good faith efforts to execute each such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Lease.

### **26.11 Nondiscrimination**

Lessee, including subcontractors, assignees and successors in interest, ensures that no person shall on the grounds of race, religion, color, national origin, sex, age, or disability, or any other protected class under law, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination or retaliation in any federally or non-federally funded program or activity when providing any services described herein under this contract/agreement. Lessee agrees to comply with the provisions and requirements of Title VI of the Civil Rights Act of 1964, and assurances therein, which are incorporated herein and made a part of this agreement for all purposes.

### **26.12 Required Contract Provision for Contracts Subject to Federal Award (if applicable).**

If applicable, Lessee agrees to abide by provisions of Appendix II to 2 CFR 200-Contract Provisions for nonFederal Entity Contracts under Federal Awards and required Federal Emergency Management Agency (FEMA) contract clauses which are incorporated herein and made part of this agreement for all purposes.

[[Signature Page to Follow]]

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

APPROVED BY COMMISSIONERS' COURT ON DECEMBER 20<sup>TH</sup>, 2022

Agenda Item No. 88839

Executive Office: MM

**LESSEE:**  
Star Feedyards, LLC.

Jack Scoggins Jr.  
Jack Scoggins Jr. (Dec 21, 2022 10:09 CST)  
Jack Scoggins Jr., President

**COUNTY:**  
COUNTY OF HIDALGO, TEXAS

Richard F Cortez  
Hon. Richard F. Cortez, County Judge

**APPROVED AS TO FORM**  
Office of the Criminal District Attorney,  
Ricardo Rodriguez, Jr.

Robert Viña, III  
Robert Viña, III (Dec 22, 2022 08:29 CST)  
Robert Viña, Assistant District Attorney

**ATTEST:**

Arturo Guajardo Jr  
Arturo Guajardo, Jr., County Clerk



**ATTACHMENTS:**  
A. REQUEST FOR BID (RFB)  
PROCUREMENT PACKET  
B. RESPONSE  
C. CERTIFICATE OF INSURANCE

**SUPPLEMENTAL SIGNATURES:**  
(If Applicable)