

STATE OF TEXAS

COUNTY OF LEE

**LEASE AGREEMENT OF ACREAGE AT GIDDINGS STATE SCHOOL
CON0001415**

1. PARTIES

This agreement is made and entered into on **May 1, 2022**, by and between **Texas Juvenile Justice Department**, an agency of the State of Texas, hereinafter called **TJJD or LESSOR** and **Texas Department of Agriculture, Box 629, Giddings, TX 78942**, an agency of the State of Texas, hereinafter called **LESSEE**, for the use of property located at Giddings State School and expiring on **April 30, 2027**.

2. PROPERTY LEASED.

Lessor promises, in return for the consideration described herein to be paid by Lessee and the covenants set out herein to be kept by Lessee, to hereby lease, unto the Lessee, the following described property and premises (the "leased premises"): approximately 65.609 acres outside the perimeter fence of the Giddings State School, including permission to use lake for irrigation at the south end of the Giddings State School campus, approximately 2.5 miles east of Giddings, Lee County, Texas, more particularly described in **Exhibit A**, attached hereto (excluding the 5.491-acre tract leased by lessee for its Metrology Laboratory from the original 71.1-acre tract).

3. RENTAL

The Texas Department of Agriculture agrees to pay LESSOR not more than **ONE AND NO/100 DOLLARS (\$1.00)** per year during the term of this lease. LESSEE shall pay **FIVE AND NO/100 DOLLARS (\$5.00)** at the time the lease is executed.

4. TERM OF THE LEASE

The term of this lease shall be five (5) years, commencing on the **May 1, 2022** and ending on **April 30, 2027**. This lease may be renewed for additional two (2) terms of five (5) years each upon mutual agreement of the parties.

5. GENERAL TERMS AND CONDITIONS

(A) LESSEE agrees to keep the leased premises, property, structures and buildings in good repair and condition during the continuance of the term of this lease and will bear the costs of such repair and maintenance. LESSEE will maintain such buildings and structures in the same or better condition as existed at the time of the beginning of the lease, reasonable wear and tear excepted.

(B) LESSEE agrees to be responsible for all utilities used by LESSEE.

(C) LESSEE shall use the highest degree of care and all reasonable safeguards to prevent contamination or pollution of any environmental medium, including soil, surface waters, groundwater, sediments, and surface or subsurface strata, ambient air or any other environmental medium in, on, or under the premises by any waste, pollutant, or contaminant. LESSEE shall not bring or permit to remain on the premises any asbestos containing materials, petroleum, explosives, toxic materials or substances regulated as hazardous wastes, hazardous materials, hazardous substances, or toxic substances under any federal, state, or local law or regulation except ordinary products commonly used in agricultural production. LESSEE's violation of this prohibition shall constitute a material breach and default of this lease.

(D) Lessee shall clean up, remove, and remediate any contamination or damage resulting from a discharge of Hazardous Substances caused by Lessee, its agents, employees, representatives, or contractors in, on, under, or about the leased premises. Lessee shall bear the entire cost of any cleanup necessary for compliance with Hazardous Substance Laws resulting from a discharge of Hazardous Substances caused by Lessee, its agents, employees, representatives, or contractors in, on, under, or about the leased premises. Cleanup shall be performed in conformance with the requirements of applicable Hazardous Substance Laws and according to standards approved by the Environmental Protection Agency or the State of Texas, as applicable.

(E) To the extent allowed by law Lessee agrees to indemnify, defend, and hold Lessor harmless against all claims, damages, and liabilities of whatever nature, foreseen or unforeseen, under any Hazardous Substance Laws, including but not limited to the following:

(i) All fees incurred in defending any action or proceeding brought by a public or private entity and arising from the presence, containment, use, manufacture, handling, creation, storage, treatment, discharge, release, or burial on the leased premises or the transportation to or from the leased premises of any hazardous substance. The fees for which Lessee shall be responsible under this subparagraph shall include, but shall not be limited to, the fees charged by attorneys, environmental consultants, engineers, surveyors, and expert witnesses.

(ii) Any diminution in the value of the leased premises attributable to the breach or failure of any warranty or representation made by Lessee in this Agreement, or any cleanup, detoxification, remediation, or other type of response action taken with respect to any hazardous substance on or under the leased premises regardless of whether or not that action was mandated by the federal, state, or local government.

(F) For the purposes of this lease, the term "hazardous substance" means:

(i) Any substance, product, waste, or other material of any nature that is or becomes listed, regulated, or addressed under one or more of the following "Hazardous Substance Laws":

- (a) The Comprehensive Environmental Response, Compensation, and Liability Act, in Sections 9601 et seq. of Title 42 of the United States Code.
 - (b) The Hazardous Materials Transportation Act, in Sections 5101 et seq. of Title 49 of the United States Code.
 - (c) The Resource Conservation and Recovery Act, referred to as "RCRA," in Sections 6901 et seq. of Title 42 of the United States Code.
 - (d) The Clean Water Act in Sections 1251 of Title 33 of the United States Code.
 - (e) The Hazardous Substances Act, referred to as "HSA," in Sections 1261 et seq. of Title 15 of the United States Code.
 - (f) The Injection Well Act, in Texas Water Code Sections 27.001 et seq.
 - (g) The Comprehensive Municipal Solid Waste Management, Resource Recovery, and Conservation Act, in Texas Health and Safety Code Sections 361.001 et seq.
 - (h) The Hazardous Substances Act, in Texas Health and Safety Code Sections 501.001 et seq.
 - (i) The Water Quality Control Act, in Texas Water Code Sections 26.001 et seq.
 - (j) The Texas Solid Waste Disposal Act, in Health and Safety Code Sections 361.001 et seq.
 - (k) Any other federal or state law or local ordinance or other rule concerning hazardous, toxic, or dangerous substances, wastes, or materials.
- (ii) Any substance, product, waste, or other material that may give rise to liability under any of the laws designated in subparagraph (i) or under any other statutory or common law tort theory.
 - (iii) Crude oil products, including petroleum.
 - (iv) Asbestos.
 - (v) Polychlorinated biphenyl.
 - (vi) Fossil fuel combustion wastes, including fly ash waste, bottom ash waste, slag waste, and flue gas emission control waste.
 - (vii) Solid wastes resulting from the extraction and processing of ore.

(viii) Cement kiln dust wastes.

(ix) Explosives.

(x) Agricultural chemicals, as defined in Texas Agriculture Code Section 128.001.

(G) LESSOR hereby covenants and agrees that the LESSEE may bring on to the leased premises any and all equipment and improvements reasonably necessary for the efficient exercise of LESSEE'S governmental responsibilities. LESSEE shall obtain the written approval of LESSOR for any new building and structural improvement or addition that LESSEE makes. The cost of such new building, structural improvement or addition and any other improvement to the premises that LESSEE makes shall be borne by the LESSEE. LESSEE agrees that any new building, structural improvement or addition, and any other improvement to the premises that LESSEE makes shall become the property of LESSOR. The LESSEE retains ownership of any equipment that does not become a fixture.

(H) On termination of this lease, by lapse of time or otherwise, LESSEE may, within a reasonable time thereafter, at its option and expense, remove from said premises any and all equipment or other property owned by it.

(I) LESSEE covenants and agrees that it will not assign or sublet all or any part of the leased premises to any private parties (persons or corporations) except to maintain the responsibilities presently maintained by LESSEE without the written permission of LESSOR.

(J) In the event LESSEE shall be in default in the payment of rentals or other charges hereunder or shall otherwise breach its covenants or obligations hereunder, and shall be and remain in default for a period of thirty (30) days after written notice from LESSOR to it of such default, LESSOR shall have the right and privilege of terminating this lease and declaring the same at an end, and of entering upon and taking possession of said premises, and shall have the remedies now or hereafter provided by law for recovery of rent, repossession of the premises and damages occasioned by such default.

(K) In the event LESSOR shall breach or be in default in the performance of any of the covenants or obligations imposed upon LESSOR by this lease, and shall remain in default for a period of thirty (30) days after written notice from LESSEE to it of such default, LESSEE shall have the right and privilege of terminating this lease and declaring the same at an end, and shall have the remedies now or hereafter provided by law for recovery of damages occasioned by such default.

(L) The failure of the LESSEE or LESSOR to insist in any one or more instances on a strict performance of any of the covenants of this lease shall not be construed as a waiver or relinquishment of such covenants in future instances, but the same shall continue and remain in full force and effect.

(M) Lessor may terminate this Lease by giving Lessee a written notice of the sale,

contract to sell, or termination of Lessor's ownership. The notice will give Lessee at least 30 days to vacate and surrender the leased premises. When Lessee vacates, Lessor must repay to Lessee any advance rent paid for rent not yet due. On receiving the notice, Lessee must vacate and surrender the leased premises to Lessor or its designated agent on or before the expiration of the time period specified in the notice. This subparagraph applies to any sale of the leased premises, whether voluntary or involuntary, such as through condemnation by eminent domain.

(N) Lessor and Lessor's designee have the right to map, engineer, test, survey, and gather seismic data from the leased premises at any time during the lease term, provided such activities do not unreasonably interfere with Lessee's use of the leased premises. Lessor shall retain all payments made by any third party as result of conducting such activities.

Signed on the date indicated below.

LESSOR

By  5/4/22
Shandra Carter Date
Executive Director (Interim)
Texas Juvenile Justice Department

LESSEE

 5-3-2022
Jason Fearneyhough Date
Executive Deputy Commissioner
Texas Department of Agriculture

EXHIBIT A

