

**INTERLOCAL GOVERNMENT AGREEMENT REGARDING DEVELOPMENT BY THE
COUNTY OF WEBB FOR THE CONSTRUCTION OF WATER IMPROVEMENTS PROJECT
FOR THE MIRANDO CITY WATER SUPPLY CORPORATION**

This agreement is entered into by and between the Mirando City Water Supply Corporation (hereinafter referred to as "MCWSC"), a corporation chartered under the laws of the State of Texas, with its principal place of business located at 315 North Linder, Mirando City, Texas; and Webb County (hereinafter referred to as "County"), a political subdivision of the State of Texas, as that term is defined by Section 771.002 of the Texas Government Code, with its principal place of business located at 1000 Houston St., Laredo, Texas.

Whereas, this agreement is authorized by the Interlocal Cooperation Act, Chapter 791, Texas Government Code; and

Whereas, both MCWSC and County are undertaking measures to improve living conditions for the residents of Mirando City, and wish to work together to accomplish this goal; and

Whereas, COUNTY is currently funding the cost through a Community Development Block grant for the construction of a water storage standpipe tank for the residents of Mirando City and

Whereas, COUNTY has been awarded a grant in the amount of \$500,000.00 from the Texas Department of Agriculture (hereinafter referred to as "TDA"), for community development purposes, which it wishes to replace an existing water storage standpipe tank; and

Whereas, COUNTY will undertake the design and construction of water storage standpipe tank project, and COUNTY shall be responsible for paying the costs of the construction of water storage standpipe tank, in an area southwest of the intersection of Dr JW Edgar Street and FM 649, in an amount not to exceed the amount of the grant received by TDA, which will be spent in compliance with TDA's rules and regulations; and

THEREFORE, PREMISES CONSIDERED, THE COUNTY and MCWSC agree as follows:

Section 1. Competitive Bidding Procedures

COUNTY shall be responsible for awarding and managing the construction contract for the Water Storage Standpipe Tank Project in compliance with all applicable state laws regarding competitive bidding procedures. As to that portion of the project for which COUNTY will be

responsible financially, COUNTY agrees to follow those competitive bidding requirements outlined in the grant contract, including all exhibits, entered into between Webb County and TDA, dated November 30, 2016 (Attachment A). More specifically, the COUNTY agrees to follow those laws and regulations listed in Exhibit D of that contract and impose them on MCWSC.

Section 2. Bid Package

COUNTY will bid the project for construction of a water storage standpipe tank. COUNTY agrees to be responsible for paying up to \$450,000.00 for the construction of a water storage standpipe tank. If the cost of the water tank exceed COUNTY's TDA grant construction amount of \$450,000.00, then MCWSC agrees to pay the amount in excess of \$450,000.00. The construction contract shall be provided by COUNTY and include provisions regarding statutory performance bonds, statutory payment bonds, retainage, indemnification, insurance and include those TDA contract requirements applicable to the contractor.

Section 3. Mutual Consent to Plans & Specifications and Bid.

As to the portion of the project that will be funded by COUNTY's TDA grant monies:

- a) Prior to requesting competitive bids, COUNTY agrees to obtain MCWSC'S approval, in writing, of the Plans and Specifications for the water storage standpipe tank.
- b) COUNTY shall insure that all plans and specifications will be submitted to TDA (if required by TDA) for approval. COUNTY through it's Project Engineer, shall be responsible for submitting plans and specification and insure the plans and specifications are approved by the Texas Commission on Environmental Quality and Texas Department of Agriculture.
- c) COUNTY shall be responsible for fulfilling all TDA contract compliance issues required by the contract with TDA, dated November 30, 2016, and MCWSC shall cooperate fully with COUNTY in insuring that the TDA contract requirements are imposed on the MCWSC and TDA compliance issues are met.

Section 4. Payment by COUNTY to Contractor/Subcontractor.

Once the contractor's invoice has been received by COUNTY, COUNTY shall forward a copy of the contractor's invoice to the project engineer for approval and project engineer will forward invoice to COUNTY Engineer for his review/approval and then COUNTY Engineer will forward to the COUNTY Economic Development Department. Within thirty (30) days of receiving the contractor's invoice(s), COUNTY will submit payment to the contractor. No further payments

will be expected from MCWSC once COUNTY has paid a sum equal to \$450,000.00, to contractor. Any costs for the improvements incurred by MCWSC, which exceed \$450,000.00, shall be MCWSC's responsibility. COUNTY may reimburse excess costs of the improvements at its discretion.

Section 5. Term

The term of this Interlocal Agreement is for one (1 1/2) year and half commencing from March 13, 2017 through September 12, 2018, or until such time as the water storage standpipe tank is completed by the COUNTY, whichever occurs first. In compliance with the Interlocal Cooperation Act, Government Code, Section 791.011 (f), the MCWSC may, and with prior County of Webb Approval, renew this agreement in writing, in increments not to exceed one year.

COUNTY must go out for bids within 150 days and award the construction contract before November 1, 2017.

Section 6. Notices

All notices, writings, specifications, documentation, etc. hereunder shall be mailed or delivered to MCWSC at the following address:

Mirando City Water Supply Corporation
Attn: Salvador Johnson
Board President
P.O. Box 57
Mirando City, Texas 78369

To COUNTY at the following address:

Hon. Judge Tano Tijerina
1000 Houston Street
3rd Floor
Laredo, Texas 78040

With a copy to:

Juan Vargas
Economic Development Director
1308 San Agustin
Laredo, Texas 78040

Notice shall be effective upon receipt.

Section 7. Dispute.

In the unlikely event that a dispute occurs or an action in law or equity arises out of the operation, construction or interpretation of this Agreement, the party who brings an action and does not prevail shall bear the expense of the attorney's fees and costs incurred by both parties if an unfavorable judgment is entered against it.

Section 8. Parties Bound

This agreement shall be binding upon and insure to the benefit of the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns.

Section 9. No Waiver.

The failure or delay in the enforcement of the rights detailed in this Agreement by either party shall not constitute a waiver of those rights or be deemed a basis for estoppels. Either party may exercise its rights under the Agreement despite the delay or failure to enforce the rights.

Section 10. Paragraph Headings

The paragraph heading used in this Agreement are descriptive only and shall have no legal force or effect.

Section 11. Severability.

If any provision of the Agreement shall, for any reason, be held violative of any applicable law, and so much of the Agreement is held to be unenforceable, then the invalidity of such a specific provision shall not be deemed to invalidate any other provisions in this Agreement, which other provisions shall remain in full force and effect unless removal of the invalid provisions destroys the legitimate purposes of this Agreement, in which event this Agreement shall be canceled.

Section 12. Entire Agreement

This Agreement represents the entire Agreement by and between the parties except as otherwise provided in this Agreement, and it may not be changed except by written amendment duly executed by all parties.

Section 13. Inconsistencies.

Where there exists any inconsistency between this Agreement and other provisions of collateral contractual agreements that are made a part hereof by reference or otherwise, the provisions of the Agreement shall control.

Section 14. Prohibition against Agreement.

There shall be no assignment or transfer of this Agreement without the prior written consent of both parties hereto.

Section 15. Law of Texas.

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and shall be enforced in the Webb County, Texas.

Section 16. Amendment.

No changes to this Agreement shall be made except upon written agreement of both parties.

Section 17. Counterparts

This Agreement may be executed in any number of and by the different parties hereto on spate counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall together constitute but one and the same document.

Section 18. Terminology of Definitions.

The personal pronouns used herein, whether used in the masculine, feminine, or neutral, shall include all other genders; the singular shall include the plural and the plural shall include the singular.

Section 19. Rule of Construction.

The parties hereto acknowledge that each party and its legal counsel have reviewed and revised this agreement, and the parties hereby agree that the normal rule of construction to the effect that any ambiguities are to resolved against the drafting party shall not be employed in the interpretation of this agreement or any amendments or exhibits hereto.

Section 20. Immunity. Webb County does not waive or relinquish any immunity or defense on behalf of themselves, their trustees, commissioners, offices, employees and agents as a result of the execution of this Agreement and performance of the functions and obligations described herein.

Section 21. Legal Compliance.

The parties hereto agree to comply fully with all applicable federal, state, and local statutes, ordinances, rules, and regulations in connection with the programs contemplated under this agreement. In the event that any of the parties hereto are required by law or regulation to perform any act inconsistent with this agreement, or to cease performing any act required by this agreement, this agreement shall be deemed to have been modified to conform with the requirements of such law, regulation or rule.

This contract was approved by the governing body of each party as follows:

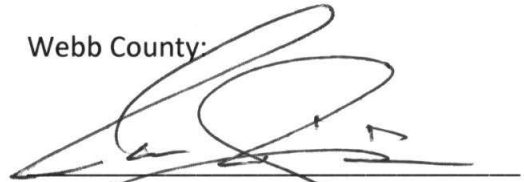
Mirando City Water Supply Corporation: on the 27 day of February,
2017.

Webb County Commissioner's Court Order:

Dated Approved: February 27, 2017

THIS AGREEMENT IS EXECUTED on this the 27 day of February, 2017.


Webb County:


Honorable Tano E. Tijerina
Webb County Judge

Mirando City Water Supply Corporation:

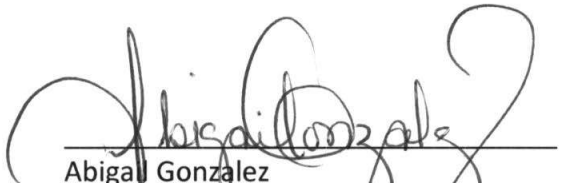

Salvador Johnson
MCWSC Board President

ATTESTED:

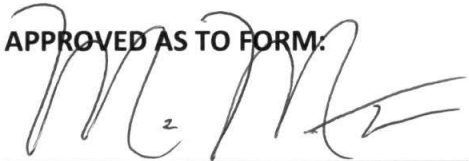


Margie Ramirez Ibarra
Webb County Clerk

ATTESTED:


Abigail Gonzalez
MCWSC Licensed Water Operator

APPROVED AS TO FORM:



Marco A. Montemayor
Webb County Attorney

*By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).

Passed and approved by the Webb County Commissioners Court on February 27, 2017; item no. 36



DISCLAIMER NOTICE

The County Judge's signature on these documents reflects the approval and intent of the Webb County Commissioners Court to enter into the above and foregoing agreement. As of the date of the County Judge's signature, the Webb County Attorney has not yet affixed his signature indicating his approval as to the form or substance of this document. Any alteration, modification, adjustment, amendment, revision, addition or deletions after the date of the County Judge's signature are made at the direction of the Webb County Attorney or his assistants. Any liability arising from such alteration, modification, adjustment, amendment, revision, addition or deletion shall be borne by the Webb County Attorney.