

THE STATE OF TEXAS §

COUNTY OF HIDALGO §

CONSTRUCTION CONTRACT

C-CAP-07-001-0220-20

C-CAP-07-002-0220-20

This Agreement, entered in to this 20th day of February, 2007 by and between Hidalgo County Precinct No.4 (hereinafter called the "Owner," and Sascon, Inc. (A Texas corporation), of County of Hidalgo, and State of Texas, hereinafter called "Contractor."

WITNESSETH

That for and in consideration of the payments and agreement hereinafter mentioned, to be made and performed by the OWNER, the CONTRACTOR hereby agrees with the OWNER to commence and complete the construction described as follows:

Colonia Big 5, Big 5 Road and Villa del Mundo

Hereinafter called "the project," for the sum of NINE HUNDRED SEVENTY-SIX THOUSAND EIGHT HUNDRED FORTY-NINE DOLLARS AND NO CENTS (\$976,849.00) and all extra work in connection therewith, under the terms and stated in the General and Special Conditions printed or written explanatory matter thereof, the specification and contract documents therefore as prepared by J.E. SAENZ & ASSOCIATES, INC., entitled the Architect/Engineer, and as enumerated in Paragraph 1.01.A.12 of the General Conditions, all of which are made a part hereof and collectively evidence and constitute the contract.

The CONTRACTOR hereby agrees to commence work under this contract on or after a date to be specified in written "Notice to Proceed" of the OWNER and to fully complete the project within 90 consecutive calendar days thereafter. The CONTRACTOR further agrees to pay, as liquidated damages, the sum of \$250.00 for each consecutive calendar day thereafter.

The OWNER agrees to pay the CONTRACTOR in current funds for the performance of the contract, subject to additions and deductions, as provided in the General Conditions of the contract, and to make payments on account thereof as provided in Paragraphs 14.02.C and 14.07.C of the General Conditions.



IN WITNESS WHEREOF, the parties to these present have executed this contract in four (4) counterparts, each of which shall be deemed an original, in year and day first above mentioned.

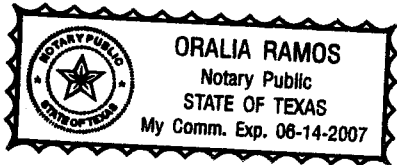
APPROVED BY COMMISSIONERS COURT ON, FEBRUARY 20, 2007.

CONTRACTOR: SASCON Inc
Print Name & Title: H. A. Skloss PRES
Name of Firm: Sascon, Inc.
Address: 5200 N. 26TH LANE
McALLEN, TEXAS 78504
Fed.ID. #/SS#: 74-2090614

STATE OF TEXAS

COUNTY OF HIDALGO

This instrument was acknowledged before me on this the 2nd day of March 2007, by H.A. Skloss of and on behalf of SASCON, Inc.
(Title) (A Corporation)



Oralia Ramos
Notary Public Signature

APPROVED AS TO FORM:

Atlas & Hall, L.L.P.
800 Pecan
McAllen, TX 78504

BY: _____

ATTEST:

COUNTY OF HIDALGO:

Arturo Guajardo Jr., County Clerk

Juan D. Salinas, III, County Judge

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

SASCING

DATE (MM/DD/YYYY)
03/06/07

PRODUCER
Hilb Rogal & Hobbs
1400 N McColi Rd Suite 105
P O Drawer 3785
McAllen, TX 78502

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Sascon Inc
5200 N 26th Lane
McAllen, TX 78504

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	American Casualty Co of Reading Pa	20427
INSURER B:	Transportation Ins Co	20494
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR	1029820812	07/24/06	07/24/07	EACH OCCURRENCE \$1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC.				DAMAGE TO RENTED PREMISES (Ea occurrence) \$50,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	C1029820826	07/24/06	07/24/07	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
					BODILY INJURY (Per person) \$
					BODILY INJURY (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$ EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER	WC135254470	07/24/06	07/24/07	WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Project: Road an Drainage Constuction for Colonia Big R Road & Villa Del Mundo

CERTIFICATE HOLDER
Hidalgo County Precinct #4
100 E Cano -4th Floor
Edinburg, TX 78539

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
AUTHORIZED REPRESENTATIVE
Brian E Lewis

PAYMENT BOND

(To be used in Texas under V.A.T.S. 5160)

THE STATE OF Texas

COUNTY OF Hidalgo

KNOW ALL MEN BY THESE PRESENTS: That we (1) Lasser Inc.,
a (2) Corporation, hereinafter called
Principal and (3) Fidelity Deposit of MD Colonial American Casualty Surety,
State of Maryland, hereinafter called the
Surety, are held and firmly bound unto (4) Hidalgo County Precinct #4 of
Edinburg, TX, hereinafter called Owner, and unto all persons,
firms, and corporations who may furnish materials for, or perform labor upon
the building or improvements hereinafter referred to the penal sum of
936,800 dollars in lawful money of the United
States to be paid in (5) Hidalgo County TX, for the payment of
which sum well and truly to be made, we bind ourselves, our heirs, executors,
administrators, and successors, jointly and severally, firmly be these
presents.

THE CONDITION OF THIS OBLIGATION is such that Whereas, the Principal entered
into a certain contract with (6) Hidalgo County Precinct #4, the Owner, dated
the 16th day of March, A.D. 2007, a copy of which is
hereto attached and made a part hereof for the construction of:

HIDALGO COUNTY PRECINCT #4
BORDER ACCESS COLONIA PROGRAM ROUND II

These footnotes refer to numbers in body of contract above:

- Date of Bond must not be prior to date of contract
- (1) Correct name of Contractor
 - (2) A Corporation, a Partnership or an Individual, as case may be
 - (3) Correct name of Surety
 - (4) Correct name of Owner
 - (5) County and State
 - (6) Owner

NOW, THEREFORE, the condition of this obligation is such that, if the - 1 -
Principal shall promptly make payment to all claimants as defined in Article
5160 Revised Civil Statutes of Texas, 1925, as amended by House Bill 344, Act
56th Legislature, Regular Session, 1925 effective April 27, 1959, supplying
labor and materials in the prosecution of the work provided for in said
Contract, then this obligation shall be null and void, otherwise it shall
remain in full force and effect.

This bond is made and entered into solely for the prosecution of all
claimants supplying labor and material in the prosecution of the work
provided for in said Contract, and all such claimants shall have a direct
right of action under the bond as provided in Article 5160, Revised Civil
Statutes 1925, as amended by House Bill 344, Acts 56th Legislature, Regular
Session, 1959.

PROVIDED FURTHER, that if any legal action be filed upon this bond, venue shall lie in Hidalgo County, State of Texas, and that the said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be performed thereunder or the specification accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract or to the work or to the specifications.

PROVIDED FURTHER, that no final settlement between the Owner and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

IN WITNESS WHEREOF, this instrument is executed in six counterparts, each one of which shall be deemed an original, this the 6th day of March, A.D., 2007.

ATTEST:

Principal SASCON Inc

By [Signature]
5200 N 24th

(Principal) Secretary

(Address) McAllen TX 78504

Telephone Number: 952-682-3454

(Seal)

[Signature]

Witness as to Principal

5200 N. Hotel Pl.
McAllen TX 78504

Fidelity & Deposit of MD
Surety Colonial American Casualty & Surety

ATTEST:

(Surety) Secretary

By [Signature]

(Seal)

[Signature]

Witness as to Surety

(Address) P.O. Drawer 3785
McAllen, TX

NOTE: If Contractor is partnership all partners should execute bond

P.O. Drawer 3785
McAllen, TX 78502

Telephone Number: 956-682-9423

PERFORMANCE BOND
(To be used in Texas under V.A.T.S. 5160)

THE STATE OF Texas
COUNTY OF Hidalgo

KNOW ALL MEN BY THESE PRESENTS: That we (1) Sasco Inc. a (2) Corporation of McAllen, Tx hereinafter called Principal and (3) Fidelity + Deposit Co. of Md. Colonie American State of Maryland hereinafter called the Surety, are held and firmly bound unto (4) Hidalgo County Precinct #4 of Edinburg, Tx hereinafter called Owner, in the penal sum of nine thousand seven hundred forty nine (\$ 9,749.00) Dollars in lawful money of the United States, to be paid in (5) Hidalgo County, Tx for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is, such that Whereas, the Principal entered into a certain contract with (6) Hidalgo County Precinct #4 the Owner, dated the 6th day of March, A.D., 2007, a copy of which is hereto attached and made a part hereof for the construction of: HIDALGO COUNTY PRECINCT #4 BORDER ACCESS COLONIA PROGRAM ROUND II. (hereinafter called the "Work").

These footnotes refer to the numbers in body of contract above:

- Date of Bond must not be prior to date of contract.
- (1) Correct name of Contractor
 - (2) A Corporation, or Partnership or an Individual, as case may be
 - (3) Correct name of Surety
 - (4) Correct name of Owner
 - (5) County and State
 - (6) Owner
- (Texas Performance Bond) - Page 2.

NOW, THEREFORE, if the Principal shall well, truly and faithfully perform the work in accordance with the plans, specifications, and contract documents during the original term thereof, and any extensions thereof which may be granted by the Owner, with or without notice to the Surety, and if he shall satisfy all claims and demands incurred under such contract, and shall fully indemnify and save harmless the Owner from all costs and damages which it may suffer by reason of failure to do so, and shall reimburse and repay the Owner all outlay and expense which the Owner may incur in making good any default, then this obligation shall be void; otherwise to remain in full force and effect.

PROVIDED FURTHER, that is any legal action be filed upon this bond, venue shall lie in Hidalgo County, State of Texas, and that the said surety, for value received hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the contract or to the work to be

performed thereunder or the specifications accompanying the same shall in any way affect its obligation on this bond, and it does hereby waive notice to any such change, extension of time, alternation or addition to the terms of the contract or to the work or to the specifications.

IN WITNESS WHEREOF, this instrument is executed in six counterparts, each one of which shall be deemed an original, this the 6th day of March, 2007, A.D.

ATTEST:

(Principal) Secretary

(Seal)

Oralia Ramo

Witness as to Principal

5200 N. Hether
(Address) McAllen TX 78504

Principal SASCON Inc

By Haskell

5200 N 26th

(Address) McAllen TX 78504

Telephone Number: 956-682-3154

Fidelity + Deposit Co of MD
Colonial American Surety

ATTEST:

(Surety) Secretary

(Seal)

Lisa K. Gibson

Witness as to Surety

P.O. Drawer 3485
(Address) McAllen TX 78502

By Phillip Lee Fox

(Address) P.O. Drawer 3485

McAllen TX 78502

Telephone Number: 956-682-9423

NOTE: If Contractor is a partnership, all partners should execute bond.

**Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY**

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, corporations of the State of Maryland, by PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Companies, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint C. Don BOWMAN, Phillip Lee FOX and Richard E. DOOLEY, all of McAllen, Texas, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, each in a penalty not to exceed the sum of ONE MILLION DOLLARS (\$1,000,000) EXCEPT bonds on behalf of Independent Executors, Community Survivors and Community Guardians. and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Companies, as fully and amply, to all intents and purposes, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of C. Don Bowman, Phillip Lee Fox, Richard E. Dooley, dated February 7, 1996.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Companies, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seals of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, this 11th day of August, A.D. 2003.

ATTEST:

**FIDELITY AND DEPOSIT COMPANY OF MARYLAND
COLONIAL AMERICAN CASUALTY AND SURETY COMPANY**



T. E. Smith

T. E. Smith

By:

Paul C. Rogers

Paul C. Rogers

Vice President

State of Maryland }
City of Baltimore } ss:

On this 11th day of August, A.D. 2003, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came PAUL C. ROGERS, Vice President, and T. E. SMITH, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Companies aforesaid, and that the seals affixed to the preceding instrument is the Corporate Seals of said Companies, and that the said Corporate Seals and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporations.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Dennis R. Hayden

Dennis R. Hayden

Notary Public

My Commission Expires: February 1, 2005

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

EXTRACT FROM BY-LAWS OF COLONIAL AMERICAN CASUALTY AND SURETY COMPANY

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertaking, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,...and to affix the seal of the Company thereto."

CERTIFICATE

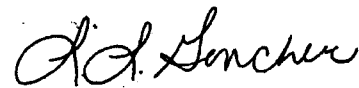
I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the respective By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, and the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990 and of the Board of Directors of the COLONIAL AMERICAN CASUALTY AND SURETY COMPANY at a meeting duly called and held on the 5th day of May, 1994.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seals of the said Companies,

this 6th day of March, 2007.



Assistant Secretary