

MILLENNIUM ENGINEERS GROUP, INC.

PO BOX 4569 - EDINBURG, TEXAS 78540 - TEL. 956-383-8522 - FAX 956-383-0295

September 23, 2008

Arturo Garcia
 Hidalgo County - Urban County Programs
 1916 Tesoro Blvd.
 Pharr, Texas 78577

Subject: Proposed 10731 Hernandez Drive
 Geotechnical Engineering & Testing Services
 MEG Proposal No. 08-216

Dear Mr. Garcia:

Millennium Engineers Group, Inc. (MEG) is pleased to submit this proposal for the subject project to Hidalgo County - Urban County Programs (CLIENT) to offer our services in the following area(s):

- Geotechnical Engineering & Testing Services

This master contract is general in nature and will cover the services requested by the CLIENT for the subject project. This agreement will remain in effect for the duration of the subject project.

The cost of services provided for the CLIENT's project is based on the information provided by Mr. Arturo Garcia of Hidalgo County - Urban County Programs via a telephone call and a fax received on August 25, 2008. It is our understanding that the subject project is located on 10731 Hernandez Drive in Edinburg, Texas. The property legal description is D.T. Villareal Subdivision, Lot No. 14 (fourteen) located at the original town site of San Carlos, Hidalgo County, Texas. The scope of services for this project will consist of a proposed Residential Building of approximately 802 SF and having approximate dimensions of 32.75' by 24.5'. The proposal includes two 20 foot borings. Field and laboratory testing will be performed to determine the engineering properties affecting the proposed foundation recommendations. The cost of services is \$1,800.50 for this proposed project. Said charges are described below;

Description	Qty	Cost	Total
Vehicle Charge	2	\$ 25.00	\$ 50.00
Mobilization (Drilling Truck)	1	\$ 250.00	\$ 250.00
Drilling (2 Person)(per feet)	40	\$ 14.00	\$ 560.00
Afterberg Limits	6	\$ 50.00	\$ 300.00
Minus 200 sieve	6	\$ 40.00	\$ 240.00
Molsture Content	14	\$ 5.75	\$ 80.50
CADD Technician	1	\$ 40.00	\$ 40.00
Project Management and Coordination	4	\$ 60.00	\$ 240.00
Administration	1	\$ 40.00	\$ 40.00

Our firm will invoice as the field work is completed, and at the submission of final Report.

MEG Proposal No 08-216

Page 1 of 2

SEP 23 2008

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You may send electronic files to msg@megengineers.com or fax at 956-383-0295. If you have any questions please contact us at our office.

Upon your authorization we will begin immediately on the services you have requested.


ACCEPTANCE

We appreciate the opportunity to submit this agreement and look forward to working with you on this project. Our professional services will be carried out in accordance with the scope of work that has been outlined.

Please return one signed copy of this master contract that provides written authorization for our firm to complete work on the services outlined herein. Our invoices are due and payable upon receipt at P. O. Box 4569, Edinburg, Texas 78540-4569.

Sincerely yours,

MILLENNIUM ENGINEERS GROUP, INC.


Raul Palma, P.E.
President

Proposed Project: Proposed 10731 Hernandez Drive
Geotechnical Engineering & Testing Services
MEG Proposal No. 08-216

CLIENT:

Hidalgo County
Urban County Programs

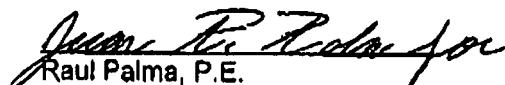
Authorized Representative

Printed Name

Date

ENGINEER:

Millennium Engineers Group, Inc.


Raul Palma, P.E.
President

9/23/08
Date

Attachments: Attachment "B", Standard Contract Conditions
Proposal No. 08-216

ATTACHMENT "B"
STANDARD CONTRACT CONDITIONS

BASIC SERVICES AGREEMENT

MEG will provide Mr. Arturo Garcia from Edinburg, Hidalgo County, Texas testing services on (CLIENT'S) projects under this AGREEMENT. MEG will provide consultation and advice during the performance of services. You may request services from MEG on any project identified during the term of this AGREEMENT.

The scope of BASIC SERVICES required for MEG's project assignment(s), if any, are determined in the proposal.

MEG will charge overtime at the rate of 1.5 applicable for technicians for services performed before 7 AM and after 6 PM on Monday through Friday, after 8 continuous hours on the Client's project and on Saturday, Sunday and holidays.

Hours billed will be from our office at 705 Dawson Drive, Edinburg, Texas, port to port. Fractions of hours will be billed as whole hours. Technician hours will be billed a minimum of 2 hours.

Laboratory testing performed after normal work hours of 7 AM to 6 PM on Monday through Friday will be billed the test rate plus applicable overtime hourly charges. Project management will be billed for coordination and management of project and personnel. Minimum billing at the rate of .25 hour per report.

ADDITIONAL SERVICES

If authorized in writing by (CLIENT), MEG will furnish or obtain from others additional services of the following types, which are not considered normal or customary Basic Services under this AGREEMENT. These Additional Services will be paid for by the (CLIENT) and will require negotiation.

- A. Appearances before regulatory agencies or other public meetings other than those provided as a Basic Service.
- B. Special investigations.
- C. Revision of project deliverables requested by (CLIENT) after (CLIENT'S) written approval of same unless such revision is required for the correction of MEG's work products containing errors/omissions or other faults.

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

6007-37-6485-5225-P6043

Part I - Professional Services Agreement

This Agreement, entered into this 30th day of September, 2008 by and between Hidalgo County Urban County Program and Millenium Engineers Group, Inc. Edinburg, TX, duly authorized Engineer, herein acting by Raul Palma, P.E. (hereinafter called the "Engineer").

WITNESSETH THAT:

WHEREAS, Hidalgo County has received HOME funds from the U.S. Dept. of Housing and Urban Development to be used by Urban County Participants. It is understood and agreed that the Hidalgo County - Urban County Program obligation under this Agreement is contingent upon the actual receipt of adequate federal funds to meet the liabilities under this Agreement; and

WHEREAS, the Hidalgo County - Urban County Program is interested in obtaining Engineering Services; and

WHEREAS, the Engineer, duly licensed and registered to practice engineering in the State of Texas, has the professional abilities to undertake the study, evaluation, analysis and engineering recommendations in a manner which shall provide the necessary public service while preserving and enhancing to the greatest degree possible the natural and proposed environment in the PROJECT area; and

WHEREAS, the Hidalgo County - Urban County Program desires to engage the Engineer to render certain services in connection therewith;

NOW, THEREFORE, the participants do mutually agree as follows:

**SECTION I
EMPLOYMENT OF THE ENGINEER**

The Hidalgo County - Urban County Program agrees to employ the Engineer to furnish and provide the engineering services as stated in the following sections and upon receipt of such satisfactory services, the Hidalgo County - Urban County Program agrees to pay the Engineer as stated in the sections to follow.

**SECTION II
BASIC SERVICES OF THE ENGINEER**

The Engineer shall perform the following Basic Services in connection with the proposed Geotechnical testing. Account(s) 6007-37-6485-5225-P6043. (See Exhibit A)

2.1 Preliminary Phase

- a. As may be required, comply and receive the Hidalgo County - Urban County Program approval on all work.
- b. Prepare preliminary engineering plans on the Project in sufficient detail to indicate clearly the problems involved and solutions recommended with the cost estimates.
- c. Obtain the Hidalgo County - Urban County Program's approval of the work of this Preliminary Phase before proceeding with the next phase.

2.2 Design Phase

- a. Advise the Hidalgo County - Urban County Program of any soil investigations or tests which, in the opinion of the Engineer, may be required for the proper execution of the Project.
- b. Provide all field information and surveys required for the design of the Project.

SECTION III ADDITIONAL SERVICES OF THE ENGINEER

If authorized in writing by the Hidalgo County - Urban County Program, the Engineer will furnish or obtain from others Additional Services of the following types which are not considered normal or customary basic services; these will be paid for by the Hidalgo County - Urban County Program as indicated in Section VI.

- 3.1 Detailed mill, shop and/or laboratory inspection of materials or equipment.
- 3.2 Major revision of Contract drawings as distinguished from modifications due to change orders, modifications to reduce the cost of the project or modifications requested to meet federal, state, or local regulations.

SECTION IV REIMBURSABLE EXPENSES

- 4.1 Travel and subsistence required for the Engineer and authorized by the Hidalgo County - Urban County Program to points other than within the County and Project site.
- 4.2 Additional copies of reports and specifications over six (6) copies and additional prints of drawings over six (6) copies.

SECTION V THE HIDALGO COUNTY - URBAN COUNTY PROGRAM'S RESPONSIBILITIES

The Hidalgo County - Urban County Program will:

- 5.1 Provide full information as to requirements for the Project.
- 5.2 Assist the Engineer by providing all available information pertinent to the Project including reports and any other data relative to design and construction of the Project.
- 5.3 Furnish the Engineer services or data as required such as appropriate professional interpretations of all of the foregoing; property, boundary, easement, right-of-way, zoning, and deed restrictions; all of which the Engineer may rely upon in performing his services under this agreement.
- 5.4 Guarantee access to and make all provisions for the Engineer to enter upon public and private property as required for the Engineer to perform his services under this Agreement.
- 5.5 Examine all studies, reports, sketches, estimates, specifications, drawings, proposals, and other documents presented by the Engineer.
- 5.6 Pay for all costs incident to advertising and obtaining bids or proposals from Contractors.
- 5.7 Provide such legal and accounting services required to discharge the Hidalgo County - Urban County Program's responsibility under the terms of this Agreement and any Agreement with any governmental agency as may be required for the project, and such auditing services as the Hidalgo County - Urban County Program may require to ascertain how or for what the purpose any Contractor has used the monies paid to him under the construction contract.
- 5.8 Give prompt written notice to the Engineer whenever the Hidalgo County - Urban County Program observes or otherwise becomes aware of any defect in the Project.

**SECTION VI
PAYMENTS TO THE ENGINEER**

The Hidalgo County - Urban County Program agrees to pay the Engineer for completed services as identified by the Hidalgo County - Urban County Program:

- 6.1 The Engineer shall be paid a total fixed amount of \$ 1,800.50 for services rendered under this contract. Payment shall be based on request for reimbursements with documentation requested by the Hidalgo County - Urban County Program. The Engineer's fee shall be due and payable as outlined in Sections 6.2, 6.3, and 6.4 as follows.

**SECTION VII
OWNERSHIP OF DOCUMENTS**

Original documents, plans, designs and survey notes developed in connection with services performed hereunder belong to, and remain the property of the Hidalgo County - Urban County Program, in consideration of which it is mutually agreed that the Hidalgo County - Urban County Program will use them solely in connection with the Project and as base material for possible future projects.

SECTION VIII TERMINATION

The Hidalgo County - Urban County Program may terminate this Agreement at any time by a 30-day notice in writing to the Engineer. Upon receipt of such notice, the Engineer shall, unless the notice directs otherwise immediately discontinue all services in connection with the performance of this Agreement and shall proceed to cancel promptly all existing orders and contracts insofar as such orders or contracts are chargeable to this Agreement. As soon as practical after receipt of notice of termination, the Engineer shall submit a statement showing in detail the actual services that were performed under this Agreement to date of termination, the date such services were performed and the length of time spent by each person or Hidalgo County - Urban County Program engaged in performing such services on each day,

The Hidalgo County - Urban County Program shall pay the Engineer a sum of money equal to the reasonable value of the service rendered by the Engineer to the Hidalgo County - Urban County Program in connection with the services performed under this Contract, less payments previously made by the Hidalgo County - Urban County Program to Engineer on work performed and expenses incurred by Engineer under the provisions of this Contract.

Notwithstanding the above, the Engineer shall not be relieved of liability to the Hidalgo County - Urban County Program for damages sustained by the Hidalgo County - Urban County Program arising from Engineer's negligent acts, errors or omissions related to Engineer's obligations created under this Agreement.

SECTION IX COUNTY AND CITY OFFICIALS

Engineer agrees that no County or City official or Hidalgo County - Urban County Program employee shall be personally liable for any of the obligation created under this Agreement, or for any matter which may arise out of the Project, or any activities related thereto and hereby holds the Hidalgo County - Urban County Program, its political bodies and its employees harmless from and indemnifies them from any liability from any matter arising from Engineer's negligent acts, errors or omissions related to Engineer's obligations created under this Agreement.

SECTION X SUCCESSORS AND ASSIGNS

Hidalgo County - Urban County Program and Engineer each binds themselves, their partners, successors,

executors, administrators, and assigns to the other Hidalgo County - Urban County Program of Agreement in respect to all covenants of this Agreement. Neither the Hidalgo County - Urban County Program nor Engineer shall assign, sublet, or transfer interest in this Agreement without the written consent of the other.

SECTION XI TIME OF PERFORMANCE

The Engineer contracts and agrees to commence work within ten (10) days from the date of written authorization to proceed and will complete the preparation of the preliminary phase and estimates by 90 days and will proceed upon authorization with final drawings, specifications, and contracts documents and complete same within the earliest practical time from such notice to proceed.

SECTION XII VENUE

Venue and jurisdiction of any suit, right or cause of action arising under or in connection with this Contract shall lie exclusively in Hidalgo County, Texas.

SECTION XIII CHANGES

The Hidalgo County - Urban County Program may, from time to time, request changes in the Scope of Services of the Engineer as may be mutually agreed to be performed hereunder. Such changes, including any increase or decrease in the amount of the Engineer's compensation, which are mutually agreed upon by and between the Hidalgo County - Urban County Program and the Engineer shall be incorporated in written amendments to the Contract.

SECTION XIV COMPLIANCE WITH LOCAL LAWS

The Engineer shall comply with all applicable laws, ordinances, and codes of the State and local governments, and the Engineer shall save the Hidalgo County - Urban County Program harmless with respect to any damages arising from any Engineer negligence done in performing any of the work embraced by this Contract.

SECTION XV ASSIGNABILITY

The Engineer shall not assign any interest in this Contract, and shall not transfer any interest in the same (whether by assignment or novation) without the prior written consent of the Hidalgo County - Urban County Program thereof; provided however, that claims for money due or to become due to the Engineer from the Hidalgo County - Urban County Program under this Contract may be assigned to a bank, trust company, or other financial institution without such approval. Notice of any such assignment or transfer shall be furnished promptly to the Hidalgo County - Urban County Program.

SECTION XVI GENERAL

- 16.1 Audit. The Hidalgo County - Urban County Program and/or any of its duly authorized representatives shall have access to any books, documents, papers, and records of the Engineer which are directly pertinent to this project for the purpose of making the audit, examination, excerpts, and transcriptions.
- 16.2 The Engineer agrees to compliance with the following Executive orders, Titles and Program Regulations, including any additional requirements that may be set forth by the Hidalgo County - Urban County Program.
- a. Title VI of the Civil Rights Act - requires that no one may be denied access to benefits from projects which receive federal assistance.
 - b. Section 109 of the Housing and Community Development Act of 1974 - Nondiscrimination related to benefits from projects funded specifically under Title I of the Act.
 - c. Section 3 of the HUD Act of 1968 - requires that maximum effort be made to provide employment, training, and business opportunities to low income families and/or residents of the project area.
 - d. The Engineer shall give the United States Department of Housing and Urban Development, the Inspector General, the Comptroller General of the United States, the Auditor of the State of Texas, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by Engineer pertaining to this Agreement. Such rights to access shall continue as long as the records are retained by Engineer. Engineer agrees to maintain such records in an accessible location for a period of three (3) years.
 - e. Executive Order 11246 (paragraph a-c for contracts under \$10,000; paragraphs a-g for contracts over \$10,000) - Equal Employment Opportunity.

Executive Order 11246. Executive Order 11246 and the regulations issued pursuant thereto (24 CFR Part 130) which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted contracts. Such consultants or subcontractors shall take affirmative action to ensure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination rates of pay or other forms of compensation and selection for training and apprenticeship.

Equal Employment Opportunity for Activities and Contracts not Subject to Executive Order 11246, as amended. In carrying out the program, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Engineer shall take affirmative action to ensure that applicants for employment are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not limited to the following: Employment, upgrading, demotion, or transfer; recruitment or other forms of compensation; and selection for training, including apprenticeship. The Engineer shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this paragraph in all of its contracts for program work and will require all of its

consultants for such work to incorporate such requirements in all subcontracts for program.

- 16.3 Interest of Certain Federal Officials: No member of or Delegate to the Congress of the United States and no Resident Commissioner, shall be admitted to any share or part of this Agreement or to any benefit to arise from the same.
- 16.4 Interest of Members, Officers, or Employees of Public Body, Member of Local Governing Body, or other Public Officials: No member, officer, or employee of the County or City, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure for one year thereafter, shall have any interest, direct or indirect, to be performed in connection with the program assisted under the Agreement. The Engineer shall incorporate or cause to be incorporated in all such interest pursuant to the purpose of this Section.

SECTION XVII INSURANCE

The Engineer shall obtain and keep in force during the term of its engagement on the Project, the insurance as follows:

- 17.1 A comprehensive automobile liability policy covering liability exposure to bodily injury and property damages. The Engineer shall furnish Hidalgo County - Urban County Program Certificates of Insurance showing the comprehensive automobile liability insurance policies to be in effect, commencing when Engineers commence operations under this Agreement, in the sum of \$300,000 for bodily injury and \$100,000 for property damages.
- 17.2 Uninsured/Underinsured motorist coverage in an amount equal to the bodily injury limits set forth immediately above;
- 17.3 A Five Hundred Thousand Dollar (\$500,000.00) Comprehensive General Liability Insurance Policy providing additional coverage to all underlying liabilities of County consistent with potential exposure of County under the Texas Tort Claims Act;
- 17.4 Workers Compensation Insurance in amount established by Texas law, under the bidder is specifically exempted from the Texas Worker's Compensation Act, Texas Labor Code Chapter 401, et. seq.
- 17.5 All insurance policies must be written by an insurance company or companies acceptable to the Hidalgo County - Urban County Program.

SECTION XVIII WARRANTY

- 18.1 Engineer represents and warrants to Owner all services rendered to Owner under this Agreement shall, at a minimum, comply with the Texas Engineering Practices Act (Tex. Civ. St. Ann., Article 3271) and rules of the Texas Board of Professional Engineers.



Exhibit "A"

(Scope of Services)

Geotechnical Engineering & Testing Services

The property legal description is D.T. Villarreal Subdivision, Lot No. 14 (fourteen) located at the original town site of San Carlos, Hidalgo County, Texas. The scope of services for this project will consist of a proposed Residential Building of approximately 802 SF and having approximate dimensions of 32.75' by 24.5'. The proposal includes two 20 feet borings. Field and laboratory testing will be performed to determine the engineering properties affecting the proposed foundation recommendations.