

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN SANTA CRUZ IRRIGATION DISTRICT NO. 15
AND HIDALGO COUNTY**

THIS Agreement is made on this the _____ day of _____, 2009 by and between HIDALGO COUNTY, hereinafter referred to as "Hidalgo County" and SANTA CRUZ IRRIGATION DISTRICT NO. 15 hereinafter referred to as "Irrigation District", pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, Irrigation District has rights and interests in and to irrigation facilities and irrigation properties adjacent to such irrigation facilities situated in the County of Hidalgo, Texas, some of which are more particularly described in Exhibit "A" (the "Irrigation Facilities" or "Irrigation Facility");

WHEREAS, Irrigation District has rights and interests in property consisting of drainage facilities and land immediately adjacent to such drainage facilities (the "Ditches") which are located adjacent to or relatively near the Irrigation Facilities for the purpose of drainage, the description of which is attached hereto as Exhibit "B";

WHEREAS, Hidalgo County, pursuant to its statutory authority, is responsible for proper drainage in Hidalgo County;

WHEREAS, the majority of the drainage water that enters into the Ditches originates from Hidalgo County;

WHEREAS, Irrigation District and Hidalgo County desire that Hidalgo County and Irrigation District jointly use the Ditches, that Hidalgo County maintain and improve all of the Ditches and that Irrigation District will later convey to Hidalgo County the Ditches for drainage purposes;

WHEREAS, Irrigation District desires to grant a non-exclusive easement to Hidalgo County in, over and across the Irrigation Facilities to the extent it is reasonably necessary to access the Ditches for the maintenance, operation, expansion or repair of the Ditches (the "Easement");

WHEREAS, Hidalgo County desires to maintain and operate the Ditches in order for the Ditches to adequately serve the drainage needs of Hidalgo County;

WHEREAS, Irrigation District will benefit from the improvements to the Ditches and Hidalgo County's maintenance and operation thereof; and

WHEREAS, Hidalgo County has determined it would be in the best interest of residents of Hidalgo County for Hidalgo County to expand, repair, maintain and operate the Ditches described above.

NOW, THEREFORE, Hidalgo County and Santa Cruz Irrigation District, No. 15 in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. Santa Cruz Irrigation District No. 15 grants Hidalgo County a non-exclusive easement to jointly use the Ditches for the purpose of expansion, repair, maintenance or operation of the Ditches and Irrigation District shall execute the Easement attached hereto as Exhibit C within ten (10) days of the date of this Agreement. Such easement from Irrigation District shall be AS IS, WHERE IS, WITH ALL FAULTS.
2. Within six months of the date of this Agreement, Hidalgo County, will, at the sole expense of Hidalgo County begin to obtain surveys of the Irrigation Facilities and the Ditches in order to secure metes and bounds descriptions of both the Irrigation Facilities and Ditches. Hidalgo County will have a period of five (5) years to complete such surveys and legal descriptions.
3. Irrigation District, during such five (5) year period described in numbered paragraph 2, upon presentation by Hidalgo County of surveyed metes and bound descriptions of various phases of the Ditches shall grant, sell, transfer and convey to Hidalgo County the Ditches and shall execute for each such phase of the Ditches so surveyed and described a quitclaim deed to Hidalgo County in substantially the form attached hereto as Exhibit D-1 and a Transfer of Easement in substantially the form attached hereto as Exhibit D-2. Such quitclaim and transfer of easement from Irrigation District shall be AS IS, WHERE IS, WITH ALL FAULTS.
4. Irrigation District shall attempt to locate and find persons with knowledge of each phase of the surveyed metes and bounds description of the Ditches presented by Santa Cruz Irrigation District's open, notorious and continuous use of the Ditches for an uninterrupted period of at least ten (10) years and shall use its best efforts to cause such persons with knowledge to execute affidavits in substantially the form of the affidavit attached hereto as Exhibit "E" (the "Affidavit") for each of the Ditches. Irrigation District shall use its best efforts to have the Affidavit executed and present same to Hidalgo County within ten (10) days following the date of presentment of the request for Affidavit by Hidalgo County.
5. Irrigation District will execute the document substantially in the form attached hereto as Exhibit "F" conveying an easement to Hidalgo County for access to, construction, maintenance, repair and operation of the Ditches and drainage facilities within ten (10) days following the date of presentment of same by Hidalgo County. Such easement from Irrigation District shall be AS IS, WHERE IS, WITH ALL FAULTS.

6. Irrigation District further agrees, that on or after the date of this Agreement, it will not transfer or convey any rights to or in any Irrigation Facilities (as specifically limited and defined herein) adjacent to Ditches not previously transferred to Hidalgo County to any party without first offering, in writing, the Irrigation Facility to Hidalgo County at the same cost and under the same terms as in the offer presented to Irrigation District. Hidalgo County shall have thirty (30) days to determine whether Hidalgo County desires to accept or reject such offer. If Hidalgo County does not respond to the offer by Irrigation District in this numbered paragraph 6 within thirty (30) days of receipt, then Irrigation District may transfer such Irrigation Facility offered to Hidalgo County without any claim by Hidalgo County to such Irrigation Facility. Provided, however, the rights granted in this Paragraph 6 are subject to Irrigation District's policy of offering surplus property first to adjoining property owners. In the event no adjoining property owner elects to purchase such Irrigation Facilities then in that event, Irrigation District would be required to offer such Irrigation Facilities to Hidalgo County prior to any other (non-adjacent) party.
7. The acquisition of additional right of way for the expansion of any of the Ditches will be the sole responsibility and cost of Hidalgo County.
8. Hidalgo County shall allow connections of any agricultural use field drain or agricultural sub soil drain to the Ditches provided that such field drain or agricultural or sub soil drain is draining agricultural lands and no significant part of any such land is used for any non agricultural use. It shall not be necessary for the owner of any such field drain or sub soil drain to file an application with Hidalgo County for such use. As used herein "agricultural use" would include the homestead and equipment storage facility for the owner of the land. Upon any subdivision of any such agricultural use property, applicable subdivision regulations at the time of such subdivision with respect to the continued availability of the use of such drains or the requirement of new drains for any such subdivisions must be followed.
9. The design for the improvements and expansion of the Ditches will be the sole responsibility and cost of Hidalgo County.
10. Hidalgo County shall provide funds for all necessary supplies, labor and equipment to construct and install the improvements and maintenance and operation of the Ditches conveyed by Irrigation District to Hidalgo County.
11. **Conflict of Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of this Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the later shall prevail, but in such event the affected provision or provisions of this Agreement shall be modified only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

12. **No Waiver.** No waiver by any party hereto of any breach of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.
13. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and each party acknowledges that neither has made (either directly or through any agent or representative) any representation or agreement in connection with this Agreement not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by both parties, and not otherwise.
14. **Commitment of Current Revenues Only.** In the event that, during any term hereof, the governing body of either party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then the other party may terminate this Agreement upon sixty (60) days written notice to the party who failed to appropriate sufficient funds. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. Section 271.903.
15. **TEXAS LAW TO APPLY.** THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HIDALGO COUNTY, TEXAS. THE PARTIES HEREBY CONSENT TO PERSONAL JURISDICTION IN HIDALGO COUNTY, TEXAS.
16. **Notice.** Except as may be otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Hidalgo County: Hidalgo County
 Attention: County Judge
 100 E. Cano, 2nd Floor
 Edinburg, Texas 78541

If to Irrigation District: Santa Cruz Irrigation District No. 15
 Attention: Board of Directors

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all

purposes at such time as it is personally delivered to the addressee or, if mailed, at such time as it is deposited in the United States mail.

17. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this Agreement.
18. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors, and assigns where permitted by this Agreement.
19. **Assignment.** This Agreement shall not be assignable provided, however, Hidalgo County may assign this Agreement to Hidalgo County Drainage District No. 1 and/or its successors.
20. **Headings.** The headings and captions contained in this Agreement are solely for convenience and reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.
21. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and so often as may be appropriate.
22. **Authority to Execute.** The execution and performance of this Agreement by Hidalgo County and Irrigation District have been duly authorized by all necessary laws, resolutions or governmental action, and this Agreement constitutes the valid and enforceable obligations of Hidalgo County and Irrigation District in accordance with its terms.
23. **Governmental Purpose.** Each party hereto is entering into this Agreement for the purpose of providing governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

[SIGNATURE PAGE TO FOLLOW]

HIDALGO COUNTY

By: _____
Rene Ramirez, County Judge

ATTEST:

Arturo Guajardo, Jr., County Clerk

SANTA CRUZ IRRIGATION DISTRICT NO. 15

By: _____
Jack Wallace, Jr., President

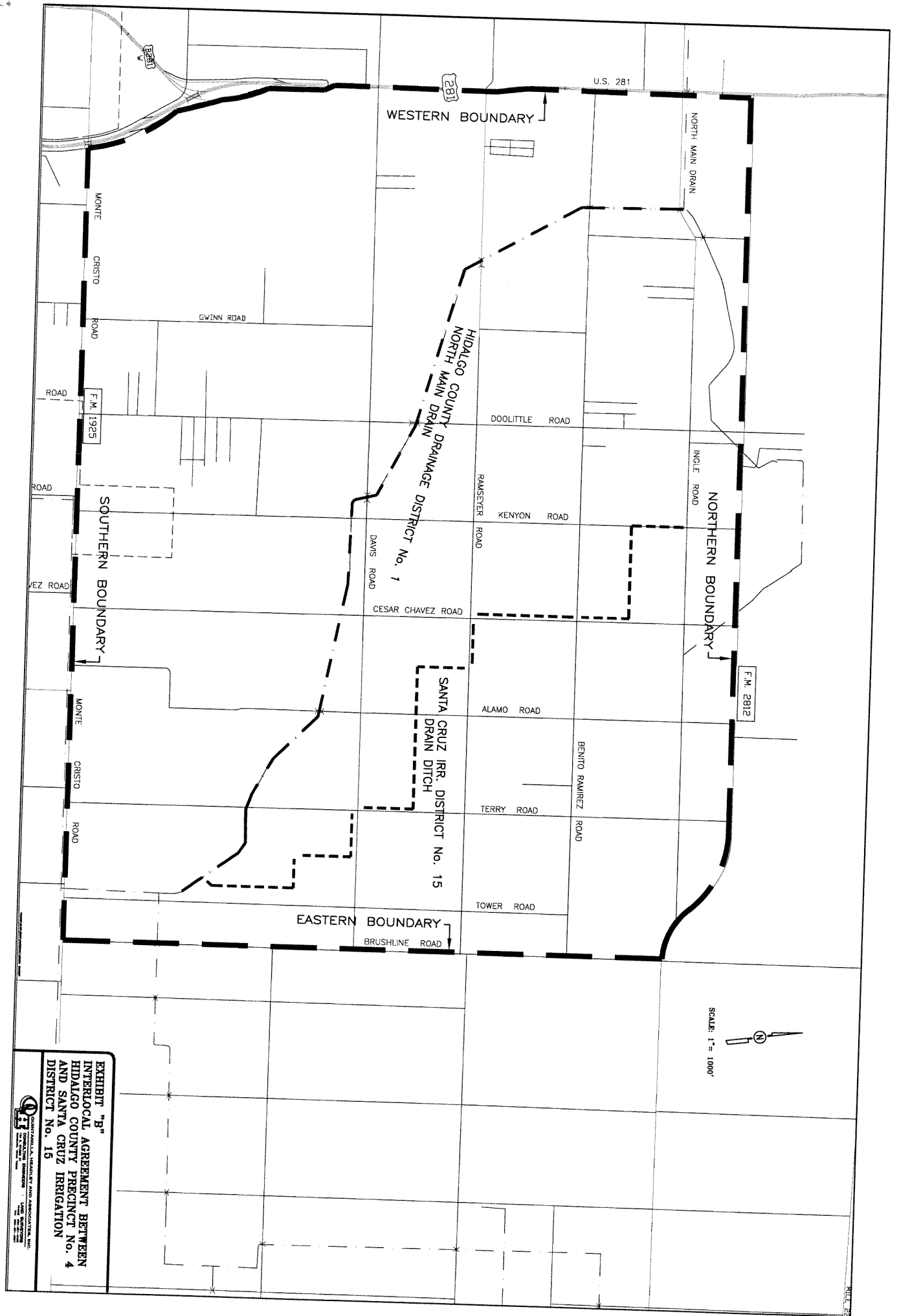
APPROVED AS TO FORM:

ATLAS & HALL, L.L.P.

By: _____
Stephen L. Crain

EXHIBIT "A"

Area: An area described as F.M. 2812 for the northern boundary, Monte Cristo Road (F.M. 1925) for the southern boundary, U.S. 281 Highway for the western boundary, and Brushline Road for the eastern boundary.



SCALE: 1" = 1000'

EXHIBIT "P"
INTERLOCAL AGREEMENT BETWEEN
HIDALGO COUNTY PRECINCT No. 4
AND SANTA CRUZ IRRIGATION
DISTRICT No. 15

CONTRIBUTED BY THE IRRIGATION DISTRICTS ASSOCIATION OF TEXAS

EXHIBIT "C"

STATE OF TEXAS §
COUNTY OF HIDALGO § EASEMENT

That Santa Cruz Irrigation District No. 15 for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to them in hand paid by Hidalgo County, the receipt of which is hereby acknowledged and confessed, has Granted, Bargained and Conveyed and by these presents does Grant, Bargain and Convey unto the said Hidalgo County, its successors or assigns, the non-exclusive right for the free and uninterrupted use, liberty and privilege of passage in, along, upon and across that certain tracts of land situated in Hidalgo County, Texas, described as follows, to wit:

Those drainage facilities and land immediately adjacent to such drainage facilities which are located adjacent to relatively near Santa Cruz Irrigation District No. 15's irrigation facilities within two tract of land in Santa Cruz Irrigation District No. 15 such two tracts of land being more particularly described on Exhibit A and attached hereto for al purposes.

See Exhibit A incorporated herein at this point for all purposes.

FOR THE PURPOSE OF CONSTRUCTING, RECONSTRUCTING, EXCAVATING, DIGGING, MAINTAINING AND OPERATING A DRAINAGE DITCH, SPOIL BANK, LEVEES, ROADWAY AND STRUCTURES NECESSARY FOR THE DISPOSAL OF ACCUMULATIVE AND EXCESSIVE RAINFALL AND/OR FLOOD WATER, TOGETHER WITH FREE INGRESS AND EGRESS AT ALL REASONABLE TIMES TO AND FROM SAID PROPERTY DESCRIBED ABOVE, FOR THE PURPOSE OF DOING AND PERFORMING, OR HAVING PERFORMED, ANY AND ALL ACTS AND FUNCTIONS AND ACTS NECESSARY AND INCIDENT TO THE CONSTRUCTING, RECONSTRUCTING, EXCAVATING, DIGGING, MAINTAINING AND OPERATING OF A DRAINAGE DITCH, SPOIL BANK, LEVEES, ROADWAYS AND STRUCTURES IN, ALONG, OVER AND ACROSS THE PROPERTY DESCRIBED ABOVE.

GRANTOR SHALL HAVE FULL USE AND CONTROL OF THE SPOIL BANK DIRT SUCH USE AND CONTRACT SHALL NOT INCLUDE THE BERM AREAS TO BE ESTABLISHED BY HIDALGO CUNTY.

TO HAVE AND TO HOLD, ALL AND SINGULAR, THE EASEMENT PRIVILEGE AFORESTATED, UNTO HIDALGO COUNTY, ITS SUCCESSORS OR ASSIGNS; THIS EASEMENT BEING CONDITIONED, HOWEVER, THAT THE TITLE IN AND TO ALL OIL, GAS AND OTHER MINERALS IN AND UNDER SAID LAND SHALL BE AND REMAIN VESTED IN THE PRESENT OWNERS, THEIR HEIRS OR ASSIGNS, WITHOUT, HOWEVER, ANY RIGHT WHATEVER REMAINING TO HIDALGO COUNTY IRRIGATION DISTRICT NO. ONE OF INGRESS AND EGRESS TO OR FROM THE SURFACE OF SAID LAND FOR THE PURPOSE OF EXPLORING, DRILLING, DEVELOPING OR MINING OF THE SAME.

WITNESS our hands this the ____ day of _____, 2009.

SANTA CRUZ IRRIGATION DISTRICT NO. 15

BY: _____
JACK WALLACE, JR., PRESIDENT

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purpose and consideration therein expressed.

Given under my hand and seal of office, this the ____ day of _____, 2009.

Notary Public State of Texas

Exhibit D-1

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

QUITCLAIM

Date: _____, 20____

Grantor: Santa Cruz Irrigation District No. 15

Grantor's Mailing Address: _____

Grantee: Hidalgo County

Grantee's Mailing Address: 100 E. Cano, 2nd Floor
Edinburg, Hidalgo County, Texas 78539

Consideration: Good and valuable consideration

Property (including any improvements): Those tracts of land located in Hidalgo County, Texas and being more particularly described on Exhibit A which is attached hereto and made a part hereof for all purposes.

Provided, however, in partial consideration for the conveyance herein granted by Grantor to Grantee, Grantee, has Granted, Bargained and Conveyed and by these presents does Grant, Bargain and Convey unto Grantor, its successors or assigns, the non-exclusive right for the free and uninterrupted use, liberty and privilege of passage in, along, upon and across any property adjacent to the Property now owned or later acquired by Grantee, its successors or assigns, by any means including, but not limited to, purchase, threat of condemnation or by condemnation.

Reservations from Conveyance:

For Grantor and Grantor's successors and assigns forever, a reservation of all oil, gas, and other minerals in and under and that may be produced from the Property. If the mineral estate is subject to existing production or an existing lease, this reservation includes the production, the lease and all benefits from it.

For Grantor and Grantor's successors and assigns forever, a reservation of the free, uninterrupted and perpetual use of, and a separate right to maintain, an exclusive easement for the construction, operation, maintenance, reconstruction, replacement and removal of Grantor's irrigation facilities, including but NOT limited to a canal and/or an underground irrigation water conduit and related appurtenances over, under and across the Property.

For the Consideration, Grantor quitclaims to Grantee all of Grantor's right, title, and interest in and to the Property, to have and to hold it to Grantee and Grantee's, successors, and assigns forever. Neither Grantor nor Grantor's, successors, or assigns will have, claim, or demand any right or title to the Property or any part of it.

Grantee, by its acceptance hereof, accepts the Property in its physical condition as of the date hereof, AS IS, WHERE IS AND WITH ALL FAULTS, and acknowledges that it has no recourse whatsoever against Grantor in the event of discovery of any defects of any kind, latent or patent. Grantee acknowledges and agrees that Grantor has not made and does not make any representation, warranty or covenant of any kind or character whatsoever, whether expressed or implied, with respect to the physical condition, use or usefulness of the Property or any portion thereof, and (1) GRANTOR HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE PROPERTY, AND (2) GRANTOR HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS INCLUDING, BUT NOT LIMITED TO, THOSE PERTAINING TO THE HANDLING, GENERATING, TREATING, STORING OR DISPOSING OF ANY HAZARDOUS WASTE OR SUBSTANCE.

When the context requires, singular nouns and pronouns include the plural.

Santa Cruz Irrigation District No. One

By: _____
Jack Wallace, Jr., President

Acceptance:

Grantee hereby accepts the foregoing conveyance subject to the reservations herein set forth and agreed to be bound by the terms and conditions herein.

Hidalgo County

By: _____

Its: _____

(ACKNOWLEDGMENT)

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on _____, 20____
by _____, of Santa Cruz Irrigation District No. 15, in the capacity
therein stated.

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF HIDALGO §

This instrument was acknowledged before me on _____, 20____
by _____, of Hidalgo County, in the capacity therein stated.

Notary Public, State of Texas

Exhibit D-2

TRANSFER OF EASEMENTS

Date: _____, 2009

Holder of Easements (“Holder”): Santa Cruz Irrigation District No. 15

Holder’s Mailing Address: Board of Directors

Transferee: Hidalgo County

Transferee’s Mailing Address: Hidalgo County Judge’s Office
Administration Building
P. O. Box 1356
Edinburg, Texas 78539

Easements: All unrecorded and recorded easements in and to drainage ditches and facilities held or claimed by Holder within the property described on Exhibit A which is attached hereto and made a part hereof for all purposes.

Consideration: Good and valuable consideration including but not limited to Transferee’s agreement to maintain the easements for drainage associated or related purposes.

Holder sells, transfers, conveys and quitclaims to Transferee, all of Holder’s right, title and interests in the Easements effective as of the Date stated above.

Transferee, by its acceptance hereof, accepts the Property in its physical condition as of the date hereof, AS IS, WHERE IS AND WITH ALL FAULTS, and acknowledges that it has no recourse whatsoever against Holder in the event of discovery of any defects of any kind, latent or patent. Transferee acknowledges and agrees that Holder has not made and does not make any representation, warranty or covenant of any kind or character whatsoever, whether expressed or implied, with respect to the physical condition, use or usefulness of the Property or any portion thereof, and (1) HOLDER HEREBY EXPRESSLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF CONDITION, MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WITH RESPECT TO THE VALUE, PROFITABILITY OR MARKETABILITY OF THE PROPERTY, AND (2) HOLDER HEREBY DISCLAIMS ANY REPRESENTATION OR WARRANTY WITH REGARD TO COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS, OR REQUIREMENTS INCLUDING, BUT NOT LIMITED

TO, THOSE PERTAINING TO THE HANDLING, GENERATING, TREATING,
STORING OR DISPOSING OF ANY HAZARDOUS WASTE OR SUBSTANCE.

Santa Cruz Irrigation District No. One

By: _____
Jack Wallace, Jr., President

ACCEPTED:

Hidalgo County

By: _____
Rene Ramirez
Chairman Board of Directors

STATE OF TEXAS

COUNTY OF HIDALGO

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This instrument was acknowledged before me on ____ day of _____,
2009 by of Santa Cruz Irrigation District No. 15, in the capacity stated therein.

Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF HIDALGO

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§

This instrument was acknowledged before me on ____ day of _____,
2009 by of Hidalgo County, in the capacity stated therein.

Notary Public, State of Texas

AFTER RECORDING RETURN TO:
Hidalgo County Judge's Office
Administration Building
P. O. Box 1356
Edinburg, Texas 78539