

THE STATE OF TEXAS )  
 )  
COUNTY OF HIDALGO )

**INTERLOCAL COOPERATION AGREEMENT  
BETWEEN  
UNITED IRRIGATION DISTRICT  
AND THE COUNTY OF HIDALGO**

THIS agreement (the "Agreement" or "Lease") is made on this 01st day of JULY, 2003, by and between UNITED IRRIGATION DISTRICT, a political subdivision of the State of Texas, hereinafter referred to as "Lessor," and the COUNTY OF HIDALGO, TEXAS, hereinafter referred to as "Lessee," pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

**WITNESSETH:**

**WHEREAS**, Lessor is the fee owner of certain property in Hidalgo County; and

**WHEREAS**, Lessee desires to lease such property for the purpose of constructing and operating a citizen collection station (the "Citizen Collection Station") thereon and Lessor desires to lease the property to Lessee for such purpose; and

**WHEREAS**, Lessor and Lessee are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, Texas Govt. Code 791.001 et seq., which authorizes local governments to contract with each other to perform governmental functions and services under the terms of the Act.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Lease, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor, that certain real property described on Exhibit "A", attached hereto (the "Premises").

**ARTICLE 1. TERM**

1.1 **Term of Lease.** Except as otherwise herein provided, the term of this Lease shall be for one (1) year commencing on July 01, 2003 ("Commencement Date") and ending on the earlier of the date specified by Lessee on not less than thirty (30) days prior written notice to Lessor or July 01, 2004; provided that, if not previously terminated by Lessee, the term shall automatically be extended for two successive renewal terms of one year each, unless Lessor notifies Lessee in writing no less than 60 days prior to the end of the then current term that the Lease shall terminate at the end of the term. If Lessee holds over and continues in possession of the Premises after expiration of the term of this Lease, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy, subject to all of the terms and conditions of this Lease.

1.2 **Lessor's Warranty of Quiet Enjoyment.** Lessor covenants and agrees that Lessee on paying the rent herein provided for and observing and keeping the covenants, conditions, and terms of this Lease on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Premises during the term of this Lease without hindrance or molestation of Lessor or any person claiming under Lessor.

## ARTICLE 2. RENT

2.1 **Base Rent.** Lessee agrees to pay to Lessor, during the term hereof, a monthly rental of \$ 1.00 per month.

2.2 **Time and Manner of Payment.** All rent due under this article shall be paid by Lessee on a monthly basis and in advance, on the 1<sup>st</sup> business day of each month commencing on the Commencement Date. All installments of rent shall be paid in lawful money of the United States to the Lessor at United Irrigation or other such other location as Lessor shall from time to time designate by written notice to Lessee. Any rent due for any partial month at the beginning or the end of the term hereof shall be prorated on the basis of a thirty day month.

## ARTICLE 3. USE OF PREMISES

3.1 **Permitted Use.** Lessee may use the premises for a Citizen Collection Station.

3.2 **Improvements and Alterations.** Lessee shall have the right to construct, install, maintain and operate the Citizen Collections Station on the Premises. All alterations, additions, or improvements made by Lessee not removed by Lessee prior to the surrender of the Premises to Lessor shall become the property of Lessor at the termination of this Lease. Lessor may, however, require that Lessee remove any or all alterations, additions, and improvements installed or made by Lessee, and any other property placed on the Premises by Lessee, upon termination of the Lease. In the event that Lessor requires Lessee to remove such alterations, additions, or improvements, Lessee shall repair any damage to the Premises caused by such removal.

3.3 **Lessor's Water Delivery System.** Lessee shall permit Lessor access to the premises for the purpose of Lessor operating and maintaining its water delivery system. The installation, operation and maintenance of the Citizen's Collection Station shall be done in a manner so as to not unreasonably disrupt Lessor's operation and maintenance of its water delivery system.

## ARTICLE 4. INDEMNIFICATION

To the extent authorized by law, Lessee agrees to hold harmless, indemnify and defend Lessor against all claims, demands, judgments, losses, costs and expenses, including reasonable attorney's fees, for injury to or death of any person and for loss or damage to the property of any person in any manner arising from or growing out of the use of the Premises for the purposes of this Lease, or out of the presence on or about the Premises in connection with this Lease of Lessee, its agents or

employees, invitees or licensees, or of any contractor performing any work on behalf of Lessee, or the agents or employees of such contractor. Lessee shall be entitled to avail itself of all claims of governmental immunity afforded Lessee or Lessor under Texas law.

## ARTICLE 5. MISCELLANEOUS

5.1 **Notices.** 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 Lessor:                      United Irrigation District  
                                                 Attention: Manager  
                                                 P.O. Box 867  
                                                 Mission, Texas 78573

If to Lessee:                        County of Hidalgo  
                                                 Attention: County Judge  
                                                 100 E. Cano, 2<sup>nd</sup> Floor  
                                                 Edinburg, Texas 78539

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.

5.2 **Parties Bound.** This Agreement shall be binding upon, and inure to the benefit of, the parties to this Lease and their respective heirs, executors, administrators, legal representatives, successors and assigns when permitted by this Agreement.

5.3 **Texas Law.** This Lease shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Lease are performable in Hidalgo County, Texas.

5.4 **Entire Agreement.** This Lease constitutes the sole and only agreement of the parties hereto with respect to the subject matter hereof and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter hereof. No amendment, modification, or alteration of the terms of this Lease shall be binding unless it is in writing and duly executed by the parties to this Agreement.

5.5 **Real Estate Commission and Finder's Fees** Neither Lessor nor Lessee has entered into any real estate commission or finder's fee agreements with any broker, agent or finder in respect of this transaction.

5.6 **Conflict with Applicable Law.** Nothing in this Lease 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 latter 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 times such conflict exists.

5.7 **Assignment.** This Agreement shall not be assignable.

5.8 **Authority to Execute.** The execution and performance of this Agreement by Lessor and Lessee have been duly authorized by all necessary laws, resolutions or action, and this Agreement constitutes the valid and enforceable obligations of the parties hereto in accordance with its terms.

5.9 **Governmental Purpose.** Each party hereto is entering into this Agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.

5.10 **Commitment of Current Revenues Only.** In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other parties. 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. §271.903.

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

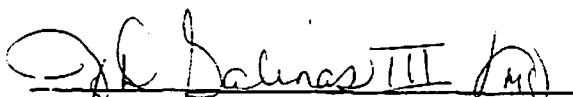
UNITED IRRIGATION DISTRICT

  
President

COUNTY OF HIDALGO

  
County Judge

ATTEST:

  
Juan D. Salinas, III, County Clerk

APPROVED BY  
COMMISSIONERS' COURT  
ON: 7/1/03