

**CONSTRUCTION
CONTRACT**

This Agreement, entered into this 15th day of June 2010 by and between **HIDALGO COUNTY** (hereinafter called the "OWNER", acting herein through its County Judge, and **VALLEY BORING SERVICE, LLC** (a partnership) of **Edinburg**, State of Texas, hereinafter called "CONTRACTOR".

WITNESSETH

That for and in consideration of the payments and agreements 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:

**HIDALGO COUNTY PRECINCT NO. 3 – “DRAINAGE IMPROVEMENT TO PRAIRIE
VIEW SUBDIVISION PHASE I DRY BORE METHOD TO ABRAM CANAL CROSSING**

hereinafter called the project, for the sum of **(\$92,560.00) Ninety-Two Thousand Five Hundred Sixty Dollars and No Cents** and all extra work in connection therewith, under the terms as stated in the General and Special Conditions of the Contract; and at his (its or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said project in accordance with the conditions and prices stated in the Proposal, the General Conditions, Supplemental General Conditions and Special Conditions of the contract, the plans, which include all maps, plats, blue prints, and other drawings and printed or written explanatory matter thereof, the specifications and contract documents therefore as prepared by Javier Hinojosa Engineering entitled the Engineer, and as enumerated in Paragraph 1 of the Supplemental 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 a written "Notice to Proceed" of the OWNER and to fully complete the project within **30** consecutive calendar days thereafter. The CONTRACTOR further agrees to pay, as liquidated damages, the sum of \$ **300.00** for each consecutive calendar day thereafter as hereinafter provided in Paragraph 19 of the General Conditions.

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 Paragraph 25, "Payments to Contractor", of the General Conditions.

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

[Signature]
Contractor

Name of Firm: VALLEY BORING SERVICE, LLC

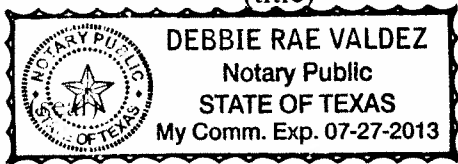
Address: 5130 S. Hwy 281
EDINBURG TX 78539

Fed. I.D. #/S.S.: 20 271 2407

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

This instrument was acknowledged before me on this the 23 day of June, 2010,

by DEBBIE RAE VALDEZ of and on behalf of VALLEY BORING SERVICE
(title) (a corporation) (a partnership) (an individual)



[Signature]
Notary Public - Signature

ATTEST:

COUNTY OF HIDALGO

Arturo Guajardo, Jr.
County Clerk

Rene Ramirez
County Judge

Approved as to Form:
Atlas & Hall, L.L.P.

By: [Signature]



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
07/09/2010

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	Valley Insurance Provider PO Drawer 3783 McAllen TX 78502	CONTACT NAME: PHONE (A/C, No, Ext): (956) 787-8536 FAX (A/C, No): (956) 787-7232 E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: 4405
INSURED	Valley Boring Service LLC 5130 S. Hwy 281 Edinburg TX 78539-0000	INSURER(S) AFFORDING COVERAGE INSURER A: Burlington Insurance - Co INSURER B: Tower National Insurance Company INSURER C: Travelers Indemnity Co of America INSURER D: Texas Mutual Fund Insuran INSURER E: INSURER F:
		NAIC # 25666

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS MADE <input checked="" type="checkbox"/> OCCUR		168BW16287	03/22/2010	03/22/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS, COMP/OP AGG \$ 2,000,000
C	AUTOMOBILE LIABILITY ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS SEE ATTACHED SCHEDULE		BA3336M14610SEL	05/16/2010	05/16/2011	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
B	UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DEDUCTIBLE RETENTION \$		NUGDN01189-10	03/22/2010	03/22/2011	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	TSF00011563802010042	04/20/2010	04/20/2011	WC STATUTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
PLEASE SEE THE ATTACHED SCHEDULE OF AUTOS

CERTIFICATE HOLDER	CANCELLATION
Hidalgo County Precinct 3 724 N Breyfogle Edinburg TX 78539-	AI 000728 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Meila Duran</i>



Western Surety Company

PERFORMANCE BOND

Bond Number: 70950041

KNOW ALL PERSONS BY THESE PRESENTS, That we Valley Boring, LLC
 _____ of
5130 S. Highway 281, Edinburg, TX 78539, hereinafter
 referred to as the Principal, and _____ Western Surety Company
 as Surety, are held and firmly bound unto Hidalgo County Precinct No. 3
 of 416 E. Dove Ave., Mc Allen, TX 78502, hereinafter
 referred to as the Oblige, in the sum of Ninety-Two Thousand Five Hundred Sixty and 00/100
 Dollars (\$ 92,560.00); for the payment of which we bind ourselves, our legal representatives, successors
 and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a contract with Oblige, dated the 15th day of June,
2010, for Drainage Improvement To Prairie View Subdivision Phase 1 Dry Bore
Method to Abram Canal Crossing.

NOW, THEREFORE, if the Principal shall faithfully perform such contract or shall indemnify and save harmless
 the Oblige from all cost and damage by reason of Principal's failure so to do, then this obligation shall be null
 and void; otherwise it shall remain in full force and effect.

ANY PROCEEDING, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction
 in the location in which the work or part of the work is located and shall be instituted within two years after
 Contractor Default or within two years after the Contractor ceased working or within two years after the Surety
 refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this
 Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the
 jurisdiction of the suit shall be applicable.

NO RIGHT OF ACTION shall accrue on this Bond to or for the use of any person or corporation other than the
 Oblige named herein or the heirs, executors, administrators or successors of the Oblige.

SIGNED, SEALED AND DATED this 21st day of June, 2010.

Valley Boring, LLC

 (Principal)
 By [Signature] _____ (Seal)

Western Surety Company

 (Surety)
 By [Signature] _____
 ANDRES ALVAREZ Attor





Western Surety Company

PAYMENT BOND

Bond Number: 70950841

KNOW ALL PERSONS BY THESE PRESENTS, That we Valley Boring, LLC of
5130 S. Highway 281, Edinburg, TX 78539, hereinafter
referred to as the Principal, and Western Surety Company,
as Surety, are held and firmly bound unto Hidalgo County Precinct No. 3
of 416 E. Dove Ave., Mc Allen, TX 78502, hereinafter
referred to as the Oblige, in the sum of Ninety-Two Thousand Five Hundred Sixty and 00/100
Dollars (\$ 92,560.00). for the payment of which we bind ourselves, our legal representatives, successors
and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a contract with Oblige, dated 15th day of June,
2010, for Drainage Improvement To Prairie View Subdivision Phase 1 Dry Bore
Method to Abram Canal Crossing
copy of which contract is by reference made a part hereof.

NOW, THEREFORE, if Principal shall, in accordance with applicable Statutes, promptly make payment to all
persons supplying labor and material in the prosecution of the work provided for in said contract, and any and all
duly authorized modifications of said contract that may hereafter be made, notice of which modifications to Surety
being waived, then this obligation to be void; otherwise to remain in full force and effect.

No suit or action shall be commenced hereunder

- (a) After the expiration of one (1) year following the date on which Principal ceased work on said contract it
being understood, however, that if any limitation embodied in this bond is prohibited by any law
controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to
the minimum period of limitation permitted by such law.
- (b) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of
the state in which the project, or any part thereof, is situated, or in the United States District Court for the
district in which the project, or any part thereof, is situated, and not elsewhere.

The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED, SEALED AND DATED this 21st day of June, 2010.

Valley Boring, LLC
(Principal)

By [Signature] (Seal)

Western Surety Company
Surety

By [Signature]
ANDRES ALVAREZ Attorne

