

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

COMPROMISE SETTLEMENT AGREEMENT & MUTUAL RELEASE

This Compromise Settlement Agreement, Mutual Release, and Indemnification Agreement (hereinafter "**the Agreement**") entered on this day, by and between **Hidalgo County Texas** (hereinafter "**Hidalgo County**") and **Hidalgo County Head Start Program, an agency of Hidalgo County** (hereinafter "**Head Start**") and **Centennial Contractors Enterprises** (hereinafter "**Centennial**") (and hereinafter collectively referred to as "**the PARTIES**"), is to witness the following:

WHEREAS, on or about August 1, 2006 Hidalgo County and Head Start entered into a contract with Centennial (hereinafter "**the CONTRACT**"); and

WHEREAS, the contract provided for:

All labor, equipment and material to perform the disassembling, roof, demolition, re-assembly and installation of new tress roofing system (gabled) of the Hidalgo County Head Start portable building located at Helena Street, McAllen, Texas and relocating to 1208 Paula Street, Palmview, Texas per this scope of work and ROFDW specification plans.

WHEREAS, as Hidalgo County retained the services of a Structural Engineer / Civil Engineer - Hinojosa Engineering Inc. hereinafter "**Hinojosa Engineering**"; and

WHEREAS, Hidalgo County and Head Start presented a Notice of Construction Defect "Claim" ("Claim") against Centennial, which Centennial denied; and

WHEREAS, the PARTIES desire to bring closure to all disputes, controversies, claims, causes of action of any kind whatsoever which the Parties may have one against the other as alleged in the CLAIM,

and further desire to avoid the uncertainty, time, expense, and inconvenience of litigation and protracted negotiations the PARTIES now desire to buy their peace, and thus agree as follows:

I.
COMPROMISE SETTLEMENT AGREEMENT

“Hidalgo County and Hidalgo County Head Start” includes, without limitation, its officers (Elected or Appointed), directors, employees, agents, attorneys, predecessors and successors in interest, insurance carriers, bonding companies, and/or assigns of any such entities or individuals.

“Centennial” includes, without limitation, Centennial Contractors Enterprises, Inc., its owners, officers, directors, general or limited partners, employees, agents, attorneys, predecessors and successors in interest, parent corporations, affiliated corporations, subsidiary corporations, insurance carriers, bonding companies, and/or assigns of any such entities or individuals.

In consideration of the mutual exchange of promises, payment, if any, covenants, forbearances, releases, and indemnifications contained herein, and other good and valuable consideration, the PARTIES hereby agree as follows:

1. Centennial will perform the certain work that is set forth in the drawings and specification prepared by Hinojosa Engineering, Inc. relating to the roof of Hidalgo County Head Start building located at 1208 Paula Street, Palmview, Texas at its own expense.
2. Since Centennial is incurring the cost of the work and payment of Engineering cost, Centennial will manage the construction process and hire the subcontractors of its choosing.
3. Hinojosa Engineering and Hidalgo County shall inspect, approve and accept the work in writing upon satisfactory completion of the work.
4. Hinojosa Engineering will be required to issue “For Construction” drawings prior to Centennial's commencement of the work.

5. Hidalgo County Head Start will remove all personal property of the students and teachers and any other equipment and materials that should be protected from construction activities prior to the start of the work.
6. Hidalgo County Head Start will provide a secure temporary storage facility for the furniture, school supplies, etc.
7. Prior to the commencement of work this Release of Claims shall be fully executed by both parties. Upon execution of this Release of Claims, Centennial shall prepare a schedule for informational purposes.
8. The claims of the parties against each other which exist at the time of the signing of this document shall be released.
10. Centennial shall execute a construction contract in the form required by Hidalgo County. See Attachment "B".

II.
RELEASE

In consideration of the exchange of promises, payment, covenants, forbearances, releases, and indemnifications contained herein, and other good and valuable consideration, the PARTIES hereby forever release, acquit and discharge each other and their agents, servants, employees successors, assigns, and attorneys of, from, and against any and all known and unknown claims of any nature, demands, or causes of action for damages, equitable relief, and/or attorneys fees, which the PARTIES may presently have one against the other, and which claim, demand or cause of action, is based in whole or in part on any conduct, fact, matter, act, and/or omission which includes and/or is related to the work previously done by Centennial Contractors under "the Contract" whether any such claim, demand, or cause of action alleges, without limitation, either in whole or in part: acts or omissions in violation of any federal statute or regulation; acts or omissions in violation of any Texas state statute or regulation; acts or omissions in violation of any common-law; acts or omissions in breach of any oral or written contract or in breach of any

common law duty. This release does not apply to any claims that may arise from work done under the construction contract attached hereto as Exhibit B.

III.
WARRANTIES AND REPRESENTATIONS

In consideration of the mutual exchange of promises, payments, covenants, forbearances, releases, and indemnifications contained herein, and other good and valuable consideration, the PARTIES represent as follows:

1. The PARTIES are the true owners of all the claims which each is compromising, settling, and releasing herein, and neither has conveyed, bargained, sold, transferred, or assigned any such claim to any person or entity not a party to this Agreement.

2. Before consummating this AGREEMENT, the PARTIES have fully informed themselves of each term, covenant, and condition, and of the consequences and effect of each, and each has relied solely and completely upon their own judgment and upon the advice of their legal counsel in making and consummating this AGREEMENT. This Agreement shall never be treated as an admission of liability or responsibility by any party hereto.

3. No promise or representation of any kind has been made by any party to the other to induce the other to make and consummate this AGREEMENT, except as expressly stated herein.

4. The PARTIES each has the power, authority and legal capacity to enter and execute this AGREEMENT.

IV.
GENERAL AGREEMENTS

In consideration of the mutual exchange of promises, payments, covenants, forbearances, and releases, contained herein, and other good and valuable consideration, the PARTIES hereby further agree as follows:

1. That the terms hereof are contractual and not merely recitals, and that the agreements herein contained and the consideration transferred is to compromise and settle doubtful and disputed claims.

2. That no payments, releases or other consideration made or given herein shall ever be construed, for any purpose, as any form of admission or declaration against interest on the part of any party to this AGREEMENT.

3. That this AGREEMENT shall be governed by, construed and enforced in accordance with, and subject to, the rules of construction, and the laws of the State of Texas and venue of any action brought to enforce or interpret it is established by the terms of this Settlement Agreement as being in Hidalgo County, Texas.

4. That each will execute such documents as may be necessary to fully and finally effectuate this AGREEMENT.

5. That all costs, expenses, and attorney's fees incurred in connection with presentation of this claim, and further incurred in connection with negotiating, making, and consummating this AGREEMENT shall be borne by the party incurring the same.

6. That any party hereto who prevails in enforcing any provision of this AGREEMENT against the other party shall be entitled to recover from the other party all reasonable attorneys fees, costs, and expenses incurred in connection therewith.

7. That this Settlement Agreement, together with the exhibits and attachments hereto, contains the entire agreement of the parties and supersedes any and all prior agreements, arrangements or understandings, whether written or oral, between the PARTIES respecting the subject matter of this Agreement.

8. That each and every provision, paragraph, sentence and clause of this AGREEMENT has been separately considered and agreed to by the PARTIES, and if should any provision, paragraph, sentence and clause hereof should be declared legally infirm or invalid, for any cause, it shall neither impair, nor affect the remaining portion, nor any part thereof.

9. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same Agreement.

10. Whenever the context requires, reference herein made to the single number shall be understood to include the plural and likewise the plural shall be understood to include the singular. Words denoting sex shall be construed to include the masculine, feminine, and neuter, when such construction is appropriate, and specific enumeration shall not exclude the general, but shall be construed as cumulative.

11. The facts and terms of this Release and settlement shall be kept strictly confidential. Except as required to enforce this Release, neither the Parties nor their agents, representatives, employees, shall disclose any information of any kind regarding this claim or this settlement to any other person or entity, including without limitation the media, other than the Parties to this Release and their agents and employees, unless ordered to do so by a court of competent jurisdiction or as otherwise provided or required by law.

EXECUTED this _____ day of May, 2012.

HIDALGO COUNTY HIDALGO COUNTY

HEAD START PROGRAM, AN AGENCY
OF HIDALGO COUNTY

By: _____

By: _____

Title:

Title:

CENTENNIAL CONTRACTORS ENTERPRISES, INC.

By: _____

Title: