

ORDER NO. _____

AN ORDER OF HIDALGO COUNTY DRAINAGE DISTRICT NO. 1
AUTHORIZING THE CASH PURCHASE OF EQUIPMENT FROM THE
COUNTY OF HIDALGO AND APPROVING OTHER MATTERS INCIDENT
THERE TO.

WHEREAS, THE COUNTY OF HIDALGO (the "County") and Hidalgo County
Drainage District No. One (the "District") have previously entered various inter-local agreements
for the purpose of undertaking joint improvement to and maintenance of the County's storm
drainage facilities; and

WHEREAS, the County desires to sell certain equipment and machinery which is listed
in Exhibit "A" attached hereto to the District for its use in further improving and maintaining the
County's storm drainage facilities in the District; NOW THEREFORE,

BE IT RESOLVED:

ARTICLE I

APPROVAL; DESCRIPTION; PURCHASE PRICE; OTHER TERMS

2.1 **Approval.**

The purchase of the Equipment is hereby approved.

2.2 **Description.**

The Equipment is described in Exhibit "A" attached hereto.

2.3 **Amount, Purpose and Authorization.** The purchase price for the Equipment is
the amount of EIGHT HUNDRED SEVENTY FOUR THOUSAND FOUR HUNDRED
TWENTY-FOUR AND NO/100 DOLLARS (\$874,424.00) payable in cash upon delivery.

2.4 **Purchase Rights.** The District shall be entitled to full title and all ownership
interests in the Equipment.

2.5 **Consummation of Purchase.** At closing or delivery, the County shall deliver to District such deeds, titles, termination statements, bills of sale and other documents and instruments as District shall reasonably require to evidence the transfer of all right, title and interest of the County in such Equipment to District free and clear of all liens and encumbrances created by or arising, directly or indirectly, through the County.

ARTICLE IV

COVENANTS OF THE DISTRICT

4.1. **Use of Equipment.** The District shall use the Equipment in a careful and proper manner, in compliance with all applicable laws and regulations, including the tax exempt Treasury Regulations and will not dispose of the Equipment without issuance of an opinion by the District's bond counsel to the effect that the disposition will not affect the District's or the County's designation of its debt obligations a tax-exempt.

4.2. **Warranties.** Except for representations, warranties and service contracts relating to the Equipment made or entered into by the manufacturers or suppliers of the Equipment, all of which are hereby assigned to the District, the County has made and makes no representation or warranty, express or implied, and assumes no obligation with respect to the title, merchantability, condition, quality or fitness of the Equipment for any particular purpose or the conformity of the Equipment to specifications or purchase order, its design, delivery, installation or operation. All claims or actions on any warranty so assigned to the County shall be made or prosecuted by the District, at its sole expense.

4.3. **Inspection, Acceptance and Written Notice of Defects.** Immediately, or as soon as practicable to provide time for testing, upon receipt and installation of the Equipment, the District shall inspect the Equipment. Unless the District gives the County written notice of each defect or other proper objection to the Equipment before the execution of the Acceptance Certificate, it shall be conclusively presumed, as between the County and the District, that the District has fully inspected and acknowledged that the Equipment is in good condition and repair, has been properly installed and is performing satisfactorily, and that the District is satisfied with and has accepted the Equipment in such good condition and repair.

ARTICLE V

MISCELLANEOUS

5.1. **Further Proceedings.** The County Judge and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Agreement.

5.2. **Severability.** If any section, paragraph, clause or provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Agreement.

5.3. **Open Meeting.** It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the District's governing board at which this Order was adopted was posted at a place convenient and readily accessible at all times to the general public at the official meeting place of the District for the time required by law preceding this meeting, as required by the Texas Open Meetings Law, Chapter 551, Texas Government Code, as amended, and that this meeting was open to the public as required by law at all times during which this Order and the subject matter thereof were discussed, considered and formally acted upon. The District's governing board further ratifies, approves and confirms such written notice and the contents and posting thereof.

5.4. **Repealer.** All orders and resolutions or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

PASSED AND APPROVED ON _____.

HIDALGO COUNTY DRAINAGE
DISTRICT NO. ONE

County Judge

ATTEST:

County Clerk

(SEAL)

Accepted:

Date: _____

Hidalgo County Drainage District No.

By: _____

Exhibit A
Equipment Description