

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 AND
HIDALGO COUNTY, TEXAS**

THIS Agreement is made on this the ____ day of _____, 2013, by and between the **HIDALGO COUNTY DRAINAGE DISTRICT NO. 1** (the "DISTRICT" or Lessor") and Hidalgo County, Texas ("COUNTY" or "Lessee"), pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, County conveyed the subject real property more particularly described on Exhibit A attached hereto (the "Premises", the "Leased Premises") or the "Lease Space") to District

WHEREAS, County is presently occupying and/or storing certain equipment or personal property as the Premises;

WHEREAS, County desires to lease the Premises for the purpose of storing equipment and other personal property until County can relocate such equipment and other personal property.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Interlocal Cooperation Agreement, and other good and valuable consideration, Lessor demises and leases to Lessee, and Lessee leases from Lessor the Lease Space.

**ARTICLE 1
TERM**

1.1 Term of Interlocal Cooperation Agreement. Except as otherwise herein provided, the term of this Interlocal Cooperation Agreement shall be for a ninety (90) day period commencing on July 17, 2013 (the "Commencement Date") and ending on October 16, 2013 (the "Termination Date") unless sooner terminated as provided in this Interlocal Cooperation Agreement, or unless renewed and extended in accordance with Paragraph 1.2, hereof.

1.2 Renewal or Termination. Lessee shall have the right and option to renew and extend the term of this Interlocal Cooperation Agreement for an additional

thirty (30) day period (the "Renewal Term"). If Lessee desires to renew and extend the term of this Interlocal Cooperation Agreement for such renewal period, Lessee must give Lessor written notice of such renewal at least ten (10) days prior to the termination of the initial lease term. Any renewal or extension of this Interlocal Cooperation Agreement shall be on the same terms and conditions as provided herein. This Interlocal Cooperation Agreement shall terminate and become null and void without further notice on the expiration of the term specified in Article 1.1, unless sooner terminated or renewed and extended in accordance with this Article 1.2, and any holding over by Lessee after the expiration of that term shall not constitute a renewal of the Interlocal Cooperation Agreement or give Lessee any rights under the Interlocal Cooperation Agreement in or to the Leased Premises.

1.3 Holdover. If Lessee holds over and continues in possession of the Leased Premises after expiration of the term of this Interlocal Cooperation Agreement, Lessee will be deemed to be occupying the Premises on the basis of a month to month tenancy (the "Holdover"), subject to all of the terms and conditions of this Interlocal Cooperation Agreement. The inclusion of this Article 1.3 shall not be construed as Lessor's consent for Lessee to hold over.

1.4 Termination. Lessee may declare this Interlocal Cooperation Agreement, and all rights and interest created by it, to be terminated upon giving the Lessor ten (10) days written notice without cause. Upon Lessee's election to terminate, this Interlocal Cooperation Agreement shall cease and come to an end as if the day of the termination party's election were the day originally fixed in the Interlocal Cooperation Agreement for its expiration.

1.5 Lessor's Warranty of Quiet Enjoyment. Lessor covenants and agrees that Lessee on paying the rent and other charges herein provided for and observing and keeping the covenants, conditions, and terms of this Interlocal Cooperation Agreement on Lessee's part to be kept or performed, shall lawfully and quietly hold, occupy, and enjoy the Leased Premises during the term of this Interlocal Cooperation Agreement

without hindrance or molestation of Lessor or any person claiming under Lessor except such portion of the Leased Premises, if any, as shall be taken under the power of eminent domain.

**ARTICLE 2
RENT**

2.1 Base Rent. Lessee agrees to pay to Lessor, during the term hereof, rent in the amount of One Hundred Dollars and No/100ths (\$100.00) for the initial term of the lease and the same sum for any Renewal Term and for any Holdover months.

2.2 Time and Manner of Payment . All rent due under this article shall be paid by Lessee on the Commencement Date. Rent shall be paid in lawful money of the United States to the Lessor at 900 N. Doolittle Road Edinburg, Texas 78541, or other such other location or locations as Lessor shall from time to time designate by written notice to Lessee.

2.3 Taxes. Lessor is responsible for rendering and paying all real estate taxes, if any, on the Property. Lessee shall be responsible for taxes, if any, on Lessee's personal property located on the Premises.

**ARTICLE 3
USE OF PREMISES**

3.1 Permitted Use. Lessee may use the premises for office space and storage of equipment and personal property and for any other lawful purpose.

3.2 Waste, Nuisance or Illegal Use. Lessee shall not use, or permit the use of, the Premises in any manner that result in waste of the Premises or constitutes a nuisance or violates any statute, ordinance, rule or regulation applicable to the premises or for any illegal purpose.

**ARTICLE 4
REPAIRS AND MAINTENANCE**

4.1 Repairs and Maintenance. Lessee shall be responsible for all repairs and maintenance in connection with damage to the Premises, and damage to fixtures and improvements resulting from negligent or willful acts of the Lessee, or the Lessee's employees, agents, licensees or invitees. In addition, Lessee shall repair all injury caused by the installation or removal of furniture, fixtures or property permitted under

this Interlocal Cooperation Agreement to be removed from the Leased Premises. All such repairs shall be made in a good, workmanlike manner using high quality materials.

4.2 Lessor's and Lessee's Duty to Repair. Lessor shall maintain the foundation, roof, plumbing, heating, ventilation and air conditioning systems ("HVAC") and structural integrity of the Leased Premises and may but shall not be required to make all such necessary repairs to the foundation, roof plumbing, HVAC and structural integrity of the Leased Premises, except that Lessee shall make those repairs occasioned by Lessee's negligent use of the Leased Premises.

4.3 Lessor's Duty. Lessor may but shall not be required to construct, repair and maintain the Leased Premises so that the Premises will have:

- (1) Effective waterproofing and weather protection of the contents of the Leased Premises by watertight roof, exterior walls, windows, and doors.
- (2) Plumbing facilities that conform to applicable law, maintained in good working order.
- (3) A water supply approved under applicable law that is under the control of Lessee, capable of producing hot and cold running water, or a system that is under the control of Lessor that produces hot and cold u\running water furnished to Lessee and connected to a sewage disposal system conforming to applicable law.
- (4) Heating, ventilation and air conditioning facilities conforming to applicable law which are more than adequate to heat, ventilate and air condition the improvements on the Leased Premises, and are maintained in good working order.
- (5) Electrical lighting, with wiring and electrical equipment that conform to applicable law, maintained in good working order.
- (6) Building, grounds, and appurtenances in every part clean, sanitary, and free from all accumulations of debris, and all areas under control of Lessor kept in every part clean, sanitary, and free from all accumulations of debris.
- (7) Floor, stairways, and railings maintained in good repair.

4.4 Lessee's Right to Repair for Lessor or Vacate. If after Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within thirty (30) days following written notice from Lessee, Lessee may make the repairs itself. In such a case, Lessee shall be responsible for all expenses of the repairs.

**ARTICLE 5
UTILITY CHARGES**

5.1 Utility Charges. Lessee shall pay all utility charges used in and about the Leased Premises during the term of this Interlocal Cooperation Agreement, all such charges to be paid by Lessee directly to the utility company or municipality furnishing the same, before the same shall become delinquent.

**ARTICLE 6
ALTERATIONS, ADDITIONS, AND IMPROVEMENTS**

6.1 Consent of Lessor. Lessee shall not make any alterations, additions, or improvements to the Leased Premises without the prior written consent of Lessor. Consent for nonstructural alterations, additions, or improvements shall not be unreasonably withheld by Lessor.

6.2 Property of Lessor. All alterations, additions, or improvements made by Lessee shall become the property of Lessor at the termination of this Interlocal Cooperation Agreement. 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 Interlocal Cooperation Agreement. 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.

**ARTICLE 7
SIGNS**

7.1 Signs. Subject to the written approval of Lessor, and further subject to applicable laws, ordinances and regulations, Lessee shall have the right to install a sign on the Leased Premises. Lessee must remove all signs at the termination of this

**ARTICLE 8
MECHANIC'S LIEN**

8.1 Mechanic's Lien. Lessee will not permit any mechanic's lien or liens to be placed upon the Leased Premises or improvements on the Premises, and if such lien is claimed as a result of the acts of Lessee, the Lessee will promptly pay the lien. If default in payment of the lien continues for twenty (20) days after written notice from Lessor, Lessor may, at its option, pay the lien or any portion of it without inquiry as to its validity. Any amounts paid by the Lessor to remove a mechanic's lien caused to be filed against the Premises or improvements on the Premises by Lessee, including expenses and interest, shall be due from Lessee to Lessor and shall be repaid to Lessor immediately on rendition of notice, together with interest at ten percent (10%) per annum until repaid.

**ARTICLE 9
INSURANCE AND INDEMNITY**

9.1 Lessee's Property Insurance. Lessee shall, at its own expense, during the term of this Interlocal Cooperation Agreement, keep all buildings and improvements on the Leased Premises insured against loss or damage by fire with extended coverage to include direct loss by windstorm, hail, explosion, riot, or riot attending a strike, civil commotion, aircraft, vehicles, and smoke, in the aggregate amounts of not less than the full fair insurable value of the buildings and improvements. Lessee's insurance coverage is subject to approval by Lessor and shall remain in force during the life of this Agreement.

9.2 General Liability Insurance. Lessee, at its own expense, shall maintain a comprehensive liability insurance policy protecting Lessee against all claims or demands that may arise or be claimed on account of Lessee's use of the Leased Premises, in an amount of at least \$100,000.00 for injuries to a person in one accident, and \$300,000.00 aggregate. The insurance shall be written by a company or companies, authorized to engage in the business of general liability insurance in Texas.

9.3 Personal Property Insurance. Lessee shall maintain all insurance on Lessee's personal property located within the Leased Premises and Lessee covenants

and agrees that Lessor shall have no responsibility for damage or destruction of Lessee's personal property located within the Leased Premises. Prior to occupancy of the Premises, Lessee shall provide Lessor with evidence of such insurance.

ARTICLE 10

DAMAGE OR DESTRUCTION OF PREMISES

10.1 Notices to Lessor. If the Leased Premises, or any structures or improvements on the Leased Premises, should be damaged or destroyed by fire, tornado, or other casualty, Lessee shall give immediate written notice of the damage or destruction to Lessor, including a description of the damage and, as far as known to Lessee, the cause of the damage.

10.2 Complete Loss of Premises. If the building on the Leased Premises should be totally destroyed by fire, tornado, or other casualty, or if they should be so damaged that rebuilding or repairs occurrence of the damage, this Interlocal Cooperation Agreement, at the option of the Lessee, shall terminate and rent shall be abated for the unexpired portion of this Interlocal Cooperation Agreement, effective as of the date of said occurrence.

10.3 Damaged Premises. If the Leased Premises should be damaged by fire, tornado, or other, Lessor shall not be required to rebuild or repair such damage.

ARTICLE 11

DEFAULT

11.1 Default by Lessee. If Lessee shall allow the rent to be in arrears more than ten (10) days after written notice of such delinquency, or shall remain in default under any other condition of this Interlocal Cooperation Agreement for a period of fifteen (15) days after written notice from Lessor, Lessor may at its option, without notice to Lessee, terminate this Interlocal Cooperation Agreement or, in the alternative, Lessor may re-enter and take possession of the Premises and remove all persons and property without being deemed guilty of any manner of trespass and relet the Premises, or any part of the Premises, for all or any part of the remainder of the Interlocal Cooperation Agreement term, to a party satisfactory to Lessor and at such monthly rental as Lessor may with reasonable diligence be able to secure. Should Lessor be unable to re-let after reasonable efforts to do so, or should such monthly rental be less than the rental

Lessee was obligated to pay under this Interlocal Cooperation Agreement, or any renewal of this Interlocal Cooperation Agreement, plus the expense of reletting, then Lessee shall pay the amount of such deficiency plus reasonable attorney's fees to Lessor.

11.2 Default by Lessor. If Lessor defaults in the performance of any terms, covenants, or conditions required to be performed by it under this Interlocal Cooperation Agreement, in addition to other remedies afforded Lessee under this Interlocal Cooperation Agreement or at law, Lessee may elect that: Upon Lessee's notice to Lessor of repairs or maintenance which Lessor has a duty to undertake, Lessor neglects to make such repairs within sixty (60) days following written notice from Lessee. Lessee may vacate the Premises, in which case it shall be discharged from further payment of rent, the performance of all other terms and conditions of this Interlocal Cooperation Agreement, and this Interlocal Cooperation Agreement shall terminate as of the date Lessee vacates the Premises and any rental shall be abated for the unexpired term of this Interlocal Cooperation Agreement.

11.3 Cumulative Remedies. All rights and remedies of Lessor and Lessee under this Article shall be cumulative, and none shall exclude any other right or remedy provided by law or by any other provision of this Interlocal Cooperation Agreement. All such rights and remedies may be exercised and enforced concurrently and whenever, and as often, as occasion for their exercise arises.

11.4 Waiver of Breach. A waiver by either Lessor or Lessee of a breach of this Interlocal Cooperation Agreement by the other party does not constitute a continuing waiver or a waiver of any subsequent breach of the Interlocal Cooperation Agreement.

ARTICLE 12 ASSIGNMENT AND SUBLETTING

12.1 Assignment and Subletting by Lessee. Lessee may not sublet, assign, encumber, or otherwise transfer this Interlocal Cooperation Agreement or any right or interest in this Interlocal Cooperation Agreement or in the Leased Premises or the improvements on the Leased Premises, without the written consent of Lessor. If Lessee sublets, assigns, encumbers, or otherwise transfers its rights or interest in this

Interlocal Cooperation Agreement or in the Leased Premises or the improvements on the Leased Premises, other than as specified herein, without the written consent of Lessor, Lessor may, at its option, declare this Interlocal Cooperation Agreement terminated and Lessee and Lessor shall have no further obligation to each other under this Interlocal Cooperation Agreement. In the event Lessor consents in writing to an assignment, sublease or other transfer of all or any of Lessee's rights under this Interlocal Cooperation Agreement, the assignee or sub-lessee, must assume all of Lessee's obligations under this Interlocal Cooperation Agreement, and Lessee shall remain liable for every obligation under the Interlocal Cooperation Agreement. Lessor's consent under this section will not be arbitrarily or unreasonably withheld.

12.2 Assignment by Lessor. Lessor may assign or transfer any or all of its interests under the terms of this Interlocal Cooperation Agreement.

**ARTICLE 13
MISCELLANEOUS**

13.1 Notices and Addresses. All notices required under this Interlocal Cooperation Agreement will be deemed delivered when deposited in certified or registered mail, addressed to the proper party, at the following addresses:

Lessor:

Hidalgo County Drainage District No. 1
Attn: Manager
900 N. Doolittle Road
Edinburg, Texas 78540-0758

Lessee:

Hidalgo County
Attn: County Judge
P.O. Box 1356
Edinburg, Texas 78541

Either party may change the address to which notices are to be sent it by giving the other party notice of the new address in the manner provided in this section.

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

13.3 Texas Law to Apply. This Interlocal Cooperation Agreement shall be construed under, and in accordance with, the laws of the State of Texas, and all obligations of the parties created by this Interlocal Cooperation Agreement are performable in Hidalgo County, Texas.

13.4 Legal Construction. In case any one or more of the provisions contained in this Interlocal Cooperation Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of the Interlocal Cooperation Agreement, and this agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been included in the Interlocal Cooperation Agreement.

13.5 Prior Agreements Superseded. This Interlocal Cooperation Agreement constitutes the sole and only agreement of the parties to the agreement and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this agreement.

13.6 Amendment. No amendment, modification, or alteration of the terms of this Interlocal Cooperation Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this agreement.

13.7 Rights and Remedies Cumulative. The rights and remedies provided by this Interlocal Cooperation Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive that party's right to use any or all other remedies. The rights and remedies provided in this Interlocal Cooperation Agreement are in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

13.8 Attorneys' Fees and Costs. If, as a result of a breach of this Interlocal Cooperation Agreement by either party, the other party employs an attorney or attorneys to enforce its rights under this Interlocal Cooperation Agreement, then the breaching or defaulting party agrees to pay the other party the reasonable attorneys' fees and costs incurred to enforce the Interlocal Cooperation Agreement.

13.9 Force Majeure. Neither Lessor nor Lessee shall be required to perform any term, conditions, or covenant in this Interlocal Cooperation Agreement so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, strikes, lockouts, material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of Lessor or Lessee

and which by the exercise of due diligence Lessor or Lessee is unable, wholly or in part, to prevent or overcome.

13.10 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, and Lessor and Lessee each agree to indemnify and hold harmless the other from and against any and all claims, losses, damages, costs or expenses of any kind, or arrangement or understanding alleged to have been made by the indemnifying party or on its behalf with any broker, salesman or finder in connection with this Interlocal Cooperation Agreement or the transactions contemplated hereby.

13.11 Estoppel Information. Lessee shall, at the request of Lessor, provide any and all information with respect to this Interlocal Cooperation Agreement to any person designated by Lessor.

13.12 Commitment of Current Revenue. In the event that, during any term hereof, Lessee does not appropriate sufficient funds to meet the obligations of Lessee under this Agreement, Lessee may terminate this Agreement upon sixty (60) days written notice. Lessee agrees, however, to use reasonable efforts to secure funds necessary for the continued performance of this Interlocal Cooperation Agreement. The parties intend this provision to be a continuing right to terminate this Interlocal Cooperation Agreement at the expiration of each budget period of Lessee pursuant to the provisions of Tex. Loc. Govt. Code Ann § 271.903.

13.13 Time of the Essence. Time is of the essence for this Interlocal Cooperation Agreement.

THE UNDERSIGNED Lessor and Lessee execute this Interlocal Cooperation Agreement on the ___ day of _____, 2013

HIDALGO COUNTY

By: Ramon Garcia, County Judge

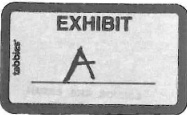
Date: _____

**HIDALGO COUNTY DRAINAGE
DISTRICT NO. 1**

By: Ramon Garcia, Chairman Board of
Directors

Date: _____

EXHIBIT "A"
Legal Description



A 3.49 ACRE TRACT OF LAND OUT OF LOT 15, SECTION 245, TEXAS-MEXICAN RAILWAY COMPANY'S SURVEY, HIDALGO COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN VOLUME 1, PAGE 16, MAP RECORDS, HIDALGO COUNTY, TEXAS, AND ACCORDING TO WARRANTY DEED RECORDED IN VOLUME 1302, PAGE 965, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS, REFERENCE TO WHICH IS HERE MADE FOR ALL PURPOSES AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.

BEGINNING AT A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 15 AND IN THE CENTERLINE OF DOOLITTLE ROAD FOR THE SOUTHWEST CORNER OF THE ROMAN VERA, JR. TRACT (A 4.85 ACRE TRACT OUT OF LOTS 9, 10, 15 AND DEED WITHOUT WARRANTY RECORDED UNDER COUNTY CLERK'S DOCUMENT NUMBER 1229613, OFFICIAL RECORDS, HIDALGO COUNTY, TEXAS) AND THE NORTHWEST CORNER OF THIS TRACT, SAID SPINDLE BEARS S 09°05' W, 40.00 FEET FROM THE NORTHWEST CORNER OF LOT 15.

THENCE: S 80°55' E, ALONG THE SOUTH LINE OF THE ROMAN VERA, JR. TRACT, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 FOUND AT 30.00 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 358.00 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE NORTHEAST CORNER OF THIS TRACT.

THENCE: S 09°05' W, A DISTANCE OF 424.47 FEET TO A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET FOR THE SOUTHEAST CORNER OF THIS TRACT.

THENCE: N 80°55' W, PASSING A 1/2" IRON ROD WITH CAP STAMPED RPLS 4856 SET AT 328.00 FEET FOR THE EAST RIGHT OF WAY LINE OF DOOLITTLE ROAD, A TOTAL DISTANCE OF 358.00 FEET TO A COTTON PICKER SPINDLE SET ON THE WEST LINE OF LOT 15 AND IN THE CENTERLINE OF DOOLITTLE ROAD FOR THE SOUTHWEST CORNER OF THIS TRACT.

THENCE: N 09°05' E, ALONG THE WEST LINE OF LOT 15 AND THE CENTERLINE OF DOOLITTLE ROAD, A DISTANCE OF 424.47 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.49 ACRES OF LAND MORE OR LESS.

BEARINGS ARE IN ACCORDANCE WITH MULTI-PURPOSES FACILITY FOR PRECINCT No. 4 SUBDIVISION, RECORDED IN VOLUME 27, PAGE 181, MAP RECORDS, HIDALGO COUNTY, TEXAS.

THE PROPERTY DESCRIBED IN THIS METES AND BOUNDS MAY BE SUBJECT TO THE SUBDIVISION REGULATIONS OF THE COUNTY OF HIDALGO AND/OR ORDINANCES OR GOVERNMENTAL REGULATIONS OF THE CITY IN WHICH THE PROPERTY MAY BE LOCATED OR HOLDING EXTRA TERRITORIAL JURISDICTION.

I, ALFONSO QUINTANILLA, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THE ABOVE METES AND BOUNDS TO BE TRUE AND CORRECT, AND TO BE THE REPRESENTATION AND RESULT OF AN ACTUAL SURVEY DONE ON THE GROUND UNDER MY DIRECTION.

DATE PREPARED: March 7, 2012


 ALFONSO QUINTANILLA
 REGISTERED PROFESSIONAL
 LAND SURVEYOR No. 4856

