

STATE OF TEXAS §

COUNTY OF HDALGO §

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

THIS Agreement is made on this the ___ day of _____, 2014, by and between the HIDALGO COUNTY DRAINAGE DISTRICT NO. 1, hereinafter referred to as "District," and the COUNTY OF HIDALGO, hereinafter referred to as "County," pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

WITNESSETH:

WHEREAS, the County currently owns eight certain tracts of land situated in Hidalgo County, Texas, known as the LJ Ponds all such tracts more fully described on Exhibit "A" attached hereto and made a part hereof for all purposes (hereinafter collectively referred to as the "Tracts");

WHEREAS, the District desires to acquire the Tracts in fee, for District purposes;

WHEREAS, this Agreement for the proposed acquisition of the Tracts is in lieu of condemnation;

WHEREAS, Subsection 272.001(b) of the Local Government Code provides that the notice and bidding requirements of Subsection 272.001(a) are not applicable to a real property interest conveyed to a governmental entity that has the power of eminent domain. Such real property interests may not be conveyed, sold, or exchanged for less than the fair market value of the land unless the conveyance, sale, or exchange is with one or more abutting property owners who own the underlying fee simple. The fair market value is determined by an appraisal obtained by the political subdivision that owns the land;

WHEREAS, the Tracts are real property interests owned by a political subdivision;

WHEREAS, District is a governmental entity that has the power of eminent domain;

WHEREAS, an appraisal was prepared by Leonel Garza, Jr. & Associates dated June 10, 2014 whereby the Tracts were appraised at \$1,067,275.00; and

WHEREAS, County agrees to sell to District, who agrees to purchase, the Tracts upon the terms and conditions set forth herein.

NOW, THEREFORE, County and District, in consideration of the mutual covenants expressed hereinafter, agree as follows:

1. County will convey the Tracts to District by Special Warranty Deed, together with all and singular the rights and appurtenances pertaining to the Tracts, including any right, title and interest of County in and to adjacent streets, alleys or rights-of-ways, together with any improvements.

2. The conveyance of the Tracts are subject to the following exceptions (collectively the "Permitted Exceptions"):

a. Subject to any and all easements and dedications of record or visible on the ground.

b. Save and except all oil, gas and other minerals in, under and that may be produced from such land.

c. Subject to any valid and outstanding mineral leases of record.

d. Subject to any zoning or subdivision requirements of governmental entities having jurisdiction thereof.

e. Subject to any restrictions, easements, reservations or covenants, and any other restrictions as shown by title commitment.

3. Closing of the transfer of the Tract to the District ("Closing") shall take place at the offices of Atlas, Hall & Rodriguez, LL,P., 818 Pecan, McAllen, Texas, on or before August 1, 2014 or at such earlier time, date and place as County and District may agree upon.

4. At Closing, District shall pay the County the sum of \$1,067,275.00 and recording fees.

5. At Closing, County shall deliver to District:

a. A duly executed and acknowledged Special Warranty Deed conveying the Tracts in fee simple free and clear of any and all liens and encumbrances,

except the Permitted Exceptions as defined in numbered paragraph 2 above (the "Deed"); and

b. Possession of the Tract.

6. All costs, adjustments and expenses of Closing shall be borne as follows:
 - a. Each party shall pay its own attorney's fees;
 - b. County shall pay the cost of an Owners Title Policy for the Tracts; and
 - c. District shall pay the cost of recording instruments presented by the County.

7. The terms and provisions of this Agreement shall survive the Closing, and may be enforced by specific performance.

8. If either party fails to comply with the obligations as set out in this Agreement, the other party may terminate this Agreement.

9. Any signatory to this Agreement, who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to this Agreement or transaction, shall be additionally entitled to recover Court costs and reasonable attorneys' fees from the non-prevailing party.

10. If prior to the Closing all or any portion of the Tract is condemned, either party shall have the right to terminate this Agreement upon giving written notice to the other party within ten (10) days of the date one party notifies the other, in writing, of such condemnation. If neither party elects to terminate this Agreement, then the Closing shall take place, as herein provided and the interest in any condemnation awards shall be assigned to the party receiving title to such property at Closing.

11. The existence of any other liens or encumbrances which secure an obligation to pay money shall not be objections to title provided that properly executed instruments in recordable form necessary to satisfy the same are delivered by the transferring party at the Closing, together with recording or filing fees.

12. This Agreement may not be assigned without prior written consent executed by both parties hereto.

13. Any representations, warranties, or covenants of the parties, as well as any rights and benefits of the parties, shall survive the Closing and not be merged therein.

14. Time shall be of the essence of this Agreement.

15. This Agreement and all of the terms, provisions and covenants contained herein shall apply to, be binding upon and inure to the benefit of the parties hereto, their respective successors and assigns.

16. This Agreement shall be construed and interpreted under the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas.

17. in case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein.

18. All notices, demands or requests required or permitted under this Agreement shall be in writing, and shall be deemed to have been properly given, whether or not actually received, when the same have been deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the as set forth below:

If to County: Hidalgo County, Texas
Attention: Ramon Garcia, County Judge
P.O. Box 1356
Edinburg, Texas 78540-0758

If to District: Hidalgo County Drainage District No. One
Attention: Ramon Garcia, Chairman Board of Directors
900 N. Doolittle Road
Edinburg, Texas 78541

19. This Agreement contains the entire agreement between the parties and supersedes all prior agreements and understandings between the parties concerning the Tracts, and it shall not be amended, modified, supplemented or changed in any way except by written agreement of the parties.

20. To the extent allowable by law, the parties hereto agree to indemnify and hold harmless the other party from any and all costs, expenses or damages resulting from any claims for brokerage fees or other similar form of compensation made by any

real estate broker or other person or entity because of the transactions contemplated herein.

21. Should either party be in default under any of the terms of this Agreement, the non-defaulting party shall so notify the defaulting party in writing and the defaulting party shall have a period of twenty (20) days from the receipt of such notice to cure the default.

22. In addition to the acts recited in this Agreement to be performed by the parties, the parties hereto agree to perform or cause to be performed at the Closing or after the Closing, any and all such further acts as may be reasonably necessary to consummate transactions contemplated hereby.

The date of this Agreement is the ____ day of _____, 2014.

ATTEST:

HIDALGO COUNTY

Arturo Guajardo, Jr., County Clerk

By: Ramon Garcia, County Judge
Print Name: _____
Title: _____

HIDALGO COUNTY DRAINAGE DISTRICT
NO. ONE

By: _____
Print Name: _____
Title: _____

APPROVED AS TO FORM
ATLAS, HALL & RODRIGUEZ, LLP

By: _____
Stephen L. Crain

EXHIBIT A
LJ Drainage Project

Tract I:

A 10.015 acre tract of land out of the East 20-acres of Lot 4, Block 49, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 25, Map Records, Hidalgo County, Texas. Said 20-acre tract of land is vested to Juan Villanueva, from Howard W. Steele and wife, Violet E. Steele, by virtue of a Warranty Deed, dated September 5, 1969, recorded in Volume 1239, Page 841, Deed Records, and Hidalgo County, Texas. Said 10.015-acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southeast corner of Lot 4, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 4, a distance of 661.00 feet to the Southwest corner of said 20-acre tract and Southeast corner of Sitio Owassa Subdivision, recorded in Volume 49, Page 46, Map Records, Hidalgo County, Texas, for the Southwest corner of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said 20-acre tract and East line of said Sitio Owassa Subdivision, a distance of a 660.00 feet to the Proposed North Right of Way line of L.J. Drainage Lateral, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, along said Proposed Right of Way line, a distance of 661.00 feet to the East line of Lot 4 and West line of Azure Subdivision, recorded in Volume 28, Page 16B, Map Records, Hidalgo County, Texas, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 31 minutes 51 seconds West, along the East line Lot 4 and West line of said Azure Subdivision, a distance of 660.00 feet to the POINT OF BEGINNING, containing 10.015-acres, of which 0.837-acres lies in the Existing Hidalgo County Irrigation District No. 2 Drain Ditch Easement, leaving a Proposed Net Taking of 9.178-acres of land, more or less.

Tract II:

A 0.466 acre tract of land out of a 6.15 acre tract out of the West 26.15 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as per map recorded in Volume 1, Pages 24~26, Map Records of Hidalgo County, Texas. Said 6.15-acre tract of land is vested to Antonia Dominguez and Manuel Plata III, from Homer Gomez, by virtue of a Warranty Deed with Vendor's Lien, dated June 8, 1999, recorded in Document No. 782147, Official Records of Hidalgo County, Texas. Said 0.466 acre tract of land being more particularly describe by metes and bounds as follows:

BEGINNING at the Southwest corner of Lot 2, for the Southwest corner of this tract of land and the POINT OF BEGINNING;

THENCE, North 08 degrees 31 minutes 51 seconds East, with the West line of said Lot 2, a distance of a 100.00 feet to a No. 4 rebar found on the Proposed North Right of Way line of L.J. Drainage Lateral, for the Northwest corner of this tract of land;

THENCE, South 81 degrees 28 minutes 09 seconds East, with said Proposed North Right of Way line, a distance of 202.95 feet to a No. 4 rebar set at the East line of said 6.15 acre tract, for the Northeast corner of this tract of land;

THENCE, South 08 degrees 31 minutes 51 seconds West, with the East line of said 6.15 acre tract, a distance of 100.00 feet to the South line of said Lot 2, for the Southeast corner of this tract of land;

THENCE, North 81 degrees 28 minutes 09 seconds West, with the South line of said Lot 2, a distance of 202.95 feet to the POINT OF BEGINNING, containing 0.466 acres, of which 0.244 acres lies in the Existing Hidalgo County Irrigation District No. 2 Easement, 0.086 acres lies in the Existing Texas Eastern Transmission Co. Right of Way Easement, leaving a Proposed Net Taking of 0.136 acres of land, more or less.

Tract III:

A 1.25 acre tract of land out of a 5.0 acre tract out of the West 26.15 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 25, Map Records, Hidalgo County, Texas. Said 1.25 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southwest corner of Lot 2, THENCE, South 81 degrees 28 minutes 09 seconds East, along the South line of Lot 2, a distance of 202.95 feet to the Southwest corner of said 5.00 acre tract, for the Southwest corner and POINT OF BEGINNING of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said 5.0 acre tract, a distance of a 330.00 feet to a No. 4 rebar set, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 165.00 feet to a No. 4 rebar set for a point on the East line of said 5.0 acre tract, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of said 5.0 acre tract, a distance of 330.00 feet to a point on the South line of Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 165.00 feet to the POINT OF BEGINNING, containing 1.25 acres of land, more or less.

Tract IV:

A 1.25 acre tract of land out of a 5.0 acre tract out of the West 26.15 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 25, Map Records, Hidalgo County, Texas. Said 1.25 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southwest corner of Lot 2, THENCE, South 81 degrees 28 minutes 09 seconds East, along the South line of Lot 2, a distance of 367.95 feet to the Southwest corner of said 5.00 acre tract, for the Southwest corner and POINT OF BEGINNING of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said 5.0 acre tract, a distance of a 330.00 feet to a No. 4 rebar set, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 165.00 feet to a No. 4 rebar set for a point on the East line of said 5.0 acre tract, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of said 5.0 acre tract, a distance of 330.00 feet to a point on the South line of Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 165.00 feet to the POINT OF BEGINNING, containing 1.25 acres of land, more or less.

Tract V:

A 1.25 acre tract of land out of a 5.0 acre tract out of the West 26.15 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 25, Map Records, Hidalgo County, Texas. Said 1.25 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southwest corner of Lot 2, THENCE, South 81 degrees 28 minutes 09 seconds East, along the South line of Lot 2, a distance of 532.95 feet to the Southwest corner of said 5.00 acre tract, for the Southwest corner and POINT OF BEGINNING of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said 5.0 acre tract, a distance of a 330.00 feet to a No. 4 rebar set, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 165.00 feet to a No. 4 rebar set for a point on the East line of said 5.0 acre tract, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of said 5.0 acre tract, a distance of 330.00 feet to a point on the South line of Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 165.00 feet to the POINT OF BEGINNING, containing 1.25 acres of land, more or less.

Tract VI:

A 1.25 acre tract of land out of a 5.0 acre tract out of the West 26.15 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 25, Map Records, Hidalgo County, Texas. Said 1.25 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southwest corner of Lot 2, THENCE, South 81 degrees 28 minutes 09 seconds East, along the South line of Lot 2, a distance of 697.95 feet to the Southwest corner of said 5.00 acre tract, for the Southwest corner and POINT OF BEGINNING of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said 5.0 acre tract, a distance of a 330.00 feet to a No. 4 rebar set, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 165.00 feet to a No. 4 rebar set for a point on the East line of said 5.0 acre tract, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of said 5.0 acre tract, a distance of 330.00 feet to a point on the South line of Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 165.00 feet to the POINT OF BEGINNING, containing 1.25 acres of land, more or less.

Tract VII:

A 4.994 acre tract of land out of the East 20 acres of Lot 2, Block 50, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume , Page 25, Map Records, Hidalgo County, Texas. Said 4.994 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southeast corner of said Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 659.01 feet to the Southwest corner of said East 20 acres of Lot 2, Block 50, for the Southwest corner of the tract herein described

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of said the East 20 acres of Lot 2, Block 50, a distance of 330.00 feet to a No. 4 rebar set, for the Northwest corner of the tract herein described;

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 659.50 feet to a point on the East line of Lot 5, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of Lot 2, a distance of 330.00 feet to the POINT OF BEGINNING, containing 4.994 acres of land, more or less.

Tract VIII:

South 10 acres Lot 3, Block 49, Alamo Land and Sugar Company's Subdivision, Hidalgo County, Texas, as recorded in Volume 1, Page 24~26, Map Records, Hidalgo County, Texas, Save and Except: a 1.00 acre tract previously conveyed to Jose L. Garcia, Recorded in Document No. 715370. Official Records, Hidalgo County, Texas. Said 10 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at the Southwest corner of said Lot 3, for the Southwest corner of the tract herein described;

THENCE, North 08 degrees 31 minutes 51 seconds East, along the West line of Lot 3, in Tower Road Right of Way, at a distance of 40.00 feet pass a Cotton Picker Spindle found at the Southwest corner of A.R.C. Subdivision, Recorded in volume 42 Page 28, Map Records, Hidalgo County, Texas at a distance of 248.71 feet pass a Cotton Picker Spindle found at the Northwest corner of said A.R.C. Subdivision and at a total distance of a 330.00 feet to a Cotton Picker Spindle set at the Southwest corner of L.J. Subdivision, Number one, recorded in Volume 23, Page 173, Map Records, Hidalgo

THENCE, South 81 degrees 28 minutes 09 seconds East, parallel to the South line of said Lot 2, a distance of 165.00 feet to a No. 4 rebar set for a point on the East line of said 5.0 acre tract, for the Northeast corner of the tract herein described;

THENCE, South 08 degrees 37 minutes 00 seconds West, along the East line of said 5.0 acre tract, a distance of 330.00 feet to a point on the South line of Lot 2, for the Southeast corner of the tract herein described;

THENCE, North 81 degrees 28 minutes 09 seconds West, along the South line of Lot 2, a distance of 165.00 feet to the POINT OF BEGINNING, containing 1.25 acres of land, more or less.