

EXHIBIT "C"

STATE OF TEXAS §

COUNTY OF HIDALGO §

LPA STANDARD UTILITY AGREEMENT (ACTUAL COST)

MILE 6 WEST

NORTH ALAMO WATER SUPPLY CORP.

ADJUSTMENT, REMOVAL, AND/OR REPLACEMENT

This agreement is made by and between the County Of Hidalgo, Texas hereinafter referred to as "County" and North Alamo Water Supply Corporation hereinafter referred to as "Utility", acting by and through its duly authorized representative, shall be effective on the date of approval and execution by and on behalf of the County.

WHEREAS, Hidalgo County has deemed it necessary to make certain highway improvements as overseen by the State and approved by the Federal Highway Administration located on the highway as indicated above;

WHEREAS; the County is a county in the State of Texas;

WHEREAS, the proposed highway improvements will necessitate the adjustment, removal, and/or relocation of certain facilities of the Utility as indicated in the following statement of work: Approx. 11,694 ft of 8" waterline as a result of the widening of Mile 6 North from Mile 9 to Mile 11, and being replaced with 11,694 LF of 10" waterline pvc, as betterment, and to complete the system to normal hydraulic operating procedure; being performed by County with oversight from the Texas Department of Transportation and more specifically shown in the Utility's plans, specifications and estimated costs, which are attached hereto in Attachment "A";

WHEREAS, the County, in receipt of evidence it deems sufficient, acknowledges the Utility's interest in certain lands and/or facilities that entitle it to reimbursement for the adjustment, removal, and relocation of certain facilities located upon lands as indicated in Attachment "A";

NOW, THEREFORE, for and in consideration of the premises and mutual promises, covenants and agreements hereinafter set forth, and intending to be legally bound, the County and the Utility agree as follows:

1. The County will pay the Utility all eligible actual costs which are incurred in the adjustment, removal, and/or relocation of the Utility's facilities.
2. The Utility agrees that all conduct under this agreement, including but not limited to the adjustment, removal, and/or relocation of the facility, the development of

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reimbursement of costs, any environmental requirements, and retention of records will be in accordance with 23 CFR 645, Subparts A & B and all other applicable federal and state laws, rules and regulations. The Utility agrees to supply, upon request by the County, proof of compliance with the aforementioned laws, rules and regulations prior to commencement of construction.

3. The Utility agrees to develop relocation or adjustment costs by accumulating actual direct and related indirect costs in accordance with a work order accounting procedure prescribed by the County, or may, with the County's written approval, accumulate actual direct and related indirect costs in accordance with an established accounting procedure developed by the Utility. The bill for the work hereunder will be submitted to the County not later than ninety (90) days after completion of the work.
4. Upon execution of this agreement by both parties hereto, the County will, by written notice, authorize the Utility to proceed with the necessary adjustment, removal, and/or relocation. The Utility agrees to proceed in a diligent manner and will take all prudent actions to avoid delay or interference with the highway construction.
5. The Utility will endeavor to perform this work at its earliest window of opportunity.
6. The County will, upon satisfactory completion of the relocation or adjustment, receipt of a proper certification by the Utility that the work has been completed in accordance with the approved plans and specifications, receipt and verification of the bill prepared in an approved form and manner, and concurrence by TxDOT, make payment to the Utility.
7. This agreement in its entirety consists of the following:
 - i. LPA Standard Utility Agreement;
 - ii. Plans of Adjustment (color coded), Specifications, and Estimated Costs (Attachment "A")(2 Originals);
 - iii. Accounting Method (Attachment "B")(2 Originals);
 - iv. Schedule (Start & End Dates) (Attachment "C")(2 Originals);
 - v. Statement Covering Contract Work – TxDOT ROW-U-48 (Attachment "D")(2 Originals);
 - vi. Proof of Property Interest – TxDOT ROW-U-1A (Attachment "E")(2 Originals and 1 copy of recorded instrument);
 - vii. Eligibility Ratio(Attachment "F")(2 Originals);
 - viii. Cost Comparison (if Betterment) (Attachment "G")(2 Originals);
 - ix. Betterment Statement (Attachment "H")(2 Originals);
 - x. Quit Claim Deed – TxDOT ROW-N-30 (Attachment "I")(2 Originals), if applicable;
 - xi. Joint Use Agreement (Attachment "J")(2 Originals), if applicable.

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All attachments are included herein as if fully set forth. In the event it is determined that a substantial change from the statement of work contained in this agreement is required, reimbursement therefore shall be limited to costs covered by a modification of this agreement or a written change or extra work order approved by the County.

8. The Utility agrees to provide signed and sealed "as-built" plans to the County within sixty (60) days of the completion of the work.
9. This agreement is subject to immediate cancellation by the County at any time up to the date that work under this Agreement has been authorized and that such cancellation will not create any liability on the part of the County.
10. The Utility by execution of this agreement does not waive any of the rights which the Utility may have within the limits of the law.
11. It is expressly understood that the Utility conducts the adjustment, removal, and/or relocation using its own methods, and that the Utility agrees to indemnify and hold the County harmless for any and all damages and attorney's fees caused by the Utility's actions and/or conduct.
12. The Utility affirms that it has the authority to enter into this agreement, and that it has obtained the approval, if necessary, from any bankruptcy court exercising jurisdiction over the Utility.
13. Notice: Except as maybe otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

If to Utility: North Alamo Water Supply Corp.
Attention: Steve D. Krenek, Board President
420 S. Doolittle Rd.
Edinburg, TX 78542

If to County: Hidalgo County, Texas
Attention: Richard Cortez, Hidalgo County Judge
P. O. Box 758
Edinburg, Texas 78540-0758

With copy to: David L. Fuentes, Commissioner Pct. No.1
1902 Joe Stephens, Ste.1

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Weslaco, Texas 78599

14. Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee, or, if mailed, at such time as it is deposited in the United States mail.
15. Additional Documents: The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this agreement.
16. Texas Law to Apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligation of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas
17. Successors. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
18. Assignment: This Agreement shall not be assignable.
19. Headings. The headings and captions contained in this Agreement are solely for the convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.
20. Gender and Number. All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and as often as may be appropriate.
21. Authority to Execute. The execution and performance of this Agreement by the Utility and County have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes the valid and enforceable obligations of the Utility and County in accordance with its terms.
22. Governmental Purpose. Each party hereto is entering into the agreement for the purpose of providing for governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.
23. Commitment or Current Revenues Only. In the event that during any term hereof; the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision

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to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. §271.903.

24. The signatories to this agreement warrant that each has the authority to enter into this agreement on behalf of the party represented.

WITNESS THE HANDS OF THE PARTIES effective as of the day and year of approval and execution by and on behalf of the County.

North Alamo Water Supply

By: _____
Steve D. Krenek - President

COUNTY OF HIDALGO

By: _____
Richard Cortez, County Judge

ATTEST:

County Clerk

APPROVED AS TO FORM:

County Legal Representative

By: _____