

STATE OF TEXAS §

**HIGHWAY  
CONSTRUCTION CONTRACT**

COUNTY OF HIDALGO §

This Contract is entered into by Hidalgo County Irrigation District No. 2 (“District”) and Hidalgo County, Texas (“County”), 300 West Hall Acres, Suite G, Pharr, Texas 78577, for the purpose of setting out their agreement pertaining to the District’s conveyance of the District’s property right interest to County and the relocation of District facilities by County to necessary property to be conveyed by County to the District in accordance with the following terms and conditions:

**Background Recitals**

1. County, through Hidalgo County Precinct No. 2, desires to widen Nolana Road lying within Lots 15-16, Block 47, Alamo Land and Sugar Company Subdivision, in connection with plans described in the Nolana Road Improvement Project (CSJ: 0921-02-361, attached hereto as Exhibit A, and incorporated herein for all purposes referred to herein as the “Project.”
2. District is the owner of a 30 foot exclusive easement centered on an irrigation line in Lots 15-16, Block 47, Alamo Land and Sugar Company Subdivision, which is required to be relocated because of the Project which can be declared surplus property of and released by the District in accordance with the terms hereof. The property covered by this exclusive easement is more particularly described on Exhibit B attached hereto and made a part hereof.
3. In accordance with the Project, the County desires to construct an extension of Nolana and East Earling Road within the exclusive easement area of the District or property described in Exhibit B. County agrees to convey to District, an exclusive easement area, free and clear of any liens or other encumbrances including existing easements, of two (2) tracts described upon Exhibit C, and construct and relocate the existing District pipeline within the said tracts of 0.46 acre and 0.45 acre tract located in Lots 15 & 16, Block 47, Alamo Land and Sugar Company Subdivision in accordance with the plans of the Project and plan for such relocation all as approved by the District.
4. The parties agree that the County shall accomplish the work necessary and provide materials to replace the existing irrigation line with an underground pipeline and accomplish other necessary associated construction subject to approval by District of construction plan and specifications at the expense of County (herein referred to as the “Relocation Work”).

## **Property Exchanges**

5. County agrees to convey and deliver to the District prior to commencement of construction of the replacement pipeline (the "Relocation Work") an Exclusive Easement covering the property described on Exhibit C free of any liens or other encumbrances including other existing easements on a form attached hereto as Exhibit D.
  
6. (a) The District agrees to convey to the County a Release of the easement area described on Exhibit B in exchange for (1) the payment of a title policy in the amount of \$50,000.00 covering the easement area, (2) the completion of the Relocation Work in accordance with plans and specifications approved by the District, and the District's expenses incurred with respect to the Project and Relocation Work and County's maintenance of the relocated pipeline area in accordance with Paragraph 10 below.  
  
(b) Delivery of the Release by District to County shall occur following: (1) payment by County of the costs of completion of the Relocation Work, ; (2) upon acceptance of the construction of the replacement pipeline by District as provided in Paragraph 7 below, (3) payment to the District of its expenses incurred in connection with the Project and Relocation Work and (4) its costs incurred in connection with this transaction as provided in Paragraph 10 below up to date of acceptance of the Relocation Work.

## **Construction of Facilities**

7. (a) It is agreed that County shall do, or arrange for, all necessary work including relocation of the irrigation facilities (Relocation Work) in accordance with the plans and specifications prepared by County's engineer and included in the Project subject to approval of the District, including choice of Contractor, if applicable. The County shall be responsible for preparing necessary surveys and legal descriptions.  
  
(b) Construction required by the Project (b) may not begin until the District delivers the Release as provided in Paragraph 6 above.  
  
(c) The Relocation Work requires that the County construct portions of the replacement pipeline upon property of District at each end of the replacement pipeline in order to connect the replacement pipeline to the District's existing pipeline. The District herein grants County access to such property for purposes of construction of the Relocation Work in accordance with this Contract.

The County shall estimate the construction time necessary for the said connection of the replacement pipeline to District's existing pipeline subject to agreement by the District. Should the County, or its contractor, fail to construct the said connection within the agreed upon construction time, the District may restore the infrastructure to its original condition, so as to maintain deliveries of water to its customers. In such event, the County shall reimburse the District the costs associated with the restoration of service to its customers.

8. Following completion of the Relocation Work and after the irrigation pipeline has been charged and in operation for one week and has demonstrated that there are no leaks or other failures, County shall provide a certification from the engineer that sealed the approved plans of the Relocation Work that the irrigation line has been constructed in accordance with the approved plans. Upon the District's receipt, review, and acceptance of such certification, the District will accept the replacement irrigation pipeline involved in Relocation Work.
9. County shall include notice within its contractual agreement(s) with or in dealings with, any third party, agent, representative or contractor in relation to any activities related to or allowed under the terms hereof of any of the following: (a) the applicable provisions of this Contract (b) any revisions to the Relocation Work Plan and (c) other activities dealing with the Project that may affect District's facilities. Prior written notice containing a copy of such notices and undertakings shall be given to District for approval prior to the submission thereof to such third parties.
10. (a) County agrees to reimburse District any expenses incurred by District relating to cost of supervision of any work done by County hereunder, and other reasonable out-of-pocket expenses incurred by District in connection with supervision and administrative expenses associated with this Contract.

For purposes of District's inspection and supervision of any work undertaken in connection with any construction or activity involved with the Relocation Work or Project which may be related to District's facilities, County shall give prior written notice to District of such work three (3) business days (Monday through Friday) prior to the beginning of such construction or activity unless such construction or activity is the result of an emergency in which case notice shall be given to District as soon as is reasonably possible.

Any such construction or activity shall take place during normal business hours, Monday through Friday, 08:00 am to 05:00 pm, and if District is required to inspect or supervise outside of normal business hours, it shall be reimbursed its reasonable expenses required except in emergency cases, in an amount reasonably determined by District.

(b) This provision shall survive following delivery of the Release as provided in Paragraph 6(b) above and continue in effect for a period of twelve months following the date of delivery of said Release or completion of construction of the Project except for the maintenance of the relocation pipeline easement area and repair of the relocated pipeline, which shall be a continuing obligation of the County following completion of the Project.

In the event that repairs to the relocated pipeline are necessary to maintain water deliveries by the District to those entitled to receive water deliveries sooner than County can make such repairs, then District may make such repairs and County agrees to reimburse District its reasonable expended expenses in making such repairs

within thirty (30) calendar days following delivery of statement of the amount due from District.

#### **Waiver**

11. The waiver by either party of any provision of this Contract shall not be construed as a precedent or waiver of such provision thereafter unless this Contract is amended in writing reflecting such waiver.

#### **Assignment**

12. This Contract shall not be transferred or assigned by either party without the prior expressed written approval of the other party.

#### **Approvals**

13. Whenever this Contract requires or permits approvals or consents to be given or mutual agreements to be reached, the parties agree that such approval or consent shall not be unreasonably withheld and each party will reasonably exert a good faith effort to reach mutual agreements. Such approval or consent or mutual agreements shall be evidenced in writing, and those which change the terms of this Contract shall be authorized by the governing body of each party.

#### **Liability**

14. Both parties shall not be liable or responsible for, and shall be saved and held harmless by the other party from and against any and all claims and damages of every kind, for injury to or death of any person or persons and for damage to or loss of property, arising out of or attributed, directly or indirectly, to the operations of other party under this Contract. This indemnity shall survive termination or expiration of this Contract.

#### **Severability**

15. The provisions of this Contract are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this Contract or the application thereof to any person or circumstances shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Contract to other persons or circumstances shall not be affected thereby unless such invalidation renders performance under the Contract by either party impossible.

#### **Captions, Etc.**

16. The captions, titles and headings of the paragraphs of this Contract have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never

be considered or given any effect in construing this Contract or any provision thereof or in ascertaining intent, if any question of intent should arise. Unless the context otherwise requires, words of the singular number shall be construed to include correlative words of the plural number and vice versa.

### **Force Majeure**

17. In the event either party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Contract, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any such inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and state the full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

The term "force majeure", as used herein, shall mean acts of God, strikes, lockouts, lighting, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, explosions, breakage or accidents to machinery, pipelines or canals, and any other incapacities of either party, similar to those enumerated, which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care.

### **Enforcement**

18. Either party may demand specific enforcement of this Contract. In the event either party believes that the other party is violating this Contract, such party shall give the other party written notice of such violation at least thirty (30) days prior to institution, of any court or administrative action. It is not intended hereby to specify an exclusive remedy for any default, but all remedies existing at law or in equity for any breach or violation hereof may be availed of by either party and shall be cumulative.
19. The prevailing party in any legal proceeding against the other party brought under or which related to the Contract or a breach thereof shall, in addition to its damages, be entitled to recover its costs, including cost of expert testimony and reasonable attorney's fees.
20. The parties agree that the exclusive venue of any litigation arising out of a dispute under this Contract shall be in Hidalgo County, Texas.
21. This Contract shall be governed in all respects, including validity, interpretation and effect, by and under the laws of the State of Texas and shall be enforceable in accordance with the laws of the State of Texas. Those representatives of the parties executing this Contract below represent one to the other that they are authorized by proper action of the governing body of each party to execute this Contract.

**Amendment of Agreement**

22. This Agreement may be amended at any time by the agreement of the parties. Any amendment shall be enforceable only after being reduced to writing, approved by the boards of each party, and executed by each party.

**Effective Date of Contract**

23. This Contract shall become effective on \_\_\_\_\_, and shall terminate and be of no further force and effect one (1) year thereafter; unless extended by mutual agreement of the parties.

**EXECUTED IN DUPLICATE ORIGINALS** and effective as of the day and year first written above.

COUNTY OF HIDALGO

By: \_\_\_\_\_  
Richard F. Cortez, County Judge

ATTEST:

\_\_\_\_\_  
Arturo Guajardo, Jr., County Clerk

HIDALGO COUNTY IRRIGATION  
DISTRICT NO. 2

By: \_\_\_\_\_  
Frank John Schuster,  
President Board of Directors

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by Richard F. Cortez, acting in his capacity as County Judge of the County of Hidalgo of the State of Texas, on behalf of said County, to certify which witness my hand and seal of office.

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Notary Public in and for the State of Texas

STATE OF TEXAS           §  
COUNTY OF HIDALGO   §

This instrument was acknowledged before me on this the \_\_\_\_\_ day of \_\_\_\_\_, 2026, by Frank John Schuster, President of the Board of Directors of Hidalgo County Irrigation District No. 2, a political subdivision of the State of Texas, on behalf of such subdivision, to certify which witness my hand and seal of office.

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Notary Public in and for the State of Texas