

**INTERLOCAL AGREEMENT
REGARDING THE PARTICIPATION OF THE CITY OF LIBERTY HILL AND
WILLIAMSON COUNTY, TEXAS IN THE DESIGN AND CONSTRUCTION COSTS
RELATED TO THE
LIBERTY HILL BYPASS SEGMENT WEST PROJECT**

THE STATE OF TEXAS	§	
	§	KNOW ALL BY THESE PRESENTS:
COUNTY OF WILLIAMSON	§	

THIS INTERLOCAL AGREEMENT (“Agreement”) is entered into between the City of Liberty Hill, Texas (“City”), a Texas home-rule municipality, and Williamson County, a political subdivision of the State of Texas (“County”). In this Agreement, City and the County are sometimes individually referred to as a “Party” and collectively referred to as the “Parties.”

WHEREAS, V.T.C.A., Government Code, Chapter 791, the Texas Interlocal Cooperation Act, provides that any one or more public agencies may contract with each other for the performance of governmental functions or services for the promotion and protection of the health and welfare of the inhabitants of this State and the mutual benefit of the parties;

WHEREAS, the County is and has been in the process of designing and constructing improvements to the Liberty Hill Bypass Segment West (also referred to as Segment I) from State Highway 29 (west of Liberty Hill High School) to RM 1869, as shown in Exhibit “A” attached hereto (“County Project”);

WHEREAS, the County Project is located at least in part within the City’s extraterritorial jurisdiction and will benefit the residents of the City, and the City desires to cooperate with the County to facilitate the construction of the County Project; and

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the County and City agree as follows:

PURPOSE

1.01 General. The purpose of this Agreement is to provide for the City’s participation in the design, right-of-way acquisition, utility relocation, and construction of the County Project.

**II.
DESIGN AND CONSTRUCTION OF COUNTY PROJECT**

2.01 Design of County Project. The County shall be responsible for contracting with a firm (“Design Firm”) regarding the engineering and design for the County Project and shall ensure that the design includes the following:

A new location two-lane road with intermittent turn lanes between SH 29 and RM 1869.

2.02 Design and Construction Costs. The County shall be responsible for all costs associated with the preliminary and final design, right-of-way acquisition, relocation of utilities not owned by the City, relocation of any City-owned utilities installed within City-owned easements that were of record prior to the County's acquisition of right-of-way for the County Project that intersect or overlap such City-owned easements, construction bidding, project management, and all other costs related to the County Project ("Project Cost"). The estimated Project Cost is \$52,000,000, which includes all costs related to the construction of the County Project; except that the City shall be solely responsible for the relocation of any City utilities that are located only within existing County right-of-way (and not within a prior City-owned easement).

2.03 Construction Plans. The County Project plans and specifications, including any amendments, for the improvements shall be provided to the City for review and comment prior to construction.

2.04 Inspection. The City may inspect all aspects of the County Project located within City's territorial limits or involving the relocation of any City-owned utilities during construction. Upon receipt of notification from the City that the City's inspectors determine the construction by the County is not in accordance with the approved project plans, the County shall cease construction until the deficiency can be identified and a corrective plan of construction implemented with the agreement of the City.

2.05 Permits. The County shall be responsible for obtaining permits, if any, required for the construction of the County Project.

2.06 Insurance, Bonds and Warranties. The County shall require the contractor for the County Project to name the City as an additional insured on any policies related to the relocation of any City-owned utilities or related to portions of the County Project located within the City's corporate city limits. The County shall require all performance and maintenance bonds related to the relocation of any City-owned utilities or related to portions of the County Project located within the City's corporate city limits in favor of the City in amounts satisfactory to the City. All applicable warranties, performance, payment, and maintenance bonds related to the relocation of any City-owned utilities or related to portions of the County Project located within the City's corporate city limits shall be transferred to City upon final completion and acceptance by the City of the relocation of any City-owned utilities and such portions of the County Project.

If the City identifies defects during a construction contractor's applicable warrant of performance or maintenance bond period related to the relocated City-owned utilities or such portions of the County Project that the City is accepting for ongoing ownership and maintenance, the County represents and agrees that its engineer for the County Project shall cooperate with the City in providing documentation, clarifications, and review of the identified construction defect to the same extent as the engineer would for the County under the engineer's scope of work for the County Project during such warranty period.

III. CITY OBLIGATIONS

3.01 Permission to Construct. City agrees to allow the County to construct the County Project on and within City property.

3.02 Permission to Acquire ROW. The City agrees to allow the County to acquire easements and right-of-way for the County Project, through condemnation or otherwise, within the City's boundaries. The City further agrees to provide the right-of-way footprint to potential developers and acquire the right-of-way through the development process to the extent possible.

3.03 City Payment. The City shall reimburse the County for the County Project in an amount not to exceed TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) for the design, right-of-way acquisition, and construction, including utility relocation costs for utilities not owned by the City (together "City Participation Amount"). The County will submit reimbursement requests up to the City Participation Amount using the following payment schedule: 25% upon full execution of this Agreement between the City and the County, 25% upon the County awarding the construction contract bid, 25% when construction is 50% complete, as determined by the value of the work completed to date against the contract amount, and 25% upon substantial completion. The payment schedule is anticipated to follow the milestones identified in the anticipated project schedule shown in Exhibit "B" attached hereto.

3.04 Operation and Maintenance After Acceptance. Because the County Project is located in the City's extraterritorial jurisdiction, the County shall be responsible for the operation and maintenance of the County Project roadway improvements upon completion, unless and until the right-of-way in which the County Project roadway improvements are located is annexed, in whole or in part, into the City's corporate city limits consistent with state law, at which time the City agrees to be responsible for the operation and maintenance of the portions of the County Project roadway improvements located within the City's corporate city limits only after such future annexation occurs.

To the extent the County Project involves any relocation of any City-owned utilities, after the City inspects and accepts the completion of such relocations, the City will own and maintain the relocated City-owned utilities without need of formal conveyance. Upon the City's acceptance, the County shall provide the City with copies of all documents related to the relocation of the City-owned utilities, including but not limited to: approved construction plans and specifications; final contracts and amendments, if any; approved change orders, if any; as-built drawings or surveys;

applicable warranties and performance and maintenance bonds.

3.05 Texas Prompt Payment Act Compliance. Payment for goods and services shall be governed by Chapter 2251 of the Texas Government Code. An invoice shall be deemed overdue the 31st day after the later of (1) the date Customer receives the goods under the contract; (2) the date the performance of the service under the contract is completed; or (3) the date the City Auditor receives an invoice for the goods or services. Interest charges for any overdue payments shall be paid by City in accordance with Texas Government Code Section 2251.025. More specifically, the rate of interest that shall accrue on a late payment is the rate in effect on September 1 of City fiscal year in which the payment becomes due. The said rate in effect on September 1 shall be equal to the sum of one percent (1%); and (2) the prime rate published in the Wall Street Journal on the first day of July of the preceding fiscal year that does not fall on a Saturday or Sunday.

3.06 NO LIABILITY OR WARRANTY OF SERVICES. THE CITY AGREES AND ACKNOWLEDGES THAT THE COUNTY DOES NOT ASSUME ANY LIABILITY FOR, OR WARRANT, THE SERVICES THAT A THIRD PARTY PROVIDES PURSUANT TO THIS AGREEMENT OR CONSTRUCTION AGREEMENT. THE CITY AGREES AND ACKNOWLEDGES THAT THE COUNTY SHALL NOT BE LIABLE FOR ANY CLAIM OR CAUSE OF ACTION THAT THE CITY MAY HAVE NOW OR IN THE FUTURE AGAINST AN ENGINEER OR THIRD-PARTY FOR ANY DAMAGES OF ANY NATURE WHATSOEVER ALLEGEDLY SUSTAINED BY THE CITY, OR ANYONE HAVING A CLAIM BY, THROUGH OR UNDER THE CITY RELATED IN ANY WAY, DIRECTLY OR INDIRECTLY, WITH THE SERVICES PROVIDED BY A THIRD PARTY PURSUANT THIS AGREEMENT.

3.07. City's Right to Audit. The County agrees that the City or its duly authorized representatives shall, until the expiration of three (3) years after final payment under this Agreement, have access to and the right to examine and photocopy any and all books, documents, papers and records of the County which are directly pertinent to the services to be performed and amounts expended under this Agreement for the purposes of making audits, examinations, excerpts, and transcriptions. The County agrees that City shall have access during normal working hours to all necessary County facilities and records, and shall be provided adequate and appropriate workspace in order to conduct audits in compliance with the provisions of this section. The City shall give the County reasonable advance notice of intended audits.

IV. DISPUTES

4.01 Material Breach; Notice and Opportunity to Cure.

(a) In the event that one Party believes that another Party has materially breached one of the provisions of this Agreement, the non-defaulting Party will make written demand to cure

and give the defaulting Party up to 30 days to cure such material breach or, if the curative action cannot reasonably be completed within 30 days, the defaulting Party will commence the curative action within 30 days and thereafter diligently pursue the curative action to completion. Notwithstanding the foregoing, any matters specified in the default notice which may be cured solely by the payment of money must be cured within 10 days after receipt of the notice. This applicable time period must pass before the non-defaulting Party may initiate any remedies available to the non-defaulting party due to such breach.

(b) Any non-defaulting Party will mitigate direct or consequential damages arising from any breach or default to the extent reasonably possible under the circumstances.

(c) The Parties agree that they will negotiate in good faith to resolve any disputes and may engage in non-binding mediation, arbitration, or other alternative dispute resolution methods as recommended by the laws of the State of Texas.

4.02 Equitable Relief. In recognition that failure in the performance of the Parties' respective obligations could not be adequately compensated in monetary damages alone, the Parties agree that after providing notice and an opportunity to cure in accordance with Section 4.01 above, the Parties shall have the right to request any court, agency or other governmental authority of appropriate jurisdiction to grant any and all remedies which are appropriate to assure conformance to the provisions of this Agreement. The defaulting Party shall be liable to the other for all costs actually incurred in pursuing such remedies, including reasonable attorney's fees, and for any penalties or fines as a result of the failure to comply with the terms including, without limitation, the right to obtain a writ of mandamus or an injunction requiring the governing body of the defaulting party to levy and collect rates and charges or other revenues sufficient to pay the amounts owed under this Agreement.

4.03 Agreement's Remedies Not Exclusive. The provisions of this Agreement providing remedies in the event of a Party's breach are not intended to be exclusive remedies. The Parties retain, except to the extent released or waived by the express terms of this Agreement, all rights at law and in equity to enforce the terms of this Agreement.

V. GENERAL PROVISIONS

5.01 Authority. This Agreement is made in part under the authority conferred in Chapter 791, *Texas Government Code*.

5.02 Term. This Agreement shall commence upon execution of this Agreement and shall end upon the completion of the County Project and the last expiration of any applicable contractor's warranty or performance or maintenance bond related to the relocation of any City-owned utilities..

5.03 Severability. The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent

jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

5.04 Payment from Current Revenues. Any payments required to be made by a Party under this Agreement will be paid from current revenues or other funds lawfully available to the Party for such purpose.

5.05 Cooperation. The Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement.

5.06 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter and only relates to those portions of the County Project shown in Exhibit A.

5.07 Amendments. Any amendment of this Agreement must be in writing and will be effective if signed by the authorized representatives of the Parties.

5.08 Applicable Law; Venue. This Agreement will be construed in accordance with Texas law. The venue for any action arising hereunder will be in Williamson County, Texas.

5.09 Notices. Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

LIBERTY HILL: City of Liberty Hill
926 Main Street
Liberty Hill, Texas 78642
Attn: City Manager
Telephone: 512-778-5449
Facsimile: 512-778-5418

COUNTY: 710 S. Main Street
Georgetown, Texas 78626
Attn: County Judge
Telephone: (512) 943-1550
Facsimile: (512) 943-1662

5.10 Counterparts; Effect of Partial Execution. This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

5.11 Authority. Each Party represents and warrants that it has the full right, power, and authority to execute this Agreement.

5.12 Effective Date. This Agreement is executed to be effective on the date the last Party signs this Agreement.

5.13 No Joint Venture. The County Project is a sole project of the County and is not a joint venture or other partnership with the City.

(SIGNATURES ON FOLLOWING PAGE)

THE CITY OF LIBERTY HILL, TEXAS

By: Crystal Mancilla
Name: Crystal Mancilla
Its: Mayor

THE STATE OF TEXAS

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COUNTY OF WILLIAMSON

Supt. **THIS INSTRUMENT** was acknowledged before me on this 12th day of Sept., 2025, by Crystal Mancilla as Mayor of the City of Liberty Hill Texas, on behalf of said City.

Lisa Elaine Simpson
Notary Public, State of Texas



WILLIAMSON COUNTY, TEXAS

By: _____
Steven Snell, County Judge

ATTEST:

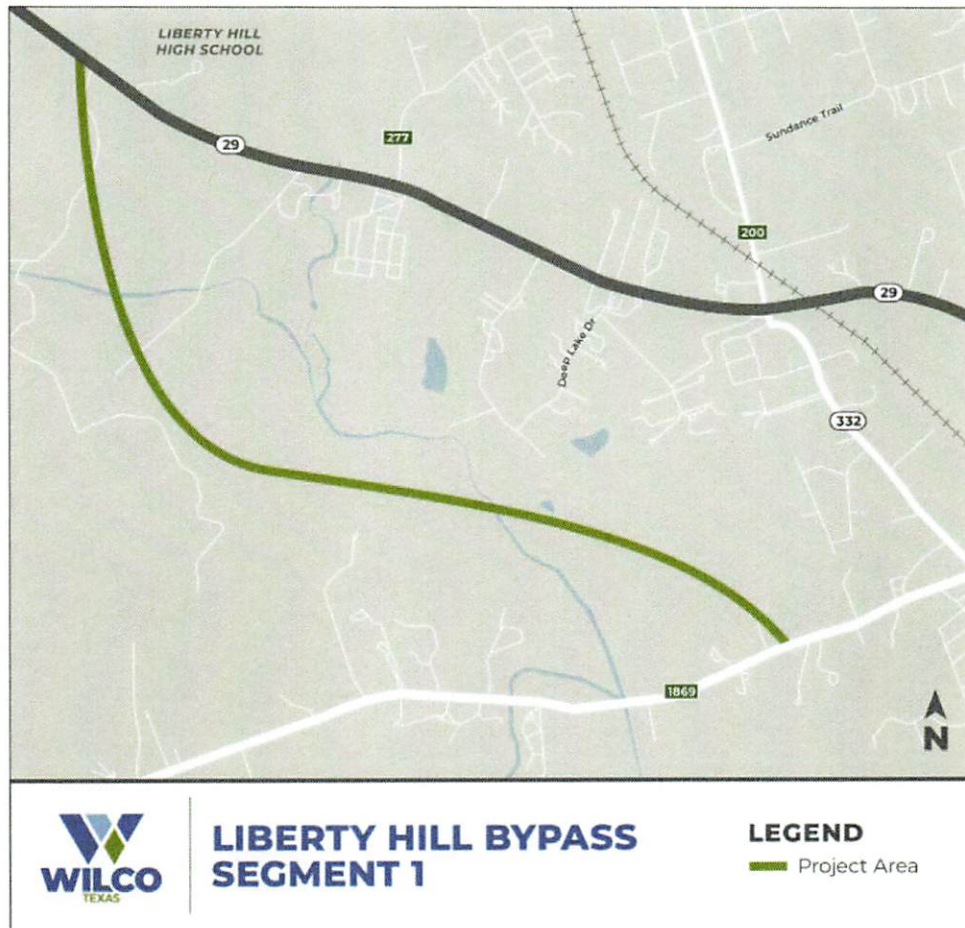
By: _____
Nancy Rister, County Clerk

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

THIS INSTRUMENT was acknowledged before me on this
_____, by Steven Snell, County Judge of Williamson County, Texas,
on behalf of said County.

Notary Public, State of Texas

Exhibit "A"



Liberty Hill Bypass Segment West (also referred to as Segment 1) from State Highway 29 (west of Liberty Hill High School) to RM 1869

Exhibit "B"

**PAYMENT SCHEDULE
LIBERTY HILL BYPASS WEST (SEG 1)**

Total Costs	% Responsibility	Description
\$ 51,940,386.00	100%	Total Costs
\$ 51,740,386.00	99.62%	County Costs
\$ 200,000.00	0.38%	City Costs

Payment Schedule per Pursuant to Section 3.03	Amount	Anticipated Payment Date
25% upon full execution of the Agreement between the City and the County	\$ 50,000.00	Within 30 days of the full execution of this Agreement
25% upon awarding bid	\$ 50,000.00	6/30/26
25% when construction is 50% complete, as determined by the value of the work completed to date against the contract amount	\$ 50,000.00	06/30/27
25% upon substantial completion	\$ 50,000.00	06/30/28
Total	\$ 200,000.00	