

THE STATE OF TEXAS §

TEXAS CDBG PROJECT AGREEMENT

COUNTY OF CLAY §

This AGREEMENT is made between CLAY COUNTY, TEXAS, hereinafter referred to as the COUNTY, acting through its Commissioners' Court, and the DEAN DALE WATER SUPPLY CORPORATION, hereinafter referred to as the WSC, acting through its Board of Directors.

The COUNTY shall:

1. Endeavor to execute its GRANT responsibilities in a timely and efficient manner.
2. Be the repository of all receipts and documentation pertinent to the GRANT and furnish such to TDA upon its request.
3. Service as the primary contact in all matters pertaining to the GRANT and the conduit for communications between itself, WSC, and TDA.
4. Provide pre-bid project design changes or change orders to the WSC for its review and approval prior to authorization by the COUNTY.
5. Gain WSC approval before awarding a construction contract that exceeds the funds available in the GRANT budget.
6. Ensure that the WSC shall not be responsible for any GRANT-related costs other than those outlined herein without the WSC's written approval, except for costs associated with a violation or early termination of this Agreement by the WSC.
7. Maintain at its sole discretion the option to approve construction contracts or change orders that would result in its obligation to pay for costs that exceed available GRANT funds.
8. Automatically transfer full ownership of the grant improvements to the WSC upon acceptance by the COUNTY of the Certificate of Construction Completion.

The WSC shall:

1. Comply with all COUNTY requests for information required to fulfill the COUNTY'S obligations under the GRANT.
2. Offer to provide public water services to all beneficiaries of this project at its officially adopted utility rates.
3. Permit unrestricted access by the COUNTY and its selected engineering, administrative, and construction contractors to those portions of the construction site under WSC control, to allow performance of the GRANT-related duties outlined in agreements there entities shall have with the COUNTY.
4. Be solely responsible for the continued maintenance and operation of any proposed public water system improvements upon acceptance by the COUNTY of the Certificate of Construction Completion.
5. Pay for any cost overruns attributable to construction contract award, change orders, project redesign, or additions to the GRANT scope of work that it has approved in writing.
6. Pay for any costs resulting from violation or early termination of this Agreement by the WSC including repayment of any grant expenditures disallowed by TDA if the project is not completed and placed in service.
7. Automatically receive full ownership of the grant improvements upon acceptance by the COUNTY of the Certificate of Construction Completion.


The parties further agree that any GRANT funds provided by the COUNTY are without warranty of any kind to the WSC or any third party, and the WSC hereby agrees, to the extent allowable by law, to defend, hold harmless, and indemnify the COUNTY, its officers, agents, and employees for any claims for injury or death or any person or any property damage arising out of the COUNTY'S performance of its obligations under this Agreement. Nothing herein shall be construed to create any rights in third parties.

SIGNED and ENTERED this 14 day of July, 2014

CLAY COUNTY, TEXAS

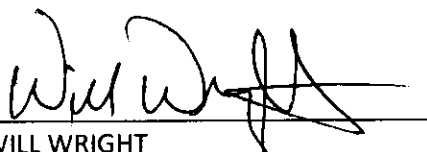
DEAN DALE WATER SUPPLY CORP.


KENNETH LIGGETT
COUNTY JUDGE


MIKE LEMLEY
VICE-PRESIDENT OF THE BOARD

ATTEST:


SASHA KELTON
COUNTY CLERK


WILL WRIGHT
BOARD SECRETARY

