

INTERLOCAL AGREEMENT
FOR
TEXAS CAPITAL FUND CONTRACT #7214292

STATE OF TEXAS §

COUNTY OF CLAY §

This Agreement is entered into by and between the J-A-C Electric Cooperative Inc, hereinafter referred to as "CO-OP", and Clay County, Texas, a political subdivision of the State of Texas, hereinafter referred to as "COUNTY".

WITNESSETH

WHEREAS, CO-OP and COUNTY are authorized to enter into this Interlocal Agreement pursuant to Tex. Gov't. Code Ann., Section 791.001, et seq. known as the Interlocal Cooperation Act; and

WHEREAS, COUNTY is an eligible applicant for Texas Capital Fund Infrastructure Program economic development grant funds, as it qualifies as a unit of general local government as defined by Section 102(a)(1) of the Housing and Community Development Act of 1974, as amended; and,

WHEREAS, CO-OP and COUNTY desire to promote economic development within their respective jurisdictions; and,

WHEREAS, CO-OP has identified a need for infrastructure improvements in the form of a new electrical substation in support of creating 38 new jobs being carried out by Triangle Brick Company ("TRIANGLE"); and,

WHEREAS, COUNTY, on behalf of TRIANGLE, has applied for and received a Texas Capital Fund Infrastructure Program grant from the Texas Department of Agriculture in the amount of up to \$750,000 for the purpose of providing infrastructure improvements that, upon completion, will be owned and operated by CO-OP via Brazos Electric Cooperative, Inc., a transmission and distribution business unit (TDBU), through which this construction must be arranged pursuant to the Public Utilities Regulatory Act.

WHEREAS, in order to accomplish the above-mentioned necessary improvements, CO-OP desires to contract with COUNTY, whereby COUNTY will enter into the following necessary contractual agreements:

Contract #7214292 with the Texas Department of Agriculture (an agency of the State of Texas); and

A Company/Contractor Contract Agreement between COUNTY and TRIANGLE

A Contract between COUNTY and a third party Grant Administrator

WHEREAS in order to accomplish the above mentioned necessary improvements, COUNTY desires to contract with CO-OP whereby CO-OP will enter into the following necessary contractual agreements:

A construction contract with its transmission and distribution business unit (TDBU) as necessary; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the parties mutually agree, as follows:

PURPOSE

It is the purpose of the parties to this Interlocal Agreement to set forth the terms, rights and duties of the parties hereto whereby COUNTY, as a unit of general local government, will administer the above-described grant funds for the project described herein, and in the exhibits attached hereto, and whereby COUNTY will provide certain administrative services relating thereto for the ultimate benefit of CO-OP.

TERMS, RIGHTS AND DUTIES

PART I - SERVICES AND CONDITIONS

1.1 Subject to the provisions hereof, COUNTY agrees to administer the Texas Capital Fund Infrastructure Program grant funds described herein, as COUNTY is a unit of general local government, doing so for the ultimate benefit of CO-OP.

1.2 COUNTY further agrees to enter into the following contracts on behalf of TRIANGLE:

1.2.1 Contract #7214292 with the Texas Department of Agriculture (an agency of the State of Texas), a copy of which is attached hereto as Exhibit I, and incorporated herein for all purposes;

1.2.2 A Company/Contractor Contract Agreement between COUNTY and TRIANGLE, a copy of which is attached hereto as Exhibit II, and incorporated herein for all purposes;

1.2.3 Contract with Gary R. Traylor & Associates Incorporated for the provision of necessary and related grant management services, a copy of which is attached hereto as Exhibit III, and incorporated herein for all purposes.

1.3 COUNTY further agrees to administer said grant funds, pursuant to Contract #7214292 attached hereto.

1.4 The parties hereto agree that certain financial obligations, responsibilities, and liabilities may be incurred by COUNTY, pursuant to the entering into of the above mentioned contracts and the administration of said grant funds.

1.5 COUNTY further agrees that, as to easements or other miscellaneous goods and services which may be necessary for the project's completion, CO-OP is authorized to act as the COUNTY's agent and incur such costs, in accordance with the budget as established in Exhibit B of COUNTY's contract with Texas Department of Agriculture, Contract #7214292, as may be necessary and reasonable for said easements, services and goods, in accordance with Federal laws (including, without limitation, the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, as amended), State laws and Texas Community Development Program rules and regulations.

1.6 COUNTY further agrees to reimburse CO-OP from grant funds for any such eligible program costs as allowed in Section 1.5, above. CO-OP agrees to present any and all documentation (e.g., receipts, cancelled checks, or other evidence of purchase) to the COUNTY prior to cash drawdowns by the COUNTY of Texas Department of Agriculture contract funds for such reimbursement.

1.7 The CO-OP agrees to enter into the following contracts on behalf of the COUNTY and TRIANGLE:

A construction contract with CO-OP's transmission and distribution business unit (TDBU), Brazos Electric Cooperative, Inc.; and

1.8 CO-OP agrees that the reimbursement to CO-OP from grant funds for eligible program costs as allowed in Section 1.5, above, will be limited to the budget as established in Exhibit B of COUNTY's contract with Texas Department of Agriculture, Contract #7214292.

1.9.1 CO-OP or its transmission and distribution business unit (TDBU), Brazos Electric Cooperative, Inc. shall take title and commits to maintain and operate the project in support of TRIANGLE.

1.10 CO-OP hereby agrees that it will completely indemnify and hold harmless COUNTY from any and all claims, of whatever kind, and from any and all financial obligations or claimed obligations relating to said grants funds or related to the agreements listed in Section 1.2 and Section 1.5 of this Interlocal Agreement, insofar as any such claim or obligation cannot be paid out of grant funds.

1.11 CO-OP agrees, in carrying out its obligations hereunder, to act in compliance with all federal laws, including, without limitation, the Uniform Relocation Assistance and Real Properties Acquisition Policies Act of 1970, as amended, state laws and Texas Community Development Program rules and regulations.

PART II - TERM

The term of this Interlocal Agreement shall commence on January 31, 2015, and continue in full force and effect through the extinguishing of any and all claims, obligations, or responsibilities, of whatever kind, relating to the administering of said grant funds or the agreements listed in Section 1.2 and Section 1.5 of this Interlocal Agreement.

PART III - SEVERABILITY

In case any one or more of the provisions contained in this Interlocal Agreement shall for any reason be invalid, illegal or unenforceable in any respect, such *invalidation*, illegality or unenforceability shall not affect any other provision hereof and this Interlocal Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

PART IV - ENTIRETY

This Interlocal Agreement contains the entire Agreement of the parties. Any prior agreements, promises, negotiations or representations not expressly contained in this Interlocal Agreement are of no force and effect.

IN WITNESS WHEREOF, COUNTY AND CO-OP enter into this Interlocal Agreement
EFFECTIVE December 10, 2014.

EXHIBITS

Exhibit I - TCF Contract #7214292

Exhibit II - A Company/Contractor Contract Agreement between COUNTY and TRIANGLE

Exhibit III - Contract with third party Grant Administrator

APPROVED BY the J-A-C Electric Cooperative, Inc., on the 15th day of January, 2015, and executed by Kim Hooper, General Manager, as authorized representative of CO-OP.

ATTEST: J-A-C ELECTRIC COOPERATIVE, INC.

By: Claine Martin
Board Secretary

By: Kim Hooper
Kim Hooper, General Manager

APPROVED BY THE CLAY COUNTY COMMISSIONERS COURT MEETING on the ____ day of January, 2015, and executed by KENNETH LIGGETT, County Judge, as authorized representative of COUNTY.

ATTEST: CLAY COUNTY

By: _____
County Clerk

By: Kenneth Liggett
Kenneth Liggett, County Judge