

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**INTERLOCAL AGREEMENT FOR CONTRIBUTION TO
 DESIGN AND CONSTRUCTION OF MID-BLOCK CROSSINGS**

This Interlocal Agreement for Contribution for Design and Construction of Mid-Block Crossings (this "Agreement") is made and entered into pursuant to Texas Government Code Chapter 791, by and between Fort Bend County Assistance District No. 11 ("CAD 11"), acting by and through its Board of Directors, and Fort Bend County Municipal Utility District No. 132 (the "MUD"), acting by and through its Board of Directors, both body corporates and politics under the laws of the State of Texas. CAD 11 and the MUD may be referred to herein individually as a "Party" or collectively as the "Parties".

RECITALS:

WHEREAS, the MUD has been created and organized for the purposes, among others, of protecting, preserving, and restoring the purity and sanitary condition of water within the State, and has the authority pursuant to Chapter 49 of the Texas Water Code, as amended, to finance, develop and maintain, among other facilities, landscaping, parkways, greenbelts, sidewalks, trails and public right-of-way projects within its boundaries; and

WHEREAS, CAD 11 has been created to fund, among other things, the construction, maintenance or improvement of certain roads or highways within its boundaries; and

WHEREAS, the MUD desires to make enhancements to its trails which will require improvements to certain streets within its boundaries; and

WHEREAS, CAD 11 finds the streets identified by the MUD for improvements are also located within the boundaries of CAD 11, and the construction, maintenance of or improvements to such streets by CAD 11 is authorized under Local Government Code Section 387.003; and

WHEREAS, the Parties believe it is in their respective best interests to enter into this Agreement setting forth the terms and conditions pursuant to which the MUD will construct the improvements and CAD 11 will contribute to the costs of same; and

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and benefits to the Parties, it is agreed as follows:

AGREEMENT:

1. Purpose of the Agreement. The purpose of this Agreement is to outline the funding and other obligations related to the design and construction of mid-block crossings at Copper Shores Lane north of Hazy Mist Court; Rainy Canyon Lane south of Keystone Hollow Court; and Rivercane Creek Court north of Pelham Woods Way (the "Project").
2. Incorporation of Recitals. The representations, covenants and recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into this Agreement.
3. MUD's Rights and Obligations.
 - A. The MUD is responsible for the design and construction of the Project pursuant to all applicable state and federal laws.
 - B. The MUD shall submit reports to CAD 11 describing in sufficient detail the progress of the Project. These reports shall be submitted to CAD 11 at increments agreed to between the Parties as appropriate for the various phases of the Project. Reports received by the MUD from contractors detailing the progress of the Project shall suffice for the requirements of this section, so long as the MUD has reviewed and confirmed the accuracy of such reports.
 - C. Within sixty (60) days of completion of the Project, including completion of the final inspection thereof, the MUD will furnish CAD 11 a request for payment with a full accounting of the actual costs of the Project. The County Auditor may review the MUD's records regarding this Project.
4. County's Rights and Obligations.
 - A. During the work on the Project, CAD 11 shall have the right to review all documents, maps, plats, records, photographs, reports and drawings affecting the construction and to inspect the work in progress, provided however, that in conducting such inspections, County shall not interfere with the work in progress. Any deficiencies brought to the attention of the MUD by CAD 11 shall be promptly addressed by the MUD.
 - B. The County shall have the right to participate in the final inspection of the Project. At that time, any deficiencies noted by CAD 11 shall be promptly addressed by the MUD. Upon completion of the final inspection, and resolution of noted deficiencies, if any, CAD 11 shall notify the MUD in writing verifying its satisfaction of the work performed.
 - C. CAD 11's sole obligation under this Agreement is to provide fifty percent (50%) of the costs of the Project up to an amount not to exceed ten thousand and no/100 dollars (\$10,000.00).

D. Within sixty (60) days of MUD's issuance of a request for payment and CAD 11's receipt and acceptance of MUD's full accounting of the funds expended on the Project, CAD 11 will forward the amount as detailed in Section 4. C., above to the MUD. CAD 11 reserves the right to withhold payment pending the verification of satisfactory work performed described above.

5. Liability. CAD 11 and the MUD are entitled to the immunities and defenses of the Texas Tort Claims Act. Nothing in the Agreement shall be construed to waive either party's sovereign immunity. Each Party warrants and represents that it is insured under a commercial insurance policy or is self-insured for all claims falling within the Texas Tort Claims Act.

Each Party is solely responsible for the actions and omissions of its employees and officers. No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, its officers, employees, and agents as a result of the execution of this Agreement and the performance of the covenants contained herein.

6. Maintenance. Upon completion of the Project, the MUD will maintain any portions of the Project located outside of the Fort Bend County roadway maintenance system, if any.

7. Period of the Agreement and Termination. This Agreement becomes effective on the date signed by the last Party and shall remain in effect until completion of the Project and reimbursement payable under this Agreement unless terminated earlier pursuant to the terms hereof. Notwithstanding the foregoing, the MUD's maintenance obligations described in the preceding Section shall survive the termination or expiration of this Agreement. The MUD may terminate this Agreement at any time by providing written notice of same to CAD 11.

8. Miscellaneous.

A. In addition to specific obligations within this Agreement, each Party generally agrees that it will perform such other acts, and execute, acknowledge, and/or deliver such other instruments, documents, and other materials as the other may reasonably request in order to achieve the intentions and objectives of this Agreement.

B. All notices and communications under this Agreement shall be mailed by certified mail, return receipt requested, or delivered to the following addresses:

CAD 11: Fort Bend County Assistance District No. 11
Attention: County Judge
401 Jackson Street, 1st Floor
Richmond, Texas 77469

With a copy to: Fort Bend County Commissioner Precinct 3
Attention: Commissioner, Precinct 3
22333 Grand Corner Drive
Katy, Texas 77494

MUD: Fort Bend County Municipal Utility District No. 132
c/o Schwartz, Page & Harding, LLP
Attention: Bryan Yeates
1300 Post Oak Boulevard, Suite 1400
Houston, Texas 77056

- C. This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. This Agreement may only be amended by a written instrument signed by both Parties.
- D. If any provision contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision and this Agreement shall be construed as if it did not contain the invalid, illegal, or unenforceable provision.
- E. This Agreement shall be for the sole and exclusive benefit of the Parties and their successors and assigns and shall not be construed to confer any benefit or right upon any other party, including, without limitation, any resident of any Party.
- F. Nothing in this Agreement shall be deemed or construed as creating the relationship of principal and agent, partnership, or joint venture between the Parties, or a joint enterprise between the Parties and/or any other parties.
- G. The failure of any Party to insist, in any one or more instances, upon performance of any terms, covenants, or conditions of this Agreement shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant, or condition, but the obligation with respect to such future performance shall continue in full force and effect.
- H. The governing body of each Party has authorized its execution and the Agreement has been approved at a duly called and posted meeting, as applicable.

IN TESTIMONY HEREOF, the Parties have executed this Agreement in multiple counterparts.

[EXECUTION PAGES FOLLOW.]

FORT BEND COUNTY ASSISTANCE DISTRICT NO. 11

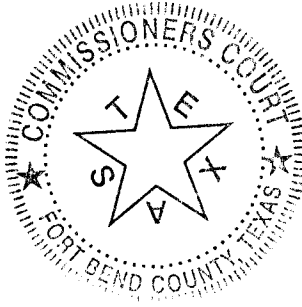


KP George, Fort Bend County Judge

Attest:



Laura Richard, County Clerk



AUDITOR'S CERTIFICATE

I hereby certify that funds are available to accomplish and pay the obligations of Fort Bend County Assistance District No. 11 herein.



Robert Ed Sturdivant, County Auditor

FORT BEND COUNTY MUNICIPAL UTILITY
DISTRICT NO. 132

By: Paresha Patel
Name: Paresha Patel
Title: Vice President

Attest:

By: Chris Bennett
Name: Chris Bennett
Title: Secretary