INTERLOCAL AGREEMENT BETWEEN MANVILLE WATER SUPPLY CORPORATION AND WILLIAMSON COUNTY, TEXAS REGARDING RELOCATION OF WATER SYSTEM IMPROVEMENTS IN THE SOUTHEAST LOOP SEGMENT 2 ROADWAY CONSTRUCTION PROJECT

THE STATE OF TEXAS § SCOUNTY OF WILLIAMSON §

KNOW ALL BY THESE PRESENTS:

THIS INTERLOCAL AGREEMENT REGARDING RELOCATION OF WATER SYSTEM IMPROVEMENTS ("Agreement") is entered into between Manville Water Supply Corporation (the "MWSC") and Williamson County, a political subdivision of the State of Texas (the "County"). In this Agreement, MWSC and the County are sometimes individually referred to as "a Party" and collectively referred to as "the Parties."

WHEREAS, the County is and has been in the process of designing and acquiring property for the proposed construction of improvements to Southeast Loop – Segment 2, the location of which is shown on Exhibit "A", attached hereto (the "County Project"); and

WHEREAS, some of the proposed County Project includes the widening of the right-ofway into easements in which MWSC water system improvements are or will be located; and

WHEREAS, the Parties have determined that, because of the County Project, the relocation of MWSC water lines is necessary (the "Relocation Project"); and

WHEREAS, plans, estimates, and specifications for the relocation of the MWSC water lines affected by the County Project are attached hereto as Exhibit "B" (the "Plans"); and

WHEREAS, this Agreement sets forth the terms and conditions pursuant to which the County will relocate the MWSC waterlines in certain segments of the County Project.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual

I. GENERAL PROVISIONS

1.01 General. The purpose of this Agreement is to provide for the County's relocation and construction of the Relocation project caused by the County's construction of the County Project.

1.02 County Relocation of Waterlines. The County will undertake the Relocation Project concurrently with the County Project in accordance with the Plans, and must, at its own expense, pay all costs related to the Relocation Project in accordance with the Plans, subject to any reimbursable costs, if any. As stated below, the County must reimburse MWSC for all reasonable inspection costs for the Relocation Project.

1.03 County to Obtain and Assign Easements. N/A.

1.04 Obligations and Other Costs. N/A.

1.05 Continuation of Service. The County agrees that both the County Project and the Relocation Project must be undertaken so as to minimize any disruption of water service to existing customers of the MWSC and will not result in the prolonged loss of water service to any such customers.

II. CONSTRUCTION OF PROJECT

2.01 General. The Parties mutually acknowledge and agree that the County will, at its own expense, construct all physical improvements that constitute the County Project and the Relocation Project.

2.02 Maintenance. After acceptance, MWSC will own and maintain the facilities included within the Relocation Project.

2.03 Construction Plans. The MWSC will submit the Plans for the Relocation Project, and any changes or modifications thereto, to the County for review and approval prior to the County commencing construction. The Relocation Project will be jointly bid and constructed as part of the County Project.

2.04 Inspection. The MWSC may inspect the relocation of the waterlines during construction. If the MWSC's inspectors determine that the construction by the County is not in accordance with the approved Plans, or deficient in quality of construction, and upon receipt of such notification from the MWSC, the County must cease construction until the deficiency has been identified and resolved or a corrective plan of construction implemented with the written agreement of the MWSC.

2.05 Insurance, Bonds and Warranties. The County must require the contractor for the County Project to name MWSC as an additional insured on any policies related to the County Project or Relocation Project. The County must require the contractor to provide performance bonds, payment bonds, and maintenance bonds in favor of MWSC for the County Project and Relocation Project in amounts satisfactory to MWSC. The County must transfer any warranties for the Relocation Project to MWSC upon final completion and MWSC's written acceptance of the Relocation Project. The County and/or its contractor or agents shall be solely responsible for obtaining all regulatory permits or other approvals that are required to carry out the construction of the County Project and Relocation Project in accordance with the Plans, however, MWSC shall promptly provide any reasonable assistance or information, at no cost to MWSC, requested to assist with any permit submission process.

2.06 Other Costs. N/A.

2.07 As-Built Drawings. Upon completion of the construction of the Relocation Project, County will provide MWSC with the as-built drawings of the Relocation Project.

III. DISPUTES

3.01 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 must make a 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 must 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 that 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 must mitigate direct or consequential damage 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.

3.02 Equitable Relief. In recognition that failure in the performance of the Parties' respective obligations could not be adequately compensated in money damages alone, the Parties agree that after providing notice and an opportunity to cure in accordance with Section 3.01 above, the non-defaulting Party may 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 will be liable to the other for all costs actually incurred in pursuing such remedies 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.

3.03 <u>Agreement's Remedies Not Exclusive</u>. 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.

IV.

GENERAL PROVISIONS

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

4.02 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.

4.03 Payments from Current Revenues. Any payments required to be made by a Party under this Agreement must be paid from current revenues available to the Party for such purpose.

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

4.05 Effective Date. This Agreement is effective from the date of execution by the authorized representative of each Party.

4.06 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 or Relocation Project shown in the Plans.

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

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

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

MWSC:	Manville Water Supply Corporation 13805 State Highway 95		
	Coupland, Texas 78615		
	Telephone: 512-856-2488		
COUNTY:	Williamson County		
	710 Main Street, Suite 101		
	Georgetown, Texas 78626		
	Attn: County Auditor		
	Telephone: (512) 943-1577		
With a copy to:	Sheets & Crossfield, PLLC 309 E. Main Street		
	Telephone: 512-255-8877		

4.10 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.

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

ATTEST:

MANVILLE WATER SUPPLY CORPORATION:

By:____ Signor Witness Date:

ATTEST:

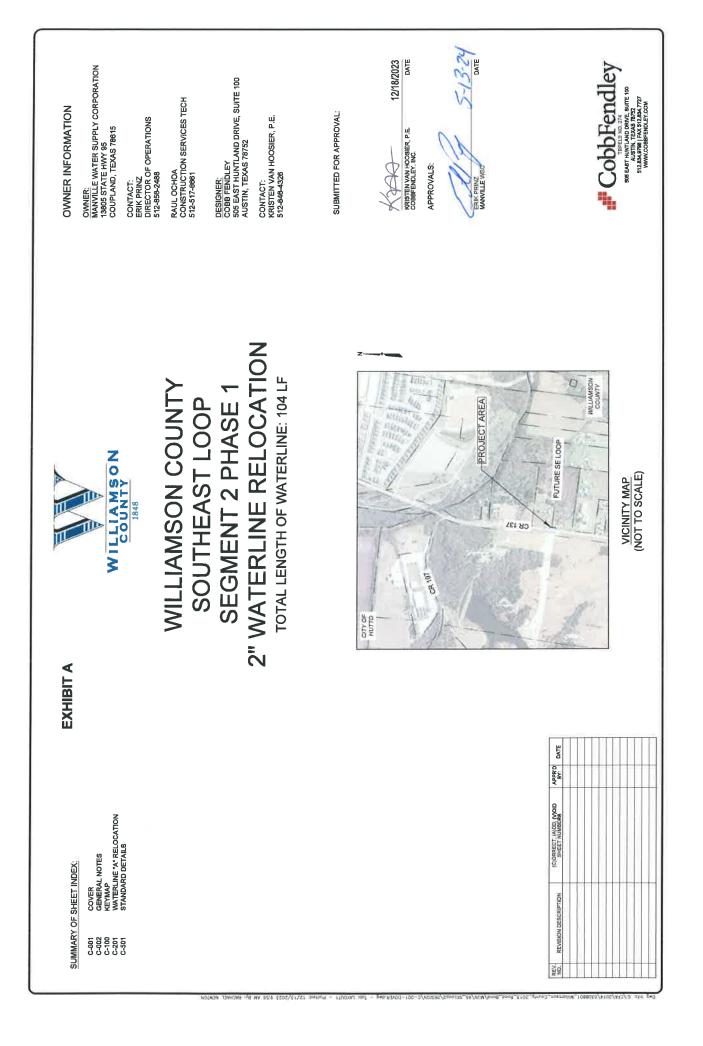
WILLIAMSON COUNTY, TEXAS:

Nancy Rister, County Clerk

By:______ Bill Gravell, Jr., County Judge

Date: _____

EXHIBIT "A" LOCATION OF COUNTY PROJECT



	GENERAL NOTES SE LOOP WL RELOCATION HUTTO, TEXAS	WILLIAN	A manufacture of the second se
EXHBIT B			
<section-header><section-header><section-header><section-header><section-header></section-header></section-header></section-header></section-header></section-header>	 C. ALL NIES WAITEWARTS, AND RECLUEND MAINED MAIO BOALL BE WITALLED MAIODOLOGY MIN THE BEAAATON OFTANCED MOLITED ON THE FUAM. PORT THE CHARLOW FIRE MAINLA. AND FEED AND CONTROL ON THE ADARTING MAINLA. AND FEED AND CONTROL ON AND WATER CAN THE OWNER ADARTING THE CAN AND FEED AND CONTROL ON AND MAIOL BECTIONEL TO AND WATER CAN AND FEED AND CONTROL ON AND		