

PURPOSE

It is the purpose of the parties to this Memorandum of Understanding to set forth the terms, rights and duties of the parties whereby CITY, as a unit of general local government, will administer the above-described grant funds for the project described herein, for the ultimate benefit of CORPORATION.

TERMS, RIGHTS AND DUTIES

PART I - SERVICES AND CONDITIONS

- 1.1 Subject to the provisions hereof, CITY agrees to accept and administer the Texas Community Development Block Grant Program grant funds described herein.
- 1.2 CORPORATION agrees to furnish all local matching funds for payment of any approved cost overruns, should they occur, during construction of the improvements described in the 2025/2026 TxCDBG Grant Application.
- 1.3 CITY further agrees to enter into the following contracts:
 - 1.3.1 Grant Contract with the Texas Department of Agriculture (an agency of the State of Texas) which governs the provision of the TxCDBG grant funds for the construction of project activities as described in the multi-jurisdictional 2025/2026 TxCDBG grant application; and,
 - 1.3.2 Contract with a grant consulting firm, for the provision of necessary and related grant management services. Compensation for grant management services shall not exceed the budget established in the multi-jurisdictional grant application without a corresponding increase in CORPORATION's cash contribution; and,
 - 1.3.3 Contract with a consulting engineer for the provision of necessary and related engineering services. Compensation for engineering services shall not exceed the budget established in multi-jurisdictional grant application without a corresponding increase in CORPORATION's cash contribution.
 - 1.3.4. Construction Contract for Water Improvements as necessary for the project's completion.
- 1.4 CORPORATION shall be given an opportunity to review and approve all construction plans and specifications prior to CITY's advertisement for bids.
- 1.5 CORPORATION and COUNTY authorize CITY to accept and review bids of materials and/or construction contracts.
- 1.6 CITY shall not authorize and award a Construction Contract or Construction Contract Change Orders without the approval of CORPORATION. Construction Contract amount(s) shall in no event exceed the amounts established in Table 1 of multi-jurisdictional grant application without approval of CORPORATION.
- 1.7 CITY further agrees to administer said grant funds, pursuant to the terms and conditions expressed in TxCDBG Grant Contract, and the rules and regulations pertaining thereto.
- 1.8 To minimize unnecessary project costs, COUNTY and CITY agree to permit construction of water improvements within existing rights-of-way of County and City roads, if applicable at no additional cost to the project.
- 1.9 CORPORATION agrees to accept, upon completion of construction, ownership and operation of the water improvements constructed.

- 1.10 In addition to the cash contribution to the Project discussed above, CORPORATION agrees to bear the incidental costs required for the publication of required public notices, including but not limited to: Floodplain Early Notice (if applicable), Floodplain Final Notice (if applicable), Notice of Finding of No Significant Impact and Notice of Request For The Release of Funds, Public Fair Housing and Equal Opportunity Notice, Two (2) Advertisements for Materials and/or Construction Bids, and the Project Close-out Public Hearing Notice.
- 1.11 The parties hereto agree that certain financial obligations, responsibilities, and liabilities may be incurred by CORPORATION, and are the responsibility of CORPORATION, pursuant to the entering into of the abovementioned contracts and the administration of said grant funds.
- 1.12 CORPORATION hereby agrees that it will completely indemnify and hold harmless COUNTY and CITY 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 above of this Memorandum of Understanding, insofar as any such claim or obligation cannot be paid out of grant funds.

PART II - TERM

The term of this Memorandum of Understanding shall commence on the effective date of CITY's acceptance of a fully executed 2025 or 2026 TxCDBG contract with the Texas Department of Agriculture, 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 through Section 1.4 of this Memorandum of Understanding.

PART III - SEVERABILITY

In case any one or more of the provisions contained in this Memorandum of Understanding 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 Memorandum of Understanding shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

PART IV - ENTIRETY

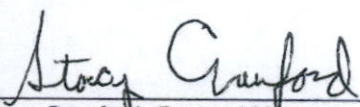
This Memorandum of Understanding contains the entire Agreement of the parties. Any prior agreements, promises, negotiations or representations not expressly contained in this Memorandum of Understanding are of no force and effect.

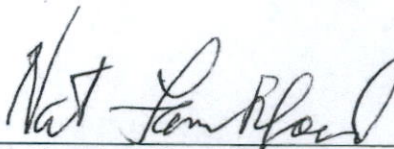
IN WITNESS WHEREOF, CORPORATION, CITY and COUNTY enter into this Memorandum of Understanding EFFECTIVE upon execution by all entities.

APPROVED BY Gary Water Supply Corporation on the 10th day of March, 2026 and executed by Nat Lankford, President, as authorized representative of CORPORATION.

ATTEST:

Gary Water Supply Corporation

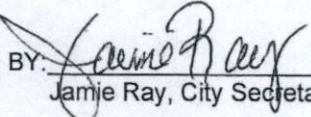
BY: 
Stacy Cranford, General Manager

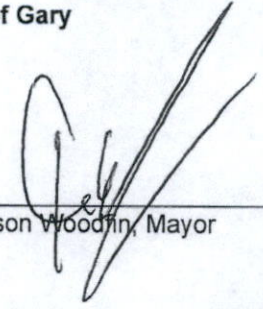
BY: 
Nat Lankford, Board President

APPROVED BY the City of Gary on the 17th day of March, 2026, and executed by Jason Woodfin, Mayor, as the authorized representative of CITY.

ATTEST:

City of Gary

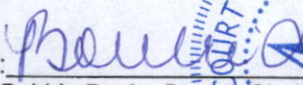
BY: 
Jamie Ray, City Secretary


BY: 
Jason Woodfin, Mayor

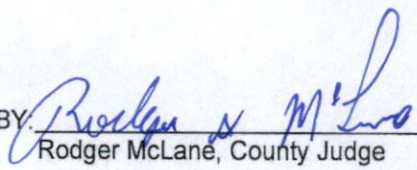
APPROVED BY Panola County on the 7th day of April, 2026 and executed by Rodger McLane, County Judge, as authorized representative of COUNTY.

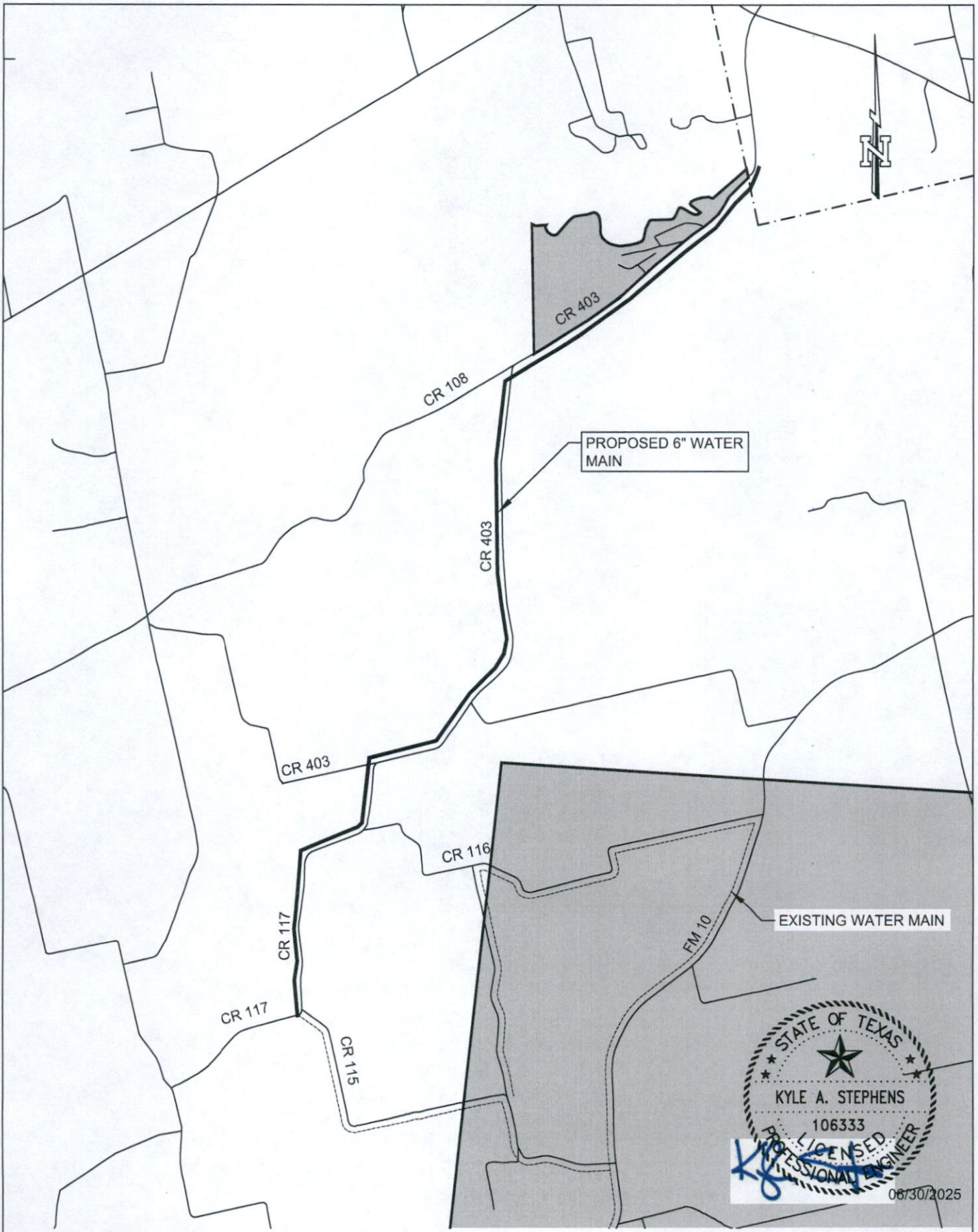
ATTEST:

Panola County

BY: 
Bobbie Davis, County Clerk



BY: 
Rodger McLane, County Judge



STEPHENS ENGINEERING
 P.O. BOX 6618 LONGVIEW, TX 75608
 (903) 215-8990 STEPHENSENG.NET

CITY OF GARY FOR GARY W.S.C.
 TDA 2025-2026 TxCDBG APPLICATION
 PROJECT MAP

DATE : MAR 2025

SCALE : 1"=3,000'

JOB NO. : GWSC