



NORTH DALLAS COUNTY WATER SUPPLY CORPORATION

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NORTH DALLAS COUNTY WATER SUPPLY CORPORATION PROJECT MANAGEMENT AGREEMENT

This Project Management Agreement (together with any amendments and/or supplements hereafter referred to as the "Agreement"), dated as of April 15, 1993 and executed by and between the North Dallas County Water Supply Corporation ("Corporation") the Town of Addison ("Town") and the City of Farmers Branch ("City").

WITNESSETH:

WHEREAS, The City of Farmers Branch and the Town of Addison entered into an Interlocal Agreement dated March 18, 1991 to create the North Dallas County Water Supply Corporation for the purpose of joint design, finance, construction, ownership, operation and maintenance of the "Eastside Interceptor Sewer System"; and,

WHEREAS, The City of Farmers Branch will provide certain project management services to the Corporation during the design and construction period; and,

WHEREAS, Section 2 (d) (iii) of the Interlocal Agreement empowers the Corporation to enter into construction management, administration or servicing agreements subject to the condition that A) such agreement shall not be effective until the same shall have been approved by the governing body of the Town and B) the costs to the Corporation of obtaining such project management services shall be included and budgeted as a part of the operating costs of the Corporation.

NOW THEREFORE, the North Dallas County Water Supply Corporation, the Town of Addison, and the City of Farmers Branch agree as follows:

SECTION 1. Contract Administration

The City will provide contract administration services to the Corporation, within the Corporation budget adopted and approved by the Corporation from time to time (hereinafter referred to as the "Corporation Budget", and a copy of the initial Budget for Fiscal Year 1992-93 is attached hereto as Attachment "A".) as Development costs, which will be limited to the following activities performed for the benefit of the Corporation:

- Provision of information regarding existing utilities and infrastructure during the design and construction phase.

- Review and approval of all designs, specification and contract documents.
- Coordination of activities among various contractors.
- Coordination of activities between contractors and property owners.
- Coordination of activities with utility companies.

Any other contract administration services that might be required must be separately approved by the Board of Directors of the Corporation.

This work will be performed by the following three classifications of personnel employed by the City (1992-93 pay ranges for these positions are contained in Attachment B): Project Engineer, Engineering Technician and Clerical. The Corporation will compensate the City for actual hours worked at the actual hourly rate of each individual plus an additional 25% of the actual cost of such work paid or payable by the City to pay the overhead of City associated with those personnel. The Corporation will also reimburse the City for all out of pocket cost incurred and paid by the City related to the contract administration activities.

The City will bill the Corporation for the services on a monthly basis on or about the 1st day of each month for the preceding month. Each bill will contain time sheets which outline the name and position of the individual providing services, their actual hourly rate, the overhead rate, number of hours charged and a description of services provided. The City will also provide invoices or receipts for all out of pocket costs.

SECTION 2. Financial Administration

The City will provide financial administration services, recognized within the Corporation budget as General Overhead Costs, to the Corporation which will be limited to the following activities performed for the benefit of the Corporation:

- Accounting and preparation of monthly financial reports.
- Payments to contractors and vendors.
- Bank account maintenance and reconciliation.
- Investment of bond proceeds in accordance with the Trust Indenture or other agreement governing the use of the bond proceeds, State law and the Corporation policies.
- Assistance and cooperation with the annual audit of the Corporation, but not for responses to auditors employed by the City or the Town separately, which costs shall be borne by the party employing such auditors.

Any other financial administration services which might be required must be separately approved by the Board of Directors of the Corporation.

This work will be performed by the following three classifications of personnel employed by the City (1992-93 pay rate for these positions are contained in Attachment B): Chief Accountant, Senior Accountant and Clerical. The Corporation will compensate the City for actual hours worked at the actual hourly rate of each individual plus an additional 20% of the actual cost of such work paid or payable by the City to pay the overhead of City associated with those personnel. The Corporation will also reimburse the City for all out of pocket cost incurred and paid by the City related to financial administration services.

The City will bill the Corporation for the services on a monthly basis on or about the 1st day of each month for the preceding month. Each bill will contain time sheets which outline the name and position of the individuals providing services, their actual hourly rate, the overhead rate, number of hours charged and a description of services provided. The City will also provide invoices or receipts for all out of pocket costs.

SECTION 3. Public Relations and Administrative Services

The City will be required, as a matter of service to its citizens, to provide extensive public information and expend a significant amount of staff time on public relations relative to the project. The City will develop a public relations program to be funded by the Corporation. The cost of the public relations program must be approved in advance by the Board of Directors of the Corporation. The City will also provide certain administrative services relative to matters legally required of the Corporation. These costs must be within the Corporate budget as General Overhead costs.

This work will be performed by the following three classifications of personnel employed by the City of Farmers Branch (1992-93 pay ranges for these positions are contained in Attachment B): Public Information Coordinator, City Management Assistant and Clerical. The Corporation will compensate the City for actual hours worked (within the approved program cost as it relates to the public relations effort) at the actual hourly rate of each individual plus an additional 20% of the actual cost of such work paid or payable by the City to pay the overhead of City associated with those personnel. The Corporation will also reimburse the City for all out of pocket cost incurred and paid by the City (within the approved program cost as it relates to the public relations effort) related to public relations and administrative services.

The City will bill the Corporation for the services on a monthly basis on or about the 1st day of each month for the preceding month. Each bill will contain time sheets which outline the name and position of the individuals providing services, their actual hourly rate, the overhead rate, number of hours charged and a description of services provided. The City will also provide invoices or receipts for all out of pocket costs.

SECTION 4. General Provisions

Except as provided above Corporation shall have no obligation for overhead or employment costs associated with City's performance of this Agreement. Without limiting the scope of the preceding sentence, the Corporation shall specifically have no obligation for all or any part of the employment taxes or employee benefits provided by City to any personnel performing services under this Agreement.

This Agreement shall remain effective until the project is completed as evidenced by issuance of a certificate of completion or until terminated by the City, the Town or the Corporation. Termination of this agreement shall be effective 30 days after the party causing such termination sends written notice to the other parties.

All parties further agree that all records maintained or created pursuant to this Agreement shall at all times be the exclusive property of the Corporation and upon termination of this agreement and at any other reasonable time shall be available for inspection by a representative designed by the City Manager of the Town.

If any action at law or in equity, including and action for declaratory judgment, is brought to enforce or interpret this Agreement, the prevailing party shall be entitled to recover reasonable attorneys fees and all costs of suit from the other party in addition to all other relief available at law or in equity.

This Agreement may not be amended except by a subsequent written instrument signed by all the parties. No action or failure to act or course of conduct shall constitute a waiver or abandonment of any obligation arising under this Agreement.

This Agreement becomes effective upon execution by all parties.

North Dallas County Water Supply Corporation

By: [Signature]
Corporate President

Attest:

[Signature]
Corporate Secretary

Approved As to Form:

[Signature]
Corporate Attorney

Town of Addison

By: [Signature]
Town Manager

Attest:

[Signature]
Town Secretary

Approved As to Form:

[Signature]
Town Attorney

City of Farmers Branch

By: [Signature]
City Manager

Attest:

[Signature]
City Secretary

Approved As to Form:

[Signature]
City Attorney

11/20/92

NORTH DALLAS COUNTY WATER SUPPLY CORPORATION
OPERATING AND DEBT SERVICE FUND

Current Year Budget and Projected Estimates for Years Ending September 30

	BUDGET	ACTUAL	BUDGET	ESTIMATED **		
	1991-92	1991-92	1992-93	1993-94	1994-95	1995-96
BEGINNING FUND BALANCE	\$0	\$0	\$103,006	\$153,006	\$203,005	\$313,005
REVENUES:						
Charges to participant cities						
Addison	635,000	335,500	243,861	391,506	1,456,593	1,429,093
Farmers Branch	520,000	274,500	199,522	320,323	1,191,758	1,169,258
Interest income and miscellaneous	2,000	0	2,000	2,000	10,000	20,000
Transfer from construction fund	0	0	1,123,000	1,884,521	0	0
Total revenues	1,157,000	610,000	1,568,383	2,598,350	2,658,351	2,618,351
TOTAL AVAILABLE RESOURCES	1,157,000	610,000	1,671,389	2,751,356	2,861,356	2,931,356
EXPENDITURES:						
General Overhead						
Salaries	12,000	0	12,000	12,000	12,000	12,000
Supplies	1,000	0	1,000	1,000	1,000	1,000
Legal Fees	2,000	1,447	2,000	2,000	2,000	2,000
Insurance	25,000	8,525	25,000	25,000	25,000	25,000
Misc. professional services	7,000	92	7,000	7,000	7,000	7,000
Total overhead	47,000	10,064	47,000	47,000	47,000	47,000
Debt service:						
Principal	0	0	346,383	614,830	660,942	710,512
Interest	0	0	1,125,000	1,886,521	1,840,409	1,790,838
Total debt service	0	0	1,471,383	2,501,351	2,501,351	2,501,350
Transfer to construction fund	1,100,000	496,930	0	0	0	0
Total expenditures	1,147,000	506,994	1,518,383	2,548,351	2,548,351	2,548,350
ENDING FUND BALANCE	\$10,000	\$103,006	\$153,006	\$203,005	\$313,005	\$383,006

** For information purposes only.

11/20/92

**NORTH DALLAS COUNTY WATER SUPPLY CORPORATION
CAPITAL PROJECT FUND**

Current Year Budget and Projected Estimates for Years Ending September 30

	BUDGET	ACTUAL	BUDGET	ESTIMATED **		PROJECT BUDGET
	1991-92	1991-92	1992-93	1993-94	1994-95	
BEGINNING FUND BALANCE	\$0	\$0	\$0	\$7,617,570	\$6,994,249	
<i>REVENUES:</i>						
Proceeds from bond sale	0	0	15,000,000	10,500,000	0	25,500,000
Interest and miscellaneous	0	0	550,000	650,000	193,821	1,393,821
Transfer from operating fund	1,100,000	496,930	603,070	0	0	1,100,000
Total revenues	<u>1,100,000</u>	<u>496,930</u>	<u>16,153,070</u>	<u>11,150,000</u>	<u>193,821</u>	<u>27,993,821</u>
TOTAL AVAILABLE RESOURCES	<u>1,100,000</u>	<u>496,930</u>	<u>16,153,070</u>	<u>18,767,570</u>	<u>7,188,070</u>	
<i>EXPENDITURES:</i>						
Financing costs	0	0	412,500	288,800	0	701,300
Developmental costs:						
Engineering, design & inspection	1,000,000	496,930	800,000	600,000	703,070	2,600,000
Construction	0	0	6,000,000	9,000,000	6,485,000	21,485,000
Land/R.O.W. acquisition	100,000	0	200,000	0	0	200,000
Total development	<u>1,100,000</u>	<u>496,930</u>	<u>7,000,000</u>	<u>9,600,000</u>	<u>7,188,070</u>	<u>24,285,000</u>
Transfer to operating fund	0	0	1,123,000	1,884,521	0	3,007,521
Total expenditures	<u>1,100,000</u>	<u>496,930</u>	<u>8,535,500</u>	<u>11,773,321</u>	<u>7,188,070</u>	<u>27,993,821</u>
ENDING FUND BALANCE	<u>\$0</u>	<u>\$0</u>	<u>\$7,617,570</u>	<u>\$6,994,249</u>	<u>\$0</u>	

** For information purposes only.

Attachment "B"

Attachment "B" to the Project Management Agreement between the North Dallas County Water Supply Corporation, the Town of Addison and the City of Farmers Branch

Following are the 1992-93 hourly rate ranges for the positions which are identified as providing project management services in the Agreement.

Contract Administration

<u>Position</u>	<u>1992-93 Hourly Rate Range</u>
Project Engineer	\$30.24 to 37.80
Engineering Technician	\$18.24 to 22.80
Clerical	\$11.57 to 14.46

Financial Administration

<u>Position</u>	<u>1992-93 Hourly Rate Range</u>
Chief Accountant	\$27.06 to 32.47
Senior Accountant	\$18.26 to 21.91
Clerical	\$12.51 to 15.01

Public Relations and Administrative Services

<u>Position</u>	<u>1992-93 Hourly Rate Range</u>
Public Information	\$19.34 to 23.21
City Management Asst.	\$18.84 to 22.61
Administrative Secretary	\$17.82 to 21.38

3-18-91

STATE OF TEXAS
COUNTY OF DALLAS

**INTERLOCAL SANITARY SEWER
INTERCEPTOR AGREEMENT**

This *Interlocal Sanitary Sewer Interceptor Agreement* (together with any amendments and/or supplements, the or this "Agreement"), dated as of March 18, 1991, and executed by and between the *Town of Addison, Texas* ("Addison") and the *City of Farmers Branch, Texas* ("Farmers Branch"), Addison and Farmers Branch being herein collectively called the "Cities":

WITNESSETH:

WHEREAS, the Cities are authorized by the Interlocal Cooperation Act ("Interlocal Act"), Article 4413(32c), Vernon's Texas Civil Statutes, as amended, to enter into cooperative agreements for the purpose of fulfilling and implementing their respective public and governmental purposes, needs objectives, and programs; and

WHEREAS, the Cities each have a need for facilities for the purpose of discharging and transporting effluent, sewage and other permissible liquid wastes, and delivering the same to qualified points of treatment, and they have determined that economy and efficiency, and public safety can best be achieved through the construction and operation of a joint sanitary sewer interceptor project, the same to be generally located as shown on Exhibit A hereto and designated as the "Eastside Interceptor Sewer System" and consisting of the Interceptor Tunnel and the Collector Sewer Lines, herein collectively called the "PROJECT"; and

WHEREAS, the Cities have determined that the Project can best be designed, financed, constructed, owned, operated, and maintained by a single entity, acting on their behalf and as their administrative agency and instrumentality under the Interlocal Act; and

WHEREAS, accordingly, the Cities have agreed to the creation of a non-profit water supply corporation under and pursuant to Article 1434a, Vernon's Texas Civil Statutes, as amended, to perform the functions described herein;

NOW, THEREFORE, ADDISON AND FARMERS BRANCH AGREE AS FOLLOWS:

Section 1. Development of the Project.

- (a) The Cities agree to cause the Project to be provided for their benefit in accordance with the terms hereof.
- (b) The Project shall be designed, financed, developed, owned, and operated in accordance with the general procedures herein set forth.

Section 2. Creation, Powers and Duties of Administrative Agency.

- (a) The Cities agree that they will authorize and approve, by the adoption of concurrently adopted resolutions (the "Resolutions"), the incorporation and organization of a non-profit water supply corporation, to be named "North Dallas County Water Supply Corporation" (the "Corporation"), under and pursuant to Article 1434a, Vernon's Texas Civil Statutes, as amended.
- (b) The Corporation shall be incorporated for the purposes, shall have the powers, and shall be governed in the manner, set forth in the articles of incorporation and bylaws to be approved and attached to the Resolutions, subject to the conditions and limitations set forth herein.
- (c) The officers of the Corporation shall be selected in the manner set forth in the articles of incorporation except that the positions of President and Vice President shall not be persons appointed from the same City and the position of President and Vice President shall rotate between persons of different Cities at least every two years. Provided, however, that the first President shall be selected from among the persons appointed by Farmers Branch and shall serve until the normal expiration date of the term in effect on the date of completion of construction of the Project.
- (d) The Cities designate the Corporation as their administrative agency under the Interlocal Act and authorize it, when incorporated, to exercise the powers granted to it by law in furtherance of its corporate purposes, including, but not limited to, the following services and functions, but subject to the following limitations and conditions:
 - (i) To enter into contracts with engineers, attorneys, financial consultants, and other needed professionals for the purposes of designing, financing, and acquiring the Project, and preparing the Project for construction, and to enter into construction and construction management

contracts for the purpose of constructing, installing, and equipping the Project, subject to the requirement that construction shall not be commenced until the plans and specifications therefor have been approved by the governing body of each of the Cities;

(ii) To obtain land, easements, and rights-of-way for the Project, subject to the conditions that (A) no right-of way acquisition shall be made until the location thereof has been approved by the governing body of Farmers Branch, and (B) no interest in land or other property shall be acquired through the exercise of the Corporation's power of eminent domain until the use of such power in each specified case has been approved by each of the governing bodies of the Cities;

(iii) To enter into separate construction management, administration, or servicing agreements with Farmers Branch, by which Farmers Branch will provide personnel and management services to the Corporation during the period of construction within its corporate limits, and thereafter for the purpose of maintaining the Project, subject to the conditions that (A) such agreement shall not be effective until the same shall have been approved by the governing body of Addison, and (B) the costs to the Corporation of obtaining such services shall be included and budgeted as a part of the operating costs of the Corporation;

(iv) To issue bonds, notes, and other lawful forms of debt instruments, on behalf of the Cities, within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, for the purposes of providing, operating, and maintaining the Project, subject to the conditions that (A) such bonds, notes, and other debt instruments shall be payable solely and exclusively from the revenues of the Corporation from the ownership and operation of the Project and/or from individual and separate Sewer Interceptor Service Agreements entered into between the Corporation and Addison and/or the Corporation and Farmers Branch, executed by the respective Cities pursuant to Section 4(d) hereof, (B) no bonds, notes, or other debt instruments shall be issued until the same are approved by the Cities to the extent required by the articles of incorporation and bylaws of the Corporation, and (C) each and every bond, note, or other debt instrument shall contain a provision stating in effect, that the default by one of the Cities under any contract or agreement executed by it shall never be or constitute a default of or give rise to a claim against the non-defaulting City; and

(v) To Perform any function and duties imposed on it by the terms and provisions of any contract to which it is a party.

Section 3. Ownership of Project, Acceptance of Title.

- (a) The Project, subject to the requirements of, and to the rights reserved to the Cities in this Section, shall be owned by the Corporation, but shall be held and used solely for the public purposes of the Cities.
- (b) Subject to the provisions of Section 5, upon payment of all bonds, notes, and other debt instruments of the Corporation, title to the interceptor tunnel and each collector sewer line shall vest in, and by proper conveyance and instruments of title transfer be conveyed to the Cities in accordance with the respective percentages of allocated flows as set forth for the interceptor tunnel and each collector sewer line as set forth in Exhibit B, attached hereto.
- (c) The Cities, acting jointly, may, at any time, direct the Corporation to convey title to the Cities jointly in the undivided interests specified in subsection (b) of this Section, subject to the conditions that (i) the Cities shall severally assume and agree to pay, in proportion to their respective ownership interest in the Project, their respective share of all obligations of the Corporation of every nature and kind, and (ii) such transfer and assumption shall not in any respect alter or modify the obligations to make payments in the manner, from the respective City, from the sources, to the persons, and in the amounts required by the terms of any contract or agreement theretofore executed by the Cities, respectively, and pledged to pay any bonds, notes, or other debt instruments theretofore issued by the Corporation and at the time outstanding.
- (d) From and after the date of receipt of title to the Project under any of the provisions of this Section, the Project, and its costs, expenses, and obligations shall be operated, maintained, and paid for in the same manner and in the same proportions as in effect on the date of such transfer until such time as the Cities shall mutually agree otherwise.

Section 4. Allocation of Costs Prior to Completion.

- (a) For purposes of this Section, the following terms have the following meanings, to-wit:

"Development Costs" means the fees, costs, reimbursable expenses, construction contract amounts, costs of contract supervision and management, and similar costs relating to the Project, due and owing to engineers, contracting contract managers, and the costs, fees and expenses incurred in connection with the Project.

"Financing Costs" means costs, such as the payments to be made to financial advisors, bond counsel, underwriters, and printers, incurred by the Corporation for services rendered to each of the Cities, respectively, in connection with financing of its share of the costs of the Project.

"General Overhead Costs" means the general costs and expenses of the Corporation incurred prior to and on account of the completion of the Project for accounting, legal, and similar costs incurred by the Corporation that are not included as a Financing Cost or a Development Cost, and that are not related specifically to a Collector Sewer Line or to the Interceptor Tunnel designated on Exhibit A, attached hereto.

- (b) It is agreed by the Cities that unless an adjustment shall be made pursuant to Section 5, the Development Costs shall be paid for by the Cities, respectively, in the respective percentages of allocated flows as set forth for the Interceptor Tunnel and the Collector Sewer Lines, as set forth in Exhibit B, attached hereto. To the extent such costs are not allocated to each specific portion of the Project by specific contracts, the Cities shall mutually agree as to the amount to be allocated to each portion of the Project.
- (c) It is agreed by the Cities that each of Farmers Branch and Addison, respectively, shall pay 100% of the Financing Costs incurred in connection with the financing of its share of the total costs of the Project.
- (d) It is agreed by the Cities that Farmers Branch shall pay 45%, and Addison shall pay 55% of the General Overhead Costs.
- (e) It is agreed and understood that each of the Cities may obtain funds for all or any portion of its costs required to be paid under this Section from any lawfully available source, including financing provided to each of the respective Cities by the Corporation under separate contracts and agreements between the applicable City and the Corporation.
- (f) Prior to the date the Project becomes operational, the Corporation shall, in accordance with the procedures established in its bylaws, establish preliminary budgets and operating and maintenance standards and costs for all purposes. To the extent not provided for in lump sum, Addison shall pay, in the form of periodic advances, made monthly when and as billed therefor, its share of the amounts thus established, determined in accordance with Section 4, and Farmers Branch shall pay its share thereof as determined under Section 4.

- (g) The Corporation, to the extent it lawfully may do so, shall include within the amounts of bonds, notes, or other debt instruments issued by it sums that are sufficient to reimburse and repay the Cities, respectively, for the advances made prior to operation as provided in subsections 4 (b), (f) of this section.

Section 5. Adjustment of Cost and Ownership Allocations.

- (a) The ownership shares and the cost allocations made in Sections 3 and 4 hereof are made upon the basis of assumed use of the Project by Addison from areas located in the Addison Service Area as shown on Exhibit C, and by Farmers Branch from areas located in the Farmers Branch Service Area on Exhibit C.
- (b) In the event either of the Cities desires or proposes to deliver effluent into the Project from outside the respective Service Areas assigned to it under subsection (a) above and provided that both Cities determine and agree that it is in the best interest of the Project to accommodate the additional Service Area, then the Cities agree that adjustment shall be made in the ownership shares specified in Section 3 and reimbursement shall be provided of the costs allocated in Section 4. Such adjustments and reimbursements shall be reasonable in amount, as the Cities shall mutually approve and agree.
- (c) Until agreement is reached, each of the Cities agrees not to deliver effluent into the Project from any area outside the Service Area assigned to it in Exhibit C.

Section 6. Payment and Reimbursement of Operating and Maintenance Costs.

- (a) For purposes of this Section, the following terms have the following meanings, to wit:

"Operating Costs" means all costs of operating the interceptor tunnel and each collector sewer line including, but not limited to, the cost of metering and treating effluent, except the individual contracts and obligations each City has with the Trinity River Authority as specified in Section 6B, utilities, supervision, engineering, accounting, auditing, legal services, supplies, services, administrative costs and equipment necessary for the proper operation of the interceptor tunnel and each collector sewer line.

"Maintenance Costs" means all costs of adequately maintaining the interceptor tunnel and each collector sewer line including, but not limited to, the cost for engineering, inflow and infiltration studies and remedies; televising, cleaning, repairing, rehabilitating, replacing, and restoring the project; and meter repairs and recalibration.

- (b) After the Project becomes operational, the Cities shall pay their share of on-going operating and maintenance costs of the interceptor tunnel and each collector sewer line. Operating and maintenance costs that specifically relate to the interceptor tunnel and collector line(s) shall be paid in accordance with the respective percentages of allocated flows as set forth in Exhibit B, attached hereto. Any operating and maintenance costs that are not specifically related to the interceptor tunnel or a particular collector line(s) shall be paid collectively by the Cities, with Addison paying 55% and Farmers Branch paying 45% of operating and maintenance costs. Each City will pay directly to the Trinity River Authority (TRA), monthly payments for treating effluent, as metered and billed by the Trinity River Authority for each City, as specified in each Cities contractual agreement.
- (c) After the Project becomes operational, the Cities shall pay their share of annual operating costs in accordance with Section 6B and as set forth in the Corporations annual budget.
- (d) Each City agrees to establish a separate reserve account within the corporation to fund future maintenance costs as identified in Section 6A. The Corporation shall establish in each annual operating budget the appropriate contributions by each City for their reserve account.

All future maintenance costs shall be paid from each City's reserve account in accordance with the provisions as set forth in Section 6B. In the event that the Corporation should dissolve, each City shall receive the funds contained in their respective reserve account plus interest.

- (e) Except for the amounts required to be paid by the Cities in subsection (b, c, d) of this Section, and in Section 4, this Agreement does not obligate either of the Cites, and neither City agrees, to pay any amount of money for any purpose. All other monetary obligations of the Cities that might arise that relate to the Project, its financing, construction, and operations shall be set forth in separate Sewer Interceptor Service Agreements to be negotiated under the authority of Section 402.014, Local Government Code, as amended.

Section 7. Admission of Addison to the Trinity River Authority (TRA).

The Cities agree that Addison will be granted membership in the Trinity River Authority effective upon the date in which Addison first discharges wastewater into the interceptor tunnel, after it is completed and placed into service; provided that Addison shall not make any such initial discharge unless, at least 30 days prior thereto, the Cities shall have given written notice and assurance to the Trinity River Authority that the interceptor tunnel will be completed on a specified date.

Section 8. Term.

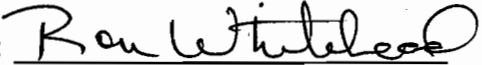
The term of this Agreement shall be one year from the date hereof and shall be automatically renewed for one year on each anniversary of the commencement date, provided, however, that either City can terminate this Agreement if the other City cannot adequately demonstrate the ability to provide full funding of the project by or on September 1, 1991.

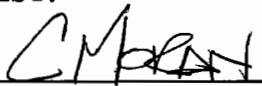
Section 9. Acceptance by Corporation.

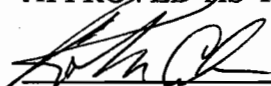
- (a) After the incorporation of the Corporation in accordance with the terms of this Agreement, this Agreement shall be submitted to the Corporation for its approval and acceptance. After such execution, this Agreement shall be in full force and effect.
- (b) After such acceptance, this Agreement shall be binding on the Corporation, and its obligations stated herein shall commence and be in effect on, from, and after the date of such acceptance.

EXECUTED AND DELIVERED by and between Addison and Farmers Branch on and as of the day and year first above written.

TOWN OF ADDISON, TEXAS

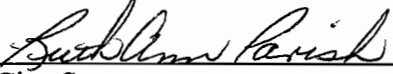
By: 
Town Manager

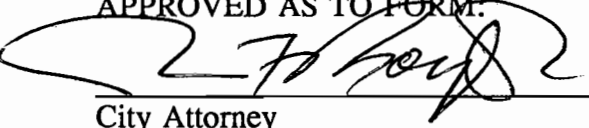
ATTEST:

Town Secretary

APPROVED AS TO FORM:

Town Attorney

CITY OF FARMERS BRANCH, TEXAS

By: 
City Manager

ATTEST:

City Secretary

APPROVED AS TO FORM:

City Attorney

ACCEPTANCE BY CORPORATION

The North Dallas County Water Supply Corporation accepts the terms and provisions of this Interlocal Sewer Interceptor Agreement and agrees to be bound by its terms to the extent required, all on and as of this _____ day of _____, 1991.

**NORTH DALLAS COUNTY WATER SUPPLY
CORPORATION**

By: _____

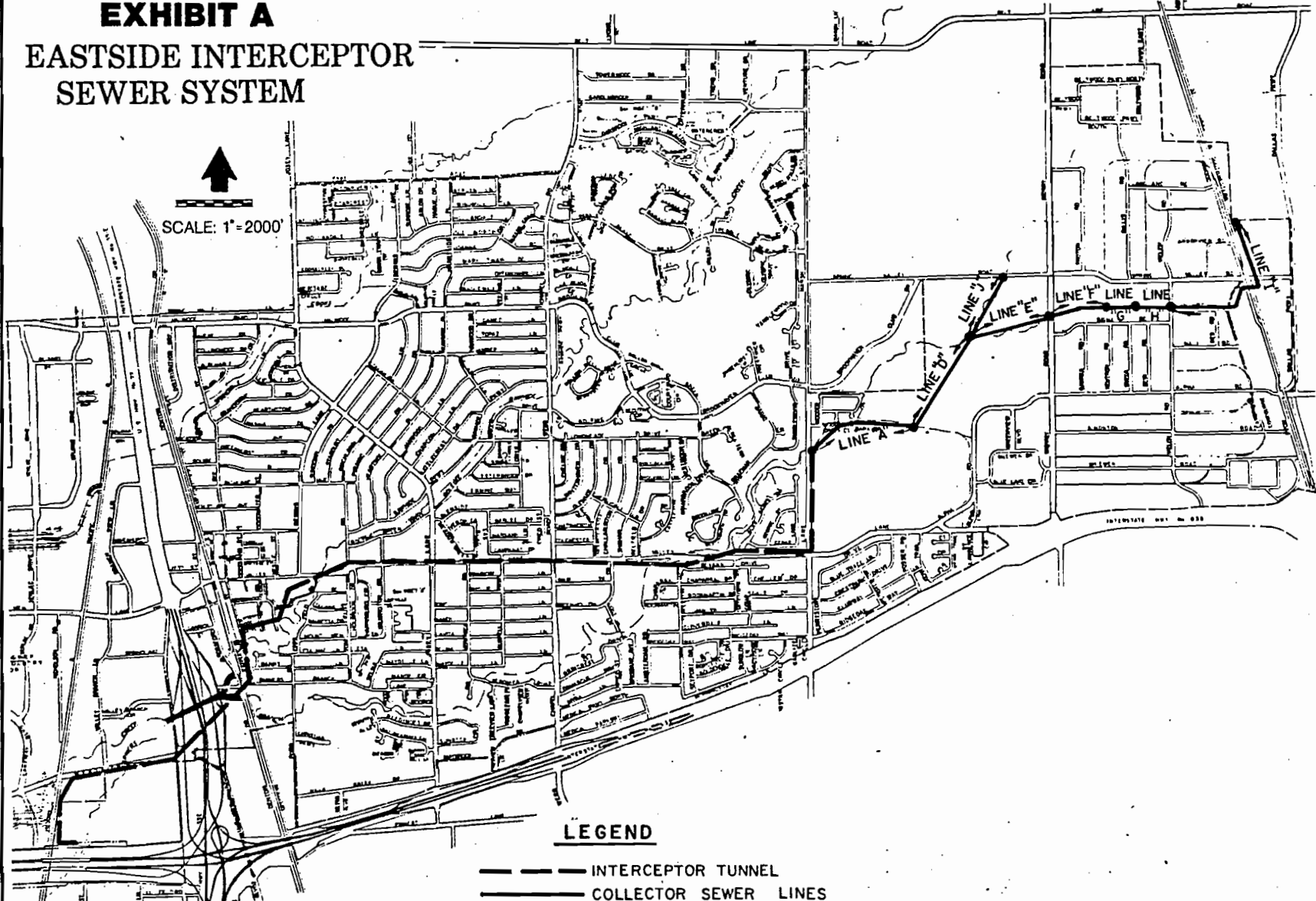
[S E A L]

ATTEST:

EXHIBIT A

EASTSIDE INTERCEPTOR SEWER SYSTEM

↑
SCALE: 1"=2000'



LEGEND

- — — INTERCEPTOR TUNNEL
- — — COLLECTOR SEWER LINES

DATE: 9-21-90

EXHIBIT 'B'

ADDISON/FARMERS BRANCH INTERCEPTOR FLOW AND COST SUMMARY								
06-MAR-91								
Line	PROJECT		ADDISON			FARMERS BRANCH		
	Total Flow	Total Cost	Total Flow	Percent of Allocated Flow	Cost	Total Flow	Percent of Allocated Flow	Cost
Tunnel	28.347	\$20,000,000.00	16.099	56.79%	\$11,358,521.18	12.248	43.21%	\$8,641,478.82
A	17.183	\$1,144,570.00	4.935	28.72%	\$328,723.33	12.248	71.28%	\$815,846.67
D	14.145	\$791,129.50	4.935	34.89%	\$276,014.43	9.210	65.11%	\$515,115.07
E	9.64	\$526,092.00	2.106	21.85%	\$114,932.55	7.534	78.15%	\$411,159.45
F	7.964	\$356,667.50	2.106	26.44%	\$94,317.15	5.858	73.56%	\$262,350.35
G	6.793	\$125,930.00	2.106	31.00%	\$39,041.45	4.687	69.00%	\$86,888.55
H	4.923	\$247,219.00	2.106	42.78%	\$105,757.31	2.817	57.22%	\$141,461.69
I	4.113	\$802,424.00	2.106	51.20%	\$410,869.18	2.007	48.80%	\$391,554.82
J	2.829	\$290,514.00	2.829	100.00%	\$290,514.00			\$0.00
TOTALS		\$24,284,546.00			\$13,018,690.57			\$11,265,855.43

- o The costs associated with administration, financing and engineering management of the water supply corporation is estimated at \$100,000 annually.
- o The costs shown on this chart are "Engineer's Opinion of Probable Costs" based on available information.
- o The flows shown for each line segment are calculated ultimate flows for the Interceptor System. These flows are based on studies and reports completed by Farmers Branch and Addison in June of 1990, and are the maximum allowable flows from the respective cities.

CONCURRENT RESOLUTION

ADDISON RESOLUTION NO. 91-034

FARMERS BRANCH RESOLUTION NO. 91-052

A RESOLUTION ADOPTED CONCURRENTLY BY THE TOWN COUNCIL OF THE TOWN OF ADDISON AND BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH AUTHORIZING THE CREATION OF THE NORTH DALLAS COUNTY WATER SUPPLY CORPORATION FOR LIMITED PURPOSES; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT.

- WHEREAS, Article 1434a, Texas Revised Civil Statutes Annotated, as amended (the "Act"), authorizes the creation of water supply corporations for the purpose of financing and furnishing sewer services to towns and cities; and
- WHEREAS, the Town of Addison ("Addison") and the City of Farmers Branch ("Farmers Branch") each have a serious need to provide sewer interceptor services to serve their respective sewer systems and have jointly concluded and agreed that the most efficient and least costly method of financing and providing such services is through an instrumentality (the "Corporation") created under the Act to provide the same on a joint basis; and
- WHEREAS, The Corporation will be incorporated, organized, and operated as a nonprofit corporation pursuant to the provisions of the Act with powers strictly limited to the providing of such services and the financing thereof; and
- WHEREAS, after incorporation, the Corporation, Addison, and Farmers Branch intend to negotiate and enter into acceptable contracts for sewer interceptor services pursuant to the authority granted to cities and towns under Section 402.014, Local Government Code, and the Act, with payments thereunder to be pledged to the payment of Bonds issued by the Corporation for such purposes upon terms approved by Addison and Farmers Branch;

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF ADDISON, TEXAS:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS:

Section 1. That the incorporation of the Corporation is hereby authorized and approved as a water supply corporation under the provisions of the Act.

Section 2. That the Articles of Incorporation of the Corporation, in the form attached hereto, are hereby approved and the incorporators are authorized to file the same with the Secretary of State as provided by the Act.

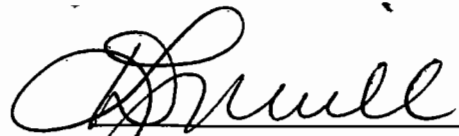
Section 3. That the Bylaws of the Corporation, in the form attached hereto, are hereby approved, and the same shall be adopted by the board of directors of the Corporation prior to the commencement of its business.

Section 4. That Addison hereby appoints the persons named in Article Eight of the Articles of Incorporation in Place 1, Place 2, and Place 3, as initial members of the board of directors of the Corporation.

Section 5. That Farmers Branch hereby appoints the persons named in Article Eight of the Articles of Incorporation in Place 4, Place 5, and Place 6, as initial members of the board of directors of the Corporation.


Section 6. That, upon dissolution of the Corporation, Addison and Farmers Branch hereby agree to and shall accept title to any and all real, person, or interests as shall be specified in a separate interlocal agreement to be prepared and submitted to and approved and accepted by Addison and Farmers Branch.

PASSED AND APPROVED by the Town Council of Addison, Texas on this 26th day of March, 1991.



Mayor, Town of Addison

ATTEST:



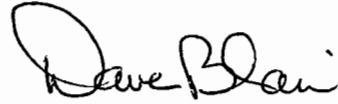
City Secretary

APPROVED AS TO FORM:



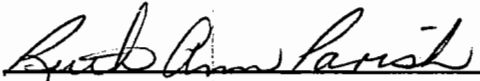
Town Attorney

PASSED AND APPROVED by the City Council of the City of Farmers Branch, Texas, on this 18th day of March, 1991.



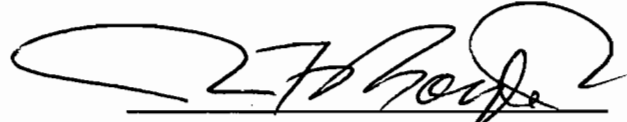
Mayor, City of Farmers Branch

ATTEST:



City Secretary

APPROVED AS TO FORM:



City Attorney

4/9/11

ARTICLES OF INCORPORATION
OF
NORTH DALLAS COUNTY WATER SUPPLY CORPORATION

WE, THE UNDERSIGNED natural persons, not less than three in number, each of whom is at least 18 years of age, and each of whom is a citizen of the State of Texas, acting as incorporators of a public instrumentality and non-profit water supply corporation (the "Corporation") under Article 1434a, Texas Revised Civil Statutes Annotated, as amended (the "Act"), with the approval of the Town Council of the Town of Addison, Texas, and of the City Council of the City of Farmers Branch, Texas (collectively, the "Cities"), do hereby adopt the following Articles of Incorporation for the Corporation:

ARTICLE ONE

The name of the corporation is "North Dallas County Water Supply Corporation."

ARTICLE TWO

The Corporation is a non-profit water supply corporation under the Act.

ARTICLE THREE

The period of duration of the Corporation is perpetual.

ARTICLE FOUR

- (a) The purpose of the Corporation is to furnish and provide sewer services to the Cities, and to such other towns and cities as may be expressly approved by concurrent resolution adopted by the governing bodies of the Cities.
- (b) In the fulfillment of its corporate purpose, the Corporation shall have the power to provide financing to pay the costs of projects, through the issuance of bonds, notes, and other forms of debt instruments, and to acquire, maintain, and lease or sell property, and interests therein, all to be done and accomplished on behalf

of the Cities and for their benefit and to accomplish their public purposes as their duly constituted authority and public instrumentality pursuant to the Act and under, and within the meaning of, the applicable regulations of the United States Treasury Department and the rulings of the Internal Revenue Service of the United States prescribed and promulgated under and pursuant to the Internal Revenue Code of 1986, as amended.

- (c) In the fulfillment of its corporate purpose, the Corporation shall have and may exercise the powers described in paragraph (b) of this Article, together with all of the other powers granted to corporations that are incorporated under the Act, and, to the extent not in conflict with the Act, the Corporation shall additionally have and may exercise all of the rights, powers, privileges, authorities, and functions granted to non-profit corporations under the Texas Non-Profit Corporation Act, Article 1396-101, et seq., Texas Revised Civil Statutes Annotated, as amended.
- (d) The Corporation is not a political subdivision or a political corporation, and the Corporation has not been delegated, does not have, and shall not exercise any of the powers of sovereignty of the Cities.
- (e) No agreements, bonds, notes, or other debt instruments or other obligations, contract, or agreements of the Corporation are or shall ever be deemed to be or constitute the agreements, bonds, notes, or other debt instruments or other obligations, or the lending of credit, or a grant of the public money or things of value, of, belonging to, or by the Cities or any other political corporation, subdivision or agency of the State of Texas, or a pledge of the faith and credit of any of them, except only to the extent that the same may be payable from revenues pledged by the Cities to pay the same under separate contracts and agreements executed by the Cities and the Corporation. Any and all of such agreements, bonds, notes, and other debt instruments and other obligations, contracts and agreements of the Corporation shall be payable solely and exclusively from the revenues and funds received by the Corporation from contracts and agreements with the Cities and from such other sources as may be otherwise lawfully available and belonging to the Corporation from time to time.

ARTICLE FIVE

The Texas Non-Profit Corporation Act, cited in Article Four of these Articles, shall apply to the Corporation to the extent not in conflict with the Act. As permitted thereby the Corporation has no members and is a non-stock corporation. Accordingly, Sections 5 and 9A of the Act shall not apply to the Corporation.

ARTICLE SIX

These Articles of Incorporation may be amended in either one of the methods prescribed in this Article.

- (a) The governing bodies of the Cities may, by concurrent resolution, order the board of directors to amend these Articles of Incorporation. If so directed, the board of directors shall file amendments conforming to such directions with the Secretary of State.
- (b) The board of directors of the Corporation may file a written application with each of the governing bodies of the Cities requesting approval of proposed amendments to these Articles of Incorporation, specifying in such application the proposed amendments. If the governing bodies of the Cities, by concurrent resolution, find and determine that it is advisable that the proposed amendments be made, authorize the same to be made, and approve the form of the proposed amendments, the board of directors of the Corporation may proceed to amend these Articles of Incorporation.
- (c) The board of directors of the Corporation shall not have any power to amend these Articles of Incorporation except in accordance with the procedures established in this Article.

ARTICLE SEVEN

The street address of the initial registered office of the Corporation is City Hall Plaza, Farmers Branch, Texas 75234, and the name of its initial registered agent at such address is Richard L. Escalante.

ARTICLE EIGHT

The affairs of the Corporation shall be managed by a board of directors consisting of six persons, each of whom will occupy a Place on the board of directors. Three of such persons shall be appointed by the governing body of the Town of Addison and shall occupy, respectively, Place 1, Place 2, and Place 3. Three of such persons shall be appointed by the governing body of the City of Farmers Branch and shall occupy, respectively, Place 4, Place 5, and Place 6. The number of directors and the terms of office of the directors may be changed by amendments to the bylaws of the Corporation in the manner herein provided. The names and street addresses of the persons who are to serve as the initial directors and the dates of expiration of their initial terms as directors, are as follows:

<u>PLACE</u>	<u>NAMES</u>	<u>ADDRESSES</u>	<u>DATE OF EXPIRATION OF TERM</u>
1	Ron Whitehead	Town Hall, Addison, Texas	January 1, 1994
2	Randy Moravec	Town Hall, Addison, Texas	January 1, 1994
3	John Baumgartner	Town Hall, Addison, Texas	January 1, 1994
4	Richard Escalante	City Hall, Farmers Branch, Texas	January 1, 1994
5	Doug Vanderslice	City Hall, Farmers Branch, Texas	January 1, 1994
6	John Burke	City Hall, Farmers Branch, Texas	January 1, 1994

Each director shall hold office for the term for which the director is appointed and until a successor shall have been appointed and qualified unless sooner removed or resigned. Each director, including the initial directors, shall be eligible for reappointment. Directors are removable by the governing body of the Town or City appointing them at will and must be appointed for a term not in excess of six years. The directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in the performance of their duties as directors. Any vacancy occurring on the board of directors through death, resignation, or otherwise shall be filled by appointment for the unexpired term and to the vacant Place by the governing body of the Town or City making the original appointment. Section 3(b) of the Act shall not be applicable to the Corporation.

ARTICLE NINE

The name and street address of each incorporator are:

<u>Name</u>	<u>Address</u>
Ron Whitehead	Town Hall, Addison, Texas 75001
Richard Escalante	City Hall, Farmers Branch, Texas 75234
Doug Vanderslice	City Hall, Farmers Branch, Texas 75234

ARTICLE TEN

- (a) The initial bylaws of the Corporation shall be in the form and substance approved by the governing bodies of the Cities in their resolution approving these Articles of Incorporation. Such bylaws shall be adopted by the Corporation's board of directors and shall, together with these Articles of Incorporation, govern the internal affairs of the Corporation until and unless amended in accordance with this Article.
- (b) Neither the initial bylaws nor any subsequently effective bylaws of the Corporation may be amended without the consent and approval of the governing body of each of the Cities. The board of directors of the Corporation shall make application to the governing bodies of the Cities for the approval of any proposed amendments, but the same shall not become effective until or unless the same shall be approved by concurrent resolution adopted by the governing body of each of the Cities.

ARTICLE ELEVEN

The Cities may, in their sole discretion, and at any time, by concurrent resolution, alter or change the structure, organization, programs or activities of the Corporation, and they may, by concurrent resolution, direct the board of directors to terminate or dissolve the Corporation, subject to the limitation that no such action shall be taken in any manner or at any time that would impair any contract or right theretofore executed or granted by the Corporation. If such directions are received, the board of directors shall dissolve the Corporation in the manner permitted by law.

ARTICLE TWELVE

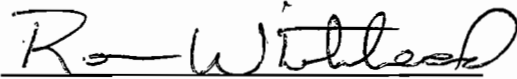
- (a) No dividends shall ever be paid by the Corporation and no part of its net earnings remaining after payment of its expenses and other obligations shall be distributed to or inure to the benefit of its directors or officers, or any individual, private firm, or private corporation or association, except in reasonable amounts for services rendered. If the board of directors shall determine that sufficient provision has been made for the full payment of the expenses, bonds, notes, and other obligations of the Corporation, any net earnings thereafter accruing shall be paid to the Cities in the proportions stated in the interlocal agreement described in the Resolution referred to in Article Thirteen of these Articles.
- (b) If the Corporation ever should be dissolved when it has, or is entitled to, any interest in any funds or property of any kind, real, personal or mixed, such funds

or property rights thereto shall not be transferred to private ownership, but shall be transferred and delivered to the Cities, after satisfaction or provision for satisfaction of all debts and claims, in the proportions stated in the interlocal agreement described in the Resolution referred to in Article Thirteen of these Articles.

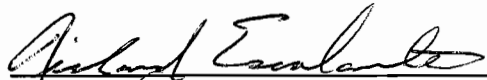
- (c) No part of the Corporation's activities shall consist of the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in any political campaign of or in opposition to any candidate for public office.

ARTICLE THIRTEEN

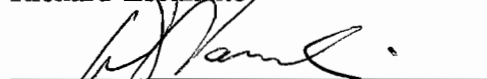
The Cities have specifically authorized the Corporation by concurrent resolution to act on their behalf to further the public purposes stated in said Resolution and in these Articles of Incorporation, and the Cities have by said Resolution approved these Articles of Incorporation. A copy of said Resolution is on file among the permanent public records of each of the Cities and the Corporation.



Ron Whitehead



Richard Escalante



Doug Vanderslice

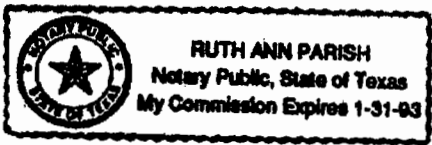
INCORPORATORS

THE STATE OF TEXAS

COUNTY OF DALLAS

I, the undersigned, a Notary Public of the State of Texas, do hereby certify that on this 22 day of April, 1991, personally appeared before me Ron Whitehead, Richard Escalante, and Doug Vanderslice, who, each being by me first duly sworn, severally declared that they are the persons who signed the foregoing document as incorporators, and that the statements therein contained are true and correct.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the date and year above written.



Ruth Ann Parish
Notary Public in and for the
State of Texas

My Commission Expires: 1-31-93

[S E A L]

BYLAWS OF
NORTH DALLAS COUNTY WATER SUPPLY CORPORATION

ARTICLE I
PURPOSE AND POWERS

Section 1. Purpose. The Corporation is incorporated for the purposes set forth in Article Four of its Articles of Incorporation, the same to be accomplished on behalf of the Town of Addison, Texas ("Addison"), and the City of Farmers Branch, Texas ("Farmers Branch"), (collectively, the "Cities") as their duly constituted authority and instrumentality in accordance with Article 1434a, Texas Revised Civil Statutes Annotated, as amended, (the "Act"), and other applicable laws.

Section 2. Powers.

- (a) In the fulfillment of its corporate purpose, the Corporation shall have all of the powers set forth and conferred in its Articles of Incorporation, in the Act, in the Texas Non-Profit Corporations Act, Article 1396-101, et seq, Texas Revised Civil Statutes Annotated, as amended, to the extent not in conflict with the Act, and in other applicable law, subject to the limitations prescribed therein and herein and to the provisions thereof and hereof.
- (b) The exercise by the Corporation of the powers of eminent domain as against a specific piece or item of property, pursuant to Section 4 of the Act, shall be subject to the approval of the Cities.

ARTICLE II
BOARD OF DIRECTORS

Section 1. Powers, Number and Term of Office.

- (a) The property and affairs of the Corporation shall be managed and controlled by a Board of Directors (the "Board") and, subject to the restrictions imposed by law, by the Articles of Incorporation, and by these Bylaws, the Board shall exercise all of the powers of the Corporation.

- (b) The Board shall consist of six (6) directors, each of whom shall occupy a Place on the Board of Directors. Three of such directors shall be appointed by the Town Council of the Town of Addison and shall occupy, respectively, Place 1, Place 2, and Place 3. Three of such directors shall be appointed by the City Council of the City of Farmers Branch and shall occupy, respectively, Place 4, Place 5, and Place 6.
- (c) The directors constituting the first Board shall be those directors named in the Articles of Incorporation. Each member of the first Board shall serve for a term expiring on the date set forth in the Articles of Incorporation. Thereafter, each successor member of the Board shall be appointed and shall serve for three (3) years or until his or her successor is appointed as hereinafter provided.
- (d) Any director may be removed from office by the appointing authority at will.

Section 2. Meetings of Directors. The directors may hold their meetings at such place or places in Addison or Farmers Branch as the Board may from time to time determine; provided, however, in the absence of any such determination by the Board, the meetings shall be held at the principal office of the Corporation as specified in Article V of these Bylaws.

Section 3. Internal Notification of Board Meetings.

- (a) Regular meetings of the Board shall be held without the necessity of notice at such times and places as shall be designated from time to time by the Board. Special Meetings of the Board shall be held whenever called by the president, by the secretary, by a majority of the directors, by the Mayor of Addison, by the Mayor of Farmers Branch, or by a majority of the governing body of either of the Cities.
- (b) The secretary shall give notice to each director of each Special Meeting in person or by mail, telephone or telegraph, at least two (2) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all matters pertaining to the purposes of the Corporation may be considered and acted upon at a Special Meeting. At any meeting at which every director shall be present, even though without any notice, any matter pertaining to the purpose of the Corporation may be considered and acted upon consistent with applicable law.
- (c) Whenever any notice is required to be given to the Board, said notice shall be deemed to be sufficient if given by depositing the same in a post office box in a sealed postpaid wrapper addressed to the person entitled thereto at his or her post office address as it appears on the books of the Corporation, and such notice shall be deemed to have been given on the day of such mailing. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the

transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless required by the Board. A waiver of notice in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 4. Open Meetings Act. All meetings and deliberations of the Board shall be called, convened, held, and conducted, and notice shall be given to the public, in accordance with the Texas Open Meetings Act, Article 6252-17, Texas Revised Civil Statutes Annotated, as amended.

Section 5. Quorum. Four directors shall constitute a quorum for the conduct of the official business of the Corporation. The act of a majority vote of the entire Board at a meeting at which a quorum is in attendance shall constitute the act of the Board and of the Corporation, unless the act of a greater number is required by law.

Section 6. Conduct of Business.

- (a) At the meetings of the Board, matters pertaining to the business of the corporation shall be considered in accordance with rules of procedure as from time to time prescribed by the Board.
- (b) At all meetings of the Board, the president shall preside, and in the absence of the president, the vice president shall exercise the powers of the president.
- (c) The secretary of the Corporation shall act as secretary of all meetings of the Board, but in the absence of the secretary, the presiding officer may appoint any person to act as secretary of the meeting.

Section 7. Committees of the Board. The Board may designate two or more directors to constitute an official committee of the Board to exercise such authority of the Board as may be specified in the resolution. It is provided, however, that all final, official actions of the Corporation may be exercised only by the Board. Each committee so designated shall keep regular minutes of the transactions of its meetings and shall cause such minutes to be recorded in books kept for that purpose in the principal office of the Corporation.

Section 8. Compensation of Directors. Directors shall not receive any salary or compensation for their services as directors. However, they shall be reimbursed for their actual expenses incurred in the performance of their official duties hereunder; provided that all actual expenses are approved by the Board.

ARTICLE III

OFFICERS

Section 1. Titles and Term of Office.

- (a) The officers of the Corporation shall be a president, a vice president, a secretary and a treasurer, and such other officers as the Board may from time to time elect or appoint. One person may hold more than one office, except that the president shall not hold the office of secretary. Terms of office shall be one (1) year with the right of an officer to be reelected.
- (b) The President shall be a representative from the City of Farmers Branch until the completion and the commencement of operation of the Eastside Sewer System; after which, the provisions of Subsection (a) of this section will be in effect.
- (c) All officers shall be subject to removal from office at any time by a vote of a majority of the entire Board.
- (d) A vacancy in the office of any officer shall be filled by a vote of a majority of the remaining directors.

Section 2. Powers and Duties of the President. The president shall be the chief executive officer of the Corporation, and, subject to the paramount authority of the Board, the president shall be in general charge of the properties and affairs of the Corporation, shall preside at all meetings of the Board, and may sign and execute all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments in the name of the Corporation.

Section 3. Vice President. The vice president shall have such powers and duties as may be prescribed by the Board and shall exercise the powers of the president during that officer's absence or inability to act. Any action taken by the vice president in the performance of the duties of the president shall be conclusive evidence of the absence or inability to act of the president at the time such action was taken.

Section 4. Treasurer. The treasurer shall have the responsibility to see to the handling, custody, and security of all funds and securities of the Corporation in accordance with these bylaws. When necessary or proper, the treasurer may endorse and sign, on behalf of the Corporation, for collection or issuance, checks, notes and other obligations in or drawn upon such bank or banks or depositories as shall be designated by the Board consistent with these Bylaws. The treasurer shall see to the entry in the books of the Corporation full and accurate accounts of all moneys received and paid out on account of the Corporation. The treasurer shall, at the expense of the Corporation,

give such bond for the faithful discharge of his duties in such form and amount as the Board or the Commission may require.

Section 5. Secretary. The secretary shall keep the minutes of all meetings of the Board in books provided for that purpose, shall give and serve all notices, may sign with the president in the name of the Corporation, and/or attest the signature thereto, all contracts, conveyances, franchises, bonds, deeds, assignments, mortgages, notes and other instruments of the Corporation, shall have charge of the corporate books, records, documents and instruments, except the books of account and financial records and securities, and such other books and papers as the Board may direct, all of which shall at all reasonable times be open to public inspection upon application at the office of the Corporation during business hours, and shall in general perform all duties incident to the office of secretary subject to the control of the Board.

Section 6. The president, each vice president, and the secretary shall be named from among the members of the Board. The treasurer and any assistant secretaries may, at the option of the Board, be persons other than members of the Board, but they may be employees of the City.

Section 7. Compensation. Officers who are members of the Board shall not receive any salary or compensation for their services, except that they shall be reimbursed for their actual expenses incurred in the performance of their official duties hereunder, provided that all expenses are approved by the Board. Other officers may be compensated as directed and approved by the Board.

ARTICLE IV

AUDITS, EXPENDITURES, DEBTS

Section 1. Annual Corporate Budget. At least 60 days prior to the commencement of each fiscal year of the Corporation, the Board shall adopt a proposed budget of expected revenues and proposed expenditures for the next ensuing fiscal year. The budget shall contain such classifications and shall be in such form as may be prescribed from time to time by the Board. The budget shall not be effective until the same has been approved by the Cities.

Section 2. Books, Records, Audits.

- (a) The Corporation shall keep and properly maintain, in accordance with generally accepted accounting principles, complete books, records, accounts, and financial statements pertaining to its corporate funds, activities, and affairs.

- (b) At the direction of the Cities, the books, records, accounts, and financial statements of the Corporation may be maintained for the Corporation by the accountants, staff and personnel of one of the Cities. In such event, the Corporation shall pay reasonable compensation for such services.
- (c) The Corporation, or the City performing such services if the option described in subsection (b) is selected, shall cause its books, records, accounts, and financial statements to be audited at least once each fiscal year by an outside, independent, auditing and accounting firm selected by the Corporation and approved by the Cities. Such audit shall be at the expense of the Corporation.

Section 3. Deposit and Investment of Corporate Funds.

- (a) All proceeds from the issuance of bonds, notes, or other debt instruments ("Obligations") issued by the Corporation shall be deposited and invested as provided in the resolution, order, indenture, or other documents authorizing or relating to their issuance.
- (b) All other monies of the Corporation shall be deposited, secured, and/or invested in the manner provided for the deposit, security, and/or investment of the public funds of the Cities. The Board shall designate the accounts and depositories to be created and designated for such purposes, and the methods of withdrawal of funds therefrom for use by and for the purposes of the Corporation upon the signature of its treasurer and such other persons as the Board shall designate.

Section 4. Expenditures of Corporate Money.

- (a) The monies of the Corporation may be expended by the Corporation for any of its corporate purposes, subject to the following limitations:
 - (i) Expenditures from the proceeds of Obligations shall be identified and described in the orders, resolutions, indentures, or other agreements submitted to and approved by the governing bodies of each of the Cities prior to the sale and delivery of the Obligations to the purchasers thereof;
 - (ii) Expenditures that may be made from a fund created with the proceeds of Obligations may be used for the purposes of financing or otherwise providing the facilities with reference to which the Obligations were issued;

- (iii) Expenditures of funds paid to the Corporation by the Cities under service or other contracts between the Corporation and the Cities shall be used as directed in such contracts;
- (iv) All other proposed expenditures, if any, shall be made in accordance with and shall be set forth in the annual budget required by Section 2 of this Article.

Section 5. Issuance of Obligations. No obligations, including refunding Obligations, shall be sold and delivered by the Corporation unless the Cities shall approve such Obligations by action taken no more than 60 days prior to the date of sale of the Obligations.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 1. Principal Office.

- (a) The principal office and the registered office of the Corporation shall be the registered office of the Corporation specified in the Articles of Incorporation.
- (b) The Corporation shall have and shall continually designate a registered agent at its registered office, as required by the Act.

Section 2. Fiscal Year. The Fiscal year of the Corporation shall begin on the first day of October and shall end on the last day of September.

Section 3. Seal. The seal of the Corporation shall be as determined by the Board.

Section 4. Resignations. Any director or officer may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the president or secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 5. Approval or Advice and Consent of the Cities. To the extent that these bylaws refer to any approval by the Cities or refer to advice and consent by the Cities, such

approval, advice and consent shall be evidenced by a certified copy of a resolution, order, or motion concurrently and duly adopted by the governing body of each of the Cities.

Section 6. Services of Staff and Officers of Cities. Subject to the paramount authority of the Manager under the Charter of each of the Cities, the Corporation shall have the right to utilize the services of the City Attorney, the City Secretary, and the staff and employees of the Finance Department of each of the Cities, provided (i) that the Corporation shall pay reasonable compensation to the supplying City for such services, and (ii) the performance of such services does not materially interfere with the other duties of such personnel of such City.

ARTICLE VI

EFFECTIVE DATE, AMENDMENTS

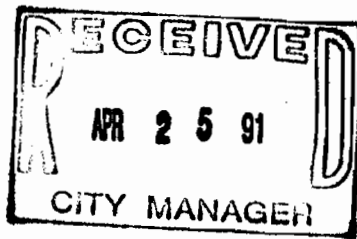
Section 1. Effective Date. These Bylaws shall become effective upon the occurrence of the following events:

- (1) the approval of these Bylaws by the Cities; and
- (2) the adoption of these Bylaws by the Board.

Section 2. Amendments to Articles of Incorporation and Bylaws. The Articles of Incorporation of the Corporation and these Bylaws may be amended only in the manner provided in the Articles of Incorporation.



**FARMERS
BRANCH**



April 23, 1991

Mr. Ray Hutchison
Hutchison, Boyle, Brooks & Fisher
3900 First City Center
Dallas, Texas 75201-4622

Dear Mr. Hutchison:

Enclosed is the original and one copy of the documents relating to the creation of the North Dallas County Water Supply Corporation. These documents need to be filed with the Texas Secretary of State.

A copy of these documents is also enclosed for your files.

Thank you for your assistance in drafting these documents and filing them with the Secretary of State.

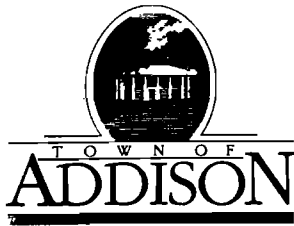
Sincerely,

David Reedy
City Management Assistant

rt

cc: Richard Escalante
Ron Whitehead

JAN 26



CITY ENGINEER'S OFFICE

Post Office Box 144 Addison, Texas 75001

(214) 450-2886

16801 Westgrove

MEMORANDUM

TO: Ron Whitehead, City Manager
FROM: John Baumgartner, City Engineer
DATE: January 25, 1993
SUBJECT: Sewage Flow Flowing to Farmers Branch

This memo is intended to summarize the significant events that have taken place in Addison over the previous years that impact the sewer flow to Farmers Branch or are anticipated to take place prior to the completion of the sewer tunnel in 1996.

March 1985 Purchased grout packing equipment and enhanced program to reduce inflow and infiltration.

December 1986 Addison enters into the first of the interim sanitary sewer agreements with Farmers Branch. Sewage flow is limited to 105% (see Exhibit A) of 1986 flows.

October 1990 Flow is diverted from the airport and Addison Road from D1 to E.

January 1991 The Yoplait plant closes reducing sewage flows by approximately twelve (12) million gallons a year.

Early 1992 Diverted flow from the south side of Belt Line Road and Midway Meadows to Marsh Lane North.

July 1992 Insituformed 2200 feet of clay tile sewer line in the Brookhaven Club area at a cost of \$140,000.

January 1993 Interim lift station is completed at an estimated cost of \$450,000.

Summer 1993 Budgeted \$125,000 to continue the insituform projects in the Brookhaven area.

In December 1991, Farmers Branch approached the Town with a new agreement that significantly reduced the volume of allowable sewage flow. Since January 1, 1992 the following projects have been submitted to the Town for new building permits.

Rawhide Creek Basin

- 1) Centex Homes - 88 new homes
- 2) Designer Homes - 25 new homes
- 3) Grand Homes - 49 new homes
- 4) Pacific American Homes - 8 new homes
- 5) Jim Jenne Homes - 17 new homes

- 6) David Weekly Homes - 10 new homes
 - 7) Midway Meadows - 1 new home
 - 8) Paul Aylor Homes - 41 new homes
 - 9) Sam's
 - 10) Shoney's
 - 11) Spaghetti Warehouse
- Estimated Sewage Flow - 31 million gallons per year

Farmers Branch Creek Basin

- 1) Scott Felder Homes - 35 new homes
 - 2) General Mills Restaurants
- Estimated Sewage Flow - 15 million gallons per year

Proposed new development consists of the following:

Rawhide Creek Basin

- 1) Centex Homes - 92 new homes
 - 2) Grand Homes - 143 new homes
 - 3) Designer Homes - 15 new homes
 - 4) K-Mart Retail Center - approximately 450,000 square feet
 - 5) Hoffbrau Steakhouse
 - 6) Spring Creek Barbecue
 - 7) Two (2) Addison Road Restaurants
 - 8) Les Lacs City Homes - 196 units
- Estimated Sewage Flow - 76 million gallons per year

Farmers Branch Creek

- 1) Doyle Cameron - 50 single family lots
 - 2) McCutchin Development
- Estimated Sewage Flow - 13 million gallons per year

I would propose that Addison limit growth to tenant finish out in existing buildings and limit new construction to finish the General Mills Restaurants and the flow equivalent to 8 million gallons a year (approximately 12,000 square feet of restaurants or 88 single family homes) in the Farmers Branch Basin.

In the Rawhide Creek Basin, Addison will limit growth to a maximum flow of 195 million gallons per year. This equates to our average historical flows from 1987 to average 1992 plus 280 single family homes. This is significantly less than our historical highs of 273.1 million gallons per year in 1982, 219 million gallons per year in 1986 and 230 million gallons per year in 1987.

Please call me if you have any questions or need additional information.

**EXISTING INTERIM SANITARY SEWER AGREEMENT
WITH FARMERS BRANCH THROUGH 1991**

Year	Farmers Branch Creek (mg)	Rawhide Creek (mg)	Total (mg)
1979	227.0	65.7	292.7
1980	207.8	61.4	269.2
1980-81	219.3	49.9	269.2
1981-82	304.5	273.1	577.5
1982-83	341.5	194.3	535.8
1983-84	368.4	205.5	573.9
1984-85	372.4	187.3	559.7
1985-86	363.6	219.1	582.7
1986-87	344.2	230.0	574.2
1987-88	338.3	172.1	510.4
1988-89	384.0	166.1	550.1
1989-90	399.0	164.8	563.8
1990-91	376.4	138.8	515.2
1991-92	358.3	167.6	525.9

Allowable flow = (582.2)(1.05)=611.mg
Based on 105% of 1986 flow

OPEN

Licensor: North Dallas County Water Supply Corporation
Licensee: Town of Addison, Texas

AFTER FILING RETURN TO:
ROGER E. BEECHAM
HUTCHISON BOYLE BROOKS & FISHER
1700 PACIFIC AVENUE, SUITE 3900
DALLAS, TEXAS 75201-4622

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SANITARY SEWER RIGHT-OF-WAY LICENSE AGREEMENT
WITH TEMPORARY CONSTRUCTION LICENSEE

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS, the North Dallas County Water Supply Corporation, a non-profit water supply corporation under 1434a, Vernon's Texas Civil Statutes, an administrative agency for the City of Farmers Branch, Texas and the Town of Addison, Texas, pursuant to the Interlocal Cooperation act, Article 4413(32c), Vernon's Texas Civil Statutes, now Texas Government Code, Art. 791.001, et.seq. has acquired Right of Way Easements for the preparation and implementation of a sanitary sewer interceptor project within the City of Farmers Branch; and,

WHEREAS, the Town of Addison, Texas as one of the elements of constructing, maintaining and replacing a sanitary sewer line must acquire rights for the purpose of designing, constructing, maintaining and replacing an underground sanitary sewer line which connects to the sewer line; and

WHEREAS, the below named Licensor, is desirous of granting such rights for use of the below described interceptor project property for this purpose to the Town of Addison; and

WHEREAS, the parties have agreed to the granting of these licensed rights under certain limited terms and conditions;

NOW, THEREFORE WITNESSETH:

That this agreement is made by and between the North Dallas County Water Supply Corporation, a non-profit corporation as administrative agency for the City of Farmers Branch, Texas and the Town of Addison, Texas, referred to as "Licensor" and the Town of Addison, Texas a municipal corporation (hereinafter referred to as "Licensee") agree as follows:

1. Licensors, in consideration of (1) ONE AND NO/100 (\$1.00) DOLLARS cash in hand paid by Licensee to Licensors, and (2) the faithful performance by Licensee of all of the covenants and agreements contained in this Agreement to be performed by Licensee, Licensors hereby grants a license to Licensee for the purpose of designing, constructing, maintaining and replacing a sanitary sewer pipe line located (the "Permitted Improvement") in Right of Way Easements, more particularly described in Exhibit "A-1" and Exhibit "A-2" and shown on Exhibit "C" attached hereto and incorporated herein for all pertinent purposes, (the "Property").

2. Temporary Construction License: Grantee is also granting herein a temporary construction right-of-way license to provide temporary working space on the following described tracts of land described in Exhibit "B-1" and Exhibit "B-2" and shown on Exhibit "C" attached hereto and incorporated herein.

3. Interest Granted to Licensee: Licensors grants to Licensee only the interest it has in and under the Property. This grant is made without warranty, including but not limited to, fitness for a particular purpose, suitability and inhabitability.

4. Term. The term of this license shall be perpetual subject however, to termination by either party as provided herein.

5. Non-Exclusive License. This License is non-exclusive and is subject to (a) any existing street utility, drainage or communication facility located in, on, under, or upon the Property owned by Licensors, any railroad, utility, or communication company, public or private; (b) to all vested rights presently owned by any railroad, utility, or communication company, located within the boundaries of the Property; and (c) to any existing lease, license or other interest in the Property granted by Licensors to any individual, corporation or other entity, public or private.

6. Design, Construction, Maintenance and Replacement.

6.01 All design, Construction, reconstruction, replacement, removal, operation and maintenance of the Permitted Improvement on the Property shall be done in such a manner so as not to interfere in any way with the operations of Licensors or other utility or communications operations, if any.

6.02 By acceptance of this license, Licensee agrees to design and construct the Permitted Improvement in such a manner so as not to create a hazard to the use of the Property, and further agrees to pay any damages which may arise by reason of Licensee's use of the Property under this Agreement.

6.03 Absence of markers does not constitute a warranty by Licensors that there are no subsurface installations on the Property.

7. Governmental Approvals. Licensee, at its sole cost and expense, shall be

responsible for and shall obtain, any and all licenses, permits, or other approvals from any and all governmental agencies, federal, state or local, required to carry on any activity permitted herein.

8. Licensor's Insurance. No work on the Property shall be commenced by Licensee or any contractor for Licensee until such Licensee or contractor shall have furnished insurance coverage in such amounts and types as shall be satisfactory to Licensor.

9. Duty of Care in Construction. Licensee or its contractor shall use reasonable care during the construction period and thereafter, to avoid damaging existing buildings, equipment and vegetation on or about the Property and any adjacent property owned by or under the control of Licensor. If the failure to use reasonable care by the Licensee or its contractor causes damage to the Property or such adjacent property, the Licensee and/or its contractor shall immediately replace or repair the damage at no cost or expense to Licensor. If Licensee or its contractor fails or refuses to make such replacement, Licensor shall have the right, but not the obligation, to make or effect any such repair or replacement at the sole cost and expense of Licensee, which cost and expense Licensee agrees to pay to Licensor upon demand.

10. Environmental Protection.

10.01. Licensee shall not use or permit the use of the Property for any purpose that may be in violation of any laws pertaining to health or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Texas Water Code and the Texas Solid Waste Disposal Act.

10.02. Licensee warrants that the Permitted Use of the Property will not result in the disposal or other release of any hazardous substance or solid waste on or to the Property, and that it will take all steps necessary to insure that no such hazardous substance or solid waste will ever be discharged onto the Property by Licensee or its Contractors.

10.03. The terms "hazardous substance" and "release" shall have the meanings specified in CERCLA and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in the RCRA; PROVIDED, HOWEVER, that in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and PROVIDED FURTHER, that to the extent that the laws of the State of Texas establish a meaning for "hazardous substance", "release", "solid waste", or "disposal", which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

10.04. Licensee shall indemnify and hold Licensor harmless against all cost of environmental clean up to the Property resulting from Licensee's use of the Property

under this Agreement.

11. Maintenance of Completed Improvements. After the Permitted Improvement has been constructed, they shall be maintained by the Licensee in such a manner as to keep the Property in a good and safe condition with respect to Licensee's use.

12. Future Use by Licensor.

12.01. This License is made expressly subject and subordinate to the right of Licensor to use the Property for any purpose whatsoever.

12.02. In the event that Licensor shall, at any time subsequent to the date of this Agreement, at its sole discretion, determine that the relocation of the Permitted Improvement shall be necessary or convenient for Licensor's use of the Property, the parties hereto shall mutually agree on who shall bear such cost and expense to relocate said Permitted Improvement so as not to interfere with Licensor's or Licensor's assigns' use of the property. A minimum of one hundred twenty (120) days written notice for the exercise of the above actions shall be given by Licensor to Licensee.

13. Duration of License. This license shall terminate and be of no further force and effect (a) in the event Licensee shall discontinue or abandon the use of the Permitted Improvement, or (b) upon termination in accordance with this Agreement, whichever event first occurs.

14. Compliance With Laws and Regulations. Licensee agrees to abide by and be governed by all laws, ordinances and regulations of any and all governmental entities having jurisdiction over the Licensee and Licensee agrees to indemnify and hold Licensor harmless from any failure to so abide and all actions resulting therefrom.

15. Indemnification. Licensee agrees that it will protect, save and keep Licensor forever harmless and indemnified against and from any penalty or damage or charge imposed for any violation of any law or ordinance, whether occasioned by the neglect of Licensee, its employees, officers, agents, contractors, or assigns, or those holding under Licensee and that Licensee will at all times protect, indemnify and **it is the express intention of the parties hereto that Licensee** hold Licensor harmless against and from any and all loss, cost, damage or expense, including attorney's fees, arising out of or from any accident or occurrence on or about said Property, whether or not caused or contributed to by the presence or operation of Licensee or Licensee's equipment, structures, vehicles or facilities or the negligence or alleged negligence on the part of Licensee, its employees, contractors, subcontractors or invitees causing injury to any person or property and will protect, indemnify and hold Licensor harmless against and from any and all claims and against and from any and all loss, cost, damage or expense, including attorney's fees, arising out of any failure of Licensee, its employees, officers, agents, contractors or assigns in any respect to comply with and perform all the requirements and provisions hereof.

16. Action upon Termination of License. At such time as this License may be terminated or canceled for any reason whatever, Licensee, upon request by Licensor, shall, if reasonable, remove all improvements and appurtenances owned by it, situated in, under or attached to the Property and shall restore the Property, in a reasonable amount of time, to the condition existing at the date of execution of this License, at Licensee's sole expense.

17. Methods of Termination. This Agreement may be terminated in any of the following ways:

- 17.01. Written Agreement of both parties;
- 17.02. By either party giving the other party one hundred twenty (120) days written notice;
- 17.03. By either party, upon failure of the other party to perform its obligations as set forth in this Agreement.

18. Miscellaneous.

18.01. Notice. When notice is permitted or required by this Agreement, it shall be in writing and shall be deemed delivered when delivered in person or when placed, postage prepaid, in the U.S. Mail, Certified, Return Receipt Requested, and addressed to the parties at the following address:

Licensor: North Dallas County Water Supply Corporation
P. O. Box 819010
Farmers Branch, Texas 75381-9010
Attn: President

Licensee: Town of Addison
P. O. Box 144
Addison, Texas 75001
Attn: Town Mayor

Either party may from time to time designate another and different address for receipt of notice by giving notice of such change of address.

18.02. Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

18.03. Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property and the matters addressed herein, and may be amended or supplemented only by a written instrument executed by the party against whom enforcement is sought.

18.04. Parties Bound. This Agreement shall be binding upon and inure to the benefit

of the executing parties and their respective heirs, personal representatives, successors and assigns.

18.05. Number and Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender; and words in the singular shall include the plural and vice versa, unless the text clearly requires otherwise.

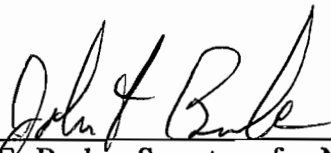
IN WITNESS WHEREOF, the parties have executed this Agreement in multiple originals this 24TH day of MARCH, 1995.

LICENSOR:

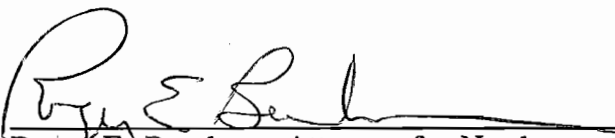
NORTH DALLAS COUNTY WATER SUPPLY CORPORATION

By: 
Richard L. Escalante, President

ATTEST:

By: 
John F. Burke, Secretary for North
Dallas County Water Supply Corporation

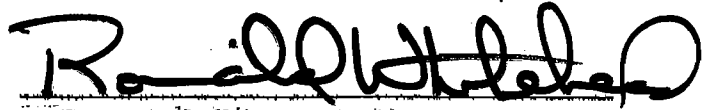
APPROVED AS TO FORM:

By: 
Roger E. Beecham, Attorney for North
Dallas County Water Supply Corporation

LICENSEE:

TOWN OF ADDISON, TEXAS

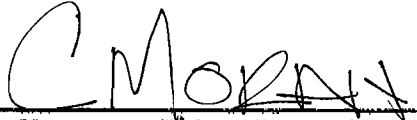
By:



Ronald Whitehead, City Manager

ATTEST:

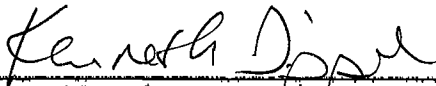
By:



Carmen Moran, City Secretary

APPROVED AS TO FORM:

By:



Kenneth Dippel, City Attorney

Exhibit "A-1"

The Property

Being a parcel of land situated in the Noah Good Survey, Abstract No.520, Dallas County, Texas, and being part of Lot 43, Block B of Wooded Creek Estates, an addition to the City of Farmers Branch, Texas as it appears on the plat recorded in Volume 74044, at Page 0601 of the deed records of Dallas County, Texas, and being more particularly described as follows:

COMMENCING at a point in the southerly line of Wooded Creek Drive (a 50-foot wide right-of-way) and the northerly line of said Lot 43 at its intersection with the easterly right-of-way line of Marsh Lane, said easterly line being 5 feet east of the original west line of said Lot 43;

THENCE, South 00 degrees 01 minute 37 seconds West, along the easterly line of Marsh Lane, and parallel with and 5 feet east of the original west line of said Lot 43, a distance of 205.97 feet to the POINT OF BEGINNING;

THENCE, parallel with and 10 feet perpendicular to the proposed sanitary interceptor sewer centerline, the following two (2) courses:

- (1) East, a distance of 34.98 feet,
- (2) South 00 degrees 03 minutes 37 seconds East, a distance of 99.46 feet to a point in the southerly line of said Lot 43, also being in the northerly line of Brookhaven College Addition, an addition to the City of Farmers Branch as recorded in Volume 86105, Page 2676 of the deed records of Dallas County, Texas;

THENCE, South 42 degrees 01 minute 37 seconds West, with said southerly line of Lot 43, and said northerly line of said Brookhaven College Addition, a distance of 29.84 feet;

THENCE, parallel with and 10 feet perpendicular to the proposed sanitary interceptor sewer centerline, the following two (2) courses:

- (1) North 00 degrees 03 minutes 37 seconds West, a distance of 101.63 feet
- (2) West, a distance of 15.02 feet to a point in the aforementioned easterly right-of-way line of Marsh Lane;

Exhibit "A-1" continued, The Property

THENCE, North 00 degrees 01 minute 37 seconds East, along said easterly right-of-way line of Marsh Lane and being parallel with and 5 feet east of the aforementioned original west line of Lot 43,
a distance of 20.00 feet to the POINT OF BEGINNING and containing 0.058 acres of land.

Prepared by City of Farmers Branch Engineering Department

Date: 1/11/95

EXHIBIT "A-2"

The Property

Being a parcel of land situated in the Noah Good Survey, Abstract No.520, and Being part of Brookhaven College Addition, an addition to the City of Farmers Branch as recorded in Volume 86105, Page 2676 of the plat records of Dallas County, Texas, said parcel being more particularly described as follows:

COMMENCING at a point in the east right-of-way line of Marsh Lane, said point being a northwest corner of said Brookhaven College Addition and also being the most southerly, southwest corner of Wooded Creek Estates, an addition to the City of Farmers Branch as recorded in Volume 74044, Page 0601 of the plat records of Dallas County, Texas;

THENCE, North 42 degrees 01 minutes 37 seconds East, along the common line between said Brookhaven College Addition and said Wooded Creek Estates, a distance of 23.29 feet to the POINT OF BEGINNING of the herein described parcel of land;

THENCE, continuing along said common line of said additions, North 42 degrees 01 minutes 37 seconds East, a distance of 44.76 feet to a point for corner;

THENCE, departing said common line of said additions, South 00 degrees 03 minutes 37 seconds East, a distance of 158.63 feet to a point for corner;

THENCE, West, 10.03 feet to a point for corner;

THENCE, South 00 degrees 06 minutes 44 seconds West, a distance of 45.66 feet to a point for corner;

THENCE, South 89 degrees 49 minutes 08 seconds West, a distance of 19.83 feet to a point for corner;

THENCE, North 00 degrees 03 minutes 37 seconds West, a distance of 171.10 feet to the POINT OF BEGINNING and containing 5169.55 square feet of land.

Exhibit "B-1"

Temporary Working Space

Being two parcels of land situated in the Noah Good Survey, Abstract No. 520, Dallas County, Texas, and being part of Lot 43, Block 8 of Wooded Creek Estates, an addition to the City of Farmers Branch, Texas, as it appears on the plat recorded in Volume 74044, Page 0601 of the deed records of Dallas County, Texas, and being more particularly described in two parcels as follows:

Parcel One

COMMENCING at a point in the southerly line of Wooded Creek Drive (a 50-foot wide right-of-way) and the northerly line of said Lot 43 at its intersection with the easterly right-of-way line of Marsh Lane (a 130 foot right-of-way), said easterly line being 5 feet east of the original west line of said Lot 43;

THENCE, South 00 degrees 01 minute 37 seconds West, along said easterly line of Marsh Lane, parallel with and 5 feet east of the original west line of said Lot 43, a distance of 225.97 feet to the POINT OF BEGINNING of Parcel One;

THENCE, parallel with and 10 feet perpendicular to the proposed sanitary interceptor sewer centerline, the following two (2) courses:

- (1) East, a distance of 15.0 feet
- (2) South 00 degrees 03 minutes 37 seconds East, 15.0 feet to a point for corner;

THENCE, West, a distance of 15.0 feet to a point for corner in the easterly right-of-way line of Marsh Lane:

THENCE, North 00 degrees 01 minute 37 seconds East, along the easterly line of Marsh Lane, a distance of 15.00 feet to the POINT OF BEGINNING and containing 225 square feet of land more or less.

Parcel Two

COMMENCING at a point in the southerly line of Wooded Creek Drive (a 50-foot wide right-of-way) and the northerly line of said Lot 43 at its intersection with the easterly right-of-way line of Marsh Lane (a 130-foot wide right-of-way), said easterly line being 5 feet east of the original west line of said Lot 43;

THENCE, South 00 degrees 01 minute 37 seconds West, along the easterly line of Marsh Lane and parallel with and 5 feet east of the original west line of said Lot 43, a distance of 185.97

feet to the POINT OF BEGINNING of Parcel One;

Exhibit "B-1" Parcel Two, Temporary Working Space

THENCE, South 89 degrees 58 minutes 23 seconds East, perpendicular to said east right-of-way line of Marsh Lane, a distance of 40.0 feet;

THENCE, South 00 degrees 01 minute 37 seconds West, parallel with and 40-feet perpendicular to the said east line of Marsh Lane, a distance of 55.0 feet to a point for corner;

THENCE, West, a distance of 5.0 feet to a point for corner;

THENCE, North 00 degrees 03 minutes 37 seconds West, parallel with and 10 feet perpendicular to the proposed sanitary interceptor sewer centerline, a distance of 35.0 feet to a point for corner;

THENCE, West, parallel with and 13 feet perpendicular to the proposed sanitary interceptor centerline, a distance of 35.0 feet to a point in the easterly right-of-way line of Marsh Lane.

THENCE, North 00 degrees 01 minute 37 seconds East, with the easterly right-of-way line of Marsh Lane, and being parallel with and 5 feet east of the original west line of said Lot 43, a distance of 20.0 feet to the POINT OF BEGINNING and containing 975 square feet of land more or less.

Prepared by City of Farmers Branch, Engineering Department

Date: 1/11/95

EXHIBIT "B-2"

Temporary Working Space

Parcel One

Being a parcel of land situated in the Noah Good Survey, Abstract No.520, and Being part of Brookhaven College Addition, an addition to the City of Farmers Branch as recorded in Volume 86105, Page 2676 of the plat records of Dallas County, Texas, said parcel being more particularly described as follows:

BEGINNING at a point in the east right-of-way line of Marsh Lane, said point being a northwest corner of said Brookhaven College Addition and also being the most southerly, southwest corner of Wooded Creek Estates, an addition to the City of Farmers Branch as recorded in Volume 74044, Page 0601 of the plat records of Dallas County, Texas;

THENCE, North 42 degrees 01 minutes 37 seconds East, along the common line between said Brookhaven College Addition and said Wooded Creek Estates, a distance of 23.29 feet.

THENCE, South 00 degrees 03 minutes 37 seconds East, a distance of 171.10 feet to a point for corner;

THENCE, South 89 degrees 49 minutes 08 seconds West, a distance of 15.29 feet to a point for corner, said point being in the east right-of-way line of Marsh Lane;

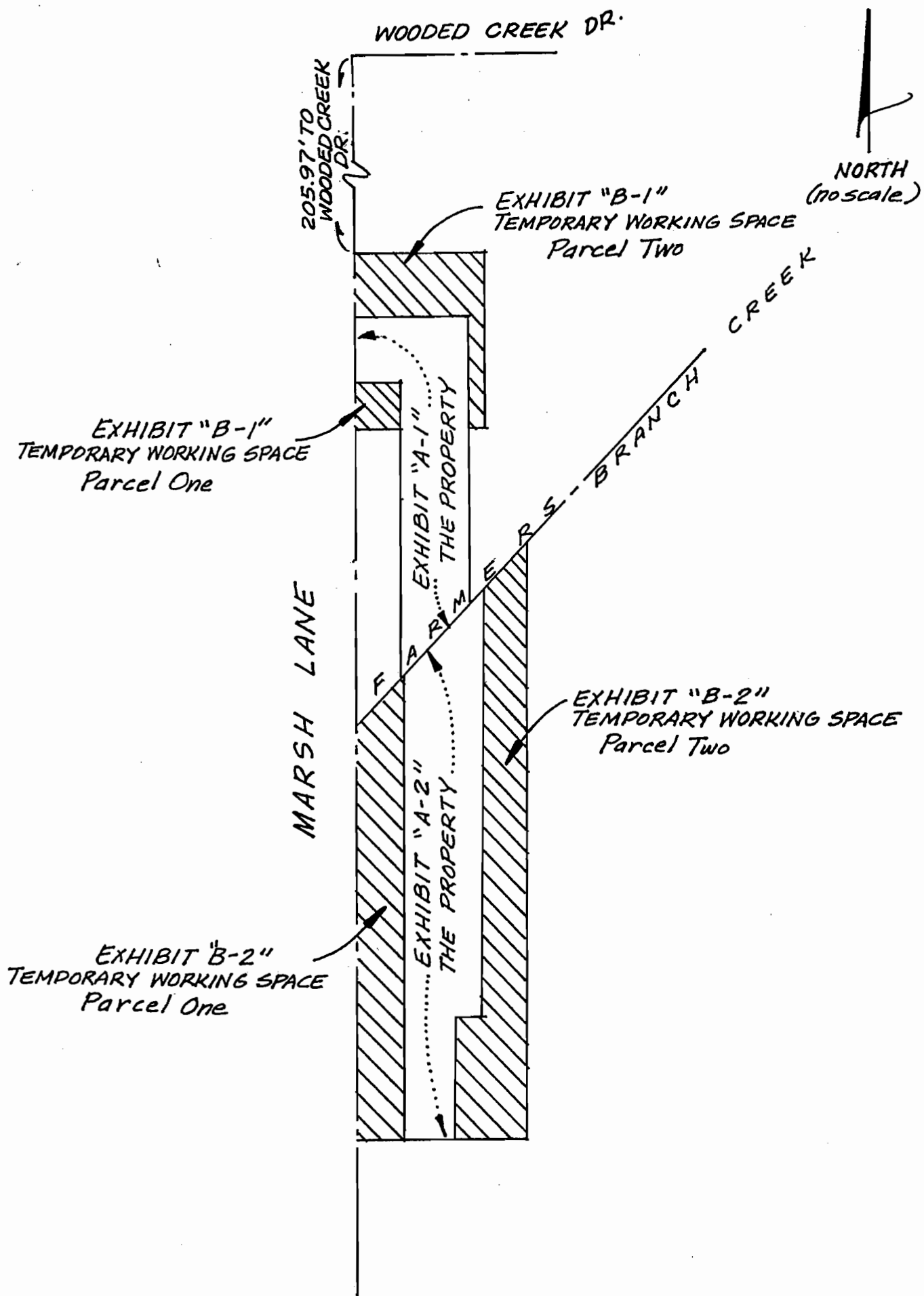
THENCE, North 00 degrees 10 minutes 52 seconds West, along said east right-of-way line, a distance of 153.85 feet to the POINT OF BEGINNING and containing 2511.31 square feet of land.

Parcel Two

Being a parcel of land situated in the Noah Good Survey, Abstract No.520, and Being part of Brookhaven College Addition, an addition to the City of Farmers Branch as recorded in Volume 86105, Page 2676 of the plat records of Dallas County, Texas, said parcel being more particularly described as follows:

COMMENCING at a point in the east right-of-way line of Marsh Lane, said point being a northwest corner of said Brookhaven College Addition and also being the most southerly, southwest corner of Wooded Creek Estates, an addition to the City of Farmers Branch as recorded in Volume 74044, Page 0601 of the plat records of Dallas County, Texas;

THENCE, North 42 degrees 01 minutes 37 seconds East, along the common line between said Brookhaven College Addition and said Wooded Creek Estates, a distance of 68.05 feet to the POINT OF BEGINNING of the herein described parcel of land;



open

Licensor: City of Farmers Branch, Texas
Licensee: Town of Addison
Reference Nos: Tract No. _____
Temporary Construction Tract No. _____

AFTER FILING RETURN TO:
ROGER E. BEECHAM
HUTCHISON BOYLE BROOKS & FISHER
1700 PACIFIC AVENUE, STE. 3900
DALLAS, TEXAS 75201-4622

STATE OF TEXAS)
)
COUNTY OF DALLAS)

SEWER INTERCEPTOR RIGHT-OF-WAY LICENSE AGREEMENT

KNOW ALL BY THESE PRESENTS THAT:

WHEREAS, the North Dallas County Water Supply Corporation, a non-profit water supply corporation under 1434a, Vernon's Texas Civil Statutes, an administrative agency for the City of Farmers Branch, Texas and the Town of Addison, Texas, pursuant to the Interlocal Cooperation Act, Article 4413(32c), Vernon's Texas Civil Statutes, now Texas Government Code, Art. 791.001, et. seq. is responsible for the preparation and implementation of a sewer interceptor project within the City of Farmers Branch; and

WHEREAS, the Town of Addison, Texas, being part of the North Dallas County Water Supply Corporation, as one of the elements of constructing, maintaining and replacing the sewer interceptor project must acquire rights for the purpose of designing, constructing, maintaining and replacing an underground sanitary sewer to connect to the sewer interceptor; and,

WHEREAS, the below named Licensor, is desirous of granting such rights for use of the below described property for this purpose to the Town of Addison; and,

WHEREAS, the parties have agreed to the granting of these licensed rights under certain limited terms and conditions;

NOW, THEREFORE WITNESSETH:

That this agreement is made by and between the City of Farmers Branch, Texas, a municipal corporation, (hereinafter whether one or more referred to as "Licensor") and the Town of Addison, Texas, a municipal corporation, (hereinafter referred to as "Licensee") agree as follows:

1. Licensor, in consideration of (1) ONE AND NO/100 (\$1.00) DOLLARS cash in hand paid by Licensee to Licensor, and (2) the faithful performance by Licensee of all of the

covenants and agreements contained in this Agreement to be performed by Licensee, Licensor hereby grants a license to Licensee for the purpose of designing, constructing, maintaining and replacing one sanitary sewer pipeline and associated connections (the "Permitted Improvement") located in Farmers Branch, Dallas County, Texas, more particularly described as shown in Exhibit "A" attached hereto and incorporated herein for all pertinent purposes, (the "Property").

2. Interest Granted to Licensee. Licensor grants to Licensee only the interest it has in and under the Property. This grant is made without warranty, including but not limited to, fitness for a particular purpose, suitability and inhabitability.

3. Term. The term of this license shall be perpetual subject however, to termination by either party as provided herein.

4. Non-Exclusive License. This license is non-exclusive and is subject to (a) any existing street utility, drainage or communication facility located in, on, under, or upon the Property owned by Licensor, any railroad, utility, or communication company, public or private; (b) to all vested rights presently owned by any railroad, utility or communication company, located within the boundaries of the Property; and (c) to any existing lease, license or other interest in the Property granted by Licensor to any individual, corporation or other entity, public or private.

5. Design, Construction, Maintenance and Replacement.

5.01 All design, construction, reconstruction, replacement, removal, operation and maintenance of the Permitted Improvement on the Property shall be done in such a manner so as not to interfere in any way with the operations of Licensor or other utility or communications operations, if any.

5.02 By acceptance of this license, Licensee agrees to design and construct the Permitted Improvement in such a manner so as not to create a hazard to the use of the Property, and further agrees to pay any damages which may arise by reason of Licensee's use of the Property under this Agreement.

5.03 Absence of markers does not constitute a warranty by Licensor that there are no subsurface installations on the Property.

6. Governmental Licenses, Permits, Approvals. Licensee, at its sole cost and expense, shall be responsible for and shall obtain, any and all licenses, permits, or other approvals from any and all Federal government agencies and agencies of the State of Texas required to carry on any activity permitted herein.

7. City of Farmers Branch Permit. Licensee, at its sole cost and expense, must obtain a written permit from the City of Farmers Branch, and must comply with the provisions of that permit, to carry on each and every activity permitted within this license agreement.

8. Licensee's Insurance. At such time as this license is granted, it is agreed, and a condition hereof, that Licensee shall procure and keep in full force and effect commercial general liability insurance coverage issued by an insurance company authorized and approved by the State of Texas, acceptable to the City of Farmers Branch and issued in the standard form approved by the State Board of Insurance. The insured provisions of this policy must name the City of Farmers Branch, its officers and employees as additional insureds protecting the City of Farmers Branch against any and all claims for damages to persons or property as a result of or arising out of the use, operation, and maintenance by Licensee of the Property and Licensee's installations, improvements, landscaping, and equipment in connection therewith and located therein. The commercial general liability coverage must provide combined single limits of liability for bodily injury and property damage of not less than \$500,000 for each occurrence, \$1,000,000 annual aggregate. The coverage must be on an "occurrence" basis and must include coverage for premises operations, independent contractors, products/completed operations, personal injury, contractual liability, and medical payments. This insurance shall also include coverage for underground, explosion, and collapse hazards and pollution. Each policy must include a cancellation provision in which the insurance company is required to notify Licensee and the City of Farmers Branch in writing not fewer than 30 days before canceling, failing to renew, or making a material change to the insurance policy. Licensee shall carry said insurance at its expense and shall furnish the City Farmers Branch proof of such insurance. In the event said insurance should terminate during the licensing term hereof, or Licensee fails to furnish proof of insurance coverage in accordance with the specifications as required by this section, the City Manager of Farmers Branch may terminate the license granted herein. No work on the Property or within the City of Farmers Branch shall be commenced by the Licensee or any contractor for Licensee until certificates of insurance are provided to the City of Farmers Branch.

9. Duty of Care in Construction. If the Licensee or its contractor causes any damage, including pollution, to the Property or any other property, the Licensee and/or its contractor shall immediately replace or repair the damage at no cost or expense to Licensor. If Licensee or its contractor fails or refuses to make such replacement, Licensor shall have the right, but not the obligation, to make or effect any such repair or replacement at the sole cost and expense of Licensee, which cost and expense Licensee agrees to pay to Licensor upon demand.

10. Environmental Protection.

10.01 Licensee shall not use or permit the use of the Property for any purpose that may be in violation of any present or future laws pertaining to health or the environment, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the Resource Conservation and Recovery Act of 1976 ("RCRA"), the Texas Water Code and the Texas Solid Waste Disposal Act.

10.02 Licensee warrants that the Permitted Use of the Property will not result

in the disposal or other release of any liquid waste, solid waste, or hazardous substance or solid waste on or to the Property or any other property and that it will take all steps necessary to insure that no liquid waste, solid waste, or hazardous substance will ever be discharged onto the Property or any other property by Licensee or its Contractors.

10.03 The terms "hazardous substance" and "release" shall have the meanings specified in CERCLA, or future laws pertaining to the health and environment, and the terms "liquid waste", "solid waste" and "disposal" (or "disposed") shall have the meanings specified in the RCRA, or future laws pertaining to the health and environment; PROVIDED, HOWEVER, that in the event either CERCLA, RCRA, or future laws pertaining to the health and environment, is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment; and PROVIDED FURTHER, that to the extent that the present or future laws of the State of Texas establish a meaning for "hazardous substance", "release", "liquid waste", "solid waste", or "disposal", which is broader than that specified in either CERCLA, RCRA, or future laws pertaining to the health and environment such broader meaning shall apply.

10.04 Licensee shall indemnify and hold Licensor harmless against all cost of environmental clean up to all property resulting from Licensee's use of the Property under this Agreement. The indemnification provisions shall remain in effect in the event of a termination of the License.

11. Maintenance of Completed Improvements. After the Permitted Improvement has been constructed, the improvements and the Property shall be maintained by the Licensee in such a manner as to keep the Property in a good and safe condition with respect to Licensee's use.

12. Future Use by Licensor.

12.01 This License is made expressly subject and subordinate to the right of Licensor to use the Property for any purpose whatsoever.

12.02 In the event that Licensor shall, at any time subsequent to the date of this Agreement, at its sole discretion, determine that the relocation of the Permitted Improvement shall be necessary or convenient for Licensor's use of the Property, the Licensee shall bear such cost and expense to relocate said Permitted Improvement so as not to interfere with Licensor's or Licensor's assigns' use of the property. A minimum of one hundred twenty (120) days written notice for the exercise of the above actions shall be given by Licensor to Licensee.

13. Compliance with Laws and Regulations. Licensee agrees to abide by and be governed by all laws, ordinances and regulations of any and all governmental entities having jurisdiction over the Licensee and Licensee agrees to indemnify and hold Licensor harmless from any failure to so abide and all actions resulting therefrom.

14. Indemnification. Licensee does hereby protect, save and keep Licensor harmless and indemnified against and from any penalty or damage or charge imposed for any violation of any law or ordinance, whether occasioned by the neglect of Licensee, its employees, officers, agents, contractors, or assigns, or those holding under Licensee and the Licensee does hereby at all times protect, indemnify and it is the express intention of the parties hereto that Licensee does hereby hold Licensor harmless against and from any and all loss, cost, damage or expense, including attorney's fees, arising out of or from any accident or occurrence on or about said Property, caused or contributed to by the presence or operation of Licensee or Licensee's equipment, structures, vehicles, or facilities or the negligence or alleged negligence on the part of Licensee, its employees, contractors, subcontractors, invitees, or act of God causing injury to any person or property and does hereby protect, indemnify and hold Licensor harmless against and from any and all claims and against and from any and all loss, cost, damage or expense, including attorney's fees, arising out of any failure of Licensee, its employees, officers, agent, contractors or assigns in any respect to comply with and perform all the requirements and provisions hereof. The indemnification provisions shall remain in effect in the event of a termination of the License.

15. Action Upon Termination of License. At such time as this License may be terminated or canceled for any reason whatever, Licensee, upon request by Licensor, shall remove all improvements and appurtenances owned by it, situated in, under or attached to the Property or abandon the improvements in a manner acceptable to the Licensor and shall restore the Property, in a reasonable amount of time, to the condition existing at the date of execution of this License, at Licensee's sole expense. If this License is terminated and damage, including but not limited to pollution, to the Property or any other property is found in the future, the Licensee shall immediately replace or repair the damage at no cost or expense to the Licensor. If the Licensee fails or refuses to make such replacement or repair, the Licensor shall have the right, but not the obligation, to make or effect any such replacement or repair at the sole cost and expense of the Licensee, which cost and expense the Licensee agrees to pay to the Licensor upon demand.

16. Methods of Termination. This Agreement may be terminated in any of the following ways:

16.01 Written Agreement of both parties;

16.02 By either party giving the other party on hundred twenty (120) days written notice:

16.03 By either party, upon failure of the other party to perform its obligations as set forth in this Agreement.

17. Miscellaneous.

17.01 Notice. When notice is permitted or required by this Agreement, it shall

be in writing and shall be deemed delivered when delivered in person or when placed, postage prepaid, in the U.S. Mail, Certified, Return Receipt Requested, and addressed to the parties at the following address:

Licensor: City of Farmers Branch
13000 William Dodson Freeway
Farmers Branch, Texas 75234
Attn: City Manager

Licensee: Town of Addison
P.O. Box 144
Addison, Texas 75001
Attn: City Manager

Either party may from time to time designate another and different address for receipt of notice by giving notice of such change of address in writing.

17.02 Governing Law. This Agreement shall be construed under and in accordance with the laws of the State of Texas.

17.03 Entirely and Amendments. This Agreement embodies the entire agreement between the parties and supersedes all prior agreements and understandings, if any, relating to the Property and the matters addressed herein, and may be amended or supplemented only by a written instrument executed by the party against whom enforcement is sought.

17.04 Parties Bound. This Agreement shall be binding upon and inure to the benefit of the executing parties and their respective heirs, personal representatives, successors and assigns.

17.05 Number and Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender; and words in the singular shall include the plural and vice versa, unless the text clearly requires otherwise.

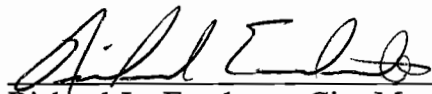
IN WITNESS WHEREOF, the parties have executed this Agreement in multiple originals this 5th day of December, 1994.

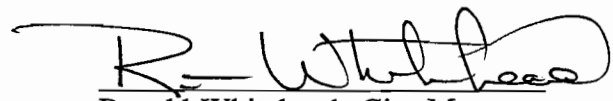
LICENSOR:

LICENSEE:

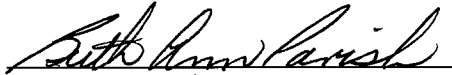
CITY OF FARMERS BRANCH, TEXAS

TOWN OF ADDISON, TEXAS


Richard L. Escalante, City Manager

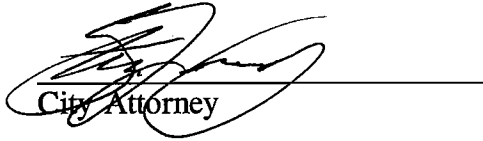

Ronald Whitehead, City Manager

ATTEST:



Ruth Ann Parish
City Secretary

APPROVED AS TO FORM:

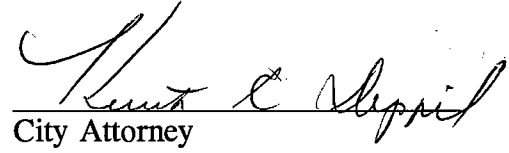

City Attorney

ATTEST:



Carmen Moran
City Secretary

APPROVED AS TO FORM:


City Attorney

b:\sisrowli.agr/agreementsII

EXHIBIT A
DESCRIPTION
MARSH LANE SEWER INTERCEPTOR
LICENSE AGREEMENT

BEING A 0.474 ACRE TRACT OF LAND SITUATED IN THE NOAH GOOD SURVEY, ABSTRACT NO. 520, DALLAS COUNTY, TEXAS AND BEING OUT OF MARSH LANE A 130 FOOT PUBLIC RIGHT-OF-WAY LOCATED IN THE CITY OF FARMERS BRANCH ADJOINING THE 2ND RE-PLAT OF WOODED CREEK ESTATES AS RECORDED IN VOLUME 75163, PAGE 0679 OF THE DEED RECORDS OF DALLAS COUNTY, TEXAS. BEARING BASIS IS ASSUMED. SAID 0.474 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF MARSH LANE, A 130 FOOT PUBLIC RIGHT OF WAY, COMMON WITH THE WEST LINE OF 2ND RE-PLAT OF WOODED CREEK ESTATES, AN ADDITION TO THE CITY OF FARMERS BRANCH RECORDED IN VOLUME 75163, PAGE 0679 OF THE DEED RECORDS OF DALLAS COUNTY, TEXAS, FROM SAID POINT A 1/2" IRON ROD FOUND MARKING THE SOUTHWEST CORNER OF LOT 1, BLOCK B OF SAID ADDITION AND LOCATED AT THE INTERSECTION OF THE EAST LINE OF MARSH LANE (130' ROW) AND THE NORTH LINE OF WOODED CREEK DRIVE (50' ROW), BEARS N 00° 01' 22" W, A DISTANCE OF 269.40 FEET;

THENCE N 83°23'50" W, A DISTANCE OF 63.46 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE N 00°02'16" W, A DISTANCE OF 524.21 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE N 03°05'12" E, A DISTANCE OF 456.91 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE N 01°32'50" W, A DISTANCE OF 7.23 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE, FROM SAID POINT A 1/2" IRON ROD FOUND MARKING THE INTERSECTION OF THE WEST LINE OF MARSH LANE (130' ROW) AND THE SOUTH LINE OF BROOKHAVEN CLUB DRIVE (100' ROW) BEARS N 76° 57' 42" E, A DISTANCE OF 94.91 FEET;

THENCE S 89°49'11" E, A DISTANCE OF 20.01 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

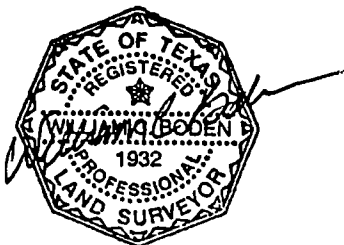
THENCE S 01°32'50" E, A DISTANCE OF 7.43 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE S 03°05'12" W, A DISTANCE OF 457.17 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE S 00°02'16" E, A DISTANCE OF 505.85 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE S 83°23'50" E, A DISTANCE OF 43.33 FEET TO A POINT FOR CORNER WITHIN THE RIGHT-OF-WAY OF MARSH LANE;

THENCE S 00°01'22" E, A DISTANCE OF 20.13 FEET TO THE POINT OF BEGINNING, AND CONTAINING 0.474 ACRES OF LAND, MORE OR LESS.



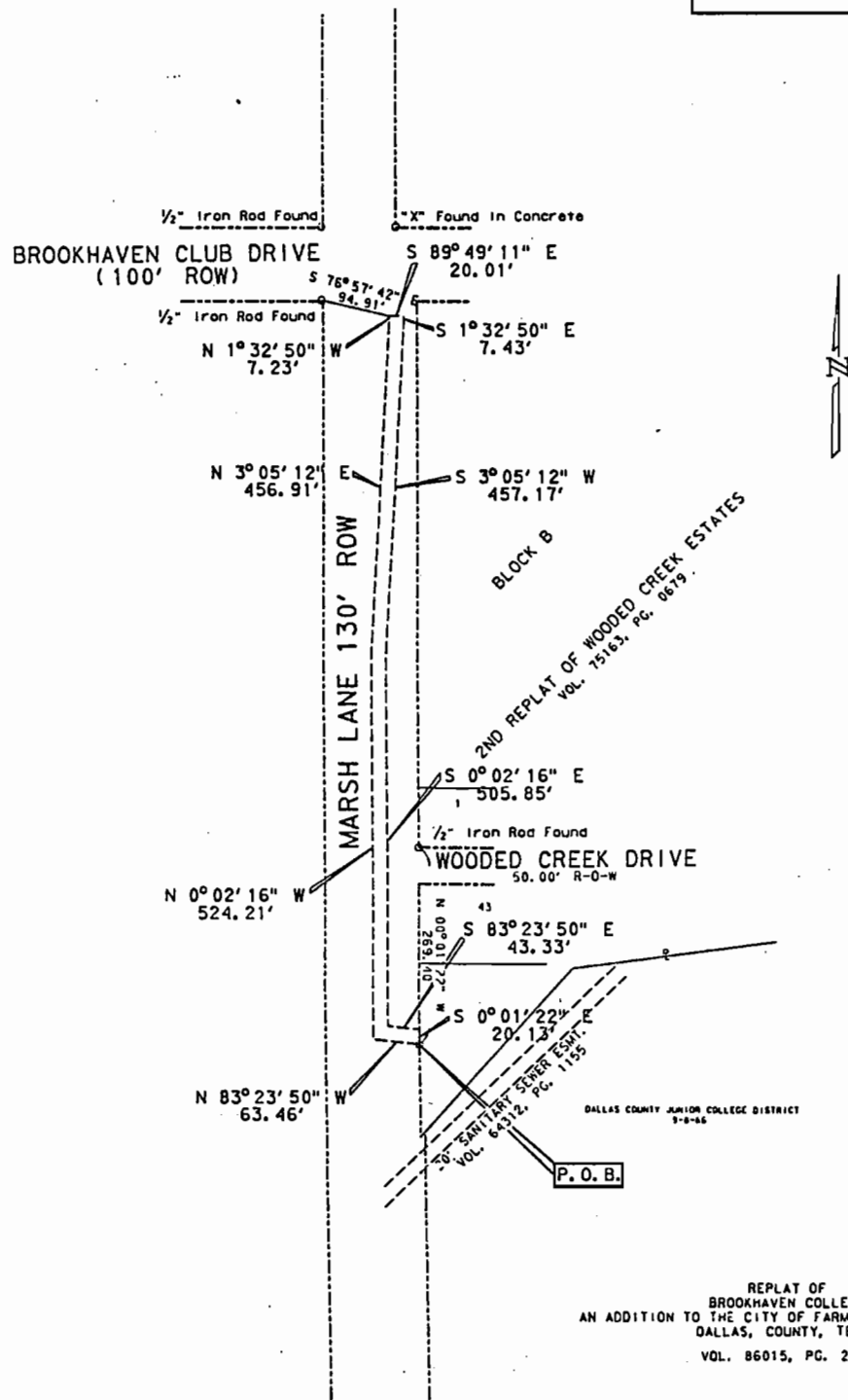
SURVEY: NOAH GOOD SURVEY, ABSTRACT NO. A-520

LOCATION: CITY OF FARMERS BRANCH, DALLAS COUNTY, TX.

ACQUISITION: 0.474 AC.

MARSH LANE SEWER
INTERCEPTOR

LICENSE AGREEMENT
EXHIBIT



REPLAT OF
BROOKHAVEN COLLEGE
AN ADDITION TO THE CITY OF FARMERS BRANCH, TEXAS
DALLAS, COUNTY, TEXAS
VOL. 86015, PG. 2676

NOTE: BEARING BASE IS ASSUMED

CARTER & BURGESS, INC.
7950 ELMBROOK DRIVE SUITE 250
DALLAS, TX. 75247-4951

PREPARED BY: B. J. S.

CHECKED BY: W. C. B.

DATE: 9-19-94

William C. Boden

SCALE: 1"=200'



PG. 2 OF 2



1/2000
7-11-94

**INTERIM OUTFALL SEWER
AGREEMENT BETWEEN THE TOWN OF
ADDISON AND THE CITY OF FARMERS BRANCH**

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT; entered into by and between the Town of Addison, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Addison", and the City of Farmers Branch, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Farmers Branch".

WITNESSETH:

SECTION 1. Covenants of Farmers Branch.

a. Farmers Branch hereby agrees to provide transportation of sewage subject to the limitations identified in Section 2, generated from the Rawhide Creek and Farmers Branch Creek drainage basins within Addison through Farmers Branch's sanitary sewer system lying within Farmers Branch.

b. Farmers Branch agrees to allow the Addison sewage to flow through Farmers Branch sanitary sewer system to the Trinity River Authority's present sewer collection point west of Interstate Highway 35E and south of Interstate Highway 635.

c. Farmers Branch agrees to charge Addison 120% of the fee charged to Farmers Branch by the Trinity River Authority for the duration of this interim agreement based upon measured sewage flows through the existing five entry points into the Farmers Branch sewer system from the Addison sewer system. The five entry points are noted on the attached sketch labeled Exhibit A.

SECTION 2. Covenants of Addison.

a. Addison will submit to Farmers Branch verification that the meters are still calibrated in the last 30 days of the agreement.

b. Addison agrees to limit its sewage flows at each of the five entry points for the duration of this interim agreement or until such time as the improved outfall system has been provided, whichever shall occur first, as follows:

1. Rawhide Creek Basin - The sewage flow shall be limited to a total flow of 135 million gallons for the term of the agreement. The amount of flow is based on calibrated meters as reference in Section 2a, of this agreement. At such time as the total monthly flow into the Rawhide Creek Basin equals or exceeds 8 million gallons, both meters at this entry point shall be recalibrated.

2. Farmers Branch Creek Basin

- a) Inwood Road, Brookhaven Club West, and Brookhaven Club East and Spring Valley Road Metering Stations - the sewage flow shall be limited to a total flow of 540 million gallons for the term of this agreement. The amount of flow is based on calibrated meters as reference in Section 2a, of this agreement.
- b) Beltwood - the sewage flow shall be limited to the flow generated from the existing buildings at the following addresses:

4568 through 4580, and 4600 Belt Line Road,
15000 Block of Beltwood Parkway,
14600, 14700, and 14800 Blocks of Inwood Road.

Since the sewage flow is not metered, the amount of sewage flow shall be considered as 80% of the amount of water metered to these properties.

c. Addison and Farmers Branch will conduct monthly meetings to monitor sewage flows to insure that there are not any adverse affects on the system.

d. Addison shall keep their meters operable. If a meter becomes inoperable, Addison shall immediately make repairs. In the event that the repair shall exceed 30 days, Addison shall notify Farmers Branch in writing and install a temporary meter for billing purposes. If a meter is inoperable for a period less than a month, the average daily rate for the highest month during the previous 12 months will apply.

e. Addison is prohibited from trucking sanitary sewer effluent through Farmers Branch.

f. Addison may contract for additional capacity within a given drainage basin through a supplemental agreement which shall incorporate the means for making additional capacity available, and the means of financing those improvements to provide additional capacity.

g. Addison agrees to limit its sewage flows to whatever extent is necessary to reduce, prevent and/or eliminate any spill, overload or overflow of Farmers Branch's sewer system constituting a violation of the rules and regulations of the Texas Natural Resource Conservation Commission and/or the U.S. Environmental Protection Agency.

h. In the event of any spill, overload or overflow for which Addison has a responsibility, and which constitutes a violation of the rules and regulations of the Texas Natural Resource Conservation Commission and/or the U.S. Environmental Protection Agency, Addison agrees to reimburse Farmers Branch for the costs of any fines or penalties.

i. Addison agrees to enforce the Sewer Use Ordinance, Addison Ordinance No. 087-004, which ordinance incorporates the basic terms and conditions of Farmers Branch Ordinance No.

1967. Addison agrees to amend this ordinance to reflect the basic terms and conditions of any amendments to Farmers Branch Ordinance No. 1967.

SECTION 3. Mutual Covenants.

Addison and Farmers Branch agree that this is an interim agreement entered into to allow sufficient time for the implementation of the Addison-Farmers Branch sanitary sewer interceptor.

SECTION 4. Compliance with State and Federal Regulations.

a. (1) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering the Farmers Branch system in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed in Farmers Branch Ordinance No. 1967 shall also apply at the Points of Entry to the Farmers Branch Wastewater System.

(2) Federal and State regulatory agencies periodically modify standards on prohibitive discharges; therefore, revisions to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this interim agreement that prohibitive discharge requirements be reviewed periodically by Farmers Branch and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to Addison. Addison shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90) days following written notice to Addison of such change.

b. To determine quality of Wastewater, Farmers Branch will collect composite samples of Wastewater at each point of entry to the Farmers Branch Wastewater System and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken quarterly or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/1
SS	250 mg/1
ph, not less than 5 nor greater than 10	
Hydrogen Sulfide	1.0 mg/1

Should the analysis disclose concentrations higher than those listed, Farmers Branch will at once inform Addison of such disqualification. It shall be the obligation of Addison to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Farmers Branch will cooperate with Addison in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Addison, may be desirous, and Farmers Branch may be agreeable to negotiate terms under which Farmers Branch will accept the over-strength wastes, but Farmers Branch makes no commitment to perform such service.

c. (1) The effects of certain types of Industrial Waste upon wastewater and wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Farmers Branch and to Addison. Addison covenants that it will have in effect and will enforce a sewer use ordinance in accordance with Federal and State regulations or departments having lawful jurisdiction to set standards for waste discharges.

(2) Addison shall, by ordinance, require all Significant Industrial Users as defined by Farmers Branch Ordinance No. 1967 that ultimately discharge into the Farmers Branch wastewater system, including, without limitation, Displaytek Corporation and Circuit Automation, Incorporated, to obtain an industrial waste discharge permit.

(3) Farmers Branch shall be provided a copy of the application and permit within 14 days after issuance. No Industrial User shall be allowed to connect to the sewer system discharging to the Farmers Branch Wastewater System without at least 30 days prior notification being given by Addison to Farmers Branch of the intent to connect. Addison also agrees to provide Farmers Branch with information pertaining to the expected volume and composition of the new-discharge. The expected volume is subject to the limitation of this agreement and any supplemental agreements.

(4) Addison agrees to implement and enforce U.S. Environmental Protection Agency approved pretreatment program with respect to Industrial Users discharging into the Farmers Branch system. Furthermore, Addison shall, at any reasonable time upon request by Farmers Branch, produce pretreatment program records for review by Farmers Branch.

(5) Addison agrees that U.S. Environmental Protection Agency Pretreatment Program for Industrial Wastes will be maintained to insure continuing approval from the EPA.

(6) Addison agrees to seek injunctive relief against those Industrial Users whose discharge interferes with the Trinity River Authority's treatment system, poses an imminent danger to public health, or when the specific industry is not making sufficient progress toward compliance or completing an Addison approved pretreatment plan.

(7) Addison agrees that Farmers Branch shall have the right to sample wastewater discharges at points of entry to the Farmers Branch wastewater system for the purpose of determining the type and strength of discharges.


(8) Addison agrees that any individual Industrial User found in violation of allowable discharges or any individual Industrial User who refuses access for the purpose of sampling shall be disconnected from Addison's and Farmers Branch's wastewater system, provided however, that the violating Industrial User shall be afforded all rights, privileges of appeal and deficiency cure periods as provided under Addison Ordinances. Addison agrees to provide public notification for instances of violation as required in 40 CFR 403.

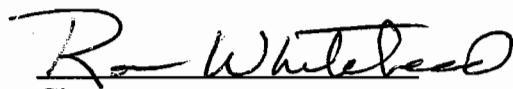
THIS INTERIM AGREEMENT is effective as of **November 7, 1994** and shall remain in force until **November 6, 1995** unless extended by mutual agreement of both parties, or unless terminated by breach of any provisions of SECTION 2. Breach of any provision of SECTION 2 shall cause termination of this agreement within 30 days.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendatory Interim Agreement to be duly executed in several counterparts, each of which shall constitute an original, this 7th day November, 1994.

CITY OF FARMERS BRANCH

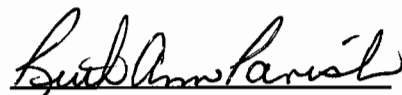
TOWN OF ADDISON


City Manager


City Manager

ATTEST:

ATTEST:

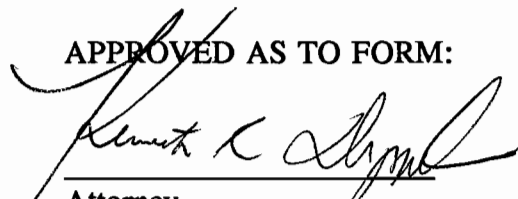

City Secretary


City Secretary

APPROVED AS TO FORM:

APPROVED AS TO FORM:


Attorney


Attorney

Outfall. AGR

1199

9-9-93

**INTERIM OUTFALL SEWER
AGREEMENT BETWEEN THE TOWN OF
ADDISON AND THE CITY OF FARMERS BRANCH**

STATE OF TEXAS

COUNTY OF DALLAS

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b. Farmers Branch agrees to allow the Addison sewage to flow through Farmers Branch sanitary sewer system to the Trinity River Authority's present sewer collection point west of Interstate Highway 35E and south of Interstate Highway 635.

c. Farmers Branch agrees to charge Addison 120% of the fee charged to Farmers Branch by the Trinity River Authority for the duration of this interim agreement based upon measured sewage flows through the existing five entry points into the Farmers Branch sewer system from the Addison sewer system. The five entry points are noted on the attached sketch labeled Exhibit A.

SECTION 2. Covenants of Addison.

a. Addison will calibrate the meters in accordance with the "Wastewater Meter Station Evaluation Final Report" performed by ADS Environmental Services, Inc., dated June 16, 1993, and submit verification to Farmers Branch of the calibration within the first 30 days of this agreement.

b. Addison will submit to Farmers Branch verification that the meters are still calibrated

in the last 30 days of the agreement.

c. Addison agrees to limit its sewage flows at each of the five entry points for the duration of this interim agreement or until such time as the improved outfall system has been provided, whichever shall occur first, as follows:

1. Rawhide Creek Basin - The sewage flow shall be limited to a total flow of 135 million gallons for the term of the agreement. The amount of flow is based on calibrated meters as reference in Section 2a, of this agreement. At such time as the total monthly flow into the Rawhide Creek Basin equals or exceeds 8 million gallons, both meters at this entry point shall be recalibrated.
2. Farmers Branch Creek Basin
 - a) Inwood Road, Brookhaven Club West, and Brookhaven Club East and Spring Valley Road Metering Stations - the sewage flow shall be limited to a total flow of 540 million gallons for the term of this agreement. The amount of flow is based on calibrated meters as reference in Section 2a, of this agreement. The City of Farmers Branch understands Addison is planning various measures to reduce the inflow and infiltration or otherwise reduce flow. It is not the intent of the City of Farmers Branch to reduce the flow limits to Addison as a result of their system improvement efforts.
 - b) Beltwood - the sewage flow shall be limited to the flow generated from the existing buildings at the following addresses:

4568 through 4580, and 4600 Belt Line Road,
15000 Block of Beltwood Parkway,
14600, 14700, and 14800 Blocks of Inwood Road.

Since the sewage flow is not metered, the amount of sewage flow shall be considered as 80% of the amount of water metered to these properties.

d. Addison and Farmers Branch will conduct monthly meetings to monitor sewage flows to insure that there are not any adverse affects on the system.

e. Addison is prohibited from trucking sanitary sewer effluent through Farmers Branch.

f. Addison may contract for additional capacity within a given drainage basin through a supplemental agreement which shall incorporate the means for making additional capacity available, and the means of financing those improvements to provide additional capacity.

g. Addison agrees to limit its sewage flows to whatever extent is necessary to reduce, prevent and/or eliminate any spill, overload or overflow of Farmers Branch's sewer system constituting a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency.

h. In the event of any spill, overload or overflow for which Addison has a responsibility, and which constitutes a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency, Addison agrees to reimburse Farmers Branch for the costs of any fines or penalties.

i. Addison agrees to enforce the Sewer Use Ordinance, Addison Ordinance No. 087-004, which ordinance incorporates the basic terms and conditions of Farmers Branch Ordinance No. 1967. Addison agrees to amend this ordinance to reflect the basic terms and conditions of any amendments to Farmers Branch Ordinance No. 1967.

SECTION 3. Mutual Covenants.

Addison and Farmers Branch agree that this is an interim agreement entered into to allow sufficient time for the implementation of the Addison-Farmers Branch sanitary sewer interceptor.

SECTION 4. Compliance with State and Federal Regulations.

a. (1) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering the Farmers Branch system in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed in Farmers Branch Ordinance No. 1967 shall also apply at the Points of Entry to the Farmers Branch Wastewater System.

(2) Federal and State regulatory agencies periodically modify standards on prohibitive discharges; therefore, revisions to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this interim agreement that prohibitive discharge requirements be reviewed periodically by Farmers Branch and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to Addison. Addison shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90)

days following written notice to Addison of such change.

b. To determine quality of Wastewater, Farmers Branch will collect composite samples of Wastewater at each point of entry to the Farmers Branch Wastewater System and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken quarterly or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/1
SS	250 mg/1
ph, not less than 5 nor greater than 10	
Hydrogen Sulfide	1.0 mg/1

Should the analysis disclose concentrations higher than those listed, Farmers Branch will at once inform Addison of such disqualification. It shall be the obligation of Addison to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Farmers Branch will cooperate with Addison in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Addison, may be desirous, and Farmers Branch may be agreeable to negotiate terms under which Farmers Branch will accept the over-strength wastes, but Farmers Branch makes no commitment to perform such service.

c. (1) The effects of certain types of Industrial Waste upon wastewater and wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Farmers Branch and to Addison. Addison covenants that it will have in effect and will enforce a sewer use ordinance in accordance with Federal and State regulations or departments having lawful jurisdiction to set standards for waste discharges.

(2) Addison shall, by ordinance, require all Significant Industrial Users as defined by Farmers Branch Ordinance No. 1967 that ultimately discharge into the Farmers Branch wastewater system, including, without limitation, Displaytek Corporation and Circuit Automation, Incorporated, to obtain an industrial waste discharge permit.

(3) Farmers Branch shall be provided a copy of the application and permit within 14 days after issuance. No Industrial User shall be allowed to connect to the sewer system discharging to the Farmers Branch Wastewater System without at least 30 days prior notification being given by Addison to Farmers Branch of the intent to connect. Addison also agrees to provide Farmers Branch with information pertaining to the expected volume and composition of the new-discharge. The expected volume is subject to the limitation of this agreement and any supplemental agreements.

(4) Addison agrees to implement and enforce U.S. Environmental Protection Agency approved pretreatment program with respect to Industrial Users discharging into the Farmers Branch system. Furthermore, Addison shall, at any reasonable time upon request by Farmers Branch, produce pretreatment program records for review by Farmers Branch.

(5) Addison agrees that U.S. Environmental Protection Agency Pretreatment Program for Industrial Wastes will be maintained to insure continuing approval from the EPA.

(6) Addison agrees to seek injunctive relief against those Industrial Users whose discharge interferes with the Trinity River Authority's treatment system, poses an imminent danger to public health, or when the specific industry is not making sufficient progress toward compliance or completing an Addison approved pretreatment plan.


(7) Addison agrees that Farmers Branch shall have the right to sample wastewater discharges at points of entry to the Farmers Branch wastewater system for the purpose of determining the type and strength of discharges.

(8) Addison agrees that any individual Industrial User found in violation of allowable discharges or any individual Industrial User who refuses access for the purpose of sampling shall be disconnected from Addison's and Farmers Branch's wastewater system, provided however, that the violating Industrial User shall be afforded all rights, privileges of appeal and deficiency cure periods as provided under Addison Ordinances. Addison agrees to provide public notification for instances of violation as required in 40 CFR 403.

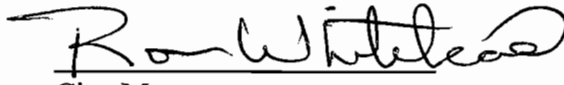
THIS INTERIM AGREEMENT is effective as of **September 9, 1993** and shall remain in force until **September 9, 1994** unless extended by mutual agreement of both parties, or unless terminated by breach of any provisions of SECTION 2. Breach of any provision of SECTION 2 shall cause termination of this agreement within 30 days.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendatory Interim Agreement to be duly executed in several counterparts, each of which shall constitute an original, this 9th day September, 1993.


ATTEST:


City Secretary


TOWN OF ADDISON


City Manager


APPROVED AS TO FORM:


Attorney


ATTEST:


City Secretary

CITY OF FARMERS BRANCH


City Manager

APPROVED AS TO FORM:


City Attorney

1/98
4-19-93

**INTERIM OUTFALL SEWER
AGREEMENT BETWEEN THE TOWN OF
ADDISON AND THE CITY OF FARMERS BRANCH**

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT; entered into by and between the Town of Addison, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Addison", and the City of Farmers Branch, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Farmers Branch".

WITNESSETH:

SECTION 1. Covenants of Farmers Branch.

a. Farmers Branch hereby agrees to provide transportation of sewage subject to the limitations identified in Section 2, generated from the Rawhide Creek and Farmers Branch Creek drainage basins within Addison through Farmers Branch's sanitary sewer system lying within Farmers Branch.

b. Farmers Branch agrees to allow the Addison sewage to flow through Farmers Branch sanitary sewer system to the Trinity River Authority's present sewer collection point west of Interstate Highway 35E and south of Interstate Highway 635.

c. Farmers Branch agrees to charge Addison 120% of the fee charged to Farmers Branch by the Trinity River Authority for the duration of this interim agreement based upon measured sewage flows through the existing five entry points into the Farmers Branch sewer system from the Addison sewer system. The five entry points are noted on the attached sketch labeled Exhibit A.

SECTION 2. Covenants of Addison.

a. Addison agrees to limit its sewage flows at each of the five entry points for the duration of this interim agreement or until such time as the improved outfall system has been provided, whichever shall occur first as follows:

1. Rawhide Creek Basin - the sewage flow shall be limited to a total flow of 160 million gallons on an annualized basis for the term of this agreement (3 months).

2. Farmers Branch Creek Basin

- a) Inwood Road, Brookhaven Club West, and Brookhaven Club East Metering Stations - the sewage shall be limited to a total flow of the three (3) highest months during the last twelve (12) months for the term of this agreement.
- b) Beltwood - the sewage flow shall be limited to the flow generated from the existing buildings at the following addresses:

4568 through 4580, and 4600 Belt Line Road,
15000 Block of Beltwood Parkway,
14600, 14700, and 14800 Blocks of Inwood Road.

Since the sewage flow is not metered, the amount of sewage flow shall be considered as 80% of the amount of water metered to these properties.

- c) Spring Valley Metering Station - No increase in sanitary sewer flow is permitted except as provided below. Addison agrees not to issue building permits within the basin without providing certification to Farmers Branch that such issuance will not increase the amount of sewage that flows into the Farmers Branch sewer line.

Addison agrees not to issue building permits within the basin which might increase sewage flows without the prior approval of Farmers Branch, such approval (by the City Manager of Farmers Branch) shall be based solely on the determination that the amount of sanitary sewer flow will not have an adverse impact on the Farmers Branch sewer line.

Addison agrees to study this basin and attempt to reduce the flow currently being recorded at the meter station.

b. Addison and Farmers Branch will conduct monthly meetings to monitor sewage flows to insure that there are not any adverse affects on the system.

c. Addison may contract for additional capacity within a given drainage basin through a supplemental agreement which shall incorporate the means for making additional capacity available, and the means of financing those improvements to provide additional capacity.

d. Addison agrees to limit its sewage flows to whatever extent is necessary to

reduce, prevent and/or eliminate any spill, overload or overflow of Farmers Branch's sewer system constituting a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency.

e. In the event of any spill, overload or overflow for which Addison has a responsibility, and which constitutes a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency, Addison agrees to reimburse Farmers Branch for the costs of any fines or penalties.

f. Addison agrees to enforce the Sewer Use Ordinance, Addison Ordinance No. 087-004, which ordinance incorporates the basic terms and conditions of Farmers Branch Ordinance No. 1967. Addison agrees to amend this ordinance to reflect the basic terms and conditions of any amendments to Farmers Branch Ordinance No. 1967.

SECTION 3. Mutual Covenants.

Addison and Farmers Branch agree that this is an interim agreement entered into to allow sufficient time for the implementation of the Addison-Farmers Branch sanitary sewer interceptor.

SECTION 4. Compliance with State and Federal Regulations.

a. (1) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering the Farmers Branch system in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed in Farmers Branch Ordinance No. 1967 shall also apply at the Points of Entry to the Farmers Branch Wastewater System.

(2) Federal and State regulatory agencies periodically modify standards on prohibitive discharges therefore, revision to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this interim agreement that prohibitive discharge requirements be reviewed periodically by Farmers Branch and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to Addison. Addison shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90) days following written notice to Addison of such change.

b. To determine quality of Wastewater, Farmers Branch will collect composite samples of Wastewater, at each point of entry to the Farmers Branch Wastewater System and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken

quarterly or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/1
SS	250 mg/1
ph, not less than 5 nor greater than 10	
Hydrogen Sulfide	1.0 mg/1

Should the analysis disclose concentrations higher than those listed, Farmers Branch will at once inform Addison of such disqualification. It shall be the obligation of Addison to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Farmers Branch will cooperate with Addison in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Addison, may be desirous, and Farmers Branch may be agreeable to negotiate terms under which Farmers Branch will accept the over-strength wastes, but Farmers Branch makes no commitment to perform such service.

c. (1) The effects of certain types of Industrial Waste upon wastewater and wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Farmers Branch and to Addison. Addison covenants that it will have in effect and will enforce a sewer use ordinance in accordance with Federal and State regulations or departments having lawful jurisdiction to set standards for waste discharges.

(2) Addison shall, by ordinance, require all Significant Industrial Users as defined by Farmers Branch Ordinance No. 1967 that ultimately discharge into the Farmers Branch wastewater system, including, without limitation, Displaytek Corporation and Circuit Automation, Incorporated, to obtain an industrial waste discharge permit.

(3) Farmers Branch shall be provided a copy of the application and permit within 14 days after issuance. No Industrial User shall be allowed to connect to the sewer system discharging to the Farmers Branch Wastewater System without at least 30 days prior notification being given by Addison to Farmers Branch of the intent to connect. Addison also agrees to provide Farmers Branch with information pertaining to the expected volume and composition of the new-discharge. The expected volume is subject to the limitation of this agreement and any supplemental agreements.

(4) Addison agrees to implement and enforce U.S. Environmental Protection Agency approved pretreatment program with respect to Industrial Users discharging into the Farmers Branch system. Furthermore, Addison shall, at any reasonable time upon request by Farmers Branch, produce pretreatment program records for review by Farmers Branch.

(5) Addison agrees that U.S. Environmental Protection Agency Pretreatment Program for Industrial Wastes will be maintained to insure continuing approval from the EPA.

(6) Addison agrees to seek injunctive relief against those Industrial Users whose discharge interferes with the Trinity River Authority's treatment system, poses an imminent danger to public health or when the specific industry is not making sufficient progress toward compliance or completing an Addison approved pretreatment plan.

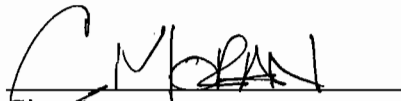
(7) Addison agrees that Farmers Branch shall have the right to sample wastewater discharges at points of entry to the Farmers Branch wastewater system for the purpose of determining the type and strength of discharges.

(8) Addison agrees that any individual Industrial User found in violation of allowable discharges or any Individual Industrial User who refuses access for the purpose of sampling shall be disconnected from Addison's and Farmers Branch's wastewater system. Provided, however, that the violating Industrial User shall be afforded all rights, privileges of appeal and deficiency cure periods as provided under Addison Ordinances. Addison agrees to provide public notification for instances of violation as required in 40 CFR 403.

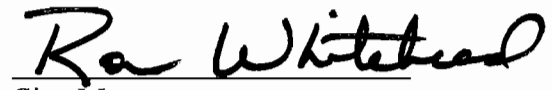
THIS INTERIM AGREEMENT is effective as of April 12, 1993 and shall remain in force until July 12, 1993 unless extended by mutual agreement of both parties, or unless terminated by breach of any provision of SECTION 2. Breach of any provision of SECTION 2 shall cause termination of this agreement within 30 days.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendatory Interim Agreement to be duly executed in several counterparts, each of which shall constitute an original, this 19th day of APRIL 1993.

ATTEST:


City Secretary

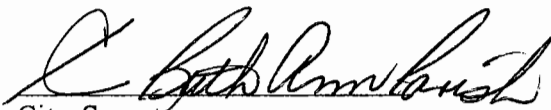
TOWN OF ADDISON


City Manager


APPROVED AS TO FORM:


Attorney

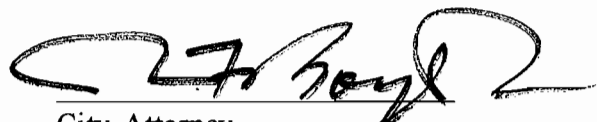
ATTEST:


City Secretary

CITY OF FARMERS BRANCH


City Manager

APPROVED AS TO FORM:


City Attorney

sewerfb.agr
4/8/93

CITY OF
FARMERS BRANCH, TEXAS

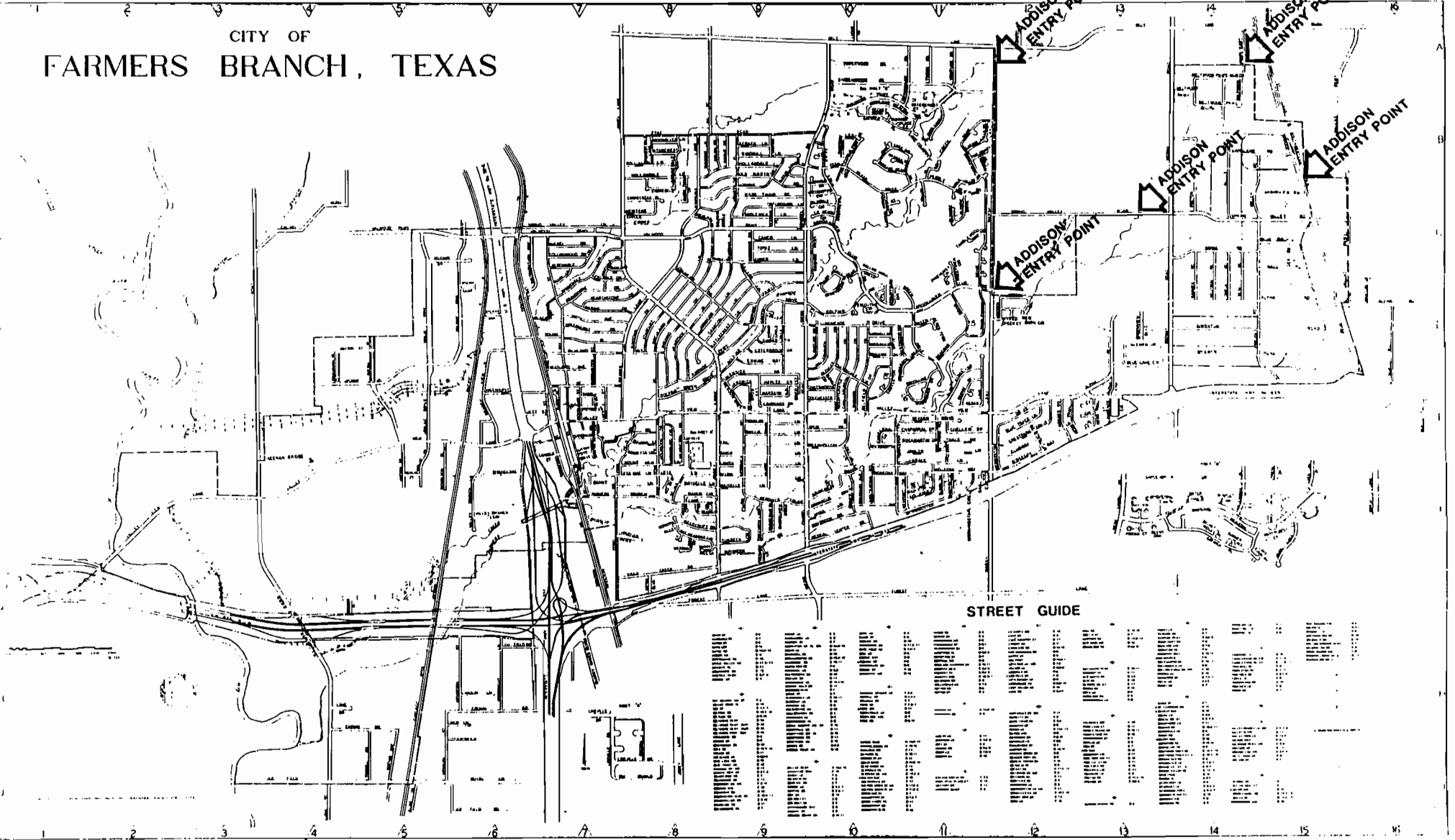


EXHIBIT A

1/97

**INTERIM OUTFALL SEWER
AGREEMENT BETWEEN THE TOWN OF
ADDISON AND THE CITY OF FARMERS BRANCH**

STATE OF TEXAS

COUNTY OF DALLAS

THIS AGREEMENT; entered into by and between the Town of Addison, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Addison", and the City of Farmers Branch, a Texas Municipal Corporation, acting by and through its City Manager, hereinafter referred to as "Farmers Branch".

WITNESSETH:

SECTION 1. Covenants of Farmers Branch.

a. Farmers Branch hereby agrees to provide transportation of sewage subject to the limitations identified in Section 2, generated from the Rawhide Creek and Farmers Branch Creek drainage basins within Addison through Farmers Branch's sanitary sewer system lying within Farmers Branch.

b. Farmers Branch agrees to allow the Addison sewage to flow through Farmers Branch sanitary sewer system to the Trinity River Authority's present sewer collection point west of Interstate Highway 35E and south of Interstate Highway 635.

c. Farmers Branch agrees to charge Addison 120% of the fee charged to Farmers Branch by the Trinity River Authority for the duration of this interim agreement based upon measured sewage flows through the existing five entry points into the Farmers Branch sewer system from the Addison sewer system. The five entry points are noted on the attached sketch labeled Exhibit A.

SECTION 2. Covenants of Addison.

a. Addison agrees to limit its sewage flows at each of the five entry points for the duration of this interim agreement or until such time as the improved outfall system has been provided, whichever shall occur first as follows:

Rawhide Creek - the sewage flow shall be limited to the current monthly flow generated in the 12 months preceeding execution of this agreement and the addition of sewage flows, generated by 280 single-family and/or multi-family dwelling units presently under construction in Addison.

Brookhaven Road - the sewage flow shall be limited to the current monthly flow generated in the 12 months preceeding execution of this agreement.

Spring Valley Road - the sewage flow shall be limited to the current monthly flow generated in the 12 months preceeding execution of this agreement.

Inwood Road - the sewage flow shall be limited to the current monthly flow generated in the 12 months preceeding execution of this agreement.

Beltway - the sewage flow shall be limited to the amount of flow generated from the following addresses:

4568 thru 4580, and 4600 Belt Line Rd.,
the 15000 Blk of Beltwood Pkwy.,
the 14600, 14700, and 14800 Blks of Inwood Rd.

Since the sewage flow is not metered, the amount of sewage flow shall be considered as the 80% of the amount of water metered to these properties.

b. Addison agrees to inform Farmers Branch of proposed increases in sewage flows due to additional sewer connections, changes in land use, and changes in building use; and the methods that Addison will implement to mitigate the proposed increases beyond the limits set forth in Section 2a of this agreement. Addison may contract for additional capacity within a given drainage basin through a supplemental agreement which shall incorporate the means for making additional capacity available, and the means of financing those improvements to provide additional capacity.

c. Addison agrees to limit its sewage flows to whatever extent is necessary to reduce, prevent and/or eliminate any spill, overload or overflow of Farmers Branch's sewer system constituting a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency.

d. In the event of any spill, overload or overflow for which Addison has a responsibility, and which constitutes a violation of the rules and regulations of the Texas Water Commission and/or the U.S. Environmental Protection Agency, Addison agrees to reimburse Farmers Branch for the costs of any fines or penalties.

e. Addison agrees to enforce the Sewer Use Ordinance, Addison Ordinance No. 087-004, which ordinance incorporates the basic terms and conditions of Farmers Branch Ordinance No. 1967. Addison agrees to amend this ordinance to reflect the basic terms and conditions of any amendments to Farmers Branch Ordinance No. 1967.

SECTION 3. Mutual Covenants.

Addison and Farmers Branch agree that this is an interim agreement entered into to allow sufficient time for the implementation of the Addison-Farmers Branch sanitary sewer interceptor.

SECTION 4. Compliance with State and Federal Regulations.

a. (1) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering the Farmers Branch system in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed in Farmers Branch Ordinance No. 1967 shall also apply at the Points of Entry to the Farmers Branch Wastewater System.

(2) Federal and State regulatory agencies periodically modify standards on prohibitive discharges therefore, revision to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this interim agreement that prohibitive discharge requirements be reviewed periodically by Farmers Branch and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to Addison. Addison shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90) days following written notice to Addison of such change.

b. To determine quality of Wastewater, Farmers Branch will collect composite samples of Wastewater. at each point of entry to the Farmers Branch Wastewater System and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken quarterly or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/1
SS	250 mg/1
ph, not less than 5 nor greater than 10	
Hydrogen Sulfide	1.0 mg/1

Should the analysis disclose concentrations higher than those listed, Farmers Branch will at once inform Addison of Such disqualification. It shall be the obligation of Addison to require

the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Farmers Branch will cooperate with Addison in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Addison, may be desirous, and Farmers Branch may be agreeable to negotiate terms under which Farmers Branch will accept the over-strength wastes, but Farmers Branch makes no commitment to perform such service.

c. (1) The effects of certain types of Industrial Waste upon wastewater and wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Farmers Branch and to Addison. Addison covenants that it will have in effect and will enforce a sewer use ordinance in accordance with Federal and State regulations or departments having lawful jurisdiction to set standards for waste discharges.

(2) Addison shall, by ordinance, require all Significant Industrial Users as defined by Farmers Branch Ordinance No. 1967 that ultimately discharge into the Farmers Branch wastewater system, including, without limitation, Displaytek Corporation and Circuit Automation, Incorporated, to obtain an industrial waste discharge permit.

(3) Farmers Branch shall be provided a copy of the application and permit within 14 days after issuance. No Industrial User shall be allowed to connect to the sewer system discharging to the Farmers Branch Wastewater System without at least 30 days prior notification being given by Addison to Farmers Branch of the intent to connect. Addison also agrees to provide Farmers Branch with information pertaining to the expected volume and composition of the new-discharge. The expected volume is subject to the limitation of this agreement and any supplemental agreements.

(4) Addison agrees to implement and enforce U.S. Environmental Protection Agency approved pretreatment program with respect to Industrial Users discharging into the Farmers Branch system. Furthermore, Addison shall, at any reasonable time upon request by Farmers Branch, produce pretreatment program records for review by Farmers Branch.

(5) Addison agrees that U.S. Environmental Protection Agency Pretreatment Program for Industrial Wastes will be maintained to insure continuing approval from the EPA.

(6) Addison agrees to seek injunctive relief against those Industrial Users whose discharge interferes with the Trinity

River Authority's treatment system, poses an imminent danger to public health or when the specific industry is not making sufficient progress toward compliance or completing an Addison approved pretreatment plan.

(7) Addison agrees that Farmers Branch shall have the right to sample wastewater discharges at points of entry to the Farmers Branch wastewater system for the purpose of determining the type and strength of discharges.

(8) Addison agrees that any individual Industrial User found in violation of allowable discharges or any individual Industrial User who refuses access for the purpose of sampling shall be disconnected from Addison's and Farmers Branch's wastewater system. Provided however, that the violating Industrial User shall be afforded all rights, privileges of appeal and deficiency cure periods as provided under Addison Ordinances. Addison agrees to provide public notification for instances of violation as required in 40 CFR 403.

THIS INTERIM AGREEMENT is effective as of December 23, 1991 and shall remain in force until June 24, 1992 unless extended by mutual agreement of both parties, or unless terminated by breach of any provisions of SECTION 2. Breach of any provision of SECTION 2 shall cause termination of this agreement within 30 days.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendatory Interim Agreement to be duly executed in several counterparts, each of which shall constitute an original, this ____ day of 1990.

ATTEST:

TOWN OF ADDISON

City Secretary

City Manager

APPROVED AS TO FORM:

Attorney

ATTEST:

CITY OF FARMERS BRANCH

City Secretary

City Manager

Date: _____

APPROVED AS TO FORM:

City Attorney

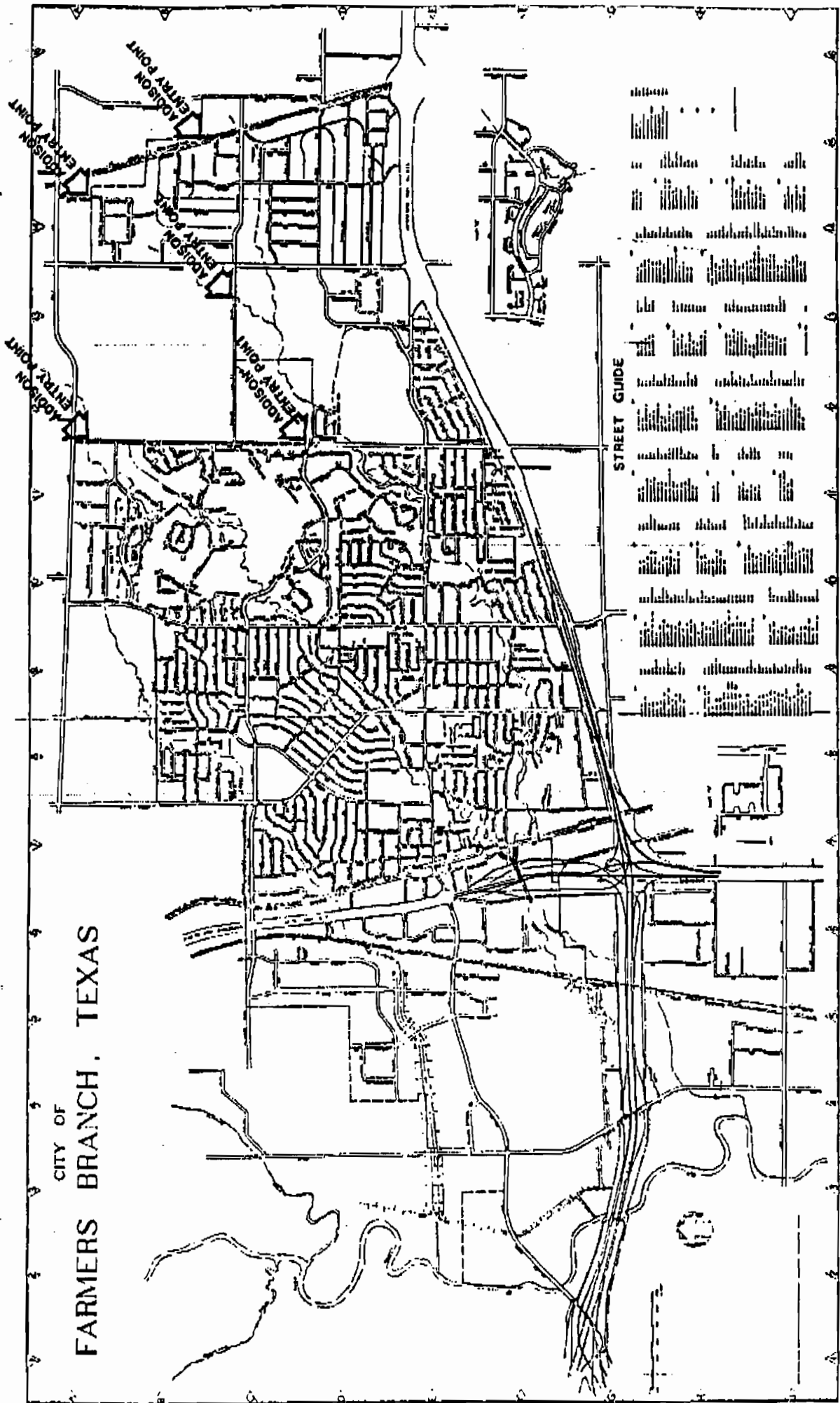


EXHIBIT A

9-24-87

INTERIM AGREEMENT AMENDMENT

1987

WHEREAS, the Town of Addison, Texas (Addison) has duly executed and entered into an Interim Agreement dated as of the 23rd day of June, 1986, with the City of Farmers Branch, Texas (Farmers Branch) providing for wastewater service to Addison, to which Interim Agreement reference is hereby made for all purposes; and

WHEREAS, on June 26, 1978, the U. S. Environmental Protection Agency published a rule (Amended January 28, 1981 and June 12, 1986) which established mechanisms and procedures for enforcing National Pretreatment Standards controlling the introduction of wastes from non-domestic sources into Publicly Owned Treatment Works (POTWs); and

WHEREAS, this rule, 40 CFR 403, requires that a pretreatment program be developed for the Farmers Branch Wastewater System; and

WHEREAS, Farmers Branch must comply with rule 40 CFR 403; and

WHEREAS, Farmers Branch has entered into and executed a Contract with the Trinity River Authority of Texas which requires the adoption and enforcement of an industrial waste pretreatment program approved by the U. S. Environmental Protection Agency; and

WHEREAS, it is deemed necessary that the Interim Agreement be amended to include a new Section 4 to comply with 40 CFR 403;

NOW, therefore, in consideration of the mutual covenants and promises contained herein, Addison and Farmers Branch agree as follows:

THAT the Interim Agreement is amended to include the following Section:

Section 4.1 SEWER USE ORDINANCE: Addison agrees to adopt an ordinance, or incorporate into Addison Ordinance No. 084-008, amendments establishing standards for the quality and quantity of sewage which may be discharged into the sewer system, which ordinance shall incorporate the basic terms and conditions of Farmers Branch Ordinance No. 1555.

Addison agrees to adopt this ordinance within forty-five (45) days of entering into and executing this agreement.

Addison agrees to enforce this Sewer Use Ordinance regulating the discharge of sewage into the sewer system.

Section 4.2 PROHIBITIVE DISCHARGES: To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering the Farmers Branch system in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed in Farmers Branch Ordinance No. 1555 shall also apply at the Points of Entry to the Farmers Branch Wastewater System.

Federal and State regulatory agencies periodically modify standards on prohibitive discharges; therefore, revision to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this interim agreement that prohibitive discharge requirements be reviewed periodically by Farmers Branch and revised in accordance with the latest standards of any federal or state agency having regulatory powers. Any required revisions shall be made and written notice thereof given to Addison. Addison shall be responsible for integrating such changes into the local industrial waste ordinance and notifying all affected users of the change within ninety (90) days following written notice to Addison of such change.

Section 4.3 TESTING QUALITY: To determine quality of Wastewater, Farmers Branch will collect composite samples of Wastewater at each point of entry to the Farmers Branch wastewater system and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken quarterly or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/l
SS	250 mg/l
pH, not less than	5 nor greater than 10
Hydrogen Sulfide	1.0 mg/l

Should the analysis disclose concentrations higher than those listed, Farmers Branch will at once inform Addison of such disqualification. It shall be the obligation of Addison to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Farmers Branch will

cooperate with Addison in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and Addison, may be desirous, and Farmers Branch may be agreeable to negotiate terms under which Farmers Branch will accept the over-strength wastes, but Farmers Branch makes no commitment to perform such service.

Section 4.4 INDUSTRIAL WASTES: The effects of certain types of Industrial Waste upon wastewater and wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Farmers Branch and to Addison. Addison covenants that it will have in effect and will enforce a sewer use ordinance in accordance with Federal and State regulations or departments having lawful jurisdiction to set standards for waste discharges.

Addison shall, by ordinance, require all Significant Industrial Users as defined by Farmers Branch Ordinance No. 1555 that ultimately discharge into the Farmers Branch wastewater system to obtain an industrial waste discharge permit.

Farmers Branch shall be provided a copy of the application and permit within 14 days after issuance. No Industrial User shall be allowed to connect to the sewer system discharging to the Farmers Branch Wastewater System without at least 30 days prior notification being given by Addison to Farmers Branch of the intent to connect. Addison also agrees to provide Farmers Branch with information pertaining to the expected volume and composition of the new discharge.

Addison agrees to implement and enforce U. S. Environmental Protection Agency approved pretreatment program with respect to Industrial Users discharging into the Farmers Branch system. Furthermore, Addison shall, at any reasonable time upon request by Farmers Branch, produce pretreatment program records for review by Farmers Branch.

Addison agrees that U. S. Environmental Protection Agency Pretreatment Program for Industrial Wastes will be maintained to insure continuing approval from the EPA.

Addison agrees to seek injunctive relief against those Industrial Users whose discharge interferes with the Trinity River Authority's treatment system, poses an imminent danger to public health or when the specific industry is not making sufficient progress toward compliance or completing an Addison approved pretreatment plan.

Addison agrees that Farmers Branch shall have the right to sample wastewater discharges at points of entry to the Farmers Branch wastewater system for the purpose of determining the type and strength of discharges.

Addison agrees that any individual Industrial User found in violation of allowable discharges or any individual Industrial User who refuses access for the purpose of sampling shall be disconnected from Addison's and Farmers Branch's wastewater system. Provided however, that the violating Industrial User shall be afforded all rights, privileges of appeal and deficiency cure periods as provided under Addison Ordinances. Addison agrees to provide public notification for instances of violation as required in 40 CFR 403.

All provisions contained herein are in addition to those contained in the Interim Agreement entered into between the parties dated June 23, 1986. This Amendment and the original Interim Agreement shall be construed as a single agreement.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Amendatory Interim Agreement to be duly executed in several counterparts, each of which shall constitute an original, all as of the 24 day of Sept., 1987.

ATTEST:

CITY OF FARMERS BRANCH

Kelvin R. Webb
City Secretary

By: Tom Sisk
City Manager

ATTEST:

CITY OF ADDISON

Jacque Kausel
City Secretary

By: Bob D. Jones
City Manager

Approved as to form:
John F. Boyle, Jr. by MAP
City Attorney

Date: 9-24-87

THE STATE OF TEXAS X

COUNTY OF DALLAS X

This contract entered into this 26 day of March, A. D. 1964 by and between the City of Farmers Branch, Texas, a municipal corporation, and the City of Addison, Texas, a municipal corporation, each municipal corporation acting by and through its duly authorized officials pursuant to authority granted.

W I T N E S S E T H :

WHEREAS, the City of Addison is desirous of having the City of Farmers Branch provide sanitary sewer service through its trunk lines to be constructed as hereinafter provided, and the City of Farmers Branch is willing to provide such service.

NOW, THEREFORE, it is hereby agreed as follows:

1. The City of Farmers Branch agrees to provide sanitary sewer service to a portion of the City of Addison upon the following terms and conditions:

(a) The City of Farmers Branch agrees to construct at its sole cost and expense sanitary sewer trunk lines along Rawhide Creek to its intersection with Marsh Lane and generally along Farmers Branch Creek from its intersection with Marsh Lane east to Dooley Road with an extension north to a point in Spring Valley Road. The extensions provided for in this paragraph shall be installed and made available to the City of Addison within 90 days after written notice from the City of Addison to the City of Farmers Branch that such extensions are desired by Addison.

(b) Addison shall have the right to connect to the said sanitary sewer trunk lines at such times and at such locations as it shall deem proper and necessary. Addison shall construct and equip metering stations at such connection points at its sole cost and expense. Such connection points shall be constructed with a Parshall flume meter station and equipped with rate of flow recording devices of standard type for measuring properly all sewage to be discharged under this agreement. Such equipment shall be installed in a

weatherproof enclosure. In the event that the metering station and equipment shall ever need to be replaced, the City of Addison shall replace the same at its sole cost and expense.

All metering equipment will be maintained by the City of Farmers Branch. The frequency of such maintenance shall be determined by the City of Farmers Branch. The cost of such maintenance shall be charged to the City of Addison. In the event that the City of Addison desires to call for inspection of the metering equipment by its representatives or by an impartial party, it shall have the right to do so upon notice to the City of Farmers Branch. All maintenance charges shall be due and payable by the City of Addison upon the presentation by the City of Farmers Branch of such charges. The City of Addison may, at its option and its own expense, install and operate a check meter to check each meter being read and maintained by Farmers Branch. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of Farmers Branch.

(c) The rates for such sewage service to be charged by the City of Farmers Branch to the City of Addison shall be at the rate per 1,000 gallons of sewage as charged by the Trinity River Authority to the City of Farmers Branch in accordance with the provisions of the existing contract between the City of Farmers Branch and the Trinity River Authority dated April 18, 1957, and as may be subsequently amended or modified, plus an additional \$.0077 (7.7 mills) per 1,000 gallons of sewage for service charges through the City of Farmers Branch. At such times as the rates charged by the Trinity River Authority shall be changed, the City of Farmers Branch will notify the City of Addison in writing of such changes. The statement as to the amount to be charged to Addison for such sewer service shall be rendered by Farmers

Branch to Addison on or before the 5th day of each month and payment of such amount shall be made by the 15th day of each month. In the event such payment is not made within 60 days from the date such payment becomes due, Farmers Branch may, at its option discontinue such service to Addison until the amount due Farmers Branch is paid in full.

(d) The City of Farmers Branch will make such tests of accuracy of the metering equipment as it deems necessary. Should such a test be requested by the City of Addison, the City of Farmers Branch may permit such test to be conducted at the sole expense of the City of Addison. Not more than three times in each year of operation, the City of Farmers Branch shall calibrate the meters if requested by the City of Addison to do so, in the presence of representatives of both cities, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustment is found to be necessary.

(e) The City of Farmers Branch will read the sanitary sewer meters at monthly intervals, and both parties will have full access to read the meters daily if they so desire. In this connection, it will be the duty of either party in the event of daily readings to notify the other party in case such meter is not functioning so that it can be promptly repaired. In the event such meter is discovered not functioning, then the amount of sewage that has passed through such meter will be estimated on the quantity that passed through said meter the day before, and for each day that said meter has not been functioning correctly, the last correctly measured daily sewage deposit will be used as the basis for computing the amount of sewage deposited into the sanitary sewer trunk lines of the City of Farmers Branch. All readings of meters will be entered upon proper books of record in the City Hall of the City of Farmers Branch. Upon written request the City of Addison may have access to said record books in the City Hall during reasonable business hours.

2. The City of Addison will not permit any person to make any connection or to do any plumbing work on any sewer line of the City of Addison used to deposit sewage into the City of Farmers Branch trunk lines, unless such person be a licensed plumber under the laws of this State.

3. No sewage shall be deposited by the City of Addison into the City of Farmers Branch trunk lines except that coming from within the natural drainage areas of Rawhide Creek and Farmers Branch Creek located within the corporate limits of the City of Addison. The natural drainage area is that area which will drain sewage into Farmers Branch Creek and Rawhide Creek by a gravity flow and not by use of lift stations.

4. The City of Addison hereby agrees to appropriate annually so much of the revenues of the City emanating from whatever source for the purpose of paying the monthly charges for the sewer service to be paid to the City of Farmers Branch under the terms of this contract. The sewer charge to be paid by the City of Addison to the City of Farmers Branch shall be deemed to be a current expense of said City for each of the years in question and as such monthly charges become due and payable.

5. It is further mutually understood and agreed that the City of Addison will maintain a careful inspection and will exercise diligence and care in the maintenance of said sewer lines within the City of Addison and in the installation of connections that may be connected with the said sewer system within the City of Addison, and that the connections to be made within the City of Addison shall be made in strict conformity with the rules and regulations, ordinances and charter provisions of the City of Farmers Branch regulating sewer connections, and the manner of making sewer connections in the

City of Farmers Branch, and that a failure on the part of the City of Addison to provide and enforce such regulations governing connections with the sewer lines of the City of Addison, shall, after notice in writing of the specific violation or violations within thirty (30) days after receipt of such notices, terminate this contract at the option of the City of Farmers Branch.

6. The City of Farmers Branch shall grant to Addison the right to use the public streets, highways and alleys of the City of Farmers Branch to construct, operate and maintain sanitary sewer lines which may be necessary to connect into the sanitary sewer trunk lines being constructed by Farmers Branch under the terms of this agreement.

7. It is expressly agreed and understood that the City of Farmers Branch shall never be liable to the City of Addison or to any of its citizens or any customer served by the City of Addison in the event the City of Farmers Branch becomes disabled from furnishing this sewer service through acts of God, acts of public enemies, riots or civil commotions or through sabotage or through any other means beyond the control of the City of Farmers Branch.

8. The City of Addison shall adopt and enforce ordinances establishing standards for quality and quantity of sewage which may be discharged into the sewer system, and such ordinances shall have the same provisions as applicable to the City of Farmers Branch ordinances and the terms and conditions contained in the contract between the City of Farmers Branch and the Trinity River Authority dated April 18, 1957, and as may hereinafter be amended or modified.

9. Either party hereto shall have the option after five (5) years from the date of execution of this contract to review the terms and conditions hereof upon giving notice in writing to the other party, and may do so at each further five year period.

10. This contract shall be effective for a period of fifty (50) years and shall begin when the City of Addison notifies the City of Farmers Branch that it is ready to connect to the trunk lines of the City of Farmers Branch and construct its required metering stations and equipment and may be renewed for like fifty (50) year periods at the option of the City of Addison.

11. This agreement is entered into by the parties hereto subject to the provisions of the Constitution of the State of Texas, applicable State laws, and the charter provisions presently in force or any amendment of either source of power or authority under which each respective party acts in entering into this agreement.

This instrument is executed in quadruplicate, each of which shall be deemed an original, and at least two copies shall be retained by the City of Farmers Branch and at least two copies shall be retained by the City of Addison.

EXECUTED on this 26 day of March

A. D. 1964.

CITY OF FARMERS BRANCH, TEXAS

By *A. J. Alfordi*
A. J. Alfordi, Mayor

ATTEST:

By *Dortheana Williams*
Dortheana Williams,
City Secretary

CITY OF ADDISON, TEXAS

By *M. W. Morris*
M. W. Morris, Mayor

ATTEST:

By *Edwin Lewis*
Edwin Lewis
City Secretary

DALLAS COUNTY X
 X
STATE OF TEXAS X

AGREEMENT

WHEREAS, this agreement is entered into pursuant to Article 4413(32c) Interlocal Cooperation Act, Vernons Texas Civil Statutes between the City of Farmers Branch, Texas, and the City of Addison, Texas; and

WHEREAS, the City of Addison through its City Council agrees to furnish sanitary sewer and water service to an area of the City of Farmers Branch; and

WHEREAS, the City of Farmers Branch through its City Council agrees to allow the City of Addison to charge fees at the same rates that it charges its citizens for the furnishing of sanitary sewer and water services to an area of the City of Farmers Branch.

NOW, THEREFORE, BE IT AGREED BY THE CITY COUNCILS OF THE CITY OF FARMERS BRANCH AND THE CITY OF ADDISON, TEXAS:

At a regular meeting of the City Council of the City of Farmers Branch, Texas held on the 2nd day of July, A.D. 1973, and at a regular meeting of the City Council of the City of Addison, Texas, held on the _____ day of _____, A.D. 1973, a quorum being present in each case, on motions duly made and carried the following agreement was adopted by each city:

The City of Addison, Texas, agrees to furnish sanitary sewer and water services at the same rates that it charges its citizens and or customers as the case may be to the following described property, to-wit:

BEING a survey of a tract of 6.685 acres of land Net in the Josiah Pancoast Survey Abstract No. 1146, Dallas County, Texas; and being a part of a 60.73 acre tract as described in deed to A.G. McDowell recorded in Vol. 165, Page 265 in the Deed Records of Dallas County, Texas; said 6.685 acre tract being more particularly described as follows:

BEGINNING at the Northeast corner of said 60.73 acre tract, an iron pipe in place;

THENCE South $0^{\circ}15'$ East, along the East line of said 60.73 acre tract (the remains of an old fence), 1363.9 ft. to an iron pipe at a concrete marker;

THENCE North $17^{\circ}37'$ West, along the Northeast line of the Dallas Power & Light Company tract (said Northeast line being 150 ft. right angle distance from the center-line of the St. Louis & Southwestern Railroad), 1430.5 ft. to an iron pipe at a concrete marker in the North line of said 60.73 acre tract;

THENCE North $89^{\circ}56'$ East, along the North line of said 60.73 acre tract (the remains of an old fence line) 427.0 ft. to the point of beginning and containing 6.685 acres of land Net.

provided that all such area property owners properly dedicate all proper utility easements and all such area property owners comply with all City of Addison's regulations and requirements dealing with sanitary sewer and water service for the development of new subdivisions and or new developments. Maintenance of all such sanitary sewer and water services facilities in said area shall be the obligation of the City of Addison, Texas.

The City of Addison, Texas, further agrees that in the event that the City of Addison, Texas does not provide and enforce such regulations as are applicable for the protection and preservation of life, health and property, then the applicable codes and specifications of the City of Farmers Branch shall control in such area.

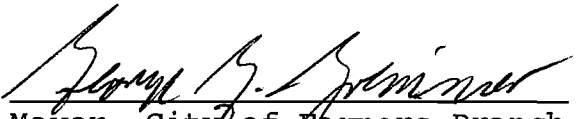
The City of Farmers Branch, Texas, agrees that it will not approve any platting, replatting, subdividing or other type of new developments within such area without first requiring such platters, subdividers or developers to dedicate such utility easements as are needed to fully serve this area with sanitary sewer and water services. The City of Farmers Branch, Texas further agrees that the City of Addison, Texas, shall have all necessary access to said easement as are required to properly provide sanitary sewer and water services in

such area.

The City of Farmers Branch, Texas further agrees that it will enforce all the City of Addison, Texas, regulations and requirements dealing with sanitary sewer and water service for the development of new subdivisions and, or, other new developments; provided that the City of Addison provides such regulations and requirements dealing with sanitary sewer and water services to the Building Inspector of the City of Farmers Branch, Texas as each separate piece of property in such area is developed and or submitted to the City of Farmers Branch, Texas for its approval as required by law.

This agreement duly agreed upon by the City Councils of the respective parties shall continue in full force and effect until another agreement mutually agreed upon terminates this agreement, by the proper execution of the signatures of the Mayor and City Secretary of each city.

APPROVED:



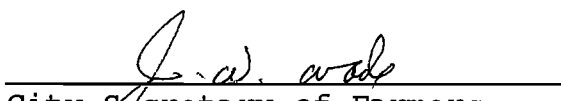
Mayor, City of Farmers Branch,
Texas

APPROVED:




Mayor, City of Addison, Texas

ATTEST:



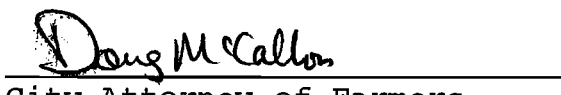
City Secretary of Farmers
Branch, Texas

ATTEST:



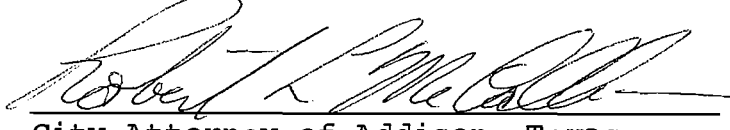
City Secretary of Addison, Texas

APPROVED AS TO FORM:



City Attorney of Farmers
Branch, Texas

APPROVED AS TO FORM:



City Attorney of Addison, Texas

COUNTY OF DALLAS X
STATE OF TEXAS X

AGREEMENT

WHEREAS, this agreement is entered into pursuant to Article 4413 (32c) Interlocal Cooperation Act, Vernons Texas Civil Statutes between the City of Farmers Branch, Texas and the City of Addison, Texas; and

WHEREAS, the City of Addison through its City Council agrees to furnish sanitary sewer services to the City of Farmers Branch, Texas, Fire Station located at 3940 Spring Valley Road, an area of the City of Farmers Branch, Texas; and

WHEREAS, the City of Farmers Branch through its City Council agrees to allow the City of Addison to charge for these services at the same rates that the City of Addison charges comparable customers.

NOW, THEREFORE, BE IT AGREED BY THE CITY COUNCILS OF THE CITY OF FARMERS BRANCH, TEXAS AND THE CITY OF ADDISON, TEXAS:

At a regular meeting of the City Council of the City of Farmers Branch, Texas held on the 15 day of October, A.D. 1973, and at a regular meeting of the City Council of the City of Addison, Texas, held on the ____ day of _____, A.D. 1973, a quorum being present in each case, on motions duly made and carried the following agreement was adopted by each city:

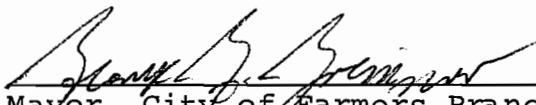
The City of Addison, Texas, agrees to furnish sanitary sewer services at the same rates that it charges comparable customers for such services to the City of Farmers Branch, Texas', Fire Station located at 3940 Spring Valley Road.

The City of Farmers Branch, Texas, agrees to pay for such sanitary sewer services at the same rates that the City of Addison charges its comparable customers for such services. Further the City of Farmers Branch, Texas, agrees to connect and maintain at its own expense a

four (4) inch sanitary sewer line to the existing sanitary sewer line of the sanitary sewer lines of the City of Addison which run approximately east and west on the north side of Spring Valley in the approximate area as delineated in Exhibit A, which is incorporated into and expressly made a part of this agreement. Said tie into the City of Addison's existing sanitary sewer lines is located approximately 103 feet west of the City of Farmers Branch, Texas' Fire Station East property line as delineated in Exhibit A.

This agreement duly agreed upon by the City Councils of the respective parties shall continue in full force and effect until another agreement mutually agreed upon terminates this agreement, by the proper execution of the signatures of the Mayors and City Secretary of each City.

APPROVED:




Mayor, City of Farmers Branch,
Texas

APPROVED:

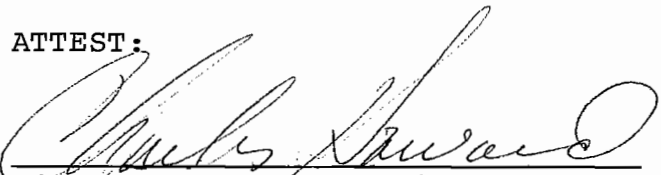
Mayor, City of Addison, Texas

ATTEST:



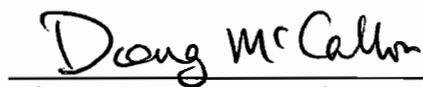
City Secretary of Farmers
Branch, Texas

ATTEST:




City Secretary of Addison, Texas

APPROVED AS TO FORM:



City Attorney, City of
Farmers Branch, Texas

APPROVED AS TO FORM:



City Attorney of City of Addison,
Texas

THE STATE OF TEXAS §
COUNTY OF DALLAS §

AGREEMENT

*Storm
DRAINAGE
VANTAGE PROPS.
1980*

WHEREAS, Vantage Properties, Inc., a Texas Corporation referred to as "Corporation," desires to develop and construct certain projects that are located principally in the City of Addison, hereinafter referred to as "Addison," but also partially in the City of Farmers Branch, hereinafter referred to as "Farmers Branch," and

WHEREAS, in order to develop the projects, sound engineering practices require the construction of off-site storm drainage facilities, hereinafter referred to as "Facilities", to handle the surface water run-off on and across the projects, and

WHEREAS, it is proposed by Vantage Properties, Inc. to construct the facilities on and across rights-of-way and easements owned and held by Dallas Power and Light Company, hereinafter referred to as "Power Company," and St. Louis Southwestern Railway Company of Texas and St. Louis Southwestern Railway Company, hereinafter referred to as "Railroad," and

WHEREAS, the location of proposed facilities are in Farmers Branch and the owners of said rights-of-way and easements are agreeable to contracting only with Farmers Branch and not with the corporation, and

WHEREAS, the Power Company and the Railroad have agreed to enter into certain agreements with Farmers Branch, which agreements are attached hereto as Exhibit "A" (Railroad Agreement) and Exhibit "B" (Power Company Agreement), and

WHEREAS, both agreements retain to the Railroad and Power Company the superior dominant right in the property and place certain obligations, responsibilities and ongoing contingent liabilities upon Farmers Branch, and

WHEREAS, Farmers Branch is agreeable to accepting and approving the terms of both agreements as modified by the deletion of Paragraph 7 from the Railroad Agreement provided the Corporation and Addison agree to assume certain obligations under both agreements as hereinafter stated, and

WHEREAS, the Corporation and Addison agree to assume the stated obligations;

NOW, THEREFORE, ABOVE PREMISES CONSIDERED, all of which are deemed incorporated into the body of this agreement as if copied in their entirety, the parties Farmers Branch, Addison and the Corporation, for and in

consideration of valuable consideration, the receipt and adequacy of which is hereby acknowledged and the mutual promises and covenants made, do hereby contract and agree as follows:

I.

A) Corporation is the owner of all of that lot, tract or parcel of land described in Exhibit "C", which is attached hereto and incorporated herein, upon which the project in question is to be developed. In the event the Corporation fails to comply with any of the provisions of this agreement, Farmers Branch shall be authorized to revoke any and all certificates of occupancy that Farmers Branch may have issued in relation to the development and Farmers Branch shall be authorized to take all steps necessary to obtain compliance under either Exhibit "A" or Exhibit "B", including any incurred liability, to charge the cost of same to the Corporation and to assess the said costs as a mechanics lien against the property described in Exhibit "C" by filing a statement of the charges, duly acknowledged by the City Manager or his authorized representative, in the Mechanics Lien Records of Dallas County, Texas. This subject agreement shall be filed in the Mechanics Lien records of Dallas County, Texas, shall be deemed a covenant running with the land and is the contractual authority between Farmers Branch and the Corporation for Farmers Branch to assess all the costs incurred, including any and all liabilities against Exhibit "C" as a Mechanics Lien.

B) Corporation agrees to construct or have constructed within the areas described in Exhibits "A" and "B" facilities in accordance with plans approved by Farmers Branch, the Railroad and the Power Company.

C) Corporation and its Contractor, if the drainage project is to be constructed by a Contractor, agree to enter into an agreement with the Railroad that satisfies Section 11 of Railroad Agreement.

D) Corporation does hereby agree to assume and does assume as its complete and total responsibility all obligations and requirements contained in Exhibits "A" and "B" relating to construction of the facilities.

II.

A) Addison and Corporation recognize that the Railroad and Power Companys' rights to use the rights-of-ways and easements wherein the drainage improvements are to be constructed, operated and maintained are superior to that of Farmers Branch and that the Railroad and Power Company both retain

the power and authority to require Farmers Branch to reconstruct, remove entirely or relocate the subject drainage facilities. Both Addison and Corporation agree to bear all costs and take whatever steps are required to satisfy any and all requests by either the Railroad or Power Company to remove, relocate or reconstruct any of the facilities.

B) Addison and Corporation do hereby release, indemnify and hold harmless the City of Farmers Branch, its officers, agents, servants and employees from all claims, suits, judgments, demands, liability, cost and expense, however same may be caused, including reasonable attorneys fees, for any and all demands, claims, suits, judgments and liabilities for either personal injuries, death or property damages arising out of or in any way related to the construction, reconstruction, operation, maintenance, presence, use or removal of the facilities to be constructed within the confines of the areas described in Exhibit "A" and "B".

III.

The venue of this agreement is Dallas County, Texas. This contract shall be deemed a covenant running with the land, shall be filed in the deed records of Dallas County, Texas, and shall be binding on the parties, their heirs, successors and assigns.

EXECUTED this the ____ day of _____, 1980.

VANTAGE PROPERTIES

CITY OF ADDISON

CITY OF FARMERS BRANCH

AGREEMENT

THE STATE OF TEXAS X
 X
COUNTY OF DALLAS X

THIS AGREEMENT is made and entered into the 12th day of November, 1980, between and among THE CITY OF ADDISON, hereinafter referred to as "Addison", and THE CITY OF FARMERS BRANCH, hereinafter referred to as "Farmers Branch".

WHEREAS, in order to develop and construct certain projects that are located principally in Addison, sound engineering practice requires the construction of off-site storm drainage facilities, hereinafter referred to as "facilities", to handle the surface water runoff on and across the projects; and

WHEREAS, it is proposed that these facilities be constructed on and across rights-of-way and easements owned and held by Dallas Power and Light Company, hereinafter referred to as "Power Company", and St. Louis Southwestern Railroad Company of Texas, and St. Louis Southwestern Railroad Company, hereinafter collectively referred to as "Railroad"; and

WHEREAS, the location of the proposed facilities are in Farmers Branch and the owners of said rights-of-way and easements are agreeable to enter into certain agreements with Farmers Branch, which agreements are attached hereto as Exhibit "A" (Railroad agreement) and Exhibit "B" (Power Company agreement); and

WHEREAS, both agreements retain to the Railroad and Power Company the superior dominant right in the property and place certain obligations, responsibilities and on-going contingent liability upon Farmers Branch; and

WHEREAS, Farmers Branch is agreeable to accepting and approving both agreements provided Addison agrees to assume those obligations imposed on Farmers Branch under both agreements as hereinafter stated; and

WHEREAS, Addison agrees to assume the stated obligations as set forth hereinafter;

NOW, THEREFORE, ABOVE PREMISES CONSIDERED, all of which are deemed incorporated into the body of this agreement as if copied in their entirety, the parties, Farmers Branch and Addison, for and in consideration of valuable consideration, the receipt and adequacy of which is hereby acknowledged and the mutual promises and covenants made, do hereby contract and agree as follows:

1. Addison recognizes that the Railroad and the Power Company's rights to the use of the rights-of-way and easements wherein the drainage improvements are to be constructed, operated and maintained are superior to that of Farmers Branch and that the Railroad and Power Company both retain the power and authority to require Farmers Branch to reconstruct, maintain, alter or relocate the subject drainage facilities upon certain conditions. Addison agrees that if Farmers Branch by virtue of either the Railroad agreement or Power Company agreement is required to reconstruct, maintain, alter or relocate the facilities, then Addison shall pay all reasonable costs and undertake whatever steps are required to satisfy any and all lawful requests of the Railroad and Power Company to reconstruct, maintain, alter or relocate any of the facilities. Addison's obligations are limited to the facilities which are required to serve the property located in Addison and not those facilities which are installed or authorized by Farmers Branch for property solely within the city limits of Farmers Branch. Farmers Branch agrees to assist and cooperate with Addison to minimize its cost and expenses in reconstructing, maintaining, altering or relocating the facilities.

2. Addison does hereby release, indemnify and hold harmless Farmers Branch, its officers, agents, servants and employees from all claims, suits, judgments, demands, liability, cost and expense, however same may be caused, including reasonable attorney's fees,

for any and all demands, claims, suits, judgments and liabilities of either personal injuries, death or property damages which Farmers Branch may incur by reason of its execution of Exhibit "A" and "B" for the reconstruction, operation and maintenance, presence, use or removal of the facilities to be constructed within the confines of the area subscribed in Exhibit "A" and "B". It is the expressed intention of the parties hereto that Addison is indemnifying Farmers Branch of only those liabilities and obligations of the Railroad and Power Company which are imposed on Farmers Branch by reason of its execution of Exhibits "A" and "B" and not otherwise.

3. It is hereby provided that Addison shall be given notice of any act or occurrence involving a claim suit, judgment, demand, liability, indemnified against herein, within fifteen (15) days after the occurrence of such act shall have come to Farmers Branch's knowledge. Farmers Branch agrees that before it shall incur any expense or cost which might be indemnified or ultimately paid by Addison, Farmers Branch shall obtain Addison's approval prior to incurring such cost or expenses.

4. Addison does not agree to indemnify and save harmless Farmers Branch from liability, claims, demands, damages and costs caused by the negligence of Farmers Branch, its agents or employees.

5. Farmers Branch shall not enter or execute any settlement or compromise of any claim until Addison is notified and has a reasonable opportunity to investigate such claim. If this condition is not satisfied, then Addison shall not be liable for such settlement or compromise.

6. Addison shall be entitled to participate at its own expense in the defense of and to determine the terms of settlement of any suit, claim or other event indemnified herein; provided, however, that counsel employed by Addison shall be reasonably satisfactory to Farmers Branch. If Addison so elects to assume the defense against

any alleged claim indemnified herein, it shall not be liable for any legal expenses other than its own.

7. The venue of this Agreement is Dallas County, Texas. This contract shall be binding on the parties, their successors and assigns.

EXECUTED this the 12th day of November, 1980.

THE CITY OF FARMERS BRANCH

By 
City Manager

THE CITY OF ADDISON

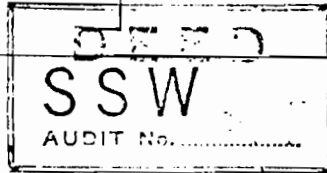
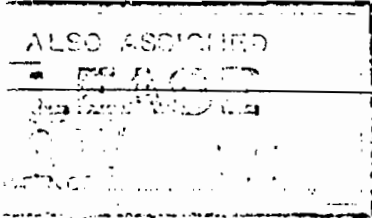
APPROVED AS TO FORM:


City Attorney
Farmers Branch, Texas

By 
Mayor

Exhibit "A"

AND WHEN RECORDED MAIL TO



SPACE ABOVE THIS LINE FOR RECORDER'S USE

RELMIS: TCL-599.29-L(N)

THIS INDENTURE, made this 3rd day of September, 1980,
 by and between ST. LOUIS SOUTHWESTERN RAILWAY COMPANY OF TEXAS, a Texas
 corporation, ST. LOUIS SOUTHWESTERN RAILWAY COMPANY, a Missouri corpora-
 tion, herein collectively "Railroad," and CITY OF FARMERS BRANCH, a
 municipal corporation of the State of Texas, address: 13000 William
Dodson Parkway, Farmers Branch, Texas, herein termed "Grantee;"

WITNESSETH:

1. That Railroad hereby grants to Grantee, subject to the reserva-
 tions, covenants and conditions herein contained, the right to construct,
 reconstruct, maintain and operate a storm sewer, hereinafter termed
 "structure," in, upon, along, across and beneath the property of Rail-
 road, at or near Dal-Nor, in the County of Dallas, State of Texas, as
 more particularly described in Exhibit "A," attached and made a part
 hereof. The property described in Exhibit "A" is shown on the print of
 Railroad's Drawing 80-9240 revised July 7, 1980, also attached and made
 a part hereof.

1-a. In the event all or any portion of the said premises of Rail-
 road shall be condemned for public use, Grantee shall receive compensa-
 tion only for the taking and damaging of Grantee's improvements. Any
 compensation or damages for taking said premises awarded to Grantee
 shall be assigned by Grantee to Railroad.

*

*

2. Project markers in form and size satisfactory to Railroad, identifying the facility and its owner, will be installed and constantly maintained by and at the expense of Grantee at Railroad property lines or such locations as Railroad shall approve. Such markers shall be relocated or removed upon request of Railroad without expense to Railroad.

Absence of markers does not constitute a warranty by Railroad of no subsurface installations.

3. This grant is made subject and subordinate to the prior and continuing right and obligation of Railroad, its successors and assigns, to use all the property described herein in the performance of its duty as a common carrier, and there is reserved unto Railroad, its successors and assigns, the right (consistent with the rights herein granted) to construct, reconstruct, maintain and use existing and future railroad tracks, facilities and appurtenances and existing and future transportation, communication and pipeline facilities and appurtenances in, upon, over, under, across and along said property.

4. This grant is made subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens and claims of title which may affect said property and the word "grant," as used herein, shall not be construed as a covenant against the existence of any thereof.

5. The rights herein granted to Grantee shall lapse and become void if the construction of said structure upon said property is not commenced within one (1) year from the date first herein written.

6. Grantee shall bear the entire cost and expense of constructing, reconstructing and maintaining said structure upon said property. Grantee agrees that all work upon or in connection with said structure shall be done at such times and in such manner as not to interfere in any way whatsoever with the operations of Railroad. The plans for and the construction or reconstruction of said structure shall be subject to the approval of Railroad.

Grantee agrees to reimburse Railroad for the cost and expense to Railroad of furnishing any materials or performing any labor in connection with the construction, reconstruction, maintenance and removal of said structure, including, but not limited to, the installation and removal of such falsework and other protection beneath or along Railroad's tracks, and the furnishing of such watchmen, flagmen and inspectors as Railroad deems necessary.

7. In the event Railroad shall at any time so require, Grantee, at Grantee's expense, shall reconstruct, alter, ~~make changes in the location of said structure~~ or otherwise improve said structure upon receipt of written notice from Railroad so to do.

8. In the event of leakage or spillage from said structure or any vehicle in the control or custody of Grantee or any contractor for Grantee, Grantee shall, at its own expense, promptly clean Railroad's premises to the satisfaction of Railroad, the Environmental Protection Agency and/or any public body having jurisdiction in the matter. Any expense of required compliance with federal, state or local environmental regulations incurred by Railroad or Grantee shall be borne by Grantee, including any fines and judgments levied against Railroad or its property.

9. As part consideration, Grantee agrees to pay Railroad an amount equal to any and all assessments which may be levied by order of any authorized lawful body against the property of Railroad (and which may have been paid by Railroad) to defray any part of the cost or expense incurred in connection with the construction of said structure upon said property commenced within one (1) year from the date first herein written.

10. Grantee, its agents and employees subject to provisions hereof, shall have the privilege of entry on said property for the purpose of constructing, reconstructing, maintaining and making necessary repairs to said structure. Grantee agrees to give Railroad five (5) days' written notice prior to commencement of any work on said structure, except emergency repairs, in which event Grantee shall notify Railroad's authorized representative by phone. Grantee agrees to keep said property and said structure in good and safe condition, free from waste, so far as affected by Grantee's operations, to the satisfaction of Railroad. If Grantee fails to keep said property and said structure in a good and safe condition, free from waste, then Railroad may perform the necessary work at the expense of Grantee, which expense Grantee agrees to pay to Railroad upon demand.

11. In the event any work upon or in connection with said structure or its appurtenances, to be done upon or adjacent to the tracks and property of Railroad, should be let to a contractor by Grantee, such work shall not be begun until such contractor shall have first entered into an agreement with Railroad, satisfactory to Railroad, and indemnifying Railroad from and against all claims, liability, cost and expense growing out of the performance of the work to be done by such contractor.

Such contractor shall furnish, at the option of and without expense to Railroad, a reliable surety bond in an amount and in a form satisfactory to Railroad guaranteeing the faithful performance of all the terms, covenants and conditions contained in said agreement.

12. Grantee shall assume all risk of damage to said structure and appurtenances and to any other property of Grantee, or any property under the control or custody of Grantee while upon or near the property of Railroad incident to the construction, reconstruction or maintenance of said structure, caused by or contributed to in any way by the construction, operation, maintenance or presence of Railroad's line of railroad at the above-mentioned location.

Insofar as it lawfully may, Grantee agrees to release and indemnify Railroad, its officers, employees, agents, successors and assigns, from all claims, liability, cost and expense howsoever same may be used, including reasonable attorney fees, for loss of or damage to property and for injuries to or death of persons arising out of the construction, reconstruction, maintenance, presence, use or removal of said structure, regardless of any negligence or alleged negligence on the part of Railroad employees.

The word "Railroad," as used in this section, shall be construed to include, in addition to Railroad, the successors, assigns and affiliated companies of Railroad and any other railroad company that may be lawfully operating upon and over the tracks crossing or adjacent to said structure, and the officers and employees thereof.

13. Should Grantee, its successors or assigns, at any time abandon the use of said property, or any part thereof, or fail at any time to use the same for the purpose contemplated herein for a continuous period of one (1) year, the right hereby given shall cease to the extent of the use so abandoned or discontinued, and Railroad shall at once have the right, in addition to, but not in qualification of, the rights hereinabove reserved, to resume exclusive possession of said property or the part thereof the use of which is so discontinued or abandoned.

Upon termination of the rights and privileges hereby granted, Grantee, at its own cost and expense, agrees to remove said structure from said property and restore said property as nearly as practicable to the same state and condition in which it existed prior to the construction of said structure. Should Grantee in such event fail, neglect or refuse to remove said structure and restore said property, such removal and restoration may be performed by Railroad, at the expense of Grantee, which expense Grantee agrees to pay to Railroad upon demand, or Railroad may, at its option, assume ownership of said structure.

14. This indenture shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in duplicate the day and year first herein written.

LOUIS SOUTHWESTERN RAIL-
COMPANY OF TEXAS,

W. J. Harold
Assistant Secretary
(Title) Contract Dept.

Attest: W. J. Harold
Assistant Secretary

ST. LOUIS SOUTHWESTERN CITY OF FARMERS BRANCH,
RAILWAY COMPANY,

By W. J. Harold
Assistant Secretary
(Title) Contract Dept.

Attest: W. J. Harold
Assistant Secretary

BY Paul M. West
City Manager Mayor

BY J. [Signature]
Clerk

Attorney

REGISTERED
E. L. JOHNSON
BY *[Signature]*

Sept. 3, 1980

Mr. R. D. Krebs:

Attached 2104

DAL-NOR

(Station)

Approved for Engineering Details, per Drawing

80-9240

(~~Dated~~) (Revised)

7-7-80

Corporate Owner

- () Southern Pacific Transportation Co.
- () Northwestern Pacific Railroad Co.
- () St. Louis Southwestern Ry. Co. of Texas

F. Valuation Engineer

[Signature]

Description Correct.

H. B. Berkeley

EXHIBIT "A"

A tract of land situated in the City of Farmers Branch, Dallas County, Texas, being out of the Josiah Pancoast Survey, Abstract No. 1146 in Dallas County, Texas, and more particularly described as follows:

BEGINNING at a point, said point being the Southwest corner of a 31.537 acre tract as recorded in Volume 67226, Page 0969, Deed Records of Dallas County, Texas, said corner being in the East line of land (100 feet wide) of the St. Louis Southwestern Railway Company of Texas; THENCE South $17^{\circ}06'17''$ East along said East line of said Company's land, a distance of 2,700.89 feet to a point for corner, said point being on the North line of a drainage easement dated June 5, 1970, from said Railway Company to County of Dallas; THENCE South $72^{\circ}53'43''$ West a distance of 20.00 feet along said North line to a point for corner; THENCE North $17^{\circ}06'17''$ West for a distance of 1,078.89 feet to a point for corner; THENCE North $72^{\circ}53'43''$ East for a distance of 10.00 feet to a point for corner; THENCE North $17^{\circ}06'17''$ West for a distance of 1,625.06 feet to a point for corner; THENCE North $89^{\circ}56'00''$ East for a distance of 10.46 feet to the POINT OF BEGINNING, containing an area of 0.868 of an acre of land, or 37,813 square feet, more or less.

ROAD

Drainage Easement

68+27.7 P.S.

Triple 10'x5'
Conc. Culvert

To End

Drainage Esmt.
to Dallas County, Tx.
June 5, 1970

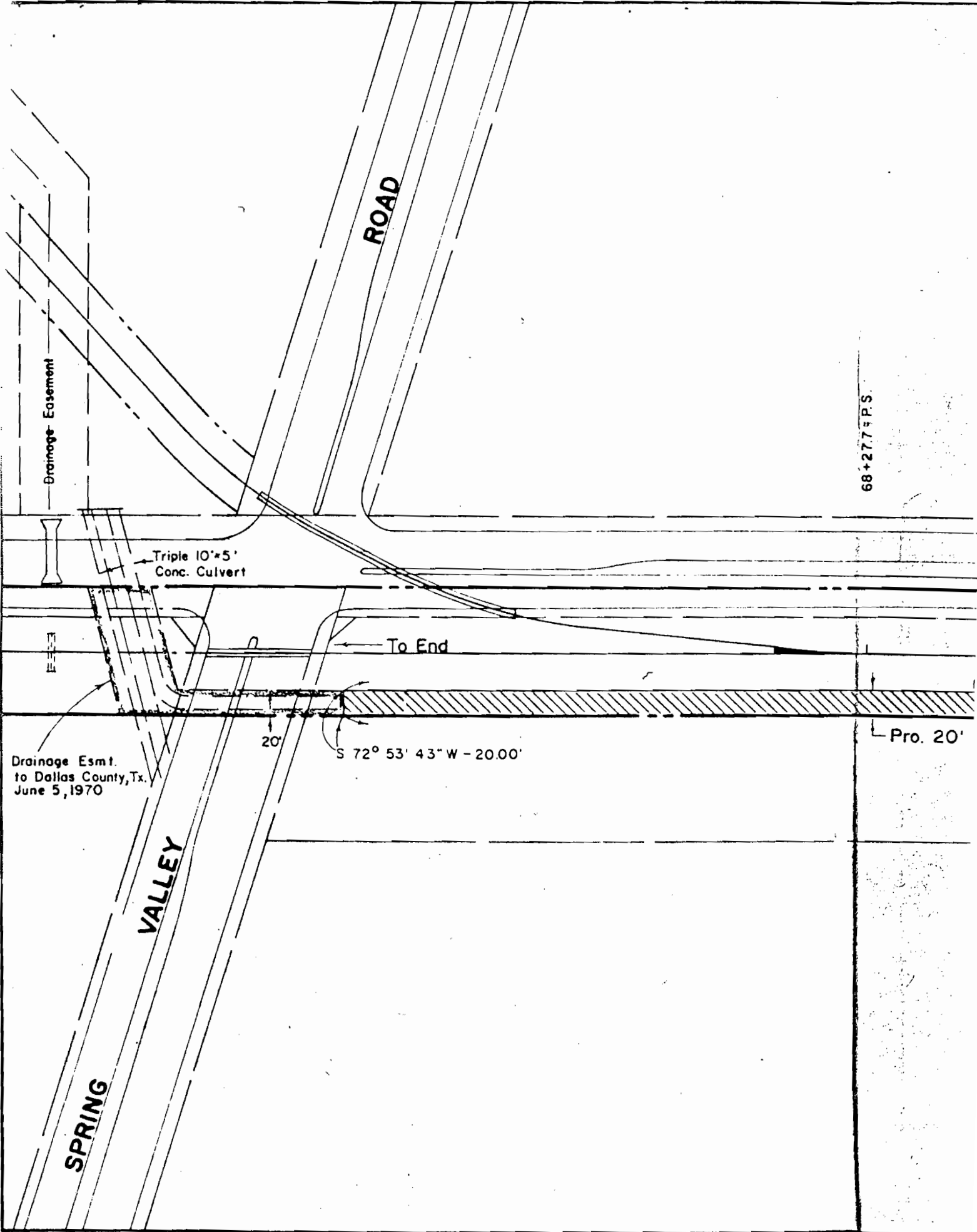
20'

S 72° 53' 43" W - 20.00'

Pro. 20'

VALLEY

SPRING



60'

INWOOD

ROAD

61+57.8 = P.S

20' Easement to City of Farmers

ℰ "L" BRANCH

50'

50'

17° 06' 17" W 1078.89'

- N 2° 53' 43" E - 10.00'

S 17° 06' 17" E 2700.89'

rainage and Utility Easement

ADDISON CITY LIMITS

FARMERS BRANCH CITY LIMITS

FA

ROAD

LANGLAND

ch for Road Purposes

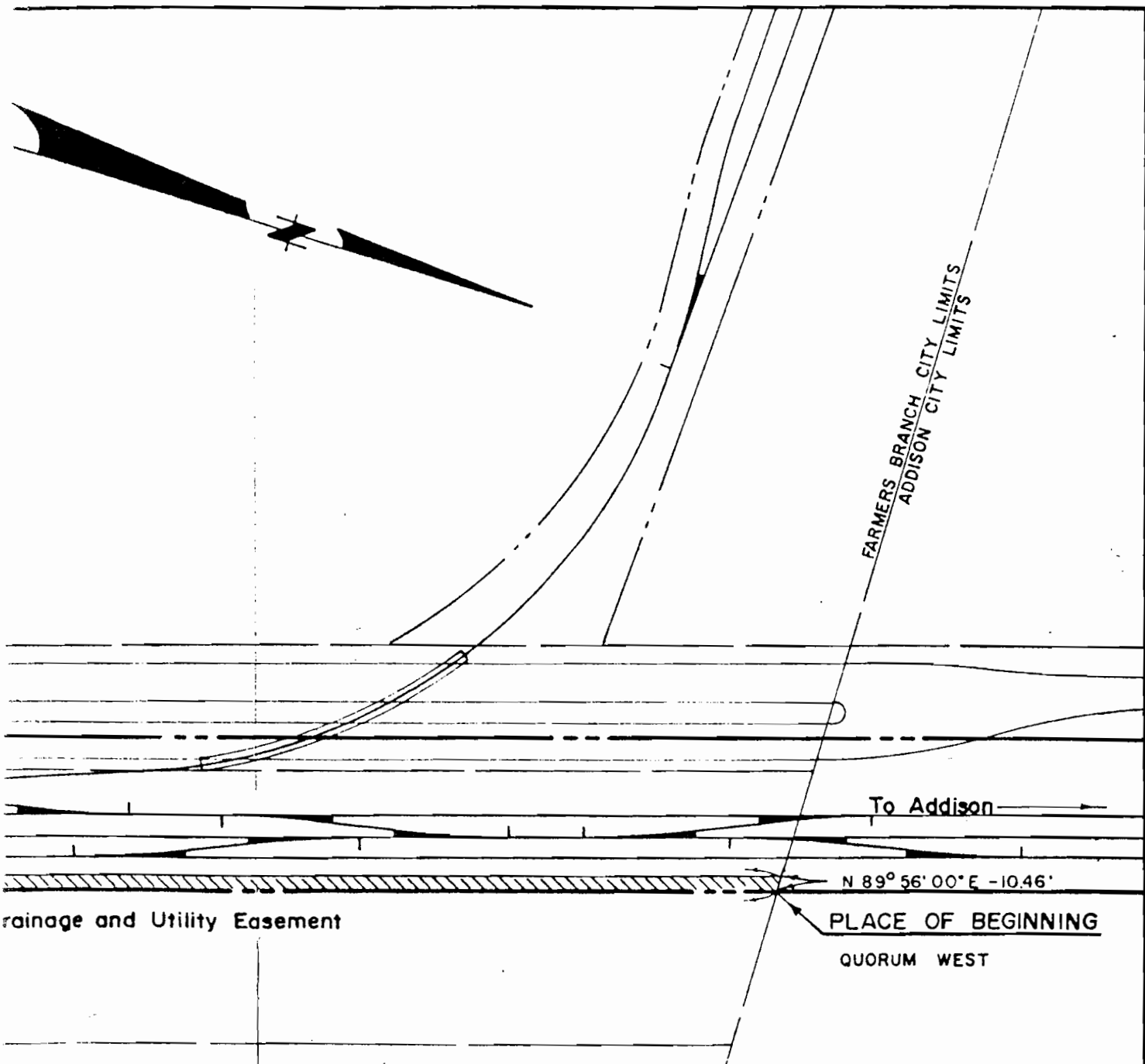
N 17° 06' 17" W 1625.06'

Pro. 10

100' D.P. & L. Co. Easement

S BRANCH CITY LIMITS





rainage and Utility Easement

To Addison

N 89° 56' 00" E -10.46'

PLACE OF BEGINNING

QUORUM WEST

ST. LOUIS SOUTHWESTERN RAILWAY COMPANY
DAL-NOR, TEXAS

TCL 599.29-L

Proposed Drainage & Utility Easement
 To The

CITY OF FARMERS BRANCH

Office of Area Engineer
 Dallas, Texas

- LEGEND -

- 1 = Proposed Drainage Easement (0.868 Ac.)
- 1 = Existing Drainage Easement to Dallas Co., Tx.
- = Rwy. R.O.W.

Scale: 1" = 100' Dwg. 80-9240
 Date: ~~6-10-80 KKH~~ Case 1 Drawer 1-11
 Rev'd. 7-7-80 MLS

STATE OF TEXAS ()
 () KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DALLAS ()

That DALLAS POWER & LIGHT COMPANY, a Texas Corporation, hereinafter referred to as Grantor, for and in consideration of ONE AND NO/100 (\$1.00) DOLLARS and other good and valuable consideration to it cash in hand paid by the CITY OF FARMERS BRANCH, a Municipal Corporation in Dallas County, Texas, hereinafter referred to as Grantee, has granted, sold and conveyed and by these presents does grant and convey unto Grantee a license and easement or right of way for the purpose of constructing and maintaining a 45-inch storm sewer and appurtenances in, under and along the following described tract of land, to-wit:

Lying and situated in the City of Farmers Branch, Dallas County, Texas, being out of that certain 3.68 acre tract of land in the J. Pancost Survey, Abstract 1146, designated PART 1 described in a deed from Mabel and Celia McDowell to Grantor herein by deed of record in Volume 4617, page 375, of the Deed Records of said county, and more particularly described by center line as follows:

BEGINNING at a point in the easterly line of said 3.68 acre tract, S 17° 01' 00" E, a distance of 1012.00 feet from the northeast corner thereof;

THENCE Southwesterly, along a circular curve to the left having a radius of 116.00 feet and whose back tangent bears S 87° 59' 43" W, thru a central angle of 45° 00' 43" an arc distance of 91.13 feet to its point of tangency;

THENCE S 42° 59' 00" W, a distance of 13.80 feet to a point for a corner in the westerly line of said 3.68 acre tract.

City of Farmers Branch, its agents or employees shall not use or cause to be used any overhead lift or boom-type equipment, including but not limited to draglines, backhoes and industrial waste vehicles, within the limits of Dallas Power & Light Company's property.

City of Farmers Branch shall advise Mr. Harlan Willhelm at 698-7032 at least two working days prior to commencing construction on this project on Dallas Power & Light Company's property.

There is also granted to the City of Farmers Branch, its successors and assigns the temporary working space necessary for the construction and maintenance of said storm sewer and appurtenances.

It is expressly understood and agreed that if the presence or maintenance of said storm sewer on Grantor's premises as herein authorized shall at any time in the judgment of Grantor interfere with any use Grantor may desire to make of said premises or with the safe or convenient operation of its business, Grantee agrees on thirty (30) days' written notice to relocate said storm sewer if practicable to do so, or to take whatever steps necessary to render the use of Grantor's premises satisfactory to the Grantor, said relocation or other work necessary to render said property usable, satisfactory to Grantor, to be solely at Grantee's expense and to be done as nearly as practicable in accordance with Grantor's request.

This easement shall continue only so long as Grantee herein shall use this right of way for the purpose herein described and the same shall immediately lapse and terminate upon cessation of such use.

APPROVED - DALLAS POWER & LIGHT COMPANY
Legality and Form: *[Signature]* Legal Counsel
Engineering: *[Signature]* Manager of Engineering

Upon the termination of this license or easement for any reason Grantee shall surrender this license and the possession of Grantor's property hereinabove described in the same condition that such property was in at the beginning of the term of this agreement, ordinary wear and tear for the purpose herein authorized excepted.

Grantor shall not be liable for any damage to said easement or the contents thereof howsoever such damage shall be caused, whether by the negligence of Grantor, its agents, servants or employees, except when caused by the wilful acts of Grantor, its agents, servants or employees.

Grantor and Grantee each agree to be responsible for their respective acts of negligence causing injury to or death of persons whomsoever or damage to property whosoever, which result from or are incident to the construction, maintenance, use, operation or existence of said storm sewer on Grantor's premises or the removal thereof from said premises or to the restoration of or failure to restore said premises to their prior or other condition as herein provided. It is further agreed that if any claim or liability shall arise from the joint or concurring negligence of both parties hereto, it shall be borne by them jointly. It is understood that it is not the intention of the parties hereto to create liability for the benefit of third parties but that this agreement shall be for the benefit of the parties hereto.

Grantee shall not have or make against Grantor any claim or demand for or on account of any damage Grantee may suffer or sustain because of any failure of Grantor's title to the right of way and lands occupied by said storm sewer or any part thereof.

This grant of right of way is subject to the Lien of Mortgage and Deed of Trust from the Dallas Power & Light Company to The First National Bank of Boston, Successor Trustee of record in Volume 1223, page 1, Deed of Trust Records, Dallas County, Texas, and shall not impair the use of said premises in the operation of the business of Grantor, its successors and assigns.

Grantee further covenants and agrees with the Grantor that it will not assign this easement nor sublet the whole or any part of the said premises, without the written consent of Grantor.

EXECUTED as of this 2nd day of September
A. D. 1980.

GRANTOR

ATTEST:

DALLAS POWER & LIGHT COMPANY

J. W. Feagans

Secretary

By: Max H. Tanner, Jr.

Max H. Tanner, Jr., Vice President

GRANTEE

ATTEST:

CITY OF FARMERS BRANCH

E. W. ...

City Secretary

By: Paul M. West

City Manager

STATE OF TEXAS ()
COUNTY OF DALLAS ()

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared MAX H. TANNER, JR., Vice President of Dallas Power & Light Company, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of the said Dallas Power & Light Company, for the purposes and consideration therein expressed and in the capacity therein set forth.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 2nd day of September, A. D. 1980.

Cathy Douglas
Notary Public in and for Dallas County, Texas

My commission expires the 28th day of September, 1984.

STATE OF TEXAS ()
COUNTY OF DALLAS ()

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Paul M. West, City Manager of the City of Farmers Branch, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of the said City of Farmers Branch, for the purposes and consideration therein expressed and in the capacity therein set forth.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 3rd day of December, A. D. 1980.

Bud Ann Parish
Notary Public in and for Dallas County, Texas

My commission expires the 31st day of January, 1981.

STATE OF TEXAS

:

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

:

WHEREAS, there is a need to establish in the Upper Trinity River Basin, generally in the area outlined in the Engineering Report, a Regional Wastewater System for the purpose of providing facilities to adequately receive, transport, treat and dispose of Wastewater in such area; and

WHEREAS, the City of Farmers Branch presently owns, operates and maintains its waterworks and sanitary sewer systems; and

WHEREAS, City is desirous of discharging Wastewater into the Central Wastewater Treatment System of the Trinity River Authority of Texas in order to achieve efficiencies of costs and operation; and

WHEREAS, City and Authority are authorized to make this contract under Articles 8280-188 and 1109i, Vernon's Annotated Civil Statutes, and/or the Regional Waste Disposal Act (compiled as Chapter 25 Water Code of Texas); and

WHEREAS, the parties hereto recognize these facts:

- (a) That the Authority will use the payments to be received under this and similar contracts for the payment of Operation and Maintenance Expense of the Authority's System and for the payment of the principal of and the interest on its Bonds and Outstanding Bonds and for the establishment and/or maintenance of reserves and other funds as provided in the Bond Resolution and in resolutions authorizing Outstanding Bonds; and that the revenues under such contracts will be pledged to such purposes; and
- (b) It is anticipated that contracts similar to this instrument will be executed between the Authority and the other Contracting Parties and may, in the future, be executed with Additional Contracting Parties; and

- (c) That Authority has Outstanding Bonds which were issued to finance construction of the System as it exists as of the date of execution of this contract; and
- (d) That the Authority is preparing to issue and sell its Bonds to refund part of the Outstanding Bonds and to provide funds to enable it to construct extensions, improvements and enlargements to the System;
- (e) That Authority will issue Bonds from time to time in the future to further extend, enlarge and improve the System; and
- (f) That City and Authority are subject to all valid rules, regulations and requirements of the Texas Water Quality Board, the Environmental Protection Agency and such State and Federal laws as now exist or may be enacted during the term of this agreement;

NOW, THEREFORE, the City of Farmers Branch and TRINITY RIVER AUTHORITY OF TEXAS do hereby contract and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. DEFINITION OF TERMS. Terms and expressions as used in this contract, unless the context clearly shows otherwise, shall have the following meanings:

- (a) "Additional Contracting Party" means any party not defined as a Contracting Party with whom Authority makes a contract for receiving, transporting, treating and disposing of Wastewater through the System.
- (b) "Adjusted Annual Payment" means the Annual Payment, as adjusted due to service to Additional Contracting Parties and/or as required during or after each Fiscal Year.
- (c) "Annual Payment" means the amount of money to be paid to Authority by City as its proportionate share of the Annual Requirement.

- (d) "Annual Requirement" means the total amount of money required for Authority to pay all Operation and Maintenance Expense of the System and to pay the debt service on its Bonds and Outstanding Bonds, and to pay any amounts required to be deposited in any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution, and in resolutions authorizing Outstanding Bonds.
- (e) "Authority" means the Trinity River Authority of Texas.
- (f) "Authority's System," "Regional System," "Regional Wastewater System," "Central Wastewater Treatment System," or "System" means all of Authority's facilities for receiving, transporting, treating and disposing of Wastewater generally in the area described in the first preamble hereto, together with any improvements, enlargements or additions to said facilities and any extensions or replacements of said facilities constructed or otherwise incorporated into said facilities in the future. Said terms shall include only those facilities which are used for, constructed or acquired, or the use of which is arranged for, by the Authority to afford service to the Contracting Parties and Additional Contracting Parties which can economically and efficiently be served by said System. Said terms do not include Authority's facilities located within the boundaries of the Dallas-Fort Worth Regional Airport and defined as the "System" in the contract between Authority and the Dallas-Fort Worth Regional Airport Board dated July 16, 1971, as amended, Local Wastewater Facilities, any facilities constructed or acquired with proceeds of Special Project Bonds, as defined in the Bond Resolution, or obtained by Authority acting as a signatory to the State of Texas Water Pollution Control Compact, or any of the facilities designated as Authority's Ten Mile Creek System, or Walker-Calloway Project.
- (g) "BOD" (denoting Biochemical Oxygen Demand) means the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20° C., expressed in milligrams per liter (mg/l).
- (h) "Bond Resolution" means any resolution of the Board of Directors of the Authority authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.

- (i) "Bonds" means any bonds to be issued by the Authority pursuant to this contract to refund Outstanding Bonds and for the acquisition, construction, expansion, improvement or completion of the System, whether one or more issues, or any bonds issued to refund same.
- (j) "City" means the City of Farmers Branch, Texas.
- (k) "Contracting Party" or "Contracting Parties" means one or more of the following: Arlington, Bedford, Carrollton, Dallas, Dallas-Fort Worth Regional Airport Board, Euless, Farmers Branch, Grand Prairie and Irving, and any city or other party as defined in Article 7621g, Vernon's Annotated Civil Statutes, which, prior to the issuance, sale and delivery of the initial issue of Bonds, makes a contract with the Authority for receiving, transporting, treating and disposing of Wastewater through the Authority's System.
- (l) "Domestic Wastewater" (sanitary sewage) means liquid and water-carried waste discharged from sanitary conveniences of dwellings, business buildings, institutions and the like, including Properly Shredded Garbage.
- (m) "Engineering Report" means a report of Forrest and Cotton, Inc., Consulting Engineers, entitled Regional Wastewater System, dated December, 1971, as such report may be amended, modified and changed by Authority or at its direction at any time prior to the execution of construction contracts for improvements, additions and enlargements to the System or as modified and changed by change orders issued after execution of such construction contracts.
- (n) "Fiscal Year" means the twelve (12) month period beginning December 1 of each year and applies only to Authority (i.e., Fiscal Year 1973 is the twelve (12) month period ending November 30, 1973,) or such other twelve (12) month period as may be established in the future to constitute Authority's Fiscal Year.
- (o) "Garbage" means solid wastes from the preparation, cooking and dispensing of food, and from handling, storage and sale of produce.
- (p) "Grease" means fats, waxes, oils, and other similar materials in Wastewater, as determined by procedures specified in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc.
- (q) "Industrial Wastes" means the liquid wastes from industrial processes as distinct from wastes in Domestic Wastewater.

- (r) "Infiltration Water" means water that has migrated from the ground into the System.
- (s) "Local Wastewater Facilities" means the facilities of Contracting Parties and Additional Contracting Parties for transportation of Wastewater to Points of Entry and any facilities used exclusively or primarily for the pre-treatment of Industrial Wastes.
- (t) "Month" means calendar month.
- (u) "Operation and Maintenance Expense" means all costs of operation and maintenance of the Authority's System including, but not limited to, repairs and replacements for which no special fund is created in the Bond Resolution, the cost of utilities, supervision, engineering, accounting, auditing, legal services, and any other supplies, services, administrative costs and equipment necessary for proper operation and maintenance of the Authority's System, and payments made by Authority in satisfaction of judgments resulting from claims not covered by Authority's insurance or not paid by one particular Contracting Party or Additional Contracting Party arising in connection with the operation and maintenance of the System. The term also includes the fees of the bank or banks where the Bonds are payable. Depreciation shall not be considered an item of Operation and Maintenance Expense.
- (v) "Outstanding Bonds" means all bonds issued by Authority prior to the date of this contract to provide funds for construction of the System as it exists as of the date of execution of this contract.
- (w) "pH" means the logarithm of the reciprocal of the hydrogen ion concentration. The concentration is the weight of the hydrogen ions, in grams, per liter of solution.
- (x) "Point of Entry" means the point at which Wastewater enters Authority's System.
- (y) "Properly Shredded Garbage" means Garbage that has been shredded to such degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-half (1/2) inch in any dimension.

- (z) "SS" (denoting Suspended Solids) means solids removable by laboratory filtering expressed in milligrams per liter (mg/l) as determined by procedures specified in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc.
- (aa) "Trustee" means the Republic National Bank of Dallas, Dallas, Texas.
- (bb) "Trust Indenture" means the Trust Indenture between Trinity River Authority of Texas and Republic National Bank of Dallas, dated as of June 1, 1957.
- (cc) "Wastewater" (sewage) means Domestic Wastewater and Industrial Waste, together with such Infiltration Water that may be present.

ARTICLE II

CONSTRUCTION OF FACILITIES BY AUTHORITY

Section 2.01. FACILITIES. In order to provide services for receiving, transporting, treating and disposing of Wastewater for City and others, Authority will design and construct extensions, improvements and enlargements to its System, as described in the Engineering Report, and will own, operate, maintain and from time to time expand the System.

ARTICLE III

DISCHARGE OF WASTEWATER AND METERING

Section 3.01. City shall have the right to discharge Wastewater into the System under this contract on the effective date of this contract.

Section 3.02. DISCHARGE. In consideration of the payments to be made under this contract, City shall have the right to discharge Wastewater into the System meeting the requirements for

quantity set forth in this Article of the contract, and the requirements for quality as set forth in Article IV.

Section 3.03. POINT OF ENTRY. City shall discharge its Wastewater at a Point or Points of Entry designated for City in the Engineering Report, or at such additional Points of Entry as may be mutually agreed upon by the parties hereto. The Engineering Report establishes and will establish a minimum area to be served by each Point of Entry. City covenants that it will discharge all Wastewater generated in such minimum area of service into each designated Point of Entry for City during the term of this contract, to the extent Authority has provided capacity to that service area, unless City and Authority mutually agree that like service can be provided elsewhere in the System. Whenever additional Points of Entry are established and provided for City, a minimum service area for such Points of Entry will be established in the Engineering Report for such Points of Entry and City shall discharge all Wastewater generated in such area into such Points of Entry during the term of this contract. All such minimum areas of service may be expanded by mutual agreement of Authority and City, and whenever expanded, such expanded service area shall be included in the Engineering Report and City shall discharge all Wastewater generated in such expanded service area into Authority's System, at the appropriate Point of Entry, during the term of this contract.

Section 3.04. CONVEYANCE TO POINT OF ENTRY. It shall be the sole responsibility of City, including any liability incurred in connection therewith, to convey such Wastewater to the Point or Points of Entry.

Section 3.05. QUANTITY AT POINT OF ENTRY. (a) The quantity of Wastewater conveyed to the Point or Points of Entry shall be metered and the total annual contributing flow of Wastewater received during any Fiscal Year shall be used to determine City's Annual Payment and the Basic Charge for service as set forth in Article V.

(b) At each Point of Entry, City may deliver Wastewater at a Maximum Discharge Rate, defined as a rate in MGD, which, if continued over a period of twenty-four (24) hours would not exceed 3.50 times City's estimated annual contributing flow expressed as a daily average in MGD.

(c) City's Maximum Discharge Rate for Fiscal Year 1973 at each Point of Entry is designated in the Engineering Report.

(d) For the Fiscal Year 1974, and each succeeding Fiscal Year thereafter, City's Maximum Discharge Rate shall be redetermined in the manner described in (b) above.

(e) If during any Fiscal Year City's annual contributing flow is redetermined, City's Maximum Discharge Rates shall also be redetermined to the mutual satisfaction of City and Authority.

(f) The Authority will periodically redetermine, if necessary, the Maximum Discharge Rates to assure that said Rates are adequate to allow City to discharge a reasonable Wastewater flow into the System.

Section 3.06. LIABILITY FOR DAMAGES AND RESPONSIBILITY FOR TREATMENT AND DISPOSAL OF WASTEWATER. Liability for damages arising from the reception, transportation, delivery and disposal of

all Wastewater discharged hereunder shall remain in City to Points of Entry, and upon passing through Authority's meters installed at Points of Entry liability for such damages shall pass to Authority. As between the parties, each party hereto agrees to save and hold the other party harmless from all claims, demands, and causes of action which may be asserted by anyone on account of the reception, transportation, delivery, and disposal while Wastewater is in the control of such party. This covenant is not made for the benefit of any third party. Authority takes the responsibility as between the parties hereto for the proper reception, transportation, treatment, and disposal of all such Wastewater received by it at Points of Entry.

Section 3.07. METERING. Authority will furnish, install, operate and maintain at its own expense at each Point of Entry the necessary equipment and devices of standard type for measuring properly all Wastewater to be discharged under this agreement. Such meters and other equipment shall remain the property of the Authority. City shall have access to such metering equipment at all reasonable times for inspection and examination, but the reading, calibration, and adjustment thereof shall be done only by employees or agents of Authority in the presence of a representative of the City if requested by the City. All readings of meters will be entered upon proper books of record maintained by the Authority. Upon written request City may have access to said record books during reasonable business hours.

Not more than three times in each year of operation, Authority shall calibrate its meters, if requested in writing by City to do so, in the presence of a representative of City, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustment is found to be necessary.

If, for any reason, any meters are out of service or out of repair, or if, upon any test, the percentage of inaccuracy of any meter is found to be in excess of five (5%) per cent, registration thereof shall be corrected for a period of time extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the date of the last calibration, but in no event further back than a period of six (6) months.

City may, at its option and its own expense, install and operate a check meter to check each meter installed by Authority, but the measurement for the purpose of this agreement shall be solely by Authority's meters, except in the cases hereinbelow in this Section specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of Authority, but the reading, calibration and adjustment thereof shall be made only by City, except during any period when a check meter may be used under specific written consent by Authority for measuring the amount of Wastewater delivered into the System, in which case the reading, calibration and adjustment thereof shall be made by Authority with like effect as if such check meter or meters had been furnished or installed by Authority.

Section 3.08. UNIT OF MEASUREMENT. The unit of measurement for Wastewater delivered hereunder shall be 1,000 gallons, U. S. Standard Liquid Measure.

ARTICLE IV

QUALITY AND TESTING

Section 4.01. GENERAL. City agrees to limit discharge into Authority's System to wastes defined herein as admissible discharges, and to prohibit entry into the System of any wastes that have the characteristics of prohibitive discharges, also described herein.

Section 4.02. ADMISSIBLE DISCHARGES. Wastes discharged into the System shall consist only of Wastewater, Properly Shredded Garbage, and other wastes which the System is capable of handling, so that:

- (a) effluent from the System meets the current legal standards of the Texas Water Quality Board or of any governmental body having legal authority to set standards for such effluents; and
- (b) the System is not damaged to the extent to cause unnecessary repairs or replacements resulting in increased Operation and Maintenance Expense.

Section 4.03. PROHIBITIVE DISCHARGES. (a) To enable the highest degree of treatment in the most economical manner possible, and to comply with Federal and State regulations, certain solids, liquids and gases are hereby prohibited from entering Authority's System in excess of standards as set by said Federal and State regulations. The prohibitive discharges listed below shall apply at the Points of Entry.

Federal and State Regulatory Agencies periodically modify standards on prohibitive discharges; therefore, revisions to, additions to, or deletions from the items listed in this section will become necessary to comply with these latest standards. It is the intention of this contract that prohibitive discharge requirements be reviewed periodically by Authority and revised in accordance with the latest standards of any Federal or State Agency having regulatory powers. Any required revisions shall be made and written notice thereof given to City; however, enforcement and effect of the revision shall not begin for ninety (90) days following written notice to City of such change.

(b) The following information shall govern prohibitive discharges:

(i) City shall not discharge any of the following into the System at a Point of Entry: storm water, ground water, roof run-off, sub-surface drainage or water originating from down spouts, yard drains, yard fountain and ponds, or lawn sprays. In cases where, and in the opinion of Authority, the character of the Wastewater from any manufacturer or industrial plant, building or other premises is such that it will damage the System, or cannot be treated satisfactorily in the System, City shall prevent it from entering the System until the character of same is satisfactory to Authority.

(c) City shall not discharge any of the following substances, materials, waters or wastes into the System:

- (i) Any liquid having a temperature higher than 150 degrees Fahrenheit (65 degrees Centigrade);
- (ii) Any water or wastes which contain wax, grease, oil, plastic or other substance that will solidify, or become discernibly viscous at temperatures between 32 degrees to 150 degrees Fahrenheit;

- (iii) Any solids, slurries or viscous substances of such character as to be capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the Wastewater System, such as ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, whole blood, paunch manure, hair and fleshlings, entrails, lime slurry, lime residues, slops, chemical residues, paint residues or bulk solids;
- (iv) Any solids, liquids, or gases which by themselves or by interaction with other substances may cause fire or explosion hazards, or in any other way be injurious to persons, property, or the operators of the Wastewater System;
- (v) Any garbage that has not been properly comminuted or shredded;
- (vi) Any noxious or malodorous substance, which either singly or by interaction with other substances is capable of causing objectionable odors, or hazard to life, or forms solids that will cause obstructions to flow, or creates any other condition deleterious to structures or treatment processes, or requires unusual provisions, alteration, or expense to handle such substance;
- (vii) Any waters or wastes having a pH lower than 6.0, or higher than 10.0 or having any corrosive property capable of causing damage or hazards to structures, equipment, or personnel of the Wastewater System;
- (viii) Any wastes or waters containing suspended or dissolved solids of such character and quantity that unusual attention or expense is required to handle such materials in the Wastewater System;
- (ix) Any waters or wastes containing a toxic or poisonous substance, such as plating or heat-treating wastes, in sufficient quantity to injure or interfere with any wastewater treatment process, to constitute a hazard to humans or animals, or to create any hazard in the receiving waters of the Wastewater Treatment Plant;
- (x) Any wastes or waters exceeding the concentrations listed below:

1. Antimony greater than	0.01 mg/l
2. Arsenic greater than	0.05 mg/l
3. Barium greater than	5.0 mg/l
4. Beryllium greater than	0.01 mg/l
5. Bismuth greater than	0.5 mg/l
6. Boron greater than	1.0 mg/l
7. Cadmium greater than	0.02 mg/l
8. Chromium (Hexavalent) greater than	0.05 mg/l
9. Chromium (trivalent) greater than	5.0 mg/l
10. Cobalt greater than	1.0 mg/l
11. Copper greater than	1.0 mg/l
12. Cyanides greater than	1.0 mg/l
13. Fluorides greater than	1.5 mg/l
14. Hydrogen Sulfide greater than	0.1 mg/l
15. Iron greater than	0.3 mg/l
16. Lead greater than	0.1 mg/l
17. Manganese greater than	1.0 mg/l
18. Mercury greater than	0.005 mg/l
19. Molybdenum greater than	1.0 mg/l
20. Nickel greater than	1.0 mg/l
21. Phenol greater than	0.005 mg/l
22. Selenium greater than	0.02 mg/l
23. Silver greater than	0.1 mg/l
24. Tin greater than	1.0 mg/l
25. Uranyl-Ion greater than	5.0 mg/l
26. Zinc greater than	5.0 mg/l

(d) City shall not discharge into the System waters or wastes containing:

(i) Free or emulsified oil and grease exceeding, on analysis, an average of 100 mg/l (834 pounds per million gallons) of either, or both, or combinations of free or emulsified oil and grease, if, in the opinion of Authority, it appears probable that such wastes:

1. Can deposit grease or oil in the sewer lines in such manner to clog the sewers;
2. Can overload skimming and grease handling equipment;
3. Are not amenable to bacterial action or other treatment processes then being employed by Authority and will, therefore, pass to the receiving waters without being affected by normal wastewater treatment processes; or,

4. Can have deleterious effects on the treatment process due to excessive quantities.
- (ii) Any radioactive wastes greater than the allowable releases as specified by current United States Bureau of Standards handbooks dealing with the handling of and release of radioactivity.
 - (iii) Cyanides or cyanogen compounds capable of liberating hydrocyanic gas on acidification in excess of 0.2 mg/l by weight (as CN).
 - (iv) Materials which exert or cause:
 1. Unusual concentrations of solids or compounds; as, for example, in total SS of inert nature (such as Fuller's Earth) and/or in total dissolved solids (such as sodium chloride or sodium sulfate);
 2. Excessive discoloration;
 3. Unusual BOD or immediate oxygen demand.

Section 4.04. TESTING QUALITY. To determine quality of Wastewater, Authority will collect twenty-four (24) hour composite samples of Wastewater at each Point of Entry and cause same to be analyzed in accordance with testing procedures as set forth in the latest edition of Standard Methods of Examination of Water and Wastewater, published by American Public Health Association, Inc. Composite samples will normally be taken once a month, or at more frequent intervals if necessary to determine Wastewater quality. Such Wastewater shall not exceed the limits of concentration specified for Normal Wastewater as follows:

Normal Wastewater Concentration

BOD	250 mg/l
SS	250 mg/l
pH, not less than 6 nor greater than 10	
Hydrogen Sulfide	0.1 mg/l

Should the analysis disclose concentrations higher than those listed, Authority will at once inform City of such disqualification. It shall be the obligation of City to require the offending discharger of said highly concentrated materials to undertake remedial measures to bring discharge concentrations within acceptable limits. Authority will cooperate with City in reaching a satisfactory solution but will not undertake to specify the measures that will be employed to bring those over-strength discharge concentrations within acceptable limits. In some cases of over-strength Industrial Waste, the industry discharging the over-strength waste, and City, may be desirous, and Authority may be agreeable to negotiate terms under which Authority will accept and treat the over-strength wastes, but Authority makes no commitment to perform such service.

Section 4.05. ADMISSION OF DISCHARGES CONTAINING CONCENTRATIONS OF BOD AND/OR SS GREATER THAN THOSE PRESENT IN NORMAL WASTEWATER. If Wastewater at the Point or Points of Entry contains concentrations of BOD greater than 250 mg/l and/or SS greater than 250 mg/l, approval must be obtained from Authority prior to discharge of the Wastewater into the System. Charges made to City will include the Basic Charge as outlined in Article V of this contract, plus a surcharge for excess BOD and/or SS calculated in accordance with the following formula:

$$SC = (Q) (8.34) (a(BOD-250) + b (SS-250))$$

where:

SC = surcharge based on excessive concentrations of BOD and/or SS (dollars per month)

Q = flow (million gallons per month)

a = annually adjusted unit cost of treatment, chargeable to BOD (dollars per pound of BOD introduced to System)

b = annually adjusted unit cost of treatment, chargeable to SS (dollars per pound of SS introduced to System)

The value of BOD and/or SS concentrations in this calculation will be the average of values determined by testing procedures as defined in Section 4.04, TESTING QUALITY, except for the following condition: Observation of unusually high values of BOD and/or SS in samples collected at the Wastewater treatment plant or at a Point of Entry will prompt an intensive sampling and testing program to determine the Contracting Party responsible for these high values. Once the source of high concentration of BOD and/or SS has been determined, the responsible Contracting Party will be notified and samples will be collected and tested for four (4) continuous days. The average of the BOD and SS values measured during these four (4) days will be considered as representative of the Wastewater being discharged to the System and will serve as the basis of the surcharge during the month of observation. Any surcharge for overstrength Wastewater which Authority has agreed to accept shall not be allocated among Contracting Parties discharging normal Wastewater, but shall be applied only to the Contracting Party discharging such overstrength Wastewater.

At any time that Authority determines that any service hereunder should be suspended because City's Wastewater does not meet

standards herein established or that a surcharge will be applied, Authority shall furnish to City the data and expert opinion on which such determination was based prior to cessation of service or application of a surcharge.

Section 4.06. INDUSTRIAL WASTES. The effects of certain types of Industrial Waste upon Wastewater and Wastewater treatment processes are such as to require that careful consideration be made of each industrial connection. This is a matter of concern both to Authority and to City. Accordingly, Authority, upon request by City, will work jointly in processing applications for discharge of Industrial Waste into any sewers ultimately discharging into Authority's System. The City covenants that it will have in effect and will enforce an industrial waste ordinance acceptable to Federal and State agencies or departments having lawful jurisdiction to set standards for waste discharges.

An industry in City in an area being served by Authority's System seeking to connect to the City's Domestic Wastewater system shall make an application to the City for an Industrial Waste disposal permit and shall file therewith a statement containing the following information:

- (a) Name and address of applicant;
- (b) Type of Industry;
- (c) Quantity of plant waste;
- (d) Typical analysis of the waste;
- (e) Type of pre-treatment proposed.

City will allow Authority access to City records to gather information and data that will be useful to Authority as statistical data for planning the operation, improvement and expansion of Authority's treatment facilities.

ARTICLE V

FISCAL PROVISIONS

Section 5.01. FINANCING. Authority will pay for the cost of construction of the improvements contemplated herein, and will issue its Bonds, from time to time, in amounts necessary which, together with other available funds, will be sufficient to accomplish such construction.

Section 5.02. ANNUAL REQUIREMENT. It is acknowledged and agreed that payments to be made under this contract and similar contracts with other Contracting Parties and Additional Contracting Parties will be the only source available to Authority to provide the Annual Requirement; and that the Authority has a statutory duty to establish and from time to time to revise the charges for services to be rendered and made available to City hereunder so that the Annual Requirement shall at all times be not less than an amount sufficient to pay or provide for the payment of:

- (a) The net amount paid or payable for all Operation and Maintenance Expenses;
- (b) the principal of and the interest on Outstanding Bonds and Bonds, as such principal and interest become due, less interest to be paid out of Bond proceeds as permitted by the Bond Resolution and less any other funds on hand for payment of principal and interest on the Bonds and Outstanding Bonds;
- (c) during each Fiscal Year, the proportionate part of any special or reserve funds required to be established and/or maintained by the provisions of the Bond Resolution and/or any resolution authorizing Outstanding Bonds; and
- (d) an amount in addition thereto sufficient to restore any deficiency in any of such funds or accounts required to be accumulated and maintained by the provisions of the Bond Resolution and/or any resolution authorizing Outstanding Bonds.

Section 5.03. PAYMENTS BY CITY. (a) For services to be rendered to City by Authority hereunder, City agrees to pay, at the time and in the manner hereinafter provided, its proportionate share of the Annual Requirement, which shall be determined as follows and shall constitute City's Annual Payment:

- (i) For the Fiscal Year 1973, the City's proportionate share of the Annual Requirement shall be a percentage obtained by dividing City's estimated annual contributing flow to the System by the total estimated annual contributing flow to the System by all Contracting Parties. The following tabulation shall apply for 1973:

<u>CONTRACTING PARTY</u>	<u>Estimated 1973 Annual Con- tributing Flow (1,000 gallons)</u>	<u>Percentage of Total</u>
Arlington	1,769,975	12.38
Carrollton (includes Coppell)	1,050,833	7.35
Dallas	1,544,081	10.80
D/FW Airport	364,575	2.55
Eules	1,193,804	8.35
Bedford	514,694	3.60
Farmers Branch (includes Addison)	1,318,188	9.22
Grand Prairie	2,277,520	15.93
Irving	4,263,380	29.82
	<u>14,297,050</u>	<u>100.00</u>

City's Annual Payment for the Fiscal Year 1973 shall be calculated by multiplying City's percentage from the above tabulation times the Annual Requirement. City's Annual Payment shall be made to Authority in twelve (12) equal monthly installments. In the event Authority is unable to offer service under this contract to City for the complete Fiscal Year of 1973, City's Annual Payment shall be reduced to the prorata portion of the Fiscal Year for which service is provided. Such payments shall be made in accordance with and at the times set forth in a Schedule of Payments for 1973 which

which will be supplied to City. At the close of the 1973 Fiscal Year, Authority shall redetermine City's percentage by dividing City's actual metered contributing flow to the System by the total actual metered contributing flow to the System by all Contracting Parties. City's Adjusted Annual Payment shall be calculated by multiplying City's redetermined percentage times the Annual Requirement. The difference between the Adjusted Annual Payment and the Annual Payment, if any, when determined, shall be applied as a credit or a debit to City's account with Authority and shall be credited or debited to City's next subsequent monthly payment or payments.

- (ii) For the Fiscal Year 1974, and each succeeding Fiscal Year thereafter, City's proportionate share of the Annual Requirement shall be a percentage obtained by dividing City's estimated contributing flow to the System for such year by the total estimated contributing flow to the System by all Contracting Parties and Additional Contracting Parties being served at the beginning of each such year. Calculation of Annual Payment as determined herein and Adjusted Annual Payment for 1974 and each succeeding Fiscal Year thereafter shall be determined in the manner described in (i) above.

(b) If, during any Fiscal Year, Authority begins providing services to an Additional Contracting Party or Parties, City's Annual Payment for such Fiscal Year shall be redetermined in the following manner:

- (i) Such Additional Contracting Party or Parties estimated contributing flow to the System for such year, or portion thereof, shall be determined by Authority;
- (ii) City's proportionate share of the Annual Requirement shall be a percentage, redetermined by dividing City's estimated annual contributing flow

to the System by the total estimated annual contributing flow to the System by all Contracting Parties, including that estimated for the Additional Contracting Party or Parties for the remaining portion of such Fiscal Year;

(iii) Authority shall redetermine the Annual Requirement, taking into consideration any costs incurred on account of the Additional Contracting Party or Parties;

(iv) City's Annual Payment shall be redetermined by multiplying City's redetermined percentage times the redetermined Annual Requirement.

(c) City's Annual Payment shall also be redetermined, in the manner set out above, at any time during any Fiscal Year if:

(i) Additions, enlargements or improvements to the System are constructed by Authority to provide continuing service which in turn requires a redetermination of the Annual Requirement; or

(ii) Unusual or extraordinary expenditures for operation and maintenance are required which are not provided for in the Annual Budget or in the Bond Resolution, or

(iii) City's contributing flow to the System, after the beginning of the Fiscal Year, is estimated to be substantially different from that on which Annual Payments are based as determined by Authority, to the extent that such difference in flow will substantially affect City's Budget, and consequently City's Annual Payment to Authority.

(d) The Annual Payment set forth in this section shall be considered the Basic Charge for service hereunder, and City shall pay a surcharge for excess BOD and/or SS determined in the manner set forth in Section 4.05.

(e) Recognizing that the Authority will use payments received from City to pay, secure and finance the issuance of the Bonds, it is hereby agreed that upon the effective date of this contract, City shall be unconditionally obligated to pay its proportionate share of the debt service on the Bonds, regardless of whether

or not the Authority is actually receiving Wastewater hereunder, or whether or not City actually discharges Wastewater hereunder, whether due to Force Majeure or otherwise. In such event, the amount due shall be a percentage of the debt service on the Bonds for the period of such failure of service hereunder. Such percentage shall be determined by dividing the amount of Wastewater actually discharged into the System by City in the month preceding cessation of service hereunder by the total amount of Wastewater discharged into the System by all Contracting Parties and Additional Contracting Parties for the same period. In the event service hereunder is never begun, the percentage of Debt Service for Bonds outstanding at the time of such failure of service hereunder for City shall be 5.92%.

(f) On or before August 1 of each year Authority will furnish City with an estimated schedule of monthly payments to be made by City for the ensuing Fiscal Year. On or before November 1 of each year, Authority shall furnish City with a finalized schedule of the monthly payments to be made by such City to the Authority for the ensuing Fiscal Year. City hereby agrees that it will make such payments to the Authority on or before the 10th day of each month of such Fiscal Year. If the City at any time disputes the amount to be paid by it to Authority, City shall nevertheless promptly make the payment or payments determined by Authority, and, if it is subsequently determined by agreement, arbitration or court decision that such disputed payments made by City should have been less, Authority shall promptly revise and reallocate the charges among all parties then being served by Authority in such manner

that City will recover its overpayment. In the event City is assessed a surcharge for excess BOD and/or SS, Authority will bill City for such surcharge on or before the fifth (5th) day of the month following the determination of the surcharge and City shall pay such surcharge on or before the tenth (10th) day of the month of receipt of any such bill. Any such surcharge collected by Authority shall be applied by Authority against the total cost of Operation and Maintenance Expense of the System.

(g) If City's Annual Payment is redetermined as is herein provided, Authority will promptly furnish City with an updated schedule of monthly payments reflecting such redetermination.

(h) All interest income earned by the investment of any Funds created in the Bond Resolution shall be taken into account in determining the Annual Requirement.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01. CONSTRUCTION. Authority agrees to proceed promptly with the construction of the facilities necessary to the performance of its obligations hereunder. Authority shall not be liable to the City for any damages occasioned by delay in the commencement of such service to City. After Authority has notified City of readiness to accept such Wastewater, at the Point or Points of Entry, Authority shall, subject to other terms and conditions of this contract, continually hold itself ready, willing and able to supply such service to City. Liability of the Authority under this covenant shall be subject to the provisions of Section 6.02 of this contract.

Authority agrees to maintain and provide service to City with existing facilities until such time as construction of additional or replacement facilities are completed.

Section 6.02. CONDITIONS PRECEDENT. It is expressly understood and agreed that any obligation on the part of the Authority to complete and operate the said facilities shall be conditioned upon the following:

- (a) Sale of Bonds in an amount which, together with other available funds, will be sufficient to assure the construction of the System;
- (b) The Authority's ability, or the ability of the Authority's contractors, to obtain all material, labor and equipment necessary for completion of the System.
- (c) Execution of contracts in substantially the form of this contract with Arlington, Bedford, Carrollton, Dallas, Dallas-Fort Worth Regional Airport Board, Euless, Farmers Branch, Grand Prairie and Irving;
- (d) Release by the Trustee of the Trust Indenture.

Section 6.03. OBLIGATIONS OF CITY. Authority shall never have the right to demand payment by City of any obligation assumed or imposed on it under and by virtue of this contract from funds raised or to be raised by taxation, it being expressly understood by the parties hereto that all payments due by City hereunder are to be made from the revenues and income received by City from its waterworks and sanitary sewer systems, as authorized by Section 3 of Article 1109i, Vernon's Annotated Civil Statutes.

Section 6.04. PAYMENTS TO CONSTITUTE OPERATING EXPENSES BY CITY. City represents and covenants that the services to be obtained pursuant to this contract are essential and necessary to the operation of City and its Local Wastewater Facilities, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of City's waterworks

and sanitary sewer systems, within the meaning of Article 1113, Vernon's Annotated Civil Statutes, and the provisions of all Ordinances authorizing the issuance of all revenue bond issues of City which are payable from revenues of City's waterworks and sewer systems.

Section 6.05. CITY TO ESTABLISH ADEQUATE RATES. City agrees to establish and collect such rates and charges for Waterworks and Domestic Wastewater services to be supplied by its Waterworks and Domestic Wastewater systems as will make possible the prompt payment of all expenses of operating and maintaining its Waterworks and Domestic Wastewater systems, including all payments contracted hereunder, and the prompt payment of the principal of and interest on its obligations, if any, payable from the revenues of its Waterworks and Domestic Wastewater systems.

Section 6.06. USE OF PUBLIC PROPERTY. By these presents, City authorizes use by the Authority of streets and general utility or sewer easements of City for construction, operation and maintenance of the Authority's System, so long as such use by the Authority does not interfere with any lawful use by the City, and subject to all of City's Ordinances respecting the manner of such use and restoration of lands, pavement or improvements resulting from exercise of the rights provided in this section, including the cost of relocation as an expense of the Authority's System. Authority will work with City and cooperate in the timing, planning and installation timetable of all facilities to be constructed and installed by Authority.

Section 6.07. USE OF REVENUES OF SYSTEM. All revenues received from any source whatsoever by Authority by reason of its ownership of this System shall, to the extent permitted by law,

be credited to the funds of the System as established in the Bond Resolutions. To the extent permitted by law, if the Authority receives income from the use of treated Wastewater, prior to its discharge into a public stream of the State of Texas, the Authority will apply said income against the Operating and Maintenance Expense of the System. Provided, that revenues received by Authority from the Dallas-Fort Worth Regional Airport Board under contract dated July 16, 1971, as amended, and any revenues received under contracts, the revenues from which are pledged to the payment of special facility bonds, as permitted in the Bond Resolutions, shall not be credited to said funds of the System and will not be a part of the pledge of revenues for payment of the Bonds. Neither shall any revenues received by the Authority under contracts where the Authority is acting as a signatory to the Texas Water Pollution Control Compact be included as a part of the pledge of revenues for payment of the Bonds. No funds derived from the Contracting Parties shall ever be used for the benefit of any project the revenues of which have been excluded from the pledge for payment of the Bonds hereunder or which may be so excluded in the future.

Section 6.08. FORCE MAJEURE. In case by reason of "Force Majeure" either party hereto shall be rendered unable wholly or in part to carry out its obligations under this agreement, then if such party shall give notice and full particulars of such "Force Majeure" in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such Force Majeure, with the exception of the obligation of City to make the payments required in Section 5.03(e) hereof, shall be suspended during the continuance of the inability then claimed, but for no longer periods, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

The term "Force Majeure" as employed herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipe lines or canals, partial or entire failure of water supply, and inability on part of City to provide water necessary for operation of its water and Domestic Wastewater system hereunder, or of Authority to receive Wastewater on account of any other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

Section 6.09. INSURANCE. The Bond Resolution will contain appropriate provisions requiring Authority to carry insurance for purposes and in amounts which would ordinarily be carried by a privately owned utility company under contract to perform services similar to those undertaken by Authority in this contract. Such provisions will be so designed as to afford protection not only for the holders of the Bonds but to assure and facilitate, to the extent feasible and practicable, the restoration

of damaged or destroyed properties and to minimize the interruption of service to City and others.

Section 6.10. REGULATORY BODIES. This contract shall be subject to all valid rules, regulations and laws applicable hereto passed or promulgated by the United States of America, the State of Texas or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 6.11. ADVISORY COMMITTEE: The City's governing body shall annually appoint one of the members of its governing body or one of its officers as a voting member of the Advisory Committee for the Authority's Central Wastewater Treatment System. Said Committee shall be comprised of one voting representative of each Contracting Party and Additional Contracting Party. Additionally, the Board of Directors of the Authority shall annually appoint to serve as non-voting members of the Advisory Committee one of its Dallas County Directors and one of its Tarrant County Directors. The Advisory Committee, at its first called meeting, shall elect a Chairman, a Vice Chairman and a Secretary. The Advisory Committee shall establish by-laws governing the election of officers, meeting dates and other matters pertinent to the functioning of the Advisory Committee. The Advisory Committee shall consult with and advise the Authority, through its General Manager, with regard to the following matters pertaining to the System:

- (i) Future plans for expansion;
- (ii) Methods for improved service;
- (iii) The inclusion of Additional Contracting Parties;
- (iv) The proposed Annual Budget, prior to its submission by the Authority's General Manager to the Authority's Board;

- (v) Review of the Annual Report and Annual Audit; and
- (vi) All such matters as relate to its management, operation and maintenance.

Said Committee shall inspect, no less than annually, all physical elements of the System. A copy of the minutes of the meetings of the Advisory Committee and all other pertinent data, shall be provided to the Authority's President.

The term of membership on the Advisory Committee shall be for twelve (12) months, beginning on December 1st of each year and ending on November 30th of the succeeding year. A member may serve more than one (1) term if so appointed by the governing body represented. The Authority's General Manager, or his designated representative, shall serve ex officio as a member of the Advisory Committee without voting rights. All expenses of the Advisory Committee shall be considered as an operating expense of the System.

Section 6.12. AUTHORITY CONTRACTS WITH OTHERS. The Authority reserves the right to contract with other persons, natural or corporate, private or public, to perform services similar to those to be performed under this contract or other services; provided, however, that no contract will be made for service within City's City limits or within the extraterritorial jurisdiction of any City, as defined, in Article 970a, Vernon's Annotated Civil Statutes, on the date of such contract, without such City's written consent.

Section 6.13. ADDITIONAL CAPACITY AND FACILITIES. As the responsible agency for the establishment, administration, operation and maintenance of the System, the Authority will, from

time to time, determine when it is necessary to provide additional facilities to receive, transport, treat and dispose of additional Wastewater of the Contracting Parties and any Additional Contracting Parties. In making the determinations called for herein, Authority covenants that such determinations will be made only after detailed studies of statistical data available as to the need and feasibility have been made and after consulting with the Advisory Committee, consulting engineers and financial advisors. City will be kept advised at all times of planning and proposed development of the System. In no event shall any contract with an Additional Contracting Party be on terms more favorable than is available to City hereunder unless the governing body of City shall approve such contract.

Section 6.14. CITY CONTRACTS WITH OTHERS. City shall have the right to enter into contracts with other persons outside the City limits of City, natural or corporate, private or public, to receive Wastewater from such persons. City covenants that it will advise Authority of all such contracts and will, if requested by Authority, furnish Authority with a copy of such contracts.

Section 6.15. ANNUAL REPORT AND AUDIT OF SYSTEM. The Authority shall, at the close of each Fiscal Year, cause to be prepared an Annual Report and Audit of the System. Such report shall contain such matters and information as may be considered necessary and useful by Authority and the Advisory Committee.

Section 6.16. PUBLICATIONS, REFERENCE WORKS, GOVERNMENTAL REGULATIONS. In each instance herein where reference is made to a publication, reference work or Federal or State regulation, it is the intention of the parties that at any given time the then current edition of any such publication or reference work or Federal or State regulation shall apply. If a publication or reference work is discontinued or ceases to be the generally accepted work in its field or if conditions change or new methods

or processes are implemented by the Authority, new standards shall be adopted which are in compliance with State and Federal laws and any valid rules and regulations issued pursuant thereto.

Section 6.17. OPERATION OF THE SYSTEM. Authority covenants that it will operate the System in accordance with accepted good business and engineering practices and in accordance with requirements of the Federal Water Pollution Control Act, as amended, and as said Act may be amended in the future, and any rules and regulations issued and to be issued by appropriate agencies in the administration of said Act. City and Authority agree that their obligations hereunder shall include compliance with the requirements made under said Act, and any rules and regulations issued pursuant thereto. Upon sale of the first issue of Bonds, Authority will immediately commence actions designed to eliminate odors caused by the ponds of Authority's present System. It is the intention of Authority to proceed as rapidly as possible with the design and construction of new facilities to eliminate all known sources of odor.

ARTICLE VII

AUTHORITY ANNUAL BUDGET

Section 7.01. FILING WITH CITY. Not less than forty (40) days before the commencement of the second Fiscal Year and not less than forty (40) days before the commencement of each Fiscal Year thereafter while this contract is in effect, Authority shall cause to be prepared as herein provided its tentative budget for the operation of the System only for the next ensuing Fiscal Year. A copy of such tentative budget shall be filed with each Contracting Party and Additional Contracting Party. If no protest or request for a hearing on such tentative budget is presented to Authority within ten (10) days after such filing of the tentative budget by one or more Contracting Parties or Additional Contracting Parties, the tentative budget for the System, when adopted by Authority's Board of Directors, shall be considered for all purposes as the "Annual Budget" for the next ensuing Fiscal

Year. But if protest or request for a hearing is duly filed, it shall be the duty of the Authority to fix the date and time for a hearing on the tentative budget before the Advisory Committee as constituted in Section 6.11 hereof and shall so advise all Contracting Parties and Additional Contracting Parties in writing. The Advisory Committee shall consider the testimony and showings made in such hearing and shall report its findings to the Board of Directors of Authority. The Board of Directors of Authority may adopt the budget or make such amendments thereof as to it may seem proper. The budget thus approved by the Board of Directors of the Authority shall be the Annual Budget for the next ensuing Fiscal Year.

The Annual Budget may be amended to provide for transfers of budgeted funds between expenditure accounts, provided however that said transfers do not result in an overall increase in budgeted funds as approved in the Annual Budget. The Annual Budget may be increased through formal action by the Board of Directors of Authority. Certified copies of the amended Annual Budget and resolution shall be filed immediately by the Authority with each Contracting Party and Additional Contracting Party.

ARTICLE VIII

EFFECTIVE DATE AND TERM OF CONTRACT

Section 8.01. EFFECTIVE DATE. This contract shall become effective as of the date and time of the release of the Trust Indenture by the Trustee, as shown on said release, and as communicated in writing to City. Provided, the quality

standards specified in Article IV hereof shall not go into effect for a period of 120 days from the date the last of the Contracting Parties executes a contract in substantially the form and content of this contract. During such 120 day period, the quality standards to be in effect shall be those contained in contracts executed in 1957 between Authority and the Cities of Dallas, Farmers Branch, Grand Prairie and Irving. As of the date and time of the release of the Trust Indenture by the Trustee, this contract shall constitute the sole and only contract between City and Authority regarding Wastewater disposal services, and it is agreed that as of such date, that certain contract dated as of April 18, 1957, between City and Authority, shall become null and void and of no further force and effect. It is further provided and agreed that any and all contracts between City and Authority in which City grants to Authority the right to the use of City's surplus capacity in Authority's System and/or provides for credits to City in return for such use shall become null and void and of no further force and effect as of the date of release by Trustee of the Trust Indenture.

Section 8.02. TERM OF CONTRACT. This contract shall continue in force and effect from the effective date hereof for a period of fifty (50) years, and thereafter shall continue in effect until any Outstanding Bonds, Bonds, or any Bonds issued to refund same, if any, have been paid in full. City shall have the right to the continued performance of services provided hereunder for the useful life of the System after amortization of Authority's investment in the System, upon payment of charges by City, reduced to take into consideration such amortization.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the 30 day of August, 1973.

TRINITY RIVER AUTHORITY OF TEXAS

By David H. Boone
General Manager

ATTEST:

George J. J. J.
Secretary
(SEAL)

CITY OF FARMERS BRANCH, TEXAS

By Ray G. Garrison
Mayor

ATTEST:

J. W. W.
City Secretary
(SEAL)