

local governments to perform governmental functions and services under the terms of the Act and the County and the District mutually desire to be subject to the provisions of the Act; and

WHEREAS, the County and the District value the early completion of the Project which involves roads which are integral parts of the County's road system and the County and the District value the early completion of the Project to improve safe travel on improved roadways; and

NOW, THEREFORE, it is mutually agreed by the Parties hereto as follows:

I.

Pursuant to Texas Government Code §791.011, the County and the District hereby enter into this Agreement in order to perform governmental functions and services in the area of streets, roads and drainage. The purpose of this Agreement is to provide a governmental function or service that the Parties to the Agreement are authorized to perform individually. The term of this Agreement shall commence upon execution of the Agreement by the Parties and shall terminate upon completion of the Project or upon termination of this Agreement under the provisions of Section VII of this Agreement.

II.

The County and the District hereby agree that the scope of the Project shall be limited to right-of-way acquisition, design, engineering and construction of certain road improvements for a section of Corporate Drive/Windhaven Parkway as a four-lane undivided roadway from Josey Lane to the KCS Rail Line, as described in attached Exhibit "A," at a total estimated cost of completion which shall not exceed FIVE MILLION FOUR HUNDRED-SIXTEEN THOUSAND AND NO/100 DOLLARS (\$5,416,000.00).

III.

The County hereby agrees to contribute an amount toward satisfactory completion of the Project which shall not exceed TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00).

IV.

The District hereby agrees to contribute an amount toward satisfactory completion of the Project which shall not exceed THREE MILLION ONE HUNDRED-SIXTY SIX THOUSAND AND NO/100 DOLLARS (\$3,166,000.00).

V.

In performance of this Agreement, the District will be responsible for all right-of-way acquisition, design, engineering and construction of the Project.

VI.

As the District proceeds in the completion of the Project, the District shall submit invoices on a monthly basis for reimbursement of the County's contribution of TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00), unless otherwise authorized by the governing body of the County, to the Denton County Auditor's Office c/o Innovative Transportation Solutions, Inc., Attention: Mr. John Polster, 2701 Valley View Lane, Farmers Branch, Texas 75234, and the County shall reimburse the District for all expenditures related to the Project within thirty [30] days of receipt of any invoices from the District. Attached to this Agreement is a certification by the Denton County Auditor that the County shall include a sum in its budget not to exceed TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00) and that this amount shall be itemized, set aside and approved by the Denton County Commissioners Court for expenditure on the Project.

VII.

This Agreement may be terminated in whole, or in part, by the County or the District upon thirty (30) days written notice to the other party setting forth a substantial failure by the defaulting party to fulfill its obligations under this agreement through no fault of the terminating party. No such termination may be affected unless the defaulting party is given: (1) written notice of intent to terminate, delivered via certified mail return receipt requested, setting forth the substantial failure to perform; (2) not less than thirty [30] calendar days to cure the failure; and (3) an opportunity for consultation with the terminating party prior to termination. In the event

of termination by the District, the District shall reimburse the County for all invoices submitted up to and including the date of termination. Notices shall be directed as follows:

For the District: Mr. Gaylord O'Con, President
Denton County Fresh Water Supply District No. 1-A
2501 Queen Margaret Drive
Lewisville, Texas 75056

For the County: Honorable Mary Horn
Denton County Judge
110 West Hickory
Denton, Texas 76201

Copy To: Denton County Criminal District Attorney's Office
Civil Division
P.O. Box 2850
Denton, Texas 76201

VIII.

The covenants, conditions and terms hereof are to be construed under the laws of the State of Texas and are performable by all parties in Denton County, Texas. The Parties mutually agree that venue for any obligation arising from this Agreement shall lie in Denton County, Texas.

IX.

This writing is intended by the Parties as a full and final expression of their agreement and is a complete and exclusive statement of the terms of their agreement. This Agreement can only be modified, or terminated, in writing signed by both of the Parties, or their duly authorized agents, in accordance with the Provisions of Section VII of this Agreement.

X.

This Agreement is not intended to extend the liability of the Parties beyond that provided by law. Neither the County nor the District waives, nor shall be deemed to have hereby waived, any immunity or defense that would otherwise be available to it against claims arising by third parties.

XI.

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the Parties hereto that the remaining portions shall remain valid and in full force and effect to the fullest extent possible.

XII.

The undersigned officers and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto and each party hereby certifies to the other that any and all necessary resolutions extending said authority have been duly passed and are now in full force and effect.

EXECUTED in duplicate originals this, the first day of April, 2008.

DENTON COUNTY, TEXAS

DENTON COUNTY FRESH WATER SUPPLY DISTRICT No. 1-A

Denton County, Texas
110 West Hickory
Denton, Texas, 76201

Denton County Fresh Water Supply
District No.1-A
2501 Queen Margaret Drive
Lewisville, Texas 75056

By: Mary Horn
Honorable Mary Horn
Denton County Judge

By: Gaylord O'Con
Gaylord O'Con
President

Acting on behalf of and by the authority of the Denton County Commissioners

Acting on behalf of and by the authority of the Denton County Fresh Water Supply District No. 1-A



ATTEST:

ATTEST:

By: Kathleen Brantford
Denton County Clerk

By: _____

APPROVED AS TO FORM:

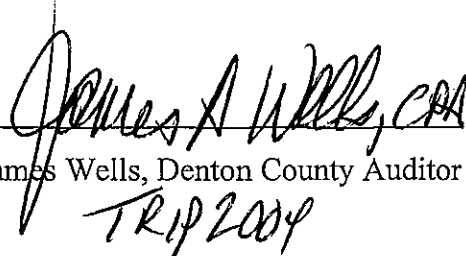
APPROVED AS TO FORM:

By: John Lelch
Assistant District Attorney

By: _____
Attorney

COUNTY AUDITOR'S CERTIFICATE

I hereby certify that funds in the amount of TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00) are available to accomplish and pay the obligation of Denton County, Texas, under this Agreement.


James Wells, Denton County Auditor
TRIP 2004

FRESH WATER SUPPLY DISTRICT No. 1-A AUDITOR'S CERTIFICATE

I hereby certify that funds in the amount of THREE MILLION ONE HUNDRED-SIXTY SIX THOUSAND AND NO/100 DOLLARS (\$3,166,000.00) are available to accomplish and pay the obligation of the Denton County Fresh Water Supply District No. 1-A, under this Agreement.

“EXHIBIT A”

The Project consists of right-of-way acquisition, design, engineering and construction of certain road improvements for a section of Corporate Drive/Windhaven Parkway as a four-lane undivided roadway from Josey Lane to the KCS Rail Line. The Project will be performed entirely within the boundaries of Denton County Commissioner Precinct #2 and Denton County Fresh Water Supply District No. 1-A. The total estimated cost of completion for the Project shall not exceed FIVE MILLION FOUR HUNDRED-SIXTEEN THOUSAND AND NO/100 DOLLARS (\$5,416,000.00), of which Denton County, Texas, agrees to contribute an amount not to exceed TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00) and the Denton County Fresh Water Supply District No. 1-A, agrees to contribute an amount not to exceed THREE MILLION ONE HUNDRED-SIXTY SIX THOUSAND AND NO/100 DOLLARS (\$3,166,000.00).

APPROVAL OF INTERLOCAL COOPERATION AGREEMENT PROJECT

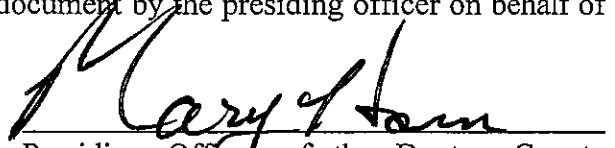
Denton County, Texas, acting by and through the Denton County Commissioners Court, having been advised of the Project which consists of right-of-way acquisition, design, engineering and construction of certain road improvements for a section of Corporate Drive/Windhaven Parkway as a four-lane undivided roadway from Josey Lane to the KCS Rail Line hereby approves the Project. The Project will be performed entirely within the boundaries of Denton County Commissioner Precinct #2 and Denton County Fresh Water Supply District No. 1-A. The total estimated cost of completion for the Project shall not exceed FIVE MILLION FOUR HUNDRED-SIXTEEN THOUSAND AND NO/100 DOLLARS (\$5,416,000.00), of which Denton County, Texas, agrees to contribute an amount not to exceed TWO MILLION TWO HUNDRED-FIFTY THOUSAND AND NO/100 DOLLARS (\$2,250,000.00) and Denton County Fresh Water Supply District No. 1-A agrees to contribute an amount not to exceed THREE MILLION ONE HUNDRED-SIXTY SIX THOUSAND AND NO/100 DOLLARS (\$3,166,000.00) under an Interlocal Cooperation Agreement. Denton County, Texas, hereby gives its specific written approval of the Project prior to beginning the Project in satisfaction of the requirements of the Interlocal Cooperation Act, Chapter 791 Texas Government Code.

The description of the Project to be undertaken and its location are as follows: right-of-way acquisition, design, engineering and construction of certain road improvements for a section of Corporate Drive/Windhaven Parkway as a four-lane undivided roadway from Josey Lane to the KCS Rail Line.

The local government which requested the Project and with which Denton County, Texas, has contracted is Denton County Fresh Water Supply District No. 1-A.

By vote on this date, the Denton County Commissioners Court has approved the Project identified above and authorized execution of this document by the presiding officer on behalf of Denton County, Texas.

Date: April 1, 2008



Presiding Officer of the Denton County
Commissioners Court