

Control Number: 45870



Item Number: 53

Addendum StartPage: 0

PUC DOCKET NO. 45870 SOAH DOCKET NO. 473-16-4619.WS

RECEIVED

2016 OCT 18 PM 3: 42

FORMAL COMPLAINT OF KER-SEVA LTD., ADC WEST RIDGE VILLAS, L.P., AND CENTER FOR HOUSING RESOURCES, INC. AGAINST THE CITY OF FRISCO, TEXAS

1

FILING CLERK

PUBLIC UTILITY COMMISSION

OF TEXAS

COMPLAINANTS' THIRD SET OF REQUESTS FOR INFORMATION AND REQUESTS FOR ADMISSION

§ § §

COMES NOW, Complainants Ker-Seva Ltd., ADC West Ridge Villas, L.P., and Center for Housing Resources, Inc. (collectively, "Complainants"), and file this their Third Set of Requests for Information ("RFIs") and Requests for Admission to the City of Frisco, Texas ("Frisco"), pursuant to 16 Tex. Admin. Code § 22.144(c) and (j) in this docket. Responses to the RFIs and Requests for Admission set forth in herein should be served on the undersigned counsel for Complainants at the address indicated within twenty (20) days of service hereof.

Respectfully submitted,

JACKSON WALKER L.L.P.

By: /s/ Mallory Beck

Leonard Dougal - State Bar No. 06031400 Ali Abazari - State Bar No. 00796094 Mallory Beck - State Bar No. 24073899 100 Congress, Suite 1100 Austin, Texas 78701

E: ldougal@jw.com T: (512) 236 2233

F: (512) 391-2112

ATTORNEYS FOR COMPLAINANTS KER-SEVA, LTD., ADC WEST RIDGE VILLAS L.P., AND CENTER FOR HOUSING RESOURCES, INC.

CERTIFICATE OF SERVICE

I hereby certify that the above and foregoing document was served as shown below on this 18th day of October 2016:

Art Rodriguez

Russell & Rodriguez, L.L.P.

1633 Williams Dr., Bldg. 2, Suite 200

Georgetown, Texas 78268

arodriguez@txadminlaw.com

Attorney for City of Frisco RFI

Sain Chang
Attorney – Legal Division
Public Utility Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326
sam.change@puc.texas.gov
Attorney for Public Utility Commission of Texas

/s/ Mallory Beck
Mallory Beck

COMPLAINANTS' SECOND SET OF REQUESTS FOR INFORMATION

DEFINITIONS

- 1. "Frisco," "You," and "Your" refer to the City of Frisco, Texas, and its council persons, officers, employees, consultants, agents, attorneys, and affiliates to the extent such persons are acting for or on behalf of Frisco.
- ¹2. "Property" refers to the approximately 8.5 acres of land in Collin County, Texas, identified as the "Property" in that certain Annexation Agreement, contained in Exhibit C to the Second Amended Formal Complaint Against the City of Frisco, Texas, in this proceeding.
- 3. "Lot 1" refers to the portion of the Property with the address of 9421 Westridge Boulevard, identified as Lot 1, Block A.
- 4. "Lot 2" refers to the portion of the Property with the address of 9331 Westridge Boulevard, identified as Lot 2, Block A.
- 5. "Document" and/or "Documents" refers to all written, reported, or graphic matter within the scope of Rules 22.141 and 22.144 of the Public Utility Commission of Texas, however produced or reproduced. Without limiting the foregoing, the terms include: papers, books, accounts, drawings, graphs, charts, photographs, electronic or videotape recordings, and any other data compilations from which information can be obtained and translated, if necessary, by the person from whom information is sought, into reasonably usable form, agreements, contracts, communications, correspondence, letters, faxes, email, instant message records, memoranda, records, reports, summaries, records of telephone conversations, diary entries, calendars, appointment books, drafts, notes, telephone bills or records, bills, statements, records of obligations and expenditures, invoices, lists, journals, receipts, checks, canceled checks, letters of credit, envelopes, folders, voice recordings, video recordings, electronic data, electronic media, and any other data or information that exists in written, electronic, or magnetic form.
- 6. "Communication" shall mean the transmittal of information (in the form of facts, ideas, inquiries, or otherwise) by any method or manner between two or more persons.
- 17. "Describe" means to provide a detailed narrative concerning the information which is the subject of the RFI.
- "Relate to," "related to," or "relating to" means concerning, referring to, having a relationship with or to, pertaining to, identifying, pertinent to, describing, explaining, summarizing, or to be otherwise factually, legally, or logically connected to the subject matter of the particular request.

į.

- 9. The words "and" and "or" shall be construed either conjunctively or disjunctively as required by the context to bring within the scope of these requests any document that might be deemed outside its scope by another construction.
- 10. "Person" shall mean any natural person, corporation, proprietorship, partnership, professional corporation, joint venture, association, group, governmental agency, or agent, whether foreign or domestic or any other entity.

INSTRUCTIONS

1.

- 1. These Requests for Information and Requests for Admission are governed by the definitions and instructions contained in the Public Utility Commission of Texas' rules and the Texas Rules of Civil Procedure, which are supplemented as permitted by the specific instructions and definitions herein.
- 2. Written responses to these Requests for Information and Requests for Admission should be served twenty (20) days after service of these Requests upon you.
- 3. Your responses should conform to the rules of the Public Utility Commission of Texas and the Texas Rules of Civil Procedure.
- ¹⁴. In accordance with 16 Tex. Admin. Code § 22.144, each RFI shall be answered separately, shall identify the preparer and the sponsoring witness, shall be preceded by the RFI, and all responses shall be filed under oath.
- 5. Each document that is made available for review in response to these RFIs shall be produced as it is kept in the usual course of business (i.e., in the file folder or binder in which the documents were located when the request was served) or the documents shall be organized or labeled to correspond to the category of documents requested.
- 6. If the documents requested herein include electronic data and magnetic data, they shall be produced in their native format with all metadata intact.
- 7. When answering these RFIs, you are requested to furnish all information available to you, including information in the possession of your attorneys, investigators, consultants, employees, agents, representatives, or any other person acting on your behalf, and not merely such information as is held or known by you personally.
- 8. In the event any document or other thing referred to in these RFIs is not in your possession, custody, or control, specify what disposition was made of it and identify the person or entity who now has possession, custody, or control of the document or thing.
- 9. If you object to any RFI or Request for Admission, you must comply with 16 Tex. Admin. Code § 22.144(d), and you must contact the undersigned so that the parties may negotiate diligently and in good faith prior to the filing of an objection. Objections must be filed within ten (10) calendar days of receipt of these Requests.

- 10. Any agreement to extend the time to respond to these Requests for Information and Requests for Admission must be in writing. No extensions of time to object to any of the individual document requests should be presumed or assumed unless the agreement between counsel to extend the response date is specifically set forth in writing.
- 11. Unless otherwise noted in a specific request, the time period applicable to the requests is January 1, 2008, to the present.
- 12. PLEASE TAKE FURTHER NOTICE that these RFIs are continuing in nature. Your answers and responses must include all documents that are currently in your possession, custody, and control and that come into your possession, custody, or control in the future.

REQUESTS FOR INFORMATION

Request for Information No. 66: Please produce any ordinances, regulations, rules, or policies which Frisco contends prohibit Lot 2 from receiving water service from the pre-existing infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto and circled in a dashed line.

Response:

Request for Information No. 67: Please produce any ordinances, regulations, rules, or policies which Frisco contends prohibit Lot 2 from receiving sewer service from the pre-existing infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto and circled in a dashed line.

Response:

Request for Information No. 68: Please produce all documents supporting Frisco's contention that Lot 2 cannot receive water and/or sewer service from the pre-existing infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto and circled in a dashed line.

Response:

Request for Information No. 69: Please explain the general factual bases for Frisco's contention that Lot 2 cannot receive water and/or sewer service from the pre-existing infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto and circled in a dashed line.

Response:

Request for Information No. 70: Please explain the general factual bases for Frisco's contention that Lot 1 is permitted to receive water and sewer service through the infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto but Lot 2 is not permitted to receive water and sewer service through the infrastructure adjacent to Lot 2 identified in Exhibit "A" hereto and circled in a dashed line.

Response:

Request for Information No. 71: Please produce a map identifying the location of the Rowlett Sanitary Sewer Interceptor Line and the location of the City of Frisco metering station and tap as described in the Interlocal Agreement attached as Exhibit "B" hereto.

Response:

Request for Information No. 72: Please produce a map identifying the location of the City of Frisco's Point or Points of Delivery as defined in Section 6 of the water supply agreement attached hereto as Exhibit "C."

Request for Information No. 73: Please produce all documents relating to any agreement currently in effect between Frisco and any other person or entity which relates to the sharing of, or provides authorization for use of any water lines.

Response:

Request for Information No. 74: Please produce all documents identifying Frisco's existing water lines, whether located within Frisco's CCN or outside. For purposes of this request, Frisco's "existing water lines" means any lines for which Frisco owns, operates, has authorization to use, or any portion is reserved to serve Frisco's needs, for provision of water service.

Response:

Request for Information No. 75: Please produce all documents identifying Frisco's existing sewer lines, whether located within Frisco's CCN or outside. For purposes of this request, Frisco's "existing sewer lines" means any lines for which Frisco owns, operates, has authorization to use, or any portion is reserved to serve Frisco's needs, for provision of sewer service.

Response:

Request for Information No. 76: Please produce a copy of the retail water service application required to be completed in order for a multi-family housing development to receive retail water service from the City of Frisco within its extraterritorial jurisdiction and water CCN.

Response:

Request for Information No. 77: Please produce a copy of the retail sewer service application required to be completed in order for a multi-family housing development to receive retail sewer service from the City of Frisco within its extraterritorial jurisdiction and sewer CCN.

Response:

Request for Information No. 78: Please produce all documents related to any approvals for the development, platting, and/or provision of water or sewer service to the property located directly east of Lot 2 on Westridge Boulevard which currently contains a storage facility, including all communications between the City of Frisco and the owner and/or developer of that property.

Response:

Request for Information No. 79: Please identify any utility easements obtained by Frisco through its powers of eminent domain.

Request for Information No. 80: Please produce all documents responsive to Request for Information No. 79.

Response:

Request for Information No. 81: Please identify any Frisco water meters, whether master meters, connection meters, or any other meter, located along Custer Road between Westridge Boulevard and El Dorado Parkway.

Response:

Request for Information No. 82: Please produce any current easement templates as referenced in the City's letter dated March 1, 2015 attached as Exhibit "D" hereto.

Response:

Request for Information No. 83: Please produce all correspondence or documents exchanged between you and any person who may be called to present expert testimony in this case.

Response:

Request for Information No. 84: Please produce the curriculum vitae of each witness you may call to present expert testimony in this case or by deposition.

Response:

Request for Information No. 85: Please produce the curriculum vitae of each consulting expert whose opinions, impressions or work product have been reviewed by a testifying expert in connection with the issues presented in this proceeding.

Response:

Request for Information No. 86: Please produce all documents prepared, considered, reviewed, or relied upon by each testifying expert and/or consulting expert whose opinions or impressions have been reviewed by a testifying expert or whose work has formed the basis, in whole or in part, for the mental impressions and opinions of an expert who may be called to testify.

Response:

Request for Information No. 87: Please produce all documents relating to the charges or expenses you have incurred as result of the work done by any expert who may be called to testify as a witnesses in this proceeding and by each consulting expert whose opinions or impressions have been reviewed by a testifying expert or whose work has formed the basis, in whole or in part, for the mental impressions and opinions of a testifying expert.

Request for Information No. 88: Please produce all documents relating to all impeachment or rebuttal witnesses that you may call to testify at a hearing in this proceeding, the necessity of whose testimony can be reasonably anticipated before the hearing.

Response:

Request for Information No. 89: Please produce all writings, drawings, graphs, charts, maps, photographs, or other tangible items intended to be used by You as exhibits, including demonstrative exhibits, in a hearing in this proceeding.

Response:

Request for Information No. 90: Please produce all documents containing or reflecting any admissions or statements and/or admissions you contend were made by Complainants or their representatives relating to the issues in this proceeding.

REQUESTS FOR ADMISSION

Request for Admission No. 36: Admit that Frisco owns the water and sewer infrastructure directly adjacent to the Property as depicted in Exhibit "A" and circled in a black dashed line.

Response:

ì

1

Request for Admission No. 37: Admit that water service to all properties located south of Westridge Blvd east of Memory Lane and West of Custer Road in the ETJ and water and sewer CCNs of Frisco (as depicted in attached Map by the red hashed area) is provided by connections to City of McKinney water lines.

Response:

Request for Admission No. 38: Admit that sewer service to all properties located south of Westridge Blvd east of Memory Lane and West of Custer Road in the ETJ and water and sewer CCNs of Frisco (as depicted in attached Map by the red hashed area) is provided by connections to City of McKinney water lines.

Response:

Request for Admission No. 39: Admit that water service to all properties located along Plum Lane in the ETJ and water and sewer CCNs of Frisco is provided by connections to City of McKinney water lines.

Response:

Request for Admission No. 40: Admit that sewer service to all properties located along Plum Lane in the ETJ and water and sewer CCNs of Frisco is provided by connections to City of McKinney water lines.

Response:

Request for Admission No. 41: Admit that water service to the RV and Boat Storage facility located directly south of the Property in the ETJ and water and sewer CCNs of Frisco is provided by connections to City of McKinney water lines.

Response:

Request for Admission No. 42: Admit that the City of Frisco does not own any water lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

Request for Admission No. 43: Admit that the City of Frisco does not own any sewer lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Request for Admission No. 44: Admit that the City of Frisco does not operate any water lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

Request for Admission No. 45: Admit that the City of Frisco does not operate any sewer lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

Request for Admission No. 46: Admit that the City of Frisco does not have any rights to use water lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

Request for Admission No. 47: Admit that the City of Frisco does not have any rights to use sewer lines along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

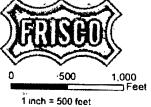
Request for Admission No. 48: Admit that the City of Frisco does not have any capacity rights to the water line along Custer Road between Westridge Blvd and Eldorado Parkway.

Response:

Request for Admission No. 49: Admit that the City of Frisco does not have any capacity rights to the sewer line along Custer Road between Westridge Blvd and Eldorado Parkway.

EXHIBIT "A"







Created on, 2/16/2015

DISCLAIMER The city of Frisco has prepared this map or information for internal use only it is made available under the Public Information Act Any reliance on this map or information is AI YOUR OWN RISK Frisco assumes no liability for any errors omissions, or inaccuracies in the map or information regardless of the cause of such or for any decision wade, action taken, or action not taken in reliance upon any maps or information provided herein Frisco makes no warranty, representation, or guarantee of any kind regarding ary maps or information provided herein or the sources of such maps or information and DISCLAIMS ALL REPRESENTATIONS AND MARRANTIES.

EXPRESSED AND IMPLIED, including the implied warranties of merchantability and fitness for a particular purpose

EXHIBIT "B"

INTERLOCAL AGREÉMENT

- WHEREAS, the Interlocal Cooperation Act authorizes any local government to contract with one or more local governments to perform governmental functions and services under the terms of the Act; and
- WHEREAS, North Texas Municipal Water District ("NTMWD") constructed the Rowlett Sanitary Sewer Interceptor (the "Line") and dedicated the capacity in the Line to MCKINNEY and McKINNEY has assumed the debt and maintenance obligations; and
- WHEREAS, FRISCO and McKINNEY have determined that it is in the best interests of all parties that MCKINNEY assign to FRISCO a portion of the capacity in the Line and FRISCO and McKINNEY identify their portions of the existing capacity of the Line; and
- WHEREAS, McKINNEY and FRISCO desire to enter into an agreement concerning payment for the usage of existing capacity of the Line while planning for the future construction of additional capacity of the interceptor;

NOW, THEREFORE, this agreement is made and entered into by FRISCO and McKINNEY upon and for the mutual consideration hereinafter stated agree and understand as follows:

- 1. The parties acknowledge that NTMWD owns the Rowlett Sanitary Sewer Interceptor (the "Line") and MCKINNEY owns the rights to all the capacity in the Line. MCKINNEY represents that it has the authority to assign some of the capacity in the Line and does assign to FRISCO approximately 26.49% of the capacity of the Line on the terms and conditions set forth below.
- 2. MCKINNEY and FRISCO recognize that once FRISCO begins to use the sewer interceptor the division of flow by surface area into the Line will be approximately 26.49% from FRISCO and 73.51% from McKINNEY. As more particularly described below, the responsibilities of FRISCO and McKINNEY for capacity, payment of maintenance, debt service, and other costs for the Line will be shared by FRISCO and McKINNEY according to the same percentages.

McKinney/Frisco interlocal agreement Rowlett Creek sanitary sewer interceptor 11/7/20013:40 PM FRISCO and McKINNEY acknowledge that the existing Line has a fixed and limited capacity that is not sufficient for the ultimate build out of the upstream drainage basin surface area. FRISCO and McKINNEY agree that their use of the Line is limited to the capacity of the existing interceptor in the proportions stated in paragraph 1. If either city exceeds its portion of capacity on 25 days of any 30-day period, that city agrees that it will prevent and limit all new connections to the interceptor and any service lines contributing flow to the interceptor. In such event the two cities agree to share, in proportion to the same percentages stated above, all costs including but not limited to engineering design, land or easement acquisition including surveying and legal fees, construction, metering and appurtenances and all other matters relative to the construction and operation of a parallel line.

3. At its own expense, FRISCO will construct a sewer line, metering station and tap into the Line. This tap-in shall be at a location on the Line that is acceptable to McKINNEY, which acceptance may not be unreasonably withheld. In addition, before FRISCO's contractor or workforce installs the tap-in, McKINNEY shall be given three (3) calendar days prior notice so that McKINNEY may arrange to have its representative present when tap-in occurs. Prior to tapping into the Line, FRISCO shall design and construct a metering station acceptable to NTMWD. Upon completion of the metering station acceptable to NTMWD, FRISCO shall convey and turn over to NTMWD the metering station to be operated as part of the Upper East Fork Interceptor System.

Maintenance responsibility for FRISCO's sewer line up to the point of tap-in into the Line shall be the sole responsibility of FRISCO. Maintenance costs on the Line will be apportioned as stated in 1., above.

- 4. FRISCO will pay McKINNEY Three hundred twelve thousand two hundred thirty-seven and 35/100 Dollars (\$312,237.35) for debt service already paid by McKINNEY between June 1996 and June 1, 2001. This amount will be due and payable on December 31, 2001, less the amount of \$63,802.24, representing McKINNEY's obligation to FRISCO for the FM 720 waterline, as determined by NTMWD. In no event shall FRISCO tap into the Line prior to payment of this amount.
- 5. Beginning with the 2001-2002 fiscal year, the annual budget approved by NTMWD, including debt service payments, for the Line will be paid by the parties according to their respective percentages described above. McKINNEY will bill FRISCO for its proportionate share. This includes both debt service and maintenance costs. Treatment costs will be billed by NTMWD as determined by its metering station.

- 6. FRISCO and McKINNEY shall make all necessary and appropriate provisions to effectuate the terms of this agreement for the payments required.
- 7. The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. The parties agree that this Agreement is performable in Collin County, Texas, and that exclusive venue shall lie in Collin County, Texas.
- 8. The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.
- 9. This Agreement embodies the entire agreement between the parties and may only be modified in a writing executed by all parties.
- 10. This Agreement shall be binding upon the parties hereto, their successors, personal representatives and assigns. None of the parties will assign or transfer an interest in this Agreement without the written consent of the other parties.
- 11. It is expressly understood and agreed that, in the execution of this Agreement, no party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the parties do not create any obligations, express or implied, other than set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.
- 12. This Agreement shall be effective upon execution by all parties and shall continue in effect for a minimum of twenty years. This Agreement shall automatically renew until the parties no longer use the sanitary sewer lines for their intended purposes.

APPROVED BY THE CITY COUNCIL FOR THE CITY OF McKINNEY, TEXAS in its meeting held on the day of November 2001, and executed by its authorized representative.

CITY OF McKINNEY, TEXAS

By: JAWRENCE W ROBINSON

City Manager

ATTEST:

JENNIFER G/SPROULL

City Secretary

APPROVED BY THE CITY COUNCIL FOR THE CITY OF FRISCO, TEXAS in its meeting held on the day of November, 2001, and executed by its authorized representative.

CITY OF FRISCO, TEXAS

GEORGE PUREFO

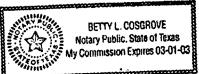
City Manager

NAN PARKER City Secretary

McKinney/Frisco interlocal agreement Rowlett Creek sanitary sewer interceptor October 30, 2001

STATE OF TEXAS	§ §

This instrument was acknowledged before me on the 2th day of November, 2001, by LAWRENCE W. ROBINSON, City Manager for and in behalf of CITY OF McKINNEY, TEXAS, a Texas municipal corporation and political subdivision.

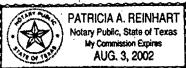


Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF COLLIN §

This instrument was acknowledged before me on the day of Mountain, 2001, by George Purefoy, City Manager for and in behalf of CITY OF FRISCO, TEXAS, a Texas municipal corporation and political subdivision.



Notary Public, State of Texas

PREPARED'IN THE OFFICES OF:

*BROWN & HOFMEISTER, L.L.P. 1717 Main Street, Suite 4300 Dallas, Texas 75201 214/747-6109 214/747-6111 Fax

McKinney/Frisco interlocal agreement Rowlett Creek sanitary sewer interceptor October 30, 2001

EXHIBIT "C"

Resolution No 01-10-122R

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS
COUNTIES OF COLLIN AND DENTON
CITY OF FRISCO

We, the undersigned officers of the City of Frisco, Texas, hereby certify as follows that

The City Council of the City of Frisco convened in REGULAR MEETING ON THE DAY OR 100 2001, at the City Hall, and the roll was called of the duly constituted officers and members of said City Council, to-wit

Kathy Seei, Mayor Mike Simpson
Michael Osuna, Mayor ProTem Steve Nichols
Tracie Reveal, Deputy Mayor Pro-Tem
Nan Parker, City Secretary Joy West

and all of said persons were present, except the following absentees:
________, thus constituting a quorum Whereupon, among other business, the following was transacted at said Meeting a written

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTION OF THE "NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WATER SUPPLY FACILITIES CONTRACT" WITH NORTH TEXAS MUNICIPAL WATER DISTRICT, AND PROVIDING FOR THE EFFECT OF SAID RESOLUTION AND CONTRACT

was duly introduced for the consideration of said City Council and duly read. It was then duly moved and seconded that said Resolution be adopted and passed; and, after due discussion, said motion, carrying with it the adoption and passage of said Resolution, prevailed and carried by the following record vote

AYES: All members of said City Council shown present above voted "Aye", except

NOES:

. [

A true, full, and correct copy of the aforesaid Resolution adopted and passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate, that said Resolution has been duly recorded in said City Council's minutes of said Meeting, that the above and foregoing paragraph is a true, full, and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption and passage of said Resolution, that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said City Council as indicated therein; and that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place, and

purpose of the aforesaid Meeting, and that said Resolution would be introduced and considered for adoption and passage at said Meeting; and that said Meeting was open to the public, and public notice of the time, place, and purpose of said Meeting was given, all as required by Chapter 551, Texas Government Code

The Mayor of said City has approved, and hereby approves, the aforesaid Resolution; that the Mayor and the City Secretary of said City have duly signed and authenticated said Resolution, and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing and authentication of the attached and following copy of said Resolution for all purposes.

SIGNED AND SEALED the Coday of Charles 2001.

City Secretary

(CITY SEAL)

RESOLUTION AUTHORIZING AND DIRECTING THE EXECUTION OF THE "NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WATER SUPPLY FACILITIES CONTRACT" WITH NORTH TEXAS MUNICIPAL WATER DISTRICT, AND PROVIDING FOR THE EFFECT OF SAID RESOLUTION AND CONTRACT

-BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FRISCO:

[SECTION I

That, for and on behalf of the City of Frisco, the Mayor of the City of Frisco is hereby authorized and directed to sign, deliver, and otherwise execute, and the City Secretary of the City of Frisco is hereby authorized and directed to sign, attest, and seal, the "North Texas Municipal Water District Regional Water Supply Facilities Contract" (the "Contract") with North Texas Municipal Water District in substantially the form and substance attached to this Resolution and made a part hereof for all purposes

SECTION 2

That, upon its execution by the parties thereto, the Contract shall be binding upon the City of Frisco in accordance with its terms and provisions

SECTION 3

15

That this Resolution shall take effect and be in full force and effect from and after the date of its adoption and passage, and it is so resolved, and all ordinances and resolutions of the City of Frisco in conflict herewith are hereby amended or repealed to the extent of such conflict, and all such ordinances and resolutions, and any contracts or agreements or parts authorized thereby, shall be of no further force or effect upon execution of the Contract to the extent of any such conflict.

NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WATER SUPPLY FACILITIES CONTRACT

THE STATE OF TEXAS

NORTH TEXAS MUNICIPAL WATER DISTRICT

THIS REGIONAL WATER SUPPLY FACILITIES CONTRACT (the "Contract"), executed on the dates hereinafter set forth but effective as of October 1, 2001 (the "Contract Date"), by and between NORTH TEXAS MUNICIPAL WATER DISTRICT (the "District"), a conservation and reclamation district and political subdivision of the State of Texas, created and functioning under Article 16, Section 59, of the Texas Constitution, pursuant to Chapter 62, Acts of the 52nd Legislature, Regular Session, 1951, as amended (the "District Act"), and the CITY OF FRISCO, in the Counties of Collin and Denton, Texas (the "City").

WITNESSETH

WHEREAS, the City is a duly incorporated home rule city under the Constitution and laws of the State of Texas; and

WHEREAS, the District and the City are authorized to enter into this Contract pursuant to the District Act, Chapter 791, Texas Government Code, as amended (the "Interlocal Cooperation Act"), and other applicable laws; and

WHEREAS, the District owns certain water rights and owns and operates water supply, treatment, and transmission facilities (the "Existing System") which provide all of the treated water needs of the Cities of Allen, Farmersville, Forney, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City, and Wylie (the "Initial Contracting Parties") pursuant to a "North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract", dated as of August 1, 1988, and a "North Texas Municipal Water District Regional Water Supply Facilities

Contract" between the District and the City of Allen, Texas, dated as of October 1, 1998 (collectively, the "Initial Contract"), and

WHEREAS, the District has duly issued and delivered, and there are now outstanding and unpaid, the following described bonds (the "Outstanding Bonds") which were issued to acquire and construct, and to refund bonds issued to acquire and construct, the Existing System:

\$89,987,321.45 in aggregate principal amount of North Texas Municipal Water District Water System Revenue Bonds, Series 1985, dated August 1, 1985, now outstanding in the aggregate principal amount of \$2,982,321,

\$45,705,000 in aggregate principal amount of North Texas Municipal Water District Water System Revenue Refunding Bonds, Series 1992, dated March 1, 1992, now outstanding in the aggregate principal amount of \$5,380,000;

\$24,800,000 in aggregate principal amount of North Texas Municipal Water District Water System Revenue Refunding Bonds, Series 1996, dated April 1, 1996, now outstanding in the aggregate principal amount of \$16,920,000;

\$39,000,000 in aggregate principal amount of North Texas Municipal Water District Water System Revenue Bonds, Series 2001, dated June 15, 2001, now outstanding in the aggregate principal amount of \$39,000,000;

WHEREAS, the District proposes to acquire, construct, and complete additional surface water supply, treatment, and transmission facilities from the following additional sources: Lake Texoma on the Red River, Cooper Dam and Reservoir in Hopkins and Delta Counties, Texas, a proposed new Bonham Dam and Reservoir in Fannin County, Texas, a proposed Marvin Nichols Reservoir in Red River, Bowie, Morris, Titus and Franklin Counties, Texas, and other facilities wherever located to enable the District to supply treated water as needed to Contracting Parties and others (the "Projects") and it is expected that Bonds (as defined herein) for all or parts of the Projects will be issued as deemed advisable and necessary by the District, and

WHEREAS, the Initial Contracting Parties are all "member cities" of the District within the meaning of the Act, and

WHEREAS, the City currently is a customer of the System under a contract entered into pursuant to the District's policies for serving entities which are not "member cities" within the meaning of the Act; and

WHEREAS, the City requested, and the District accepted the City's request, that the territory comprising the City be annexed to the District and, thereby become a "member city" of the District, and

WHEREAS, at an election held on May 5, 2001, voters with the City approved the annexation of the territory comprising the City to the District; and

WHEREAS, by Order of the Texas Natural Resource Conservation Commission (the "TNRCC"), dated July 11, 2001, the TNRCC declared the results of such election and ordered that the territory comprising the City be annexed to the District, and

WHEREAS, the Initial Contract makes provision for Additional Contracting Parties to become Contracting Parties with substantially the same rights and obligations as each of the Initial Contracting Parties, upon the execution of a contract similar to the Initial Contract; and

WHEREAS, the District and the City have determined that, as a "member city" within the meaning of the Act, the City should now become an Additional Confracting Party; and

WHEREAS, upon the execution of this Contract, the City will become such an Additional Contracting Party, and thus a Contracting Party, in accordance with the requirements of the Initial Contract, with all conditions prerequisite to such execution having been met; and

WHEREAS, this Contract complies with the requirements of the Initial Contract, substantially restates the essential provisions of the Initial Contract, and is structured to be similar to the Initial Contract to the fullest extent applicable and practicable, including requirements with respect to "minimums", but with such additions and changes that are necessary to meet the actual circumstances,

with the effect that the City, as an Additional Contracting Party, hereby adopts the provisions of the Initial Contract, as supplemented and necessarily changed by this Contract; and

WHEREAS, the "minimums" set for the City in Section 9(c) of this Contract are equitable and have been fixed by the District as required in the Initial Contract; and

WHEREAS, it is specifically represented, certified and covenanted that this Contract will provide security for the owners of all Bonds (as defined herein) and obligate the City, as an Additional Contracting Party, to make and assume unconditional specific payments with respect to the System and the Bonds;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District agrees to use its best efforts to acquire, construct, and complete the Projects and other System facilities, when and as the District deems it advisable, and to supply treated water to Contracting Parties and others from the System, upon and subject to the terms and conditions hereinafter set forth, to-wit:

- Section 1. DEFINITION OF TERMS The following 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 with which, in accordance with the Initial Contract and the Contract, the District makes a contract similar to this Contract for supplying treated water from the System provided that after execution of any such contract such party shall become one of the Contracting Parties for all purposes of this Contract.
- (b) "Annual Payment" means the amount of money to be paid to the District by each of the Contracting Parties during each Annual payment Period as its proportionate share of the Annual Requirement.

- (c) "Annual Payment Period" means the District's fiscal year, which currently beings on October 1, of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve consecutive month period fixed by the District; and the first Annual Payment Period under this Contract shall be the period of October 1, 2001, through September 30, 2002
- (d) "Annual Requirement" means the total amount of money required for the District to pay all Operation and Maintenance Expenses of the System, and to pay the Bond Service Component of the Annual Requirement as described in Section 9(a) hereof, including debt service on its Bonds, and any sums required to pay or restore 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 Resolutions
 - (c) "Bond Resolution" means any resolution of the District which authorizes any Bonds.
- "Bonds" means the Outstanding Bonds listed in the preamble to this Contract, and all bonds hereafter issued by the District, whether in one or more series or issues, and the interest thereon, to acquire, construct, complete, improve, and/or extend the System or any System facilities, including the Projects, and/or otherwise improve or extend the system and any bonds issued to refund any Bonds or to refund any such refunding Bonds.
 - (g) "City" means the "City" as defined in the preamble to this Contract.
- (h) "Contract" means this "Contract" as defined in the preamble hereto and includes the provisions of the Initial Contract as applicable and as supplemented and necessarily changed hereby.
- (i) "Contracting Parties" means the City and the "Initial Contracting Parties," as defined in the first paragraph of this Contract, together with any other party or parties which hereafter becomes one of the Contracting Parties by becoming an Additional Contracting party.
 - (j) "Contracting Party" means any one of the Contracting Parties.

- (k) "District" means the "District" as defined in the preamble to this Contract
- (i) "Existing System" means the "Existing System" as defined in the preamble to this Contract
- (m) "Initial Contract" means the "Initial Contract" as defined in the preamble to this Contract
- (n) "MGD" is an abbreviation for "million gallons of water per day" and means a quantity of water during a period of time expressed for convenience in terms of an average annual daily quantity during an Annual Payment Period. The value of 2 MGD, for example, is calculated as follows: two million gallons multiplied by the number of days in an Annual Payment Period.
- operation and Maintenance Expenses" means all reasonable costs and expenses of operation and maintenance of the System, including (for greater certainty but without limiting the generality of the foregoing) repairs and replacements, operating personnel, the cost of utilities, the amounts required to pay the U.S. Army Corps of Engineers or any other federal, state, or local agency for water storage rights or other interests in water in any reservoir, or for the purchase of water, or for the use or operation of any property of facilities, the costs of supervision, engineering, accounting, auditing, legal services, insurance premiums, supplies, services, administration of the System, and equipment necessary for proper operation and maintenance of the System, and payments made by the District in satisfaction of judgments resulting from claims not covered by the District's insurance arising in connection with the acquisition, construction, operation, and maintenance of the System. The term also includes the charges of the bank or banks acting as paying agents and/or registrars for any Bonds. The term does not include depreciation

į

(p) "Outstanding Bonds" means the Outstanding Bonds, as defined in the preamble to this Contract.

6

- (q) "Projects" means the "Projects" as defined in the preamble to this Contract
- "System" means collectively the Existing System and the Projects, and all of the (r) District's existing water rights, and water storage, treatment, transportation, distribution, and supply facilities, including all dams, reservoirs, and other properties or interests therein wherever located, which heretofore have been acquired or constructed with the proceeds from the sale of the Outstanding Bonds, or the bonds refunded by same, or with any other bonds or other obligations of the District payable from and secured by a lien on and pledge of any part of the revenues of the System or with revenues from said System together with all future improvements, enlargements, extensions, and additions to any of the foregoing, and all future new facilities and/or water rights, which are acquired or constructed with the proceeds from the sale of any Bonds or revenues from the System, and any water supply or treatment facilities which are deliberately and specifically, at the option of the District, made a part of the System by resolution of the Board of Directors of the District, and all repairs to or replacements of the system Said terms do not include any District facilities which provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by the District with the proceeds from the issuance of "Special Facilities Bonds", which are hereby defined as being revenue obligations of the District which are not issued as Bonds (as hereinbefore defined), and which are payable from any source, contract, or revenues whatsoever other than revenues from the System.
- (s) "treated water" means potable water treated to the standards of quality specified in Section 5 of this Contract. Such term does not include non-potable water such as wastewater or other non-potable water derived, treated, or produced from any source by any Contracting Party.
- (t) "Water year" means the period of August 1 of each calendar year through July 31, of the next following calendar year.

7

ţ.

Section 2 CONSTRUCTION OF PROJECTS. The District agrees to use its best efforts to issue its Bonds, payable from Annual Payments under this Contract, to acquire and construct the Projects and other System facilities when and as needed, as determined by the District, to supply treated water to all Contracting Parties. It is anticipated that such acquisition and construction will be in phases and that each phase will be financed by the District through the issuance of one or more series or issues of its Bonds; and the District agrees to use its best efforts to issue its Bonds for such purpose. Bonds also may, at the discretion of the District, be issued to refund any Bonds, and be issued to improve and/or extend any System facilities. The proceeds from the sale and delivery of the Bonds may be used to fund debt service reserve funds or contingency funds and interest during construction to the extent deemed advisable by the District, and for the payment of all of the District's expenses and costs in connection with any Projects or other System facilities and the Bonds, including, without limitation, all financing, legal, printing, and other expenses and costs related to the Bonds and the Projects and other System facilities.

Section 3. QUANTITY. (a) The District agrees to sell and to deliver treated water under this Contract to the City at its Point or Points of Delivery as described in Section 6 hereof, and the City agrees to take at its Point or Points of Delivery all treated water required for use by the City during the term of this Contract, including all treated water for the City's own use and for distribution to all customers served by the City's treated water distribution system, whether inside or outside its boundaries. It is specifically provided, however, that after the Contract Date, the City shall not enter into, renew, or amend with regard to volume of water to be supplied, any agreement to supply any such treated water for use outside its boundaries or the area of its statutory extraterritorial jurisdiction unless such agreement is approved by the Board of Directors of the District (which approval shall not be unreasonably withheld) and made subject and subordinate in all respects to the water requirements

of all of the Contracting parties collectively. No Contracting Party shall become a party to any contract for the sale of treated water which would violate or be inconsistent with the provisions of this Contract, and all such contracts shall recognize the priority of treated water use as provided in this Contract. It is the intention of the parties hereto that the System shall be the sole and exclusive source of all treated water supply for each of the Contracting Parties However, notwithstanding the foregoing provisions of this subsection (a), if, after the Contract Date, any Contracting Party should legally and finally annex or consolidate with any territory which has a source of treated water supply other than from such Contracting Party, then the District and such Contracting Party are authorized to, and may, negotiate and enter into agreements which would allow the continued use of such other source within such annexed territory upon such terms and conditions as are mutually agreeable to the District and such Contracting Party, and as an exception to the foregoing requirements with respect to exclusivity. The District will use its best efforts to furnish and remain in position to furnish treated water sufficient for all reasonable treated water requirements of each Contracting Party, but its obligation shall be limited to the amount of treated water available to it from the System, and provided that the maximum rate of delivery shall be consistent with the capacities and abilities of System facilities, and shall not exceed the amounts fixed on an equitable and uniform basis by the Board of Directors of the District. The District agrees to use its best efforts to issue its Bonds in amounts necessary to acquire, construct, maintain, improve, and extend the entire System, including the Projects and other System facilities, so as to enable the District to furnish such treated water. As between the Contracting Parties, if treated water from the System must be rationed such rationing shall, within the limits permitted by law, be done by the District on the basis of the relative actual total amount of all treated water form the entire System taken by each such Contracting Party,

respectively, during the last preceding Annual Payment Period in which rationing among said parties was not necessary

If the District is at any time during the term of this Contract unable to supply all the (b) treated water requirements of the Contracting Parties for any reason, or if it should become apparent that the District will become unable to supply the Contracting Parties with their water requirements, and any Contracting Party determines that it is necessary to procure treated water from sources other than the District, then such Contracting Party shall give written notice to the District of its intention and desire to procure treated water from sources other than the District, and its reasons therefor. Unless, within sixty (60) days from the receipt by the District of such written notice, the District shall object to such procurement (such objection to be evidenced by a resolution adopted by a vote of a majority of all members of the District's Board of Directors), then such Comracting Party may proceed to procure such treated water from other sources at its sole cost, and without any liability for damages accruing in favor of or against the District by reason thereof However, such Contracting Party shall nevertheless continue to be obligated to take from the District and pay for all treated water at any time available to such Contracting Party from the District's System up to the full treated water requirements of such Contracting Party. In no event shall the taking of treated water from a source other than the District relieve any Contracting Party from making all payments due the District under this Contract Further, all Contracting Parties shall at all times have the right to secure treated water from any possible source (i) in any emergency when the District is unable to deliver treated water from the System because of any "Force Majeure" as defined in the Contract, or (ii) in any other emergency situation, as determined by a Contracting Party for a period not to exceed thirty days, or for any longer period approved in writing by the District Notwithstanding the foregoing provisions of this Contract, any Contracting Party also may purchase treated water from a source other than the System, if the District determines that such purchase is in the best interests of the District and the Contracting Parties and gives written approval to such purchase; and in such case, for the purposes of this Contract, the District shall be deemed to be the constructive purchaser of such water and such water shall be deemed to be System water, and the District shall either pay for said water on behalf of such Contracting Party or reimburse such Contracting Party for the cost of such water, and such Contracting Party shall pay the District for such water the same as if it were regular System water

- water from the System to Additional Contracting Parties under contracts similar to this Contract, subject to the requirements concerning "minimums" as provided in Section 9(c) hereof Each contract with any Additional Contracting Party shall comply with the requirements of this Contract, shall substantially restate the essential provisions of this Contract, and shall be structured to be similar. hereto to the fullest extent applicable and practicable, with such additions or changes as are necessary to meet the actual circumstances, with the effect that each Additional Contracting Party will in effect adopt the provisions of this Contract, as supplemented and necessarily changed by its contract
- (b) It is recognized and agreed that the District has System water supply contracts with entities other than the Contracting Parties, which contracts will remain in full force and effect, in accordance with their terms and provisions, after the Contract Date. The District shall enforce the aforesaid existing water supply contracts during the entire terms thereof, unless any such contract is replaced by a contract with an Additional Contracting party hereunder. Upon the expiration of each such contract with any party the District thereafter may sell water to such party only on the basis that it is a new customer with respect to System water.

(c) It is further recognized and agreed that in the future the District may sell any water from the System to parties which are not Additional Contracting Parties, provided that all such future sales of water from the System to parties which are not Additional Contracting Parties shall, within the limited permitted by law, in all respects be subordinate to the prior rights of the Contracting Parties to water from the System, and all such sales and contracts relating thereto shall recognize, and be made subordinate to, such prior rights

Section 5. QUALITY. The water to be delivered by the District and received by each Contracting Party shall be treated water from the System. The City has satisfied itself that such water will be suitable for its needs, but the District is obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. The District and the Contracting Parties shall cooperate, each within its legal powers, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which System water is obtained.

Section 6 POINTS OF DELIVERY. The Point or Points of Delivery for the City shall be the Point or Points of Delivery applicable to it under its present treated water supply contract with the District, or at any other Point or Points of Delivery mutually agreed upon between the District and the City Each Contracting Party shall construct, maintain, and operate, at its own cost and expenses, all facilities and equipment necessary to receive and take all treated water delivered to it under this Contract

Section 7. MEASURING EQUIPMENT (a) The District shall furnish, install, operate, and maintain at its own expense at each Point of Delivery of each Contracting Party the necessary equipment and devices of standard type for measuring property the quantity of treated water delivered under this agreement. Such meter or meters and other equipment so installed shall remain the

É

property of the District Each Contracting Party shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of the District. For the purpose of this agreement the original record or reading of the meter or meters shall be the journal or other record book of the District in its office in which the records of the employees or agents of the District who take the reading are or may be transcribed. Upon written request of any Contracting Party, the District will send it a copy of such journal or record book, or permit it to have access to the same in the office of the District during reasonable business hours.

Not more than once in each calendar month, on a date as near the end of such calendar month as practical, the District shall calibrate its meters if requested in writing by a Contracting Party to do so, in the presence of a representative of the Contracting Party, and the parties shall jointly observe any adjustments which are made to the meters in case any adjustments shall be necessary, and if the check meters hereinafter provided for have been installed, the same shall also be calibrated by Contracting Party in the presence of a representative of the District and the parties shall jointly observe any adjustment in case any adjustment is necessary. If any Contracting Party shall in writing request the District to calibrate its meters and the District shall give the Contracting Party notice of the time when any such calibration is to be made and a representative of the Contracting Party is not present at the time set, the District may proceed with calibration and adjustment in the absence of any representative of the Contracting Party.

If a Contracting Party or the District at any time observes a variation between the delivery meter or meters and the check meter or meters at that Contracting Party's Point or Points of Delivery, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the District and such Contracting Party shall then cooperate to procure an immediate calibration

test and joint observation of any adjustment and the same meter or meters shall then be adjusted to accuracy. The party performing the test shall give the other party forty-eight (48) hours' notice of the time of all tests of meters so that the other party may conveniently have a representative present.

۲

If upon any test, the percentage of inaccuracy of any metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period 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 (½) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters are out of repair so that the amount of water delivered to a Contracting Party cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters are out of service or out of repair shall be estimated and agreed upon by the District and such Contracting Party upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Any Contracting Party may, at its option and its own expense, install and operate a check meter to check each meter installed by the District, but the measurement of water for the purpose of this agreement shall be solely by the District's meters, expect in the cases hereinabove 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 the District, but the

reading, calibration and adjustment thereof shall be made only by the Contracting Party, except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration, and adjustment thereof shall be made by the District with like effect as if such check meter or meters had been furnished or installed by the District.

Section 8. UNIT OF MEASUREMENT. The unit of measurement for treated water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure

Section 9. PRICES AND TERMS, PAYMENTS BY CONTRACTING PARTIES. (a)

Annual Requirement and Proportionate Payment. It is acknowledged and agreed that payments to
be made under this Contract and any simular contracts with Additional Contracting Parties will be the
primary source available to the District to provide the Annual Requirement, and that, in compliance
with the District's duty to fix and from time to time revise the rates of compensation or charges for
water sold and services rendered and made available by the District, the Annual Requirement will
change from time to time, and that each such Annual Requirement shall be allocated among the
Contracting Parties as hereinafter provided, and that the Annual Requirement for each Annual
Payment Period shall at all times be not less than an amount sufficient to pay or provide for the
payment of.

- (A) An "Operation and Maintenance Component" equal to the amount paid or payable for all Operation and Maintenance Expenses of the System; and
- (B) A "Bond Service Component" equal to.
 - the principal of, redemption premium, if any, and interest on, its Bonds, as such principal, redemption premium, if any, and interest become due, less interest to be paid out of Bond proceeds or from other sources if permitted

- by any Bond Resolution, and all amounts required to redeem any Bonds prior to maturity when and as provided in any Bond Resolution, and
- (2) the proportionate amount of any special, reserve, or contingency funds required to be accumulated and maintained by the provisions of any Bond Resolution; and
- (3) any amount in addition thereto sufficient to restore any deficiency in any of such funds required to be accumulated and maintained by the provisions of any Bond Resolution

It is agreed that for the treated water supply to be provided to Contracting Parties under this Contract and similar contracts, each of the Contracting Parties shall pay, at the time and in the manner hereinafter provided, its proportionate share of the Annual Requirement, which shall be determined as hereafter described and shall constitute a Contracting Party's Annual Payment. Each of the Contracting Parties shall pay its proportionate share of the Annual Requirement for each Annual Payment Period directly to the District, in approximately equal monthly installments, or before the 10th day of each month.

(b) Calculation of Proportionate Payments: Rates For each Annual Payment Period each Contracting Party's proportionate share of the Annual Requirement shall be a percentage obtained by dividing the minimum amount specified and calculated for it for such period, in accordance with subsection (c) of this Section 9, by the aggregate minimum amounts specified and calculated for all Contracting Parties for such period in accordance with said subsection (c) Thus the base "rate" per 1,000 gallons of treated water which each Contracting Party must pay for treated water during any Annual Payment Period may be calculated and expressed by dividing the dollar amount of such Contracting Party's proportionate share of the Annual Requirement by the number of 1,000 gallons

contained within its specified minimum amount for such Annual Payment Period All such payments for each Annual Payment Period shall be made in accordance with a schedule of payments for the appropriate Annual Payment Period which will be supplied to each of the Contracting Parties by the District

(c) Minimums. For the purpose of calculating the minimum amount of each Annual Requirement for which each Contracting Party is unconditionally liable, without offset or deduction (also see Section 10(g)), each Contracting Party, during each Annual Payment Period, shall be deemed to have taken and used the minimum annual average daily amount of System treated water (regardless of whether or not such amount is or was actually taken or used) specified for such Contracting Party as follows:

for each of the Contracting Parties, respectively, a minimum amount, expressed in MGD, during each Annual Payment Period, equal to the greater of:

(1) 6 720 MGD for the City of Allen

898 MGD for the City of Farmersville

1.159 MGD for the City of Forney

11.303 MGD for the City of Frisco

32 476 MGD for the City of Garland

4.433 MGD for the City of McKinney

15 806 MGD for the City of Mesquite

28 688 MGD for the City of Plano

.634 MGD for the City of Princeton

19.760 MGD for the City of Richardson

. 2,633 MGD for the City of Rockwall

17

*

523 MGD for the City of Royse City

1.186 MGD for the City of Wylie, or

Ĺ,

Contracting Party during any previous Water Year (as hereinbefore defined) during the term of this Contract; it being agreed and understood that any use of System water in any Water Year by any Contracting Party in excess of (i) the minimum amount specified for it in clause (1) above, or (ii) as determined in accordance with this clause (2), will establish a new minimum amount to be effective for the next following Annual Payment Period and thereafter until any previously increased minimum amount is further exceeded in any subsequent Water Year, with each such increase in minimums to be effective for the next following Annual Payment Period and thereafter until further increased in accordance with this clause (2)

Notwithstanding the foregoing provisions of this subsection (c), if any portion of a Contracting Party's minimum amount is attributable to treated water sold or delivered to an entity outside of its boundaries, pursuant to a treated water supply contract, and (i) if such entity should become an Additional Contracting Party and such treated water supply contract be terminated, or (ii) if such treated water supply contract with such Contracting Party otherwise should be terminated and in lieu thereof such entity should enter into a treated water supply contract with the District as permitted in Section 4 hereof, then such Contracting Party's minimum amount for the next Annual Payment Period and thereafter shall be reduced by the maximum MGD previously taken by said entity from such Contracting

18.

Party during any previous Water Year pursuant to such terminated treated water supply contract with such Contracting Party

All contracts with Additional Contracting Parties shall provide for equitable minimums similar to those provided for above. Such minimums shall be fixed in amounts at least sufficient, as determined by the District, to assure an initial Annual Payment by each Additional Contracting Party for not less than the amount of its estimated use of treated water during the first year of service under such contract

- (d) Excess Water Charges. It is further agreed that, in addition to the amounts required to be paid by Contracting Parties pursuant to subsections (a), (b), (c), and (e) of this Section 9, if any Contracting Party during any Water Year uses System treated water in excess of the minimum amount applicable to it for the Annual Payment Period which commenced during such Water Year, then such Contracting Party shall pay an "Excess Water Charge" equal to that part of the Operation and Maintenance Expenses (electric power, chemicals, and other similar costs) directly attributable to supplying such excess treated water to such Contracting Party, all as determined by the District. Such Excess Water Charge shall be billed by the District to such Contracting Party as soon as practicable after the end of such Water Year and shall be paid to the District as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period. Such Excess Water Charges shall be credited to and be used for paying part of the Operation and Maintenance Expenses for the then current Annual Payment Period and reduce the extent of such credits the amounts which otherwise would be payable by the Contracting Parties during such then current Annual Payment Period
- (e) <u>Redetermination of Annual Requirement</u>. Each Contracting Party's share of the Annual Requirement shall be redetermined, after consultation with each of the Contracting Parties,

at any time during any Annual Payment Period, to the extent deemed necessary or advisable by the District, if:

- (i) The District commences supplying System treated water to an Additional Contracting

 Party or Parties,
- (ii) Unusual, extraordinary, or unexpected expenditures for Operation and Maintenance Expenses are required which are not provided for in the District's Annual Budget for the System or in any Bond Resolution;
- (iii) Operation and Maintenance Expenses are substantially less than estimated;
- (iv) The District issues Bonds which require an increase in the Bond Service Component of the Annual Payment; or
- (v) The District receives either significantly more or significantly less revenues or other amounts than those anticipated
- Other Revenues During each Annual Payment Period the revenues derived from sales of System water, other than sales of treated water to Contracting Parties, shall be credited to and be used for paying part of the Annual Requirement in the manner determined by the District, with the result that such credits shall reduce, to the extent of such credits, the amounts which otherwise would be payable by the Contracting Parties pursuant to the methods prescribed in subsections (a), (b), (c), and (e), above The District shall estimate all such credits which it expects to make during each Annual Payment Period in calculating each Annual Payment.
- (g) Annual Budget On or before the first day of the fourth calendar month prior to the beginning of each Annual Payment Period hereafter the District shall furnish each Contracting Party with a tentative or preliminary estimated schedule of the monthly payments to be made by such party

to the District for the ensuing Annual Payment Period. On or before the first day of the second calendar month prior to the beginning of each Annual Payment Period hereafter the District shall furnish each Contracting Party with an updated estimated schedule of the monthly payments to be made by such Party to the District for the next ensuing Annual Payment Period. Prior to the first day of each Annual Payment Period hereafter the District shall furnish each Contracting Party with a final estimated schedule of the monthly payments to be made by such Party to the District for the next ensuing Annual Payment Period, together with the supporting budgetary data showing the basis for arriving at such schedule. Any surplus budgeted funds remaining on hand at the end of any Annual Payment Period shall be used during the following Annual Payment Period and reduce in the manner determined by the District, to the extent of any such surplus funds, the amounts which otherwise would be payable by the Contracting Parties under subsections (a), (b), (c), and (e), above. Each Contracting Party hereby agrees that it will make such payments to the District on or before the 10th day of each month of such Annual Payment Period. If any Contracting Party at any time disputes the amount to be paid by it to the District, such complaining party'shall nevertheless promptly make such payment or payments, but if it is subsequently determined by agreement or court decision that such disputed payments made by such complaining party should have been less, or more, the District shall promptly revise and reallocate the charges among all Contracting Parties in such manner that such complaining party will recover its overpayment or the District will recover the amount due it.

(h) <u>Delinquencies</u>. All amounts due and owing to the District by each Contracting Party or due and owing to any Contracting Party by the District shall, if not paid when due, bear interest at the rate of ten (10) percent per annum from the date when due until paid. The District shall, to the extent permitted by law, suspend delivery of water from the System to any Contracting Party which remains delinquent in any payments due hereunder for a period of sixty days, and shall not resume

delivery of water while such Contracting Party is so delinquent. It is further provided and agreed that if any Contracting Party should remain delinquent in any payments due hereunder for a period of one hundred twenty days, and if such delinquency continues during any period thereafter, such Contracting Party's minimum amount of MGD as described in subsection (c), above, shall be deemed to have been zero MGD during all periods of such delinquency, for the purpose of calculating and redetermining the percentage of each Annual Payment to be paid by the non-delinquent Contracting Parties However, the District shall promptly pursue all legal remedies against any such delinquent Contracting Party to enforce and protect the rights of the District, the other Contracting Parties, and the owners of the Bonds, and such delinquent Contracting Party shall not be relieved of the liability to the District for the payment of all amounts which would have been due hereunder, in the absence of the next preceding sentence. It is understood that the foregoing provisions are for the benefit of the owners of the Bonds so as to insure that all of each Annual Requirement will be paid by the nondelinquent Contracting Parties during each Annual Payment Period regardless of the delinquency of a Contracting Party If any amount due and owing by any Contracting Party to the District is placed with an attorriey for collection, such Contracting Party shall pay to the District all attorneys fees, in addition to all other payments provided for herein, including interest

(i) <u>Updated Schedules of Payment</u> If, during any Annual Payment Period, any Contracting Party's Annual Payment is redetermined as provided in this Section, the District will promptly furnish such Contracting Party with an updated schedule of monthly payments reflecting such redetermination.

Section 10, SPECIAL CONDITIONS AND PROVISIONS. (a) Operation and Maintenance
of System The District will continuously operate and maintain the System in an efficient manner and

in accordance with good business and engineering practices, and at reasonable cost and expense Each Contracting Party waives any and all claims, as against the other Contracting Parties, to any preferential right or entitlement to the capacity or use of specific water sources of the District. The District recognizes its right and duty to operate the various facilities of the System in the most prudent and economical manner for the benefit of all the Contracting Parties. The District shall exercise loyalty, good faith, and fair dealing relating to all Systemactivities undertaken by the District as between the District and the Contracting Parties.

- (b) Permits, Financing, and Applicable Laws It is understood that any obligations on the part of the District to acquire, construct, and complete the Projects and other System facilities and to provide treated water from the Projects and other System facilities to the Contracting Parties shall be (i) conditioned upon the District's ability to obtain all necessary permits, material, labor, and equipment, and upon the ability of the District to finance the cost of the Projects and other System facilities through the actual sale of the District's Bonds and (ii) subject to all present and future valid laws, orders, rules, and regulations of the United States of America, the State of Texas, and any regulatory body having jurisdiction.
- Party shall be in the District up to each Point of Delivery, at which point title shall pass to the receiving Contracting Party. The District and each of the Contracting Parties shall save and hold each other party harmless from all claims, demands, and causes of action which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. Notwithstanding any other provision of this Contract, it is specifically provided that water obtained or resulting from the wastewater treatment operations of any Contracting Party shall be under the sole

and exclusive dominion, control, and ownership of such Contracting Party and the District shall have no right, title, or interest in or claim against such water of any nature whatsoever.

- (d) Payments Solely From Revenues The District shall never have the right to demand payment by any Contracting Party of any obligations assumed by it or imposed on it under and by virtue of this Contract from funds raised or to be raised by taxes, and the obligations under this Contract shall never be construed to be a debt of such kind as to require any of the Contracting Parties to levy and collect a tax to discharge such obligation.
- Operating Expenses of Contracting Parties Each of the Contracting Parties has represented and covenanted or hereby represents and covenants that all payments to be made by it under this Contract constitute reasonable and necessary "operating expenses" of its waterworks system; in accordance with Vernon's Ann. Tex. Civ. St. Article 1113 and The Interlocal Cooperation Act It is further recognized that the waterworks system of the City is presently combined with its sewer system in accordance with law for operating and financing purposes. Each of the Contracting Parties, respectively, has represented and determined or hereby represents and determines that the treated water supply to be obtained from the System, including the Projects and other System facilities, is absolutely necessary and essential to the present and future operation of its waterworks system and is the only available and adequate source of supply of treated water therefor Accordingly, the payments required by this Contract to be made by each Contracting Party shall constitute reasonable and necessary operating expenses of its waterworks system and shall be made as provided by law, including the aforesaid Article 1113 and the Interlocal Cooperation Act. In accordance with said Article 1113, such payments shall have priority over the payment of principal of and interest on all bonds and other similar obligations heretofore or hereafter issued by any Contracting Party.

- (f) Contracting Parties' Rates For Water and Sewer System Services Each of the Contracting Parties has agreed or hereby agrees throughout the term of this Contract to continuously operate and maintain its combined waterworks and sewer system, and to fix and collect such rates and charges for water and sewer services to be supplied by its combined waterworks and sewer system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts required to be paid from said revenues by law and the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding
- Contracting Parties' Unconditional Obligations. Recognizing the fact that the Contracting Parties urgently require the facilities and services of the System, and that such facilities and services are essential and necessary for actual use and for standby purposes, and recognizing the fact that the District will use payments received from the Contracting Parties to pay and secure the Bonds, it is hereby agreed that each of the Contracting Parties shall be unconditionally obligated to pay, without offset or deduction, its proportionate share of each Annual Requirement, as provided and determined by this Contract (including the obligations for paying for "minimums" as described in Section 9 (c) hereof), regardless of whether or not the District actually acquires, constructs, or completes the Projects or other System facilities or is actually delivering water from the System to any Contracting Party, or whether or not any Contracting Party actually receives or uses water from the System whether due to Force Majeure or otherwise, and regardless of any other provisions of this or any other contract or agreement between any of the parties hereto. This covenant by the Contracting Parties shall be for the benefit of, and enforceable by, the owners of the Bonds as well as the District

Section 11. FORCE MAJEURE If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of each Contracting Party to make the payments required under Section 9 of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other parties 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, shall be suspended during the continuance of the inability then claimed, but for no longer period, 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, insurrection, riots; epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

 i_f

Section 12. INSURANCE. The District agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self-insurance, on the System for purposes and in amounts which, as determined by the District, ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that the District shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of the District's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such

facilities. All premiums for such insurance shall constitute an Operation and Maintenance Expense of the System.

Section 13 TERM AND EFFECT OF CONTRACT. (a) This Contract shall, upon execution by the District and the City, be effective as of the Contract Date, and this Contract shall continue in force and effect until all Bonds and all interest thereon shall have been paid or provided for, and thereafter shall continue in force and effect during the entire useful life of the System.

(b) It is specifically agreed and understood that this Contract, as of the Contract Date, will supersede all of the contracts, agreements, and arrangements between each of the parties hereto with respect to the System and treated water from the System and the Bonds, and that this Contract, as of the Contract Date, will completely amend and supersede all such contracts, agreements, and arrangements with respect to the System and treated water from the System and the Bonds, and will constitute the sole agreement between the parties hereto or any of them with respect to the System and treated water from the System and the Bonds; and all such previous contracts, agreements, and arrangements shall be void and shall be of no force or effect, except for payments due and liabilities accrued thereunder prior to the Contract Date

Section 14. MODIFICATION. No change or modification of this Contract shall be made which will affect adversely the prompt payment when due of all moneys required to be paid by any Contracting Party under the terms of this Contract or any similar contract, and no such change shall be effective which would cause a violation of any provisions of any Bond Resolution. No change or modification of this Contract shall be made without the written consent of all parties hereto.

Section 15. REGULATORY BODIES AND LAWS. This Contract is subject to all applicable Federal and State laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state, or federal governmental authority having or asserting jurisdiction, but

nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum having jurisdiction.

Section 16. NOTICES. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the District, to.

North Texas Municipal Water District P. O. Box 2408 Wylie, Texas 75098

If to the Contracting Parties, as follows:

City of Allen One Allen Civic Plaza Allen, Texas 75013

City of Frisco 6891 Main Street Frisco, Texas 75034

City of Farmersville 303 S. Main Farmersville, Texas 75031

City of Forney 101 E. Main Street Forney, Texas 75126

1,

3 k

City of Garland 200 N. Fifth Street P. O. Box 469002 Garland, Texas 75040

P. O. Box 517 McKinney, Texas 75069

City of Mesquite 711 N. Galloway Mesquite, Texas 75149

City of Princeton 306 N. Front Street Princeton, Texas 75077

City of Richardson 411 W. Arapaho Road Richardson, Texas 75080

City of Rockwall 205 W Rusk Rockwall, Texas 75087

City of Royse City P. O. Drawer A. Royse City, Texas 75089

City of Wylie P O. Box 428 Wylie, Texas 75098

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other parties hereto.

Section 17. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 18. REMEDIES UPON DEFAULT. It is not intended hereby to specify (and this Contract shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies (other than termination) existing at law or in equity may be availed of by any party hereto and shall be cumulative. Recognizing however, that the District's undertaking to provide and maintain a supply of water hereunder is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, the District agrees, in the event of any default on its part, that each Contracting Party shall have available to it the equitable remedy of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination) which may also be available. Recognizing that failure in the performance of any Contracting Party's obligations hereunder could not be adequately compensated in money damages alone, each Contracting Party has agreed or hereby agrees in the event of any default on its part that the District shall have available to it the equitable remedy of mandamus and specific performance in addition to

any other legal or equitable remedies (other than termination) which may also be available to the District. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto or of performance by any other party of any duty or obligation hereunder shall be deemed a waiver thereof in the future, nor shall any such waiver or waivers be deemed or construed to be waiver of subsequent breaches or defaults of any kind, character, or description, under any circumstances.

Section 19 VENUE. All amounts due under this Contract, including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of the District are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract, and in the event that any legal proceeding is brought to enforce this Contract or any provision hereof, the same shall be brought in Collin County, Texas

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 all constitute an original, all as of the day and year first above written, which is the date of this Contract

. EXECUTED THIS October 35, 000 but effective as of the Contract Date.

NORTH TEXAS MUNICIPAL WATER DISTRICT

BY Jan Tarky
President, Board of Directors

ATTEST.

Secretary, Board of Directors

APPROVED AS TO FORM AND LEGALITY.

Mall Parkhent + Horten L. C. P.
Attorney for the District

(DISTRICT SEAL)

· EXECUTED THIS Who was a full but effective as of the Contract Date.

CITY OF FRISCO, TEXAS

BY Geng Fundry
City Manager

ATTEST:

AUL

City Secretary

APPROVED AS TO FORM AND LEGALITY:

City Attorney

EXHIBIT "D"



CITY OF FRISCO

GEÓRGE A. PUREFOY MUNICIPAL CENTER 6101 FRISCO SQUARE BLVD 3RD FLOOR FRISCO, TEXAS 75034 TEL 972.292.5400 FÁX 972.292.5016 WWW.FRISCOTEXAS.GOV

. March 1, 2015

Bill Robinson
Cross Engineering
131 S. Tennessee Street
McKinney, Texas 75069
(972) 562-4409
bróbinson@crossengineering.biz

Re: Westridge Apartments Frisco, Texas

To Whom It May Concern:

As requested, I am sending you a letter verifying that the City of Frisco will serve water, sewer, and storm utilities to the area as shown on the attached map, when developed. The map indicates the current water lines (blue), sanitary sewer lines (green) on or near the subject property. The extension of utility lines to the subject property, which is subject to all ordinances, rules, and requirements of the City, as they exist or may be amended, is the sole responsibility of the owner/developer. In addition, the owner/developer is solely responsible for obtaining any required offsite easements. The City can provide current easement templates, which are subject to the final review and approval of the City prior to execution by any Grantor.

The developer is responsible for sizing any offsite lines to accommodate all future flows based on the more conservative value from either the Future Land Use Plan or the existing Zoning. Permanent service connections will be reviewed by the Engineering Department as part of the engineering plan review process, which begins with submittal of the final site plan. City requirements for water and sanitary sewer design and construction are available on the City's website.

If you have any additional questions, please contact the City of Frisco Engineering Services Department at 972-292-5472.

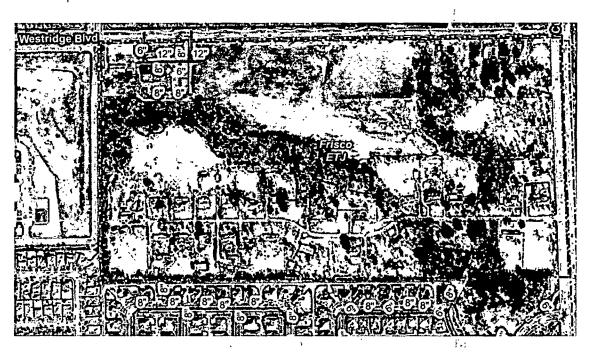
Sincerely,

Stephanie Miller Construction Technician 6101 Frisco Square Blvd Frisco, TX 75034 972-292-5472



CITY OF FRISCO

GEORGE A. PUREFOY MUNICIPAL CENTER 6101 FRISCO SQUARE BLVD - 3RD FLOOR FRISCO, TEXAS 75034 TEL 972.292.5400 - FAX 972.292.5016 WWW.FRISCOTEXAS.GOV



DISCLAIMER: The City of Frisco has prepared this map or information for internal use only. It is made available under the Public Information Act. Any reliance on this map or information is AT YOUR OWN RISK. Frisco assumes no liability for any errors, omissions, or inaccuracies in the map or information regardless of the cause of such or for any decision made, action taken, or action not taken in reliance upon any maps or information provided herein. Frisco makes no warranty, representation, or guarantee of any kind regarding any maps or information provided herein or the sources of such maps or information and DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESSED AND IMPLIED, including the implied warranties of merchantability and fitness for a particular purpose.