- Transfer to McKinney. Frisco and McKinney agree that, after the Transfer Effective Date, McKinney shall have the sole right to provide retail water service within the McKinney Transfer Area, and Frisco will have no further obligation or right to provide water service to any existing or future customers in the McKinney Transfer Area, except as may be agreed by the Parties in writing.
- (8) <u>Current Customers in McKinney Transfer Area</u>. All current retail water customers of Frisco and any customers added between the date of this Agreement and the Transfer Effective Date whose place of use of water is located within the McKinney Transfer Area will, after the Transfer Effective Date, become customers of McKinney.
- (9) Facilities and Waterlines in the McKinney Transfer Area. All facilities, waterlines, easements, or equipment belonging to Frisco used to provide service in the McKinney Transfer Area shall be transferred to McKinney by this Agreement. To the extent Frisco has facilities, waterlines, easements, or equipment belonging to Frisco in the McKinney Transfer Area that are not used to serve the area, but are used to provide service to Frisco's service territory, those facilities, waterlines, easements, or equipment shall not be transferred.
- (10) Service by McKinney to the Transfer Area. McKinney currently provides retail water service to the McKinney Transfer Area, and the Parties agree that McKinney shall be entitled to continue to provide temporary water service to the McKinney Transfer Area. All revenue, fees, charges, or other monies collected by McKinney during the period of temporary service shall inure to McKinney's benefit.
- (11) Transfer and Amendment of CCNs. Frisco and McKinney shall each file appropriate applications with the Texas Commission on Environmental Quality ("TCEQ") to formally transfer the Transfer Areas from McKinney's CCN to Frisco's CCN and from Frisco's CCN to McKinney's CCN. Frisco and McKinney shall endeavor to obtain TCEQ approval of the CCN transfers contemplated herein in an expeditious manner and will support and cooperate with each other and the TCEQ to accomplish this goal. The Parties shall file the necessary application to transfer the CCNs by December 31, 2007. The Parties shall make all reasonable efforts to file the applications simultaneously with the TCEQ. Each Party shall bear their own costs associated with preparing and filing the CCN applications and the pursuit of regulatory approvals.

- (12) <u>Transfer of Customers</u>. Frisco and McKinney shall cooperate in providing notice of the transfer to customers located within the Transfer Area, if any. McKinney shall be entitled to receive all water utility service revenues and fees for water utility services rendered by McKinney prior to the execution date of the Agreement, unless otherwise contracted. Frisco shall be entitled to receive all water utility service revenues and fees for water utility services rendered by Frisco prior to the execution date of the Agreement, unless otherwise contracted. The Parties shall transfer all customers within 90 days after the issuance date of the TCEQ order approving the transfer.
- (13) Effective Dates. This Agreement is effective and enforceable as between Frisco and McKinney following execution by both parties. The transfer of the Transfer Areas to the other-Party is effective and enforceable upon notice of the intended date of transfer of the retail water service (the "Transfer Effective Date").
- (14) Filing of Agreement. After Execution of the Agreement by the Parties, a copy of the Agreement shall be filed with the TCEQ.
- (15) Section 13.248. This Agreement shall be construed and interpreted in accordance with Section 13.248 of the Texas Water Code.

MISCELLANEOUS

- (16) Applicable Texas Law. This Agreement shall be governed by and construed and enforced under the laws of the State of Texas.
- (17) Performance. The obligations and undertakings of each of the parties to this Agreement shall be performed in Collin County, Texas. Except for matters within the jurisdiction of the TCEQ (or its successor), the parties expressly agree that all judicial proceedings to enforce any of the provisions of this Agreement shall take place in Collin County, Texas.
- (18) Entire Agreement. This Agreement contains the entire agreement of Frisco and McKinney with respect to the subject matter of the Agreement. No Agreement, statement, or promise made by any party or to any employee, agent, or officer of any party, that is not contained in this Agreement shall be valid, binding, or of any force or effect. Any amendments to this Agreement must be in writing and signed by the party or parties to be charged.
- (19) <u>Successors and Assigns</u>. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, representatives, and assigns.

- (20) Agreement Drafted Equally. This Agreement shall be deemed drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against either Party shall not apply.
- (21) Severability. Should any provision of this Agreement be declared void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.
- (22) Attomey's Fees. In the event of any suit or other adjudication between the Parties to enforce any claim arising out of this Agreement, or to interpret the terms of this Agreement, the prevailing Party shall be entitled to recover its fees, damages, costs, attorneys' fees, and such other and further relief from the non-prevailing Party, general or special, at law or in equity, to which the prevailing Party may show itself justly entitled as provided by Texas Local Government Code § 271.159.
- (23) Covenant of Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign this Agreement on behalf of their respective party.

IN WITNESS WHEREOF, EXECUTED by the City of Frisco and the City of McKinney under the authority of their respective governing bodies in Duplicate Originals on the dates indicated below.

CITY OF FRISCO

William Market

Grandella

ATTEST:

city Secretary)

CITY OF MCKINNEY

BY: Xeureell

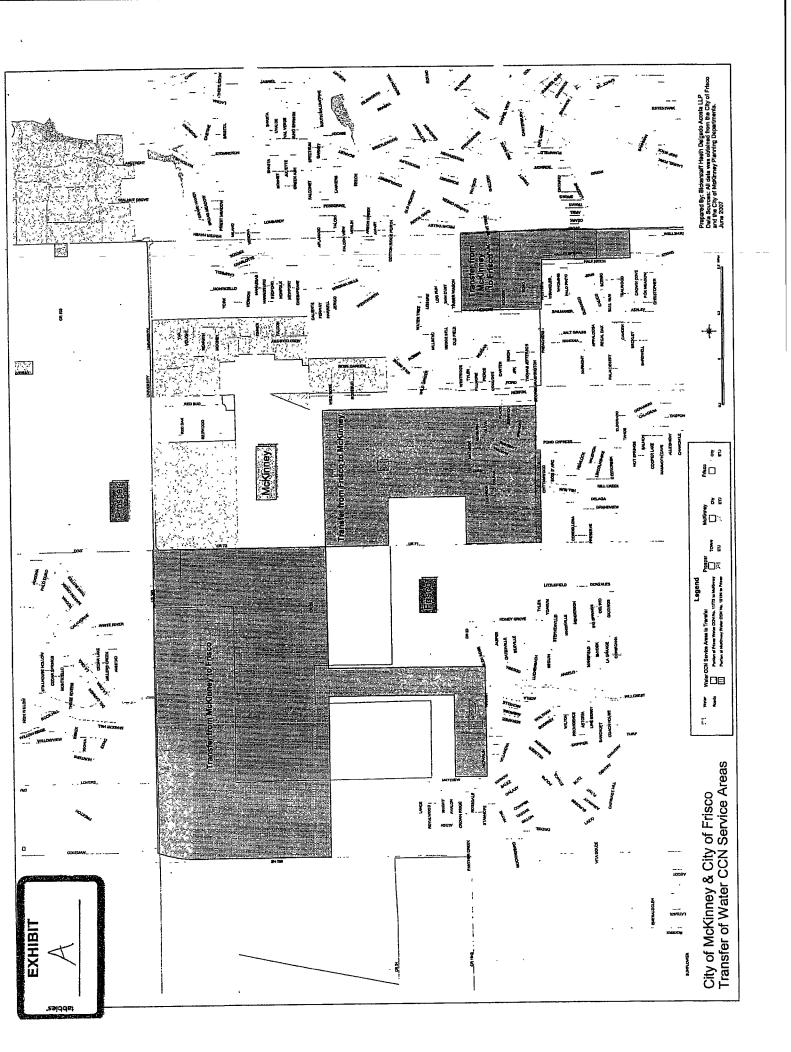
Lawrence W. Robinson, by Regie Neff, Assistant City Manager and authorized signatory

Date:

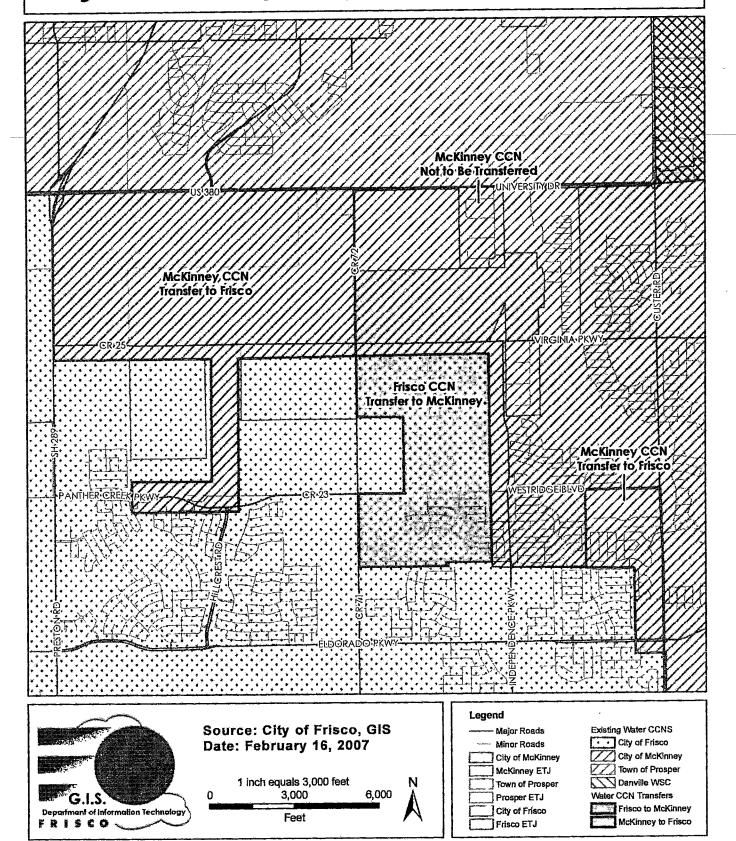
ATTEST:

City Secretary

6

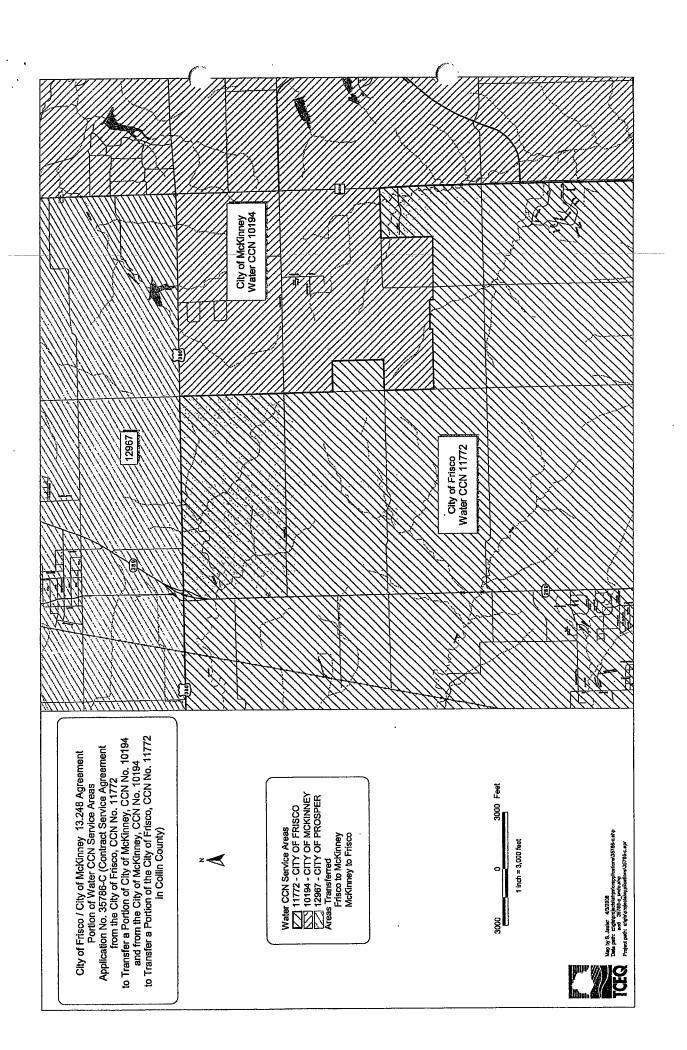


City of McKinney - City of Frisco CCN Transfer



THE STATE OF TEXAS
COUNTY OF TRAVIS
I hereby confly that this is a five and borned copy of a
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leaceby conflishing on Environmental Quality document
which is filed in the permanent records of the Commissi
Given unger my hang and the seal of office on

Lationna Castanuela, Chief Clieds.
Texas Commission on Environmental Quality





Texas Commission On Environmental Quality

By These Presents Be It Known To All That

City of Frisco

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 11772

to provide continuous and adequate water utility service to that service area or those service areas in Collin and Denton Counties as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 35786-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of City of Frisco to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _	DEC 1 5 2008
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Buddy (1800)
For the Commission



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

City of McKinney

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10194

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 35786-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of City of McKinney to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this	DEC 1 5 2008
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For the Commission