

ORDINANCE NO. 970

Whereas, it is necessary and advisable that the City enter into the contract hereinafter authorized.

THEREFORE, BE IT ORDINAED BY THE CITY COUNCIL OF THE CITY OF MESQUITE:

Section 1. That the Mayor and the City Secretary are authorized and directed, for and on behalf of the City, to date, sign, seal, and otherwise execute a Contract in substantially the form and substance set forth in "Exhibit A", which is attached hereto and made a part hereof.

Section 2. That upon execution said Contract shall be binding upon the City for all purposes.

Adopted by the City Council of the City of Mesquite, Texas, this 16th day of August, 1971.

George Boyce
George Boyce
Mayor

Norma G. McGaughey
Norma G. McGaughey
City Secretary

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NORTH TEXAS
MUNICIPAL WATER DISTRICT - CITY OF MESQUITE
WASTE DISPOSAL CONTRACT

THE STATE OF TEXAS :
WATER POLLUTION CONTROL COMPACT : KNOW ALL MEN BY THESE PRESENTS :

WHEREAS, the North Texas Municipal Water District (hereinafter sometimes called the "District") is a conservation and reclamation district created by Vernon's Article 8280-141, pursuant to Article 16, Section 59 of the Texas Constitution; and

WHEREAS, the District is an agency of the State of Texas operating on a multiple county and regional basis; and

WHEREAS, the District is a Signatory to the State of Texas Water Pollution Control Compact (hereinafter sometimes called the "Compact"), dated and effective as of March 26, 1971, which is on file in the official records of the Texas Water Quality Board, and which was approved by Order of said Board duly entered on March 26, 1971, and to which Compact reference is hereby made for all purposes; and

WHEREAS, the City of Mesquite (hereinafter sometimes called the "City") is a city duly organized and existing pursuant to the constitution and laws of the State of Texas; and

WHEREAS, the District and the City jointly desire to acquire, construct, and establish in the vicinity of the City a disposal system, consisting of facilities for disposing of sewage and other waste, including treatment facilities, as such terms are defined in Vernon's Article 762lg and/or the Texas Water Code (hereinafter sometimes called the "Project"); and

WHEREAS, the City has filed an application for a Federal grant for the Project with the Texas Water Quality Board and the Environmental Protection Agency of the United States of America, and the Project has been given the designation as WPC-TEX-860 in the records of the Texas Water Quality Board and the Environmental Protection Agency, to which application and records reference is hereby made for a complete description of

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WHEREAS, the City of Mesquite (hereinafter sometimes called the "City") is a city duly organized and existing pursuant to the constitution and laws of the State of Texas; and

WHEREAS, the District and the City jointly desire to acquire, construct, and establish in the vicinity of the City a disposal system, consisting of facilities for disposing of sewage and other waste, including treatment facilities, as such terms are defined in Vernon's Article 7621g and/or the Texas Water Code (hereinafter sometimes called the "Project"); and

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WHEREAS, the City has received a grant offer, and will receive a grant, from the Environmental Protection Agency of the United States of America in the amount of 55% of the estimated reasonable costs of constructing the Project; and

WHEREAS, the Texas Water Quality Board has granted and given the necessary permit in connection with the Project; and

WHEREAS, the City and the District are authorized to make and enter into this Contract under Vernon's Article 7621g and/or Chapter 25 of the Texas Water Code, and Section 21.095 of the Texas Water Code; and

WHEREAS, the parties hereto recognize and agree to these facts:

- (a) that this Contract is being executed pursuant to and in compliance with the Compact; and
- (b) that the District is preparing to issue, sell, and deliver its Bonds for the purpose of acquiring and constructing its part of the actual costs of the entire Project; and
- (c) that the District will pledge part of the City's payments to the District under this Contract to the payment of principal of and the interest on its Bonds issued in connection with the Project, and for the maintenance of a debt service reserve fund for said Bonds.

IT IS THEREFORE CONTRACTED AND AGREED BETWEEN THE DISTRICT AND THE CITY AS FOLLOWS:

Section 1. DEFINITIONS. The terms and expressions used in this Contract, unless the context shows clearly otherwise, shall have meanings as follows:

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- (a) "Project" means the Project as defined in the preamble to this Contract.
- (b) "Board" and "Board of Directors" means the Board of Directors of the District.
- (c) "Bond Resolution" means any resolution of the Board of Directors authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.
- (d) "Bonds" means any bonds to be issued by the District for the acquisition, construction, or completion of the Project, whether in one or more series or issues, or any bonds issued to refund same.

Section 2. OBLIGATION OF DISTRICT TO CONSTRUCT. The District agrees to pay, and will pay, as a Signatory to the Compact, for and on behalf of the State of Texas, 25% of all of the actual costs of acquiring and constructing the entire Project, through the issuance of its Bonds pursuant to Vernon's Article 7621g and/or Chapter 25 of the Texas Water Code, and Section 21.095 of the Texas Water Code, to provide the money for such payment.

Section 3. OBLIGATION OF CITY TO CONSTRUCT. The City agrees to pay, and will pay, 75% of all of the actual costs of acquiring and constructing the entire Project, from the money received by the City from the Federal grant for the Project, and from other sources available to the City.

Section 4. DISTRICT'S BOND RESOLUTION. The District's Bond Resolution will provide that the proceeds from the sale of its Bonds will be used for the payment of all of the District's expenses and costs in connection with the Bonds and the Project, including, without limitation, all financing, legal, printing, and other expenses and costs incurred in issuing its Bonds,

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and costs incurred by the District in acquiring and constructing the Project, including all out-of-pocket expenses of the District's employees directly attributable and chargeable to the Project and the proportionate part of any District employees' salaries attributable and chargeable to the acquisition and construction of the Project. Such Bonds will be issued in a mutually agreeable amount sufficient to cover the estimated amount of all the aforesaid expenses, costs, and charges, and may also provide for depositing into a debt service reserve fund for such Bonds an amount approximately equal to the average annual principal and interest requirements on such Bonds, and may provide for creating other funds, and for capitalizing interest during construction of the Project. A substantial draft of each Bond Resolution of the District, showing the principal amount, maturities, debt service reserve fund, and other pertinent features, excepting the name of the purchaser and the interest rates, must be delivered to and be approved by the City prior to the adoption of the Bond Resolution by the District; and the approval of such draft by the City will constitute agreement by the City that all provisions of the Bond Resolution are in compliance with this Contract in all respects.

Section 5. CONSULTING ENGINEERS. The District and the City agree that the engineering firm of Hunter Associates, of Dallas, Texas, shall be the "Consulting Engineers" for the Project; that the Project will be acquired and constructed in accordance with the "Engineering Report" which has been prepared by the Consulting Engineers and which is on file with the Environmental Protection Agency, and in accordance with plans and specifications prepared by the Consulting Engineers, and under the supervision of the Consulting Engineers.

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Section 6. CONSTRUCTION CONTRACTS. For the convenience of the District and the City, the City will enter into such contracts as are necessary to provide for acquiring and constructing the entire Project, and said contracts shall be advertised for and executed as required by the laws applicable to the City, and also as required by the City's Grant Offer from the Environmental Protection Agency. The District shall deposit from the proceeds from the sale of its Bonds into a special Construction Fund, at the City's depository bank, to the credit of the City, an amount of money which shall be specified in the District's Bond Resolution. The City shall draw on and use said Construction Fund to pay the costs of acquiring and constructing the District's part of the Project; provided that the City agrees that each expenditure from the Construction Fund must be approved by the Consulting Engineers prior to the making of such expenditure. Any amounts remaining in the Construction Fund after completion of the Project shall be deposited in the Interest and Sinking Fund established pursuant to the District's Bond Resolution, and thus reduce to that extent the payments required to be made by the City under this Contract.

Section 7. PAYMENTS BY CITY. (a) That the District will provide and make available to the City, for the treatment and disposal of waste for the City, the waste treatment and waste disposal system, facilities, and services of the part of the Project acquired, constructed, and paid for by the District. It is agreed that the City shall have the exclusive use of the entire Project throughout its useful life. In consideration for the District's making it possible, as a Signatory to the Compact, for the City to receive an increase in the Federal grant from 33% to 55% of the estimated reasonable costs of constructing the Project, and in consideration for the District's acquiring, constructing, providing, and making available to the City the waste treatment and waste disposal system, facilities, and services of the District's part of the Project for the treatment and disposal of

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City will have the sole responsibility for operating and maintaining the entire Project throughout its useful life, and that the City will operate and maintain the entire Project throughout its useful life; and the City agrees to indemnify and to save and hold harmless the District from any and all claims, damages, losses, costs, and expenses, including reasonable attorneys fees, arising at any time from the acquisition, construction, existence, ownership, operation and/or maintenance of the entire Project. It is further agreed that the City's obligation to make any and all payments under Section 7(b) and (c) of this Contract will terminate when all of the District's Bonds issued in connection with the Project, or any Bonds issued to refund same, have been paid and retired and are no longer outstanding; and it is agreed that the cessation of such payments or charges is and will be a reasonable arrangement after such Bonds have been retired, because there will be no expense or cost to the District in connection with the Project and the Bonds after such Bonds have been retired. It is further understood and agreed that the District's only source of funds to pay the principal of and interest on its Bonds, to restore the debt service reserve fund for its Bonds, and to pay its expenses in connection with its Bonds and the Project, is from the payments to be made by the City to the District under this Contract.

(b) That the City agrees to make the following payments to the District while any of the District's Bonds issued in connection with the Project, or any Bonds issued to refund same, are outstanding:

1. Such amounts, payable semi-annually on or before the 10th day preceding each interest payment date on the District's Bonds, as are necessary to pay (a) the principal and/or interest coming due on the District's Bonds on the next succeeding interest payment date, and (b) a fixed semi-annual charge of \$ to cover and reimburse the District for its administrative and overhead expenses directly attributable and chargeable to its Bonds and the Project.
2. Such amounts at such times as are specified in the District's Bond Resolution to fund or restore the debt service reserve fund or any

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2. Such amounts at such times as are specified in the District's Bond Resolution to fund or restore the debt service reserve fund or any other fund created and established for the benefit of the District's Bonds. It is contemplated that any surplus investment earnings from the debt service reserve fund and any other funds created by the Bond Resolution

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will be used to pay the principal of and interest on the Bonds, and thus reduce the amounts payable by the City under 1, above.

3. Such amounts, payable upon receipt of a statement therefor, as are necessary to pay, or reimburse the District for, any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the District in connection with its Bonds and the Project (exclusive of routine administrative expenses and costs) such as expenses of litigation, if any, and costs of special studies, if required.

(c) If, in addition to the amount initially issued, the District finds it necessary to issue Bonds for the purpose of completing the Project to the extent contemplated by the initial Bonds and the Engineering Report, all of the amounts to be paid to or retained by the District under all Sections of this Contract shall be increased proportionately, and such amounts shall at all times be sufficient to pay the principal of and interest on all such Bonds, and to increase the debt service reserve fund, and other funds, as and if required by the Bond Resolution authorizing the additional Bonds. It is understood and agreed that the only source of funds for the District to acquire and construct its part of the Project is from the issuance and sale of its Bonds (including additional Bonds) pursuant to this Contract.

(d) The City represents and covenants that the use of the facilities and services to be obtained pursuant to this Contract are essential and necessary to the operation of the City and its combined waterworks and sanitary sewer system, and that all payments to be made hereunder by it will constitute reasonable and necessary "operating expenses" of the City's combined waterworks and sanitary sewer system, within the meaning of Vernon's Article 1113, and the provisions of all Ordinances authorizing the issuance of all waterworks and sanitary sewer system revenue bond issues of the City, with the effect that the City's obligation to make payments from its waterworks and sanitary

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over its obligations to make payments of the principal of and interest on any and all of its waterworks and sanitary sewer system revenue bonds. The City agrees to fix and collect such rates and charges for waterworks and sanitary sewer services to be supplied by its waterworks and sanitary sewer system as will make possible the prompt payment of all expenses of operating and maintaining the entire Project and operating and maintaining the City's entire waterworks and sanitary sewer system, including all payments, obligations, and indemnities contracted hereunder, and the prompt payment of the principal of and interest on the City's bonds payable from the net revenues of its waterworks and sanitary sewer system. The District shall never have the right to demand payment of the amounts due hereunder from funds raised or to be raised from taxation by the City.

(e) The City's payments under this Contract shall be made pursuant to the authority granted by Section 6 of Vernon's Article 7621g and/or Section 25.030 of the Texas Water Code, as well as Vernon's Article 1113.

(f) Recognizing the fact that the City urgently requires the facilities and services covered by this Contract, and that such facilities and services are necessary for actual use and for stand-by purposes; and further recognizing that the District will use the payments received from the City hereunder to pay, secure, and finance the issuance of the Bonds, it is hereby agreed that if and when any Bonds are delivered, the City shall be obligated to make the payments required by this Contract, regardless of whether or not the District actually provides such facilities and services, or whether or not the City actually receives or uses such facilities and services, and the holders of the Bonds shall be entitled to rely on the foregoing agreement and representation, regardless of any other agreement between the District and the City.

Section 8. COMPLIANCE WITH GRANT OFFER. The City

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Section 8. COMPLIANCE WITH GRANT OFFER. The City agrees that with respect to the entire Project it will fulfill and

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comply with all assurances made by the City in the grant offer received from the Environmental Protection Agency and accepted by the City; and that with respect to the entire Project the City will discharge all of its responsibilities and comply with all of its agreements with the Environmental Protection Agency in connection with the grant offer and the Federal grant made pursuant thereto. The District agrees that it will join with and assist the City in complying with the foregoing commitments to the Environmental Protection Agency, subject to the provisions of this Contract.

Section 9. METERING. It is understood and agreed that neither the District nor the City shall be under obligation to furnish, operate, or maintain metering equipment for measuring waste discharged into the Project under this Contract, unless metering is required by the Environmental Protection Agency.

Section 10. CONSTRUCTION. The District and the City agree to proceed promptly with the joint acquisition and construction of the Project. The District and City hereby covenant that they will make a diligent effort to commence construction as soon as practicable. The District and the City do not anticipate any delays in commencing or completing the Project, but the District and the City shall not be liable to each other for any damages occasioned by the construction or completion of the Project, or any delays in completion of the Project.

Section 11. CONDITIONS PRECEDENT. The obligation on the part of the District to acquire and construct its part of the Project shall be conditioned upon the following:

- (a) sale of Bonds in an amount sufficient to assure the acquisition and construction of its part of the Project; and
- (b) the District's and the City's ability, or the ability of the contractors, to obtain all material, labor, and equipment necessary for the acquisition and construction of the Project.

Section 12. USE OF CITY'S PUBLIC PROPERTY. By these presents, the City authorizes use by the District of any and all

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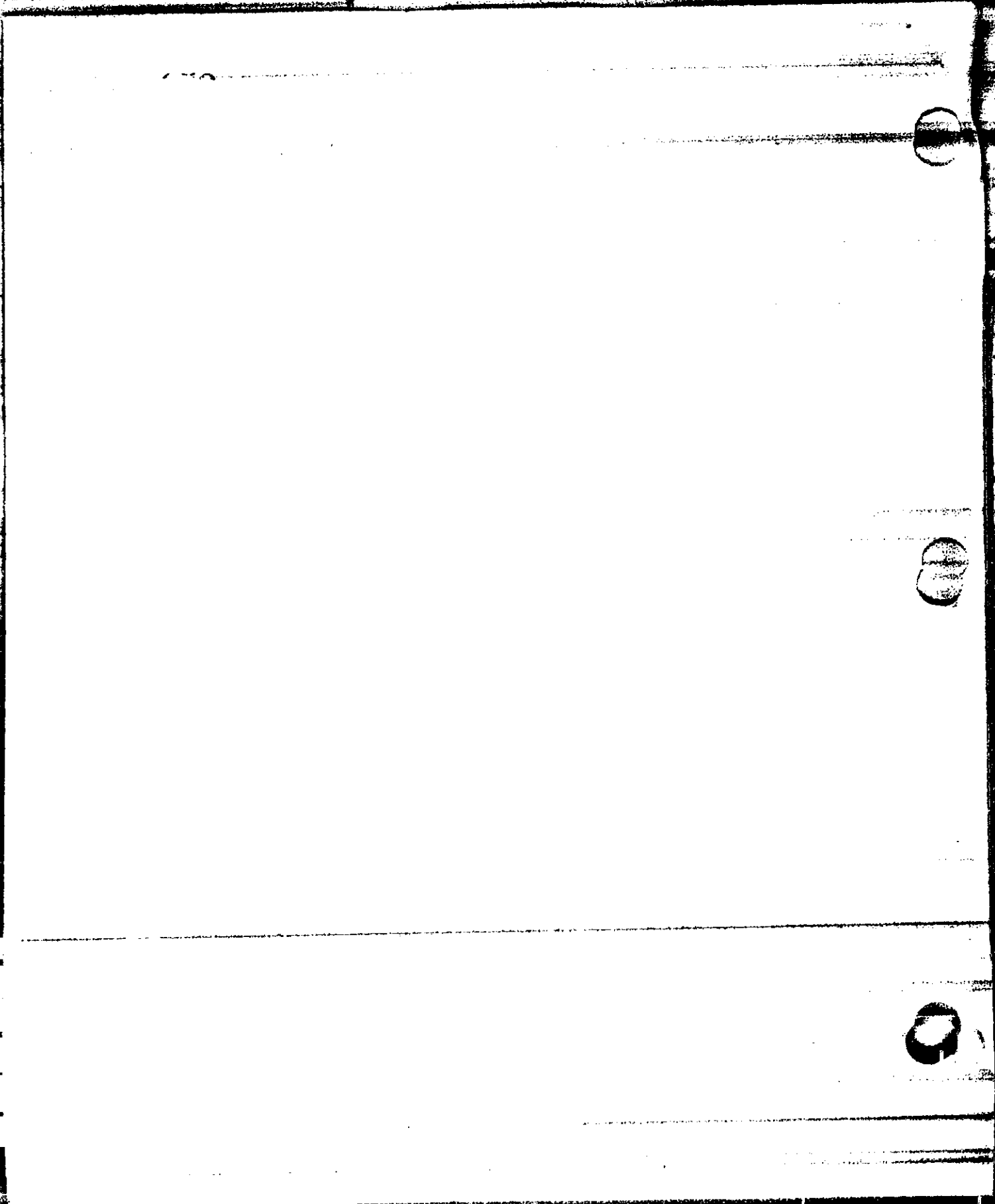
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Section 12. USE OF CITY'S PUBLIC PROPERTY. By these presents, the City authorizes use by the District of any and all real property, streets, alleys, public ways and places, and



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general utility or sewer easements of the City for acquiring and constructing the Project, as provided in this Contract.

Section 13. 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 agreement then 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 upon, and 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, except as hereinafter provided, 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, insurrections, 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, or other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure relieve the City of its obligation to make payments to the District as required under Section 7 of this Contract.

part to carry out its obligations under this agreement then 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 upon, and 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, except as hereinafter provided, 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, insurrections, 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, or other causes not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure relieve the City of its obligation to make payments to the District as required under Section 7 of this Contract.

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Section 14. INSURANCE. The City agrees to carry fire, casualty, public liability and other insurance on the Project and its entire waterworks and sanitary sewer system for purposes and in amounts which would ordinarily be carried by a privately owned utility company owning and operating such facilities, except that the City shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can 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. In the event the City becomes self-insured, adequate provision shall be made to protect District's investment.

Section 15. REGULATORY BODIES. This Contract and the Project shall be subject to all valid rules, regulations, and laws applicable thereto passed or promulgated by the United States of America, the State of Texas, or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 16. TERM OF CONTRACT. That the term of this Contract shall be for the useful life of the Project, subject to the provisions of Section 18 hereof, and in all events for the period during which any of the District's Project Bonds, and any Bonds issued to refund same, or any interest coupons appertaining thereto, are outstanding and unpaid.

Section 17. SALE OF BONDS TO THE STATE. If the City so requests in writing, the District agrees that it will use its best efforts to sell and deliver all of its Project Bonds directly to the Texas Water Quality Board and the Texas Water Development Board as permitted by Section 21.095 of the Texas Water Code, and that if the District is unable to sell all or any part of such Project Bonds to said State Agencies, it will use its best efforts to sell and deliver all or the remaining part of such

utility company owning and operating such facilities, except that the City shall not be required to carry liability insurance except to insure itself against risk of loss due to claims for which it can 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. In the event the City becomes self-insured, adequate provision shall be made to protect District's investment.

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- (1) that it will use its best efforts to sell and deliver all of its Project Bonds through commercial

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municipal bond marketing channels, with such Project Bonds to be subject to redemption prior to maturity on any date, at the option of the District; and

(2) that as soon as practicable after such delivery, the District will use its best efforts to sell and deliver its refunding Bonds issued to refund all of its outstanding Project Bonds directly to the Texas Water Quality Board and the Texas Water Development Board as permitted by Section 21.095 of the Texas Water Code; and

(3) that if the District is unable to sell all or any part of such refunding Bonds to said State Agencies, it will use its best efforts to sell and deliver all or any remaining part of such refunding Bonds through commercial municipal bond marketing channels.

Section 18. CITY'S OPTION TO PURCHASE. If the City does not request the District to sell its Bonds to the Texas Water Quality Board and the Texas Water Development Board, and if the City so requests in writing, the District agrees that it will use its best efforts to sell and deliver all of its Project Bonds through commercial municipal bond marketing channels, with such Project Bonds to be subject to redemption prior to maturity on any date, at the option of the District, so as to permit the City to exercise its option to purchase the District's part of the Project, as hereinafter provided. If the City makes such request pursuant to this Section, the District and the City shall cause the Consulting Engineers to execute a certificate to the effect that the Project has been completed and placed in operation, after it has been completed and placed in operation, and all payments under any construction and other contracts pertaining to the acquisition of the Project have been paid. At any time within six months after the Consulting Engineers certify such com-

on any date, at the option of the District; and

(2) that as soon as practicable after such delivery, the District will use its best efforts to sell and deliver its refunding Bonds issued to refund all of its outstanding Project Bonds directly to the Texas Water Quality Board and the Texas Water Development Board as permitted by Section 21.095 of the Texas Water Code; and

(3) that if the District is unable to sell all or any part of such refunding Bonds to said State Agencies, it will use its best efforts to sell and deliver all or any remaining part of such refunding Bonds through commercial municipal bond marketing channels.

Section 18. CITY'S OPTION TO PURCHASE. If the City does not request the District to sell its Bonds to the Texas Water Quality Board and the Texas Water Development Board, and if the City so requests in writing, the District agrees that it will use its best efforts to sell and deliver all of its Project Bonds through commercial municipal bond marketing channels, with such Project Bonds to be subject to redemption prior to maturity on any date, at the option of the District, so as to permit the City to exercise its option to purchase the District's part of the Project, as hereinafter provided. If the City makes such request pursuant to this Section, the District and the City shall cause the Consulting Engineers to execute a certificate to the effect that the Project has been completed and placed in operation, after it has been completed and placed in operation, and all payments under any construction and other contracts pertaining to the acquisition of the Project have been paid. At any time within six months after the Consulting Engineers certify such com-

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pletion of the Project, the City shall have the option and right to purchase, in one installment, all of the District's right, title, and interest in and to the Project for a price equal to the total amount required to redeem, retire, and cancel all of the District's Bonds, including the par or principal amount thereof, the accrued interest to date of redemption, the redemption premium, if any, the paying agents charges, and all expenses of District in connection with redeeming such Bonds. The City shall notify the District in writing if it exercises said option, and shall furnish the District with a certified copy of the ordinance or resolution of the governing body of the City exercising said option; provided, however, that the date set for the consummation of the transaction shall be fixed so as to allow the District and the City sufficient time to perform the acts hereinafter described. Upon receipt of the foregoing notice in writing the District shall fix a date, which shall be as soon as practicable, for the redemption of its Bonds, and shall duly call said Bonds for redemption on said date. Prior to such date the City shall make the necessary redemption price available to the District and the District shall deposit the required funds with the paying agent for such Bonds so that such funds will be available for immediate use in redeeming the Bonds on said date. Immediately after said Bonds have been redeemed, the District shall duly execute a conveyance, conveying all of its right, title, and interest in and to the Project to the City, reciting the dollar amount of the redemption price as the consideration for the conveyance. After such conveyance, the District will have no interest whatsoever in the Project, and this Contract shall terminate in its entirety, and it shall be of no further force nor effect, except for any claims arising prior to such termination. If the City exercises its option to purchase pursuant to this Section, all money in the Interest and Sinking Fund and the Reserve Fund shall be applied to the redemption of the Bonds.

the total amount required to redeem, retire, and cancel all of the District's Bonds, including the par or principal amount thereof, the accrued interest to date of redemption, the redemption premium, if any, the paying agents charges, and all expenses of District in connection with redeeming such Bonds. The City shall notify the District in writing if it exercises said option, and shall furnish the District with a certified copy of the ordinance or resolution of the governing body of the City exercising said option; provided, however, that the date set for the consummation of the transaction shall be fixed so as to allow the District and the City sufficient time to perform the acts hereinafter described. Upon receipt of the foregoing notice in writing the District shall fix a date, which shall be as soon as practicable, for the redemption of its Bonds, and shall duly call said Bonds for redemption on said date. Prior to such date the City shall make the necessary redemption price available to the District and the District shall deposit the required funds with the paying agent for such Bonds so that such funds will be available for immediate use in redeeming the Bonds on said date. Immediately after said Bonds have been redeemed, the District shall duly execute a conveyance, conveying all of its right, title, and interest in and to the Project to the City, reciting the dollar amount of the redemption price as the consideration for the conveyance. After such conveyance, the District will have no interest whatsoever in the Project, and this Contract shall terminate in its entirety, and it shall be of no further force nor effect, except for any claims arising prior to such termination. If the City exercises its option to purchase pursuant to this Section, all money in the Interest and Sinking Fund and the Reserve Fund shall be applied to the re-

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demption price of the Bonds and thus reduce the amount required
to be paid by the City.

IN WITNESS WHEREOF, the District and the City, acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the ____ day of _____, 1971, which is the date of this Contract.

NORTH TEXAS MUNICIPAL WATER DISTRICT

by _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

CITY OF MESQUITE, TEXAS

by _____
Mayor

ATTEST:

Norman G. McLaughlin

City Secretary

(SEAL)

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