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RESOLUTION NO. 45-2026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESQUITE, TEXAS, AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH THE CITY OF DALLAS FOR PIPELINE AND ANCILLARY PROJECTS.

WHEREAS, Chapter 791 of the Texas Government Code (known as the Interlocal Cooperation Act) provides authorization for a local government to contract with one or more other local governments to perform governmental functions and services under the terms of the Act; and

WHEREAS, the City of Mesquite ("**Mesquite**") desires to enter into an agreement with the City of Dallas ("**Dallas**") that will provide for the use of existing public rights-of-ways within Dallas corporate limits to accommodate the Mesquite Barnes Bridge Pipeline Project, the description of such areas being described further in Exhibit A of the Interlocal Agreement for Pipeline and Ancillary Projects ("**Agreement**"), attached hereto as EXHIBIT 1 and made a part hereof for all purposes; and

WHEREAS, Dallas desires to enter into the agreement with Mesquite that will provide for the use of existing public rights-of-ways, easements, acquisition of easements from Mesquite on Mesquite-owned real property(ies), and acquisition, if necessary, from Mesquite, of Mesquite-owned property(ies), all to accommodate the Dallas Southwest Water Transmission Pipeline Project, the description of such areas being described further in Exhibit E of the Agreement; and

WHEREAS, Mesquite, at no expense to Dallas, and without charge, currently has the right to use and has been using existing public rights-of-ways in Dallas to operate and maintain Mesquite water and wastewater pipeline installations in those locations depicted in Exhibit D of the Agreement; and

WHEREAS, Dallas, at no expense to Mesquite, and without charge currently has the right to use and has been using existing public rights-of-ways in Mesquite to operate and maintain Dallas water and wastewater pipeline installations in those locations depicted in Exhibit C of the Agreement; and

WHEREAS, Mesquite and Dallas also desire to enter into an agreement that will (1) provide authorization of reciprocal grants one to the other, without charge, of the right to use existing public rights-of-ways in Dallas to accommodate the Mesquite Barnes Bridge Pipeline Project and to use existing public rights-of-ways in Mesquite for the Dallas Southwest Water Transmission Pipeline Project, respectively and as more particularly depicted on the attached Exhibit A and Exhibit B of the Agreement; (ii) provide the Mesquite's authorization, grant and ratification, at no expense to Mesquite and without charge to Dallas, of the right to Dallas to continue to use existing public rights-of-ways in Mesquite to operate and maintain Dallas water and wastewater pipeline installations in those locations as are more particularly depicted on the attached Exhibit C of the Agreement; (iii) provide for Dallas' authorization, grant and ratification, at no expense to Dallas and without charge to Mesquite, of the right to Mesquite to continue to use existing public rights-of-ways in Dallas to operate and maintain Mesquite water and wastewater pipeline installations in those locations as are more particularly depicted on the attached Exhibit

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D of the Agreement; and (iv) provide for Dallas' authorization and grant to Mesquite, at no cost to Dallas and at no expense to Mesquite, the right to access, utilize, operate, and maintain ancillary improvements as described further in this Agreement on those certain properties acquired by Dallas in fee simple title or by easement, subject to Mesquite obtaining the right to use the easements from private property owners, within the Mesquite corporate limits for use in the Dallas Southwest Water Transmission Pipeline Project but which are not Mesquite public rights-of-ways; and

WHEREAS, Mesquite and Dallas agree that it is in the public interest that this Agreement be approved.

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

SECTION 1. That the City Manager is hereby authorized to execute the Interlocal Agreement for Pipeline and Ancillary Projects with the City of Dallas, attached hereto as EXHIBIT 1 and made a part hereof for all purposes.

SECTION 2. That the City Manager is further hereby authorized to administer the Agreement on behalf of the City including, without limitation, the City Manager shall have the authority to: (i) provide any notices required or permitted by the Agreement; (ii) approve amendments to the Agreement provided such amendments, together with all previous amendments approved by the City Manager, do not increase City expenditures under the Agreement in excess of $100,000; (iii) approve or deny any matter in the Agreement that requires the consent of the City provided, however, notwithstanding the foregoing, any assignment of the Agreement that requires the consent of the City pursuant to the terms of the Agreement shall require the approval of the City Council; (iv) approve or deny the waiver of performance of any covenant, duty, agreement, term or condition of the Agreement; and (v) exercise any rights and remedies available to the City under the Agreement.

DULY RESOLVED by the City Council of the City of Mesquite, Texas, on the 2nd day of November 2026.

Signed by:
Daniel Alemán, Jr.
D999585317D142B...

Daniel Alemán, Jr.
Mayor

ATTEST:

DocuSigned by:
Sonja Land
C2518095973F46A...

Sonja Land
City Secretary

APPROVED AS TO LEGAL FORM:

Signed by:
David L. Paschall
666E18891208434...

David L. Paschall
City Attorney

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EXHIBIT 1

STATE OF TEXAS §
§
COUNTY OF DALLAS §

INTERLOCAL AGREEMENT
FOR PIPELINE AND ANCILLARY PROJECTS

This INTERLOCAL AGREEMENT ("Agreement") is entered this _____, 20_____, by and between the City of Dallas, a Texas home rule municipality, ("Dallas") and the City of Mesquite, a Texas home rule municipality ("Mesquite").

RECITALS

WHEREAS, Mesquite plans to design and construct a 30-inch water transmission pipeline, a 4-inch fiber conduit, and associated appurtenances within the corporate limits of Dallas, (hereinafter called the "Barnes Bridge Pipeline Project", more completely illustrated in the attached **Exhibit A**); and

WHEREAS, Dallas plans to design and construct a 120-inch water transmission pipeline and associated appurtenances within the corporate limits of Mesquite, (hereinafter called the "Southwest Water Transmission Pipeline Project", more completely illustrated in the attached **Exhibit B**); and

WHEREAS, the Barnes Bridge Pipeline Project is necessary for Mesquite to transfer treated potable water from the Barnes Bridge Pump Station in Dallas to the existing Mesquite water distribution system to serve Mesquite customers and to provide redundancy within the Mesquite water distribution system; and

WHEREAS, the Southwest Water Transmission Pipeline Project is necessary for Dallas to transfer treated potable water from the East Side Water Treatment Plant in Sunnyvale to the Summit Ground Storage Tanks in Cedar Hill, to serve Dallas' southern service area, to provide redundancy within the Dallas water distribution system, and to increase capacity to meet growth of current and future customer cities who purchase water from Dallas; and

WHEREAS, Dallas, at no expense to Mesquite, and without charge, currently has the right to use and has been using existing public rights-of-ways in Mesquite to operate and maintain Dallas water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit C**; and

WHEREAS, Mesquite, at no expense to Dallas, and without charge, currently has the right to use and has been using existing public rights-of-ways in Dallas to operate and maintain Mesquite water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit D**; and

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WHEREAS, the Barnes Bridge Pipeline Project installation is planned to occur on Mesquite-owned properties and certain public rights-of-ways, as described further in this Agreement; and

WHEREAS, the Southwest Water Transmission Pipeline Project installations are planned to occur on various properties located within the corporate limits of Mesquite, including private real property, certain public rights-of-ways and easements, and Mesquite owned real property(ies), all as described further in this Agreement; and

WHEREAS, Dallas desires to enter into an agreement with Mesquite that will provide for the use of existing public rights-of-ways, easements, acquisition of easements from Mesquite on Mesquite owned real property(ies), and acquisition, if necessary, from Mesquite, of Mesquite owned property(ies); all to accommodate the Southwest Water Transmission Pipeline Project, the description of such areas being described further in **Exhibit E**, attached hereto and incorporated for the purposes set forth herein; and

WHEREAS, Dallas will also procure the necessary real property rights, including rights-of-ways and easements, for those portions of the Southwest Water Transmission Pipeline Project crossing private real property(ies) within the corporate limits of Mesquite; and

WHEREAS, Dallas has submitted schematic drawings of the Southwest Water Transmission Pipeline Project, for review and approval of the alignment by Mesquite. The alignment, generally described as following along Lawson Road from South of IH-20 to Berry Road, along Berry Road to Faithon P. Lucas Sr., Boulevard, and along Faithon P. Lucas Sr., Boulevard to the Union Pacific Railroad within the corporate limits of Mesquite, was approved by the Mesquite City Council on May 17, 2010, by resolution number 19-2010; and

WHEREAS, Mesquite desires to enter into an agreement with Dallas that will provide for the use of existing public rights-of-ways within Dallas corporate limits to accommodate the Barnes Bridge Pipeline Project, the description of such areas being described further in **Exhibit A**, attached hereto and incorporated for the purposes set forth herein; and

WHEREAS, Mesquite has submitted drawings of the Barnes Bridge Pipeline Project, for review and approval of the alignment by Dallas. The alignment is generally described as following along Barnes Bridge Road from the Barnes Bridge Pump Station at 3535 Barnes Bridge Road to Manor View Lane just west of La Prada Drive in Mesquite; and

WHEREAS, Mesquite and Dallas also desire to enter into an agreement that will (i) provide authorization of reciprocal grants one to the other, without charge, of the right to use existing public rights-of-ways in Dallas to accommodate the Mesquite Barnes Bridge Pipeline Project and to use existing public rights-of-ways in Mesquite for the Dallas Southwest Water Transmission Pipeline Project, respectively and as more particularly depicted on the attached **Exhibit A** and **Exhibit B**; (ii) provide for Mesquite's authorization, grant and ratification, at no expense to Mesquite and without charge to Dallas, of the right to Dallas to continue to use existing public rights-of-ways in Mesquite to operate and maintain Dallas water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit C**; and

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(iii) provide for Dallas' authorization, grant and ratification, at no expense to Dallas and without charge to Mesquite, of the right to Mesquite to continue to use existing public rights-of-ways in Dallas to operate and maintain Mesquite water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit D;** and (iv) provide for Dallas' authorization and grant to Mesquite, at no cost to Dallas and at no expense to Mesquite, the right to access, utilize, operate, and maintain ancillary improvements as described further in this Agreement on those certain properties acquired by Dallas in fee simple title or by easement, subject to Mesquite obtaining the right to use the easements from private property owners, within the Mesquite corporate limits for use in the Southwest Water Transmission Pipeline Project but which are not Mesquite public rights-of-ways; and

WHEREAS, both parties agree that it is in the public interest that this Agreement be approved; and

WHEREAS, Chapter 791 of the Texas Government Code provides authorization for a local government to contract with one or more other local governments to perform governmental functions and services under the terms of the Act;

NOW, THEREFORE, Dallas and Mesquite hereby enter into this Agreement for the mutual consideration stated herein:

ARTICLE I. PROJECT DESCRIPTION

(A) The above RECITALS are incorporated into and are made a part of this Agreement for all purposes.

(B) Mesquite, at no expense to Dallas, shall design and construct the Barnes Bridge Pipeline Project, including isolation valves, air release/vacuum valves, blow-off valves, vent stacks, vaults, manholes, 4-inch fiber optic conduit, and any other fiber optic appurtenances and/or water pipeline appurtenances necessary for operation and maintenance of the Barnes Bridge Pipeline Project. The Barnes Bridge Pipeline Project location within the corporate limits of Dallas is illustrated and attached to and made part of this Agreement as **Exhibit A**. Authorization to locate the Barnes Bridge Pipeline Project within Dallas applies only to those public rights-of-ways in Dallas included in **Exhibit A**.

(C) Mesquite, at no expense to Dallas, shall design and construct ancillary improvements, as said term is defined hereinbelow. The location of ancillary improvements, as those ancillary improvements are described in Section III(B), shall be within the corporate limits of Mesquite and shall be limited to the Mesquite owned real property located in Mesquite, and/or non-public rights-of-ways, easements, and properties acquired in fee simple by Dallas in the Mesquite corporate limits for use and included in the Southwest Water Transmission Pipeline Project. Authorization to locate ancillary improvements on Dallas' fee acquired real properties granted to Mesquite under this Agreement applies only to those real properties included in **Exhibits B and E.**

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(D) Dallas, at no expense to Mesquite, shall design and construct the Southwest Water Transmission Pipeline Project, including isolation valves, air release/vacuum valves, blow-off valves, vent stacks, vaults, manholes, tunneled sections, and any other water pipeline appurtenances necessary for operation and maintenance of the Southwest Water Transmission Pipeline Project to be located within existing rights-of-ways, easements, acquired rights-of-ways, fee simple acquired private real property(ies), acquired easements on Mesquite owned property(ies), and acquired Mesquite owned property(ies). The Southwest Water Transmission Pipeline Project location within the corporate limits of Mesquite is illustrated and attached to and made part of this Agreement as **Exhibit B**.

(E) Dallas, at no expense to Mesquite, and without charge by Mesquite, shall be authorized to continue to have the right to use existing public rights-of-ways in Mesquite to operate and maintain Dallas water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit C.** In addition to the water and wastewater lines included in **Exhibit C**, the parties acknowledge that other Dallas owned water or wastewater pipelines may currently exist in Mesquite and the parties agree said water and wastewater lines are considered a part of this Agreement and are authorized by Mesquite to operate for all purposes as if they were expressly listed in or shown on **Exhibit C.**

(F) Mesquite, at no expense to Dallas, and without charge by Dallas, shall be authorized to continue to have the right to use existing public rights-of-ways in Dallas to operate and maintain Mesquite water and wastewater pipeline installations in those locations as are more particularly depicted on the attached **Exhibit D**. In addition to the water and wastewater lines included in **Exhibit D**, the parties acknowledge that other Mesquite owned water or wastewater pipelines may currently exist in Dallas and the parties agree said water and wastewater lines are considered a part of this Agreement and are authorized by Dallas to operate for all purposes as if they were expressly listed in or shown on **Exhibit D**.

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ARTICLE II. PROJECT AGREEMENT

This Article outlines various items concerning the rights and responsibilities of Mesquite and Dallas respectively, related to (i) land, rights-of-ways and/or easements owned by or acquired by each party within the Mesquite and Dallas corporate limits and used by the other, as depicted on **Exhibits C and D**; and, (ii) the reciprocal grants to the other party over the public rights-of-ways within their respective corporate limits, as depicted in **Exhibits A, B, and E;** all or either of which are to be used for the purpose of constructing, operating and maintaining: (x) the Barnes Bridge Pipeline Project within Dallas corporate limits; (y) the Southwest Water Transmission Pipeline Project within Mesquite corporate limits; and (z) ancillary improvements within Mesquite corporate limits located on Dallas owned property and/or non-public rights-of-ways in Mesquite.

(A) In consideration of the reciprocal grant of use by Mesquite described in subparagraph B below, Dallas hereby agrees to and does hereby grant, without charge by Dallas, to Mesquite, its agents, representatives and employees a right to use existing public rights-of-ways in those Dallas locations shown and listed on **Exhibit A** to accommodate the Mesquite Barnes Bridge Pipeline Project; further ratifies its consent to Mesquite's continuing use, without charge by Dallas, of public rights-of-ways within Dallas currently being utilized for operation and maintenance of existing Mesquite owned water and wastewater pipeline installations in such public right-of ways, including at locations depicted on **Exhibit D**; and further grants, without charge by Dallas, to Mesquite, its agents, representatives, employees, and the public a right to use Dallas owned real properties and/or non-public rights-of-ways and easements located in Mesquite, shown and listed on **Exhibit E** for ancillary improvements, as described in Section III(B). The right to use herein granted by Dallas shall include the right to own, lay, construct, operate, repair and replace the Barnes Bridge Pipeline Project, and those additional existing water and wastewater pipelines not part of the Barnes Bridge Pipeline Project but subject to this Agreement, along with any and all appurtenances, thereto, and/or appurtenances as are needed in the future and incidental to the use, operation, maintenance, or replacement of the Barnes Bridge Pipeline Project or the additional water and wastewater pipelines subject to this Agreement within Dallas' existing public rights-of-ways, and the right to own, construct, operate, maintain, repair, and replace those ancillary improvements, as those areas are depicted on **Exhibits A, D, and E,** attached and incorporated hereto for all purposes (hereinafter called the "Dallas Public Right-of-way Area"). Notwithstanding that Mesquite shall be obligated to restore the right-of-way following any maintenance, repair, replacement or restorative work on the Barnes Bridge Pipeline Project, the other additional water and wastewater lines, and the ancillary improvements subject to this Agreement, Dallas will maintain the right-of-way within the Dallas Public Right-of-Way Area.

(B) In consideration of the reciprocal grant of use by Dallas described in subparagraph A above, Mesquite hereby agrees to and does hereby grant, without charge by Mesquite, to Dallas, its agents, representatives and employees a right to use existing public rights-of-ways and easements granted to Dallas by Mesquite in those locations within Mesquite depicted on **Exhibit B** to accommodate the Southwest Water Transmission Pipeline Project; and further ratifies its consent to Dallas' continuing use, without charge, of public rights-of-ways within Mesquite currently being utilized for operation and maintenance of

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existing Dallas owned water and wastewater pipeline installations in such public rights-of-ways at locations depicted on **Exhibit C**. The right to use herein granted by Mesquite shall include the right to own, lay, construct, operate, repair and replace the Southwest Water Transmission Pipeline Project, and those additional existing water and wastewater pipelines not part of the Southwest Water Transmission Pipeline Project but subject to this Agreement, along with any and all appurtenances, thereto, and/or appurtenances as are needed in the future and incidental to the use, operation, maintenance, or replacement of the Southwest Water Transmission Pipeline Project or the additional water and wastewater pipelines subject to this Agreement within Mesquite's existing public rights-of-ways and easements granted to Dallas by Mesquite, depicted on **Exhibits B, C, and E** attached and incorporated hereto for all purposes (hereinafter called the "Mesquite Public Right-of-way Area"). Notwithstanding that Dallas shall be obligated to restore the right-of-way following any maintenance, repair, replacement or restorative work on the Southwest Water Transmission Pipeline Project or the other additional water and wastewater lines subject to this Agreement, Mesquite will maintain the right-of-way within the Mesquite Public Right-of-Way Area.

(C) Each party agrees to repair, relocate and/or replace the other's respective utilities, landscaping, appurtenances, signage, street lighting, paved or unpaved surfaces, and other improvements as may be required, within the other's right-of-way areas to facilitate the construction and installation of their respective pipeline projects subject of this Agreement. Each agrees that after any construction, each will restore those affected improvements to a condition similar to condition existing prior to construction and installation of their respective pipeline project that meets current standards for permitted work at the time of construction.

(D) Each party agrees to meet the other's respective water design standards for screening of above-ground water line appurtenances, which are current at the time of construction of said appurtenances, except that screening shall not be required if it interferes with the operation or maintenance of their respective pipeline project.

(E) Neither party will be required to alter, change or relocate their pipeline project once it is complete and in place, unless each determines that: (1) the relocation is necessary in the public interest; (2) there are no reasonable alternatives; and (3) it is necessary to accommodate a public improvement project in accordance with their respective local code or ordinances. If the aforementioned conditions are met and either party must alter, change, or relocate their pipeline project, each party acknowledges and agrees that the parties will cooperate to allocate cost towards its improvements.

(F) Neither party's permissions regarding the use of their public rights-of-ways granted in this Agreement shall authorize the other to serve any property in Dallas or Mesquite, along the other's respective pipeline project route. By authorizing this Agreement, each party acknowledges and agrees it has no authority to connect or authorize any connections to the other's pipeline project to serve any property in Dallas or Mesquite. The parties further agree that the operation of their respective pipeline projects within the corporate limits of the other does not obligate each to serve any property in the other's corporate limits along

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either of the pipeline project routes. The parties further acknowledge that both parties may be providing wastewater service to customers within the other's corporate limits and the parties hereby consent to the other's provision of wastewater service; provided however, the acknowledgment does not create an on-going obligation of either party to provide service to customers located in the other's corporate limits if the provision of service is determined by the parties to no longer be necessary.

(G) Each party agrees to notify the other in the event it wishes to abandon their pipeline project, in which case the right of use granted for the abandoned pipeline project in this Agreement shall terminate across the affected right-of-way area. Abandonment or decommissioning of any portion of the pipeline project by either party shall be performed by each party in accordance with the other's then current standards and specifications for such public improvements at the time of the abandonment. Each party agrees to notify the other in the event it wishes to abandon, sell and or transfer title of any part of the affected public right-of-way areas depicted on **Exhibits A, B, C**, **D**, and **E**, respectively. Without limiting any of the foregoing set forth above, in the event either party divests itself of any portion or whole of the affected public right-of-way areas, each party agrees it shall provide the other with prior notice of any upcoming divestiture; and thereafter; the other shall proceed to do so in a manner so as not to divest the other of the concurrent public right-of-way use rights granted in this Agreement.

(H) Notwithstanding anything herein to the contrary, all repairs and/or replacements of any party's owned utilities, pavement, or other appurtenances within their public right-of-way areas or any other area affected by construction, repair, maintenance, reconstruction, replacement or removal of the affected pipeline project or any of its related appurtenances shall be performed in accordance with each party's current standards and specifications for such public improvements at the time of construction.

(I) Each party may enter and utilize their affected public right-of-way areas, at any time for the purpose of performing, installing or maintaining improvements necessary for the health, safety and welfare of the public or for any other public purpose. Each party also may authorize, allow, license and permit other utilities to use their public right-of-way areas so long as such other utilities do not unreasonably interfere with the other's use or maintenance of their respective pipeline projects under this Agreement. Each party agrees that before performing work in their respective public right-of-way areas, except in an emergency situation, each shall notify the other by telephone and in writing not later than seven (7) business days in advance of any operation and maintenance that may affect the other's pipeline project, which notice shall include the dates and times of the intended work.

Notice shall be provided to:

<u>To City of Mesquite</u>:
Director of Public Works
City of Mesquite
1515 N. Galloway Avenue

<u>To City of Dallas</u>:
Director of Dallas Water Utilities
City of Dallas
1500 Marilla Street, Room 4A North

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Mesquite, Texas 75149 Dallas, Texas 75201

(J) Each party agrees to use reasonable efforts not to damage or disrupt the others pipeline project. The parties shall coordinate their respective installations prior to commencement of any construction work to assure each pipeline project proceeds in compliance with minimum utility clearances from the water transmission pipeline (clear outside to outside) within the limits of their respective public right-of-way areas.

(K) (i) Easement Conveyances on Mesquite Owned Real Property:

Mesquite agrees to grant, sell and convey exclusive water pipeline easements to Dallas, on those certain parcels, as more particularly identified in **Exhibit E** (as "Easement") (hereinafter called the "Easement Conveyance Area"). The consideration for the Easement Conveyance Area shall be the fair market value of the Easement Conveyance Area as determined by one or more appraisals completed by a Texas certified general appraiser at Dallas' cost. Such consideration shall be paid to Mesquite at the time of the execution of the Water Pipeline Easements. Said conveyances shall be done by Water Pipeline Easements, substantially in the forms attached hereto as **Exhibit F-1** which shall be approved as to form by the Dallas City Attorney and the Mesquite City Attorney and recorded in the public deed records of the county applicable to the location of the parcels. Notwithstanding that Mesquite shall be vested in fee simple title as to those certain parcels comprising the Easement Conveyance Area, under the easement grant Dallas shall be permitted to use said parcels for the purpose to lay, construct, operate, repair and replace the Southwest Water Transmission Pipeline Project, along with any and all appurtenances, thereto, and/or appurtenances as are needed in the future incidental to the use, operation, maintenance, or replacement of the Southwest Water Transmission Pipeline Project. All water pipeline easements granted by Mesquite to Dallas on Mesquite owned real property will run with the land, and Dallas will retain said easement grants notwithstanding a subsequent sale or transfer of the land by Mesquite, and Mesquite agrees to execute documentation necessary to memorialize said Dallas rights in the public deed records. Should Mesquite intend to abandon, sell and or transfer title of any portion or whole of the Easement Conveyance Area, Mesquite shall agree to transfer ownership of the Easement Conveyance Area affected in fee simple to Dallas Water Utilities, by form instrument approved by the City Attorney of Dallas, with no additional payment and no additional requirements by Dallas. Dallas will be responsible to maintain the pipeline within the easement parcels.

(ii) Fee Simple Conveyance of Mesquite Owned Real Property:

Mesquite agrees to grant, sell, and convey fee simple title to Dallas, to all those certain parcels, as more particularly identified in **Exhibit E** (as "Fee Simple") (hereinafter called the "Fee Simple Conveyance Area"). The consideration for the Fee Simple Conveyance Area shall be the fair market value of the Fee Simple Conveyance Area as determined by one or more appraisals completed by a Texas certified general appraiser at Dallas' cost. Such consideration shall be paid to Mesquite at the time of the execution of the deed

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transferring the fee simple parcel. Said conveyance shall be done by Special Warranty Deed, subject to a limited reservation use for the purposes listed in Article III below and approved as to form by the Dallas City Attorney and the Mesquite City Attorney. The parties agree that despite the fact Dallas may have other identified easement acquisitions over other Mesquite owned real property which are sufficient for its purposes, the parties agree that the fee simple conveyance of the parcels listed and illustrated in **Exhibit E** is necessary to facilitate the most effective use of said parcels for the purpose to lay, construct, operate, repair and replace the Southwest Water Transmission Pipeline Project, along with any and all appurtenances, thereto, and/or appurtenances as are needed in the future incidental to the use, operation, maintenance, or replacement of the Southwest Water Transmission Pipeline Project. Dallas will be responsible to maintain the pipeline within the acquired fee owned parcels.

(iii) The Agreement Area:

The Mesquite Public Right-of-Way Area, the Dallas Public Right-of-Way Area, the Easement Conveyance Area, and the Fee Simple Conveyance Area shall hereinafter collectively comprise the "Agreement Area". The parties agree that the requirements set forth above in subparagraphs "C" through "J" shall be applicable to the Agreement Area.

(L) In addition to complying with the requirements set forth above in subparagraphs "C" through "J", each party agrees to use reasonable efforts not to damage or disrupt the other's pipeline project. The parties will cooperate to maintain minimum utility clearances as required, including those as may be required by Texas Commission on Environmental Quality ("TCEQ") at the time of construction, from the transmission pipeline (clear outside to outside) within the limits of the Agreement Area. At a minimum, the parties agree as follows:

(i) Plans of crossings shall be submitted to the other to determine if the crossing impacts the integrity of their respective pipeline projects. As regards the Southwest Water Transmission Pipeline Project, all utility crossings shall maintain a minimum of five feet vertical separation between utility and transmission pipeline as shown on **Exhibit G** during construction and after construction completion of the Southwest Water Transmission Pipeline Project. Specific design elements including but not limited to casings, special backfill and compaction requirements, may be required to protect the integrity of the respective pipeline projects. Analysis of impacts shall include the impacts to the cathodic protection system and other appurtenances.

(ii) As regards the Southwest Water Transmission Pipeline Project, all parallel utilities within roadway right-of-way shall maintain a minimum horizontal clearance of 15-feet as shown on **Exhibit G** during construction and after construction completion of the Southwest Water Transmission Pipeline Project.

(iii) As regards the Southwest Water Transmission Pipeline Project, all parallel utilities outside of the roadway right-of-way shall be located within the 15-foot utility zone

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along the outside of the Dallas right-of-way during construction and after construction completion of the Southwest Water Transmission Pipeline Project.

(iv) New utility crossings proposed more than or equal to five (5) feet vertically, or parallel utilities more than or equal to (15) feet horizontally, from the Southwest Water Transmission Pipeline (crossings shall be measured from the outside of the water transmission pipeline to the outside of the pipe, cable, duct bank or casing, as applicable) do not require submittal for approval.

(v) All plans for new utility crossing and/or parallel installation with less than the separation distances per provision Article II.(L)(i) and (ii) above shall be submitted to Dallas for written approval, which shall not be unreasonably withheld or delayed. The effort for Dallas to determine the impact to the Southwest Water Transmission Pipeline may require submittal of Level "A" Subsurface Utility Engineering (as defined by the American Society of Civil Engineers), structural analysis and/or a geotechnical engineering analysis, and assessment for impacts to the cathodic protection system and other appurtenances. If the proposed infrastructure is deemed to adversely impact the Southwest Water Transmission Pipeline, Dallas may require typical design elements as protection, such as but not limited to calling for encasement, special backfill, shoring, compaction requirements, increase in the separation distance, or other practical engineering measures.

(vi) As regards either pipeline project, exceptions regarding horizontal and vertical alignment may be granted on a case-by-case basis after review and written approval by the water department in the case of Dallas and the City Engineer or Director of Public Works in the case of Mesquite. Dallas and Mesquite may require the utility owner or excavation owner to perform and submit Level “A” Subsurface Utility Engineering (as defined by the American Society of Civil Engineers) and Geotechnical Engineering analysis for approval of exceptions.

(vii) As regards either pipeline project, sanitary sewer lines shall meet the above clearances and the requirements of TCEQ regulations in effect at the time of construction.

ARTICLE III. USE RIGHTS GRANTED TO MESQUITE ON DALLAS RIGHTS – OF – WAYS AND/OR EASEMENTS OR REAL PROPERTY IDENTIFIED ON EXHIBITS B AND E

This article outlines various items concerning the rights of use Dallas does hereby grant unto Mesquite on Dallas’ acquired real properties and/or non-public rights-of-ways and easements depicted on **Exhibits B** and **E** that are within the corporate limits of Mesquite.

(A) Except as provided herein, Dallas reserves the exclusive right, privilege and license to own, lay, construct, operate, repair and replace the Southwest Water Transmission Pipeline Project, along with any and all appurtenances, thereto, and such additional appurtenances and pipes as are needed in the future incidental to the use, operation, maintenance, or

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replacement of the Southwest Water Transmission Pipeline Project within the right-of-way and/or easements acquired from private property owners by Dallas within the corporate limits of Mesquite.

(B) Dallas hereby agrees and does hereby grant, and convey non-exclusive easements unto Mesquite, on those certain parcels, as more particularly identified in **Exhibit E** for use of the property for the following potential improvements to be constructed, operated and maintained by Mesquite, at Mesquites' sole expense, in mutually agreed upon locations within those properties, and subject to design document review and approval by Dallas Water Utilities:

(i) Hike and bike trails.

(ii) Mesquite communications, water, sanitary sewer, and storm drainage lines, subject to location and spacing requirements set forth in Article III (C) below.

(iii) Public street connections and sidewalk connections or crossings.

(iv) Public (or Mesquite-Owned) landscaping, irrigation, and illumination.

The aforementioned improvements listed in (i) through (iv) individually and/or collectively comprise the "ancillary improvements". Said conveyances shall be done by easements, substantially in the form attached hereto as **Exhibit F-2** which shall be approved as to form by the Dallas City Attorney and the Mesquite City Attorney and recorded in the public deed records of the county applicable to the location of the parcels. To the extent Dallas obtains easements from private property owners, Mesquite agrees to also obtain the right to use the easements for the ancillary improvements that are dedicated for Mesquite's and the public's use, as appropriate.

(C) Dallas agrees to consider accommodation, for parallel public franchise utilities, and Dallas agrees to accommodate Mesquite-owned communications, water, sanitary sewer, and storm drainage lines within the first 15-feet adjoining the Dallas right-of-way, on one side of the Southwest Water Transmission Pipeline Project only, in areas where Dallas has acquired right-of-way and subject to all Dallas clearance requirements as follows:

(i) All utility crossings shall maintain a minimum of five feet vertical separation between utility and transmission pipeline as shown on **Exhibit G**. Plans of crossings shall be submitted to Dallas to determine if the crossing impacts the integrity of the Southwest Water Transmission Pipeline Project. Specific design elements including but not limited to casings, special backfill and compaction requirements, may be required to protect the integrity of the Southwest Water Transmission Pipeline Project. Analysis of impacts shall include the impacts to the cathodic protection system and other appurtenances.

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(ii) All parallel utilities within roadway right-of-way shall maintain a minimum clearance of 15-feet between utility and transmission pipeline as shown on **Exhibit G**.

(iii) All parallel utilities outside of the roadway right-of-way shall maintain a minimum clearance as required by TCEQ and shall maintain a minimum clearance of 15-feet at the time of construction, between utility and transmission pipeline.

(iv) Plans for parallel utilities shall be submitted to Dallas to determine if the proposed improvements will impact the integrity of the Southwest Water Transmission Pipeline Project. Dallas reserves the right to require specific design elements/appurtenances or increase the spacing between the proposed utility and the transmission pipeline if the Southwest Water Transmission Pipeline Project will be adversely impacted. Analysis of impacts shall include the impacts to the cathodic protection system and other appurtenances.

(v) Sanitary Sewer, in addition to the above, shall at a minimum meet the requirements of TCEQ regulations in effect at the time of construction of the crossing sewer.

(D) Dallas and Mesquite each acknowledges the other's right to approve, and the requirement of both Dallas' and Mesquite's approval of the following:

(i) Crossing of the Dallas right-of-way with private electric power, fiber optic, communications, and natural gas and cable TV lines. It is understood that Mesquite will coordinate the approval with Dallas.

(ii) Construction of private driveway and sidewalk connections across the Dallas right-of-way after coordination with and concurrence by Dallas.

(E) Dallas and Mesquite agree to the establishment of a maximum 45-day first review and 15-day subsequent review and approval timeframe, except as otherwise noted in this agreement, to preclude unnecessary delays to public and private projects within the Dallas rights-of-way. Additional time for reviews may be required due to incomplete submittals.

(F) Dallas and Mesquite agree with the requirement for construction projects within the Dallas right-of-way or Mesquite right-of-way to follow the more stringent construction, notification, dust control, and traffic control requirements of either Dallas or Mesquite.

(G) Dallas agrees to maintain or provide for maintenance of the Dallas right-of-way, except in instances of joint use of the Dallas right-of-way by Mesquite. At locations where Mesquite installs enhanced landscaping, irrigation, lighting, etc. associated with ancillary improvements, Mesquite shall be responsible for maintenance of the full width of the right-of-way in the improved areas. In locations of ancillary improvements consisting of hike and bike trails only, Mesquite will be responsible for the maintenance of the surface of the right-of-way for a width of twenty feet (20-ft) on each side of the trail. Changes in the maintenance width shall occur at points identifiable on the ground and provided in exhibit

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form, as agreed upon by both Mesquite and Dallas. The required maintenance will be in accordance with the most stringent requirements of either the City of Mesquite or the City of Dallas, but at a minimum in keeping with the maintenance of the adjoining property.

(H) It is understood by Dallas and Mesquite that:

(i) As the project or projects develop further, additional issues may arise; both Dallas and Mesquite will commit to continue to work together in a spirit of partnership to their mutual benefit.

(ii) Dallas approval and acceptance of all the above-mentioned agreements and/or improvements in this Article III is contingent on the agreements and/or improvements not adversely affecting the construction, operation and/or maintenance of the Southwest Water Transmission Pipeline Project, Dallas improvements and/or appurtenances, existing, proposed or future.

(iii) All the above-mentioned improvements will need to be coordinated with and approved by Dallas and Mesquite prior to construction.

(iv) Dallas' and or Mesquite's approval will not be adversely upheld or unreasonably restrict approval of the other's improvements.

(v) Dallas assumes no liability for damage to any of the above constructed improvements installed by Mesquite or others including but not limited to such damage as may occur as a result of Dallas' construction, operation, maintenance, repairing and or improving existing or proposed lines, and appurtenances. In the event Dallas and/or its contractors damages any of the ancillary improvements, Dallas shall use reasonable efforts to promptly notify Mesquite; provided however that Dallas' failure to notify Mesquite shall not constitute a default by Dallas under this Agreement.

ARTICLE IV. DESIGN

Each party hereby agrees to be responsible for the design and approval of all engineering plans, specifications and design changes related to their pipeline project, and in the case of Mesquite-ancillary improvements, subject to and under this Agreement, and to provide such plans and specifications to the other for review and approval, which approval shall not be unreasonably denied. Each party agrees to the establishment of a maximum 45-day first review and 15-day subsequent review and approval timeframe, except as otherwise noted in this Agreement, to preclude unnecessary delays. Additional time for reviews may be required due to incomplete submittals.

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ARTICLE V. CONSTRUCTION ADMINISTRATION

Each party shall be solely responsible for the solicitation and award of the bid in each's sole discretion for the construction of their respective pipeline projects, and in the case of Mesquite-ancillary improvements, subject to and under this Agreement. Each party shall be solely responsible for the construction administration and inspection of their pipeline projects, and in the case of Mesquite-ancillary improvements, subject to and under this Agreement.

ARTICLE VI. DESIGN OR CONSTRUCTION CHANGES

Prior to implementing any design or construction changes to their pipeline project, and in the case of Mesquite-ancillary improvements, subject to and under this Agreement required during construction, each party hereby agrees to advise the other of such design or construction changes and provide copies of affected plan drawing sheets and/or specifications for review. Each party hereby agrees to review and approve any such design or construction changes not later than 10 business days after each party provides the amended plans and specifications to the other showing such change, which approval shall not be unreasonably denied.

ARTICLE VII. PROJECT COSTS

Each party hereby agrees to be responsible for the entire cost of their respective pipeline project, and in the case of Mesquite-ancillary improvements, subject to and under this Agreement, including, without limitation, the costs of design, engineering, specifications, materials, installation, construction, inspection, right-of-way and easement acquisition, and change orders.

ARTICLE VIII. QUALITY ASSURANCE

Each party hereby agrees to provide inspection and quality assurance testing for construction of their respective pipeline project, and in the case of Mesquite-ancillary improvements, under this Agreement in coordination with the other, through their respective Public Works Department, Right-of-Way Management Division, or related departments. Inspection and acceptance of work to be owned, operated and maintained by each party, including but not limited to each's pipeline project work or in the case of Mesquite-ancillary improvements, rests with their respective city engineers or department director.

ARTICLE IX. OPERATION AND MAINTENANCE

Dallas, its agents, representatives and employees are hereby granted the right, as part of this Agreement to have free access to the Agreement Area for purposes of operation and maintenance of the Southwest Water Transmission Pipeline Project and the additional water and wastewater pipelines subject to this Agreement within the Mesquite Public Right-of-Way Area; Mesquite, its agents, representatives and employees are hereby granted the right, as part of this Agreement to have free access to the Agreement Area for purposes of operation and maintenance of the Barnes Bridge Pipeline Project and the additional water and wastewater pipelines and ancillary improvements subject to this Agreement within the Dallas Public Right-of-Way Area; and each party, its agents, representatives and employees are hereby granted the right to have free

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access to the public right-of-way areas under this Agreement for purposes of operation and maintenance of their respective pipeline project under this Agreement, each grant herein subject to the following:

(A) In the event of planned operation and maintenance activities for their respective pipeline projects under this Agreement, each party shall submit an application for a right-of-way permit to the other and obtain such permit and approval prior to any construction within the other's public right-of-way areas subject to this Agreement.

(B) In the event emergency operation and maintenance activities must be conducted for the respective pipeline projects in the other's public right-of-way areas subject to this Agreement, each party shall verbally notify the other not later than two (2) hours after the emergency becomes known to them, which notification shall follow up with a written notification not later than seventy-two (72) hours after the emergency becomes known to them. The affected party shall also apply for a right-of-way permit to the other and obtain such permit and approval within a reasonable time after the emergency becomes known to them. The written notification and right-of-way permit application shall include a description of the traffic control plan imposed by the affected party around the affected site within the affected public right-of-way areas. The affected party shall modify the traffic control plan imposed at the time the emergency maintenance and operations commenced in the manner the other party directs. For purposes of this paragraph, an "emergency" exists if the maintenance or repair operations are necessary to require the reestablishment of flow through the affected pipeline project, to restore pressure in the affected pipeline project after an unexpected and unsafe drop in flow of water, or a break in the affected pipeline project, regardless of cause, which, if not repaired immediately, would reasonably be expected to be harmful to the health and safety of Dallas or Mesquite customers and/or residents or could reasonably be expected to cause damage to person or property within the area of the break.

ARTICLE X. NO AGENCY OR JOINT VENTURE RELATIONSHIP

Mesquite and Dallas agree and acknowledge that each entity is not an agent of the other entity and that each entity is responsible in accordance with the laws of the State of Texas for its own acts, forbearance, negligence and deeds, and for those of its officers, agents or employees in conjunction with the performance of work covered under this Agreement. Each party is solely responsible for review and approval for the sufficiency, form, content, and engineering requirements for the design and construction of their respective pipeline project subject to this Agreement. Review and approval, if any, by Dallas or Mesquite of the other's plans and specifications related to the other's project as set forth elsewhere in this Agreement shall not constitute any acceptance or assumption of liability by either Dallas or Mesquite regarding the sufficiency, form, content and engineering requirements related to their respective project.

ARTICLE XI. NO THIRD-PARTY BENEFICIARY

This Agreement is solely for the benefit of the parties hereto and is not intended to and shall not create or grant any rights, contractual or otherwise, to any other person or entity.

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ARTICLE XII. BINDING ON SUCCESSORS

This Agreement shall be binding upon the parties hereto, their successors and assigns. Neither party will assign or transfer any interest in this Agreement without the written consent of the other party.

ARTICLE XIII. NOTICES

Except as otherwise provided in this Agreement, any notice to be given by either party to the other shall be required to be in writing and shall be deemed given when personally delivered, or three (3) business days after being deposited in the United States Mail, postage prepaid, certified, return receipt requested, or registered addressed as follows:

To City of Mesquite:
Director of Public Works
City of Mesquite
1515 N. Galloway Avenue
Mesquite, Texas 75149

To City of Dallas:
Director of Dallas Water Utilities
City of Dallas
1500 Marilla Street, Room 4A North
Dallas, Texas 75201

If the notice relates to default of this Agreement, proposed amendments to this Agreement, or changes of the name and/or address of who is to receive notices, copies of notices herein shall also be provided as follows:

To City of Mesquite:
City Manager
City of Mesquite
1515 N. Galloway Avenue
Mesquite, Texas 75149
(972) 216-6404

To City of Dallas:
City Manager
City of Dallas
1500 Marilla Street, Room 4EN
Dallas, Texas 75201

Either party may change its address for notice by giving the other party notice of the change in the manner described above.

ARTICLE XIV. AUTHORITY TO ENTER AGREEMENT

This Agreement has been duly executed and delivered by all parties and constitutes a legal, valid and binding obligation of the parties, their successors and permitted assigns. Each person executing this Agreement on behalf of each party represents and warrants that the person has full right and authority to enter into this Agreement.

ARTICLE XV. AMENDMENTS

This Agreement may not be amended except in a written instrument specifically referring to this Agreement and signed by the parties hereto.

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ARTICLE XVI. SOVEREIGN IMMUNITY; GOVERNING LAW; VENUE; NOTICE AND OPPORTUNITY TO CURE

Notwithstanding any other provision of this Agreement, this Agreement shall be expressly subject to the governmental immunity of Mesquite and Dallas, Title 5 of Texas Civil Practice and Remedies Code, and all applicable federal and state law. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas. Exclusive venue for any legal action regarding this Agreement filed by either Mesquite or Dallas shall be in Dallas County, Texas. This Agreement is subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of breach of contract claims against Dallas. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made part of this Agreement as if written word for word in this Agreement. Mesquite shall fully comply with the requirements of the ordinance as a condition precedent to any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims. This Agreement is also subject to the provisions of Sections 2-1 and 2-2 of the Mesquite City Code as amended, relating to requirements for certain legal claims against Mesquite. Section 2-1 and 2-2 of the Mesquite City Code, as amended, is expressly incorporated by reference and made part of this Agreement as if written word for word in this Agreement. Where applicable, Dallas shall fully comply with the requirements of the ordinance as a condition precedent to any claim relating to this Agreement, in addition to all other requirements in this Agreement related to claims and notice of claims.

ARTICLE XVII. GENDER NEUTRAL LANGUAGE

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

ARTICLE XVIII. MULTIPLE COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

ARTICLE XIX. SEVERABILITY

In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability of this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, but shall not affect the remaining provisions of this Agreement, which shall remain in full force and effect.

ARTICLE XX. ENTIRE AGREEMENT

This Agreement embodies the complete agreement of the parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters in this

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Agreement and, except as otherwise provided herein, cannot be modified without written supplemental agreement of the parties to be attached to and made a part of this Agreement.

ARTICLE XXI. TERMINATION

This Agreement may be terminated in the following manner.

1. By mutual agreement and consent of both parties in writing; or
2. By either party upon the failure of the other party to fulfill the obligation set forth herein.

ARTICLE XXII. CURRENT FUNDS

Dallas and Mesquite acknowledge and agree that all expenditures made by the respective parties shall be from current funds appropriated for the purposes for which such funds are expended.

ARTICLE XXIII. EFFECTIVE DATE

This Agreement becomes effective upon the date of its execution, which execution date is deemed to be the date the last party signs this Agreement.

ARTICLE XXIV. CONFLICTS

To the extent the provisions of this Agreement conflict with or are inconsistent with any provisions contained in other agreements between Dallas and Mesquite, the terms and provisions contained this Agreement shall control.

[SIGNATURE PAGE FOLLOWS]

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Effective as of the _____ day of _____, 20_____, by the CITY OF DALLAS, signing by and through its City Manager, duly authorized to execute same by Resolution No. 26-_____, adopted by the DALLAS CITY Council on _____, and by CITY OF MESQUITE, signing by and through its City Manager, duly authorized to execute same by Resolution No. 26-_____, adopted by the MESQUITE City Council on _____.

CITY OF MESQUITE
CLIFFORD V. KEHELEY,
City Manager

By: _____
Assistant City Manager

ATTESTED:

By: _____
Sonja Land, City Secretary

APPROVED AS TO FORM:
DAVID PASCHEL
City Attorney

By:_____
City Attorney

CITY OF DALLAS
KIMBERLY BIZOR TOLBERT,
City Manager

By: _____
Assistant City Manager

ATTESTED:

By: _____
City Secretary

APPROVED AS TO FORM:
BERTRAM A. VANDENBERG,
Interim City Attorney

By:_____
Assistant City Attorney

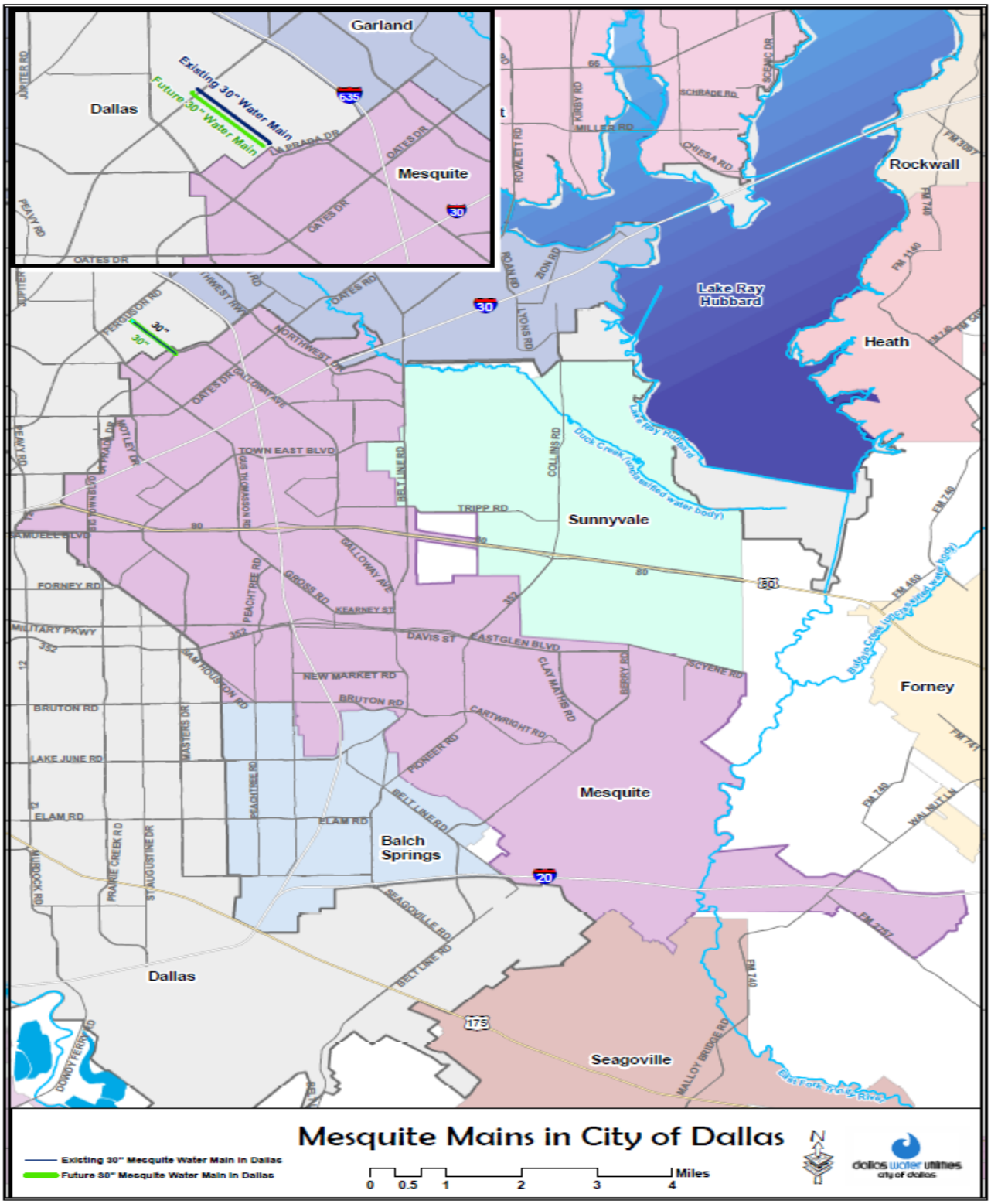
RECOMMENDED BY:
SARAH STANDIFER
Director, Water Utilities Department

By:_____
Director

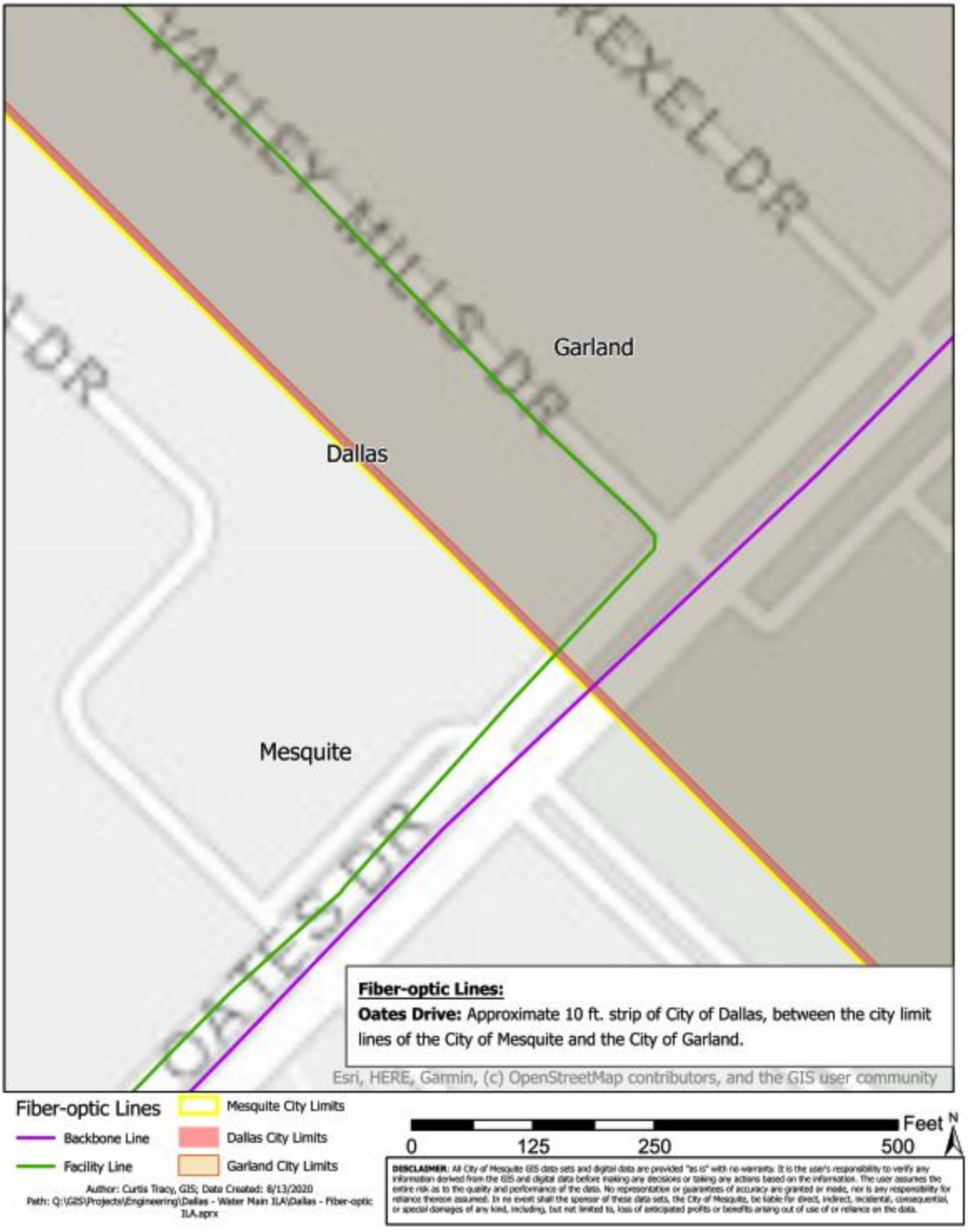
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Exhibit A

Barnes Bridge Pipeline Project Location Within the Corporate Limits of Dallas



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Exhibit B

Southwest Water Transmission Pipeline Project Location Within the Corporate Limits of Mesquite

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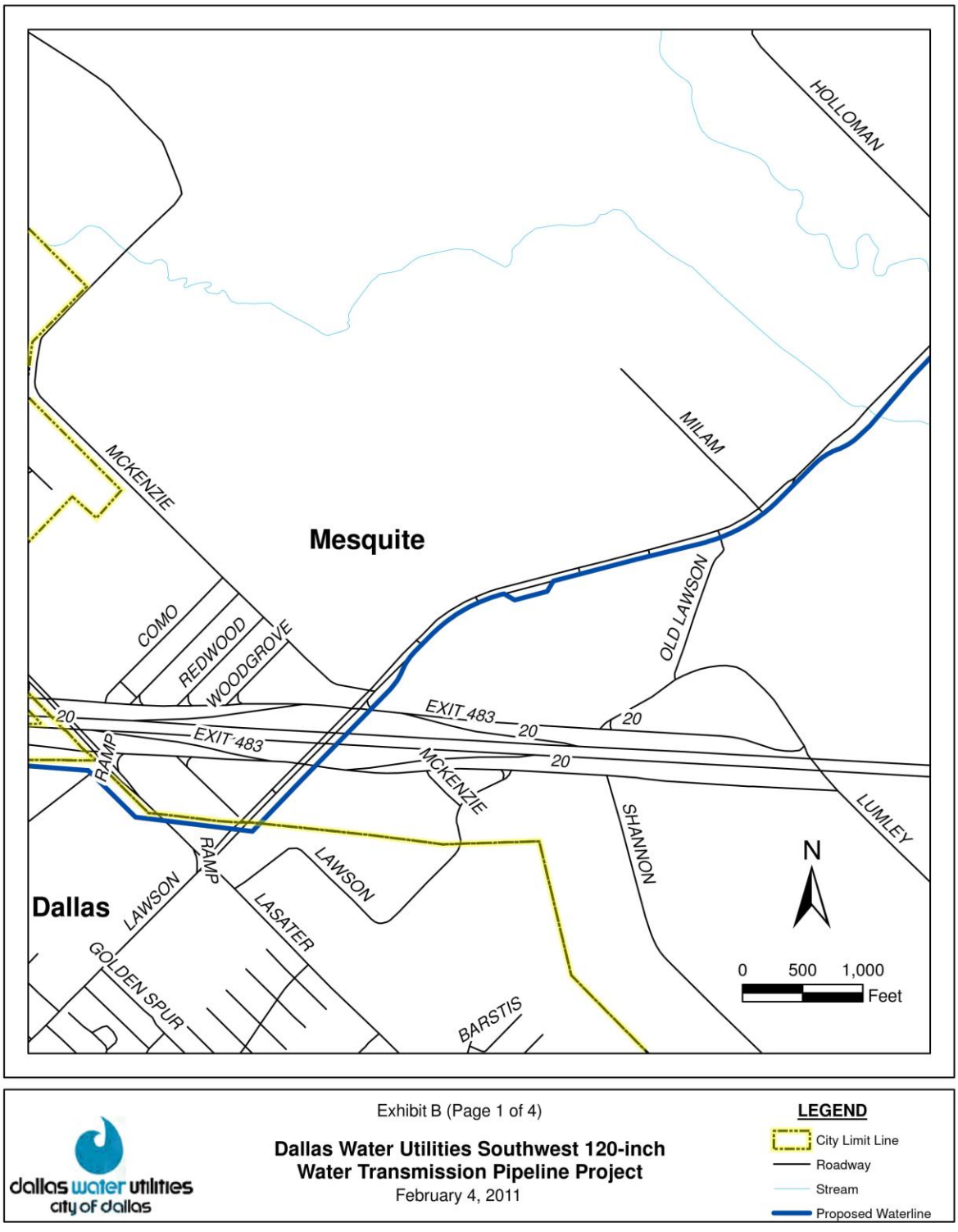


Exhibit B (Page 1 of 4)

dallas water utilities
city of dallas

Dallas Water Utilities Southwest 120-inch Water Transmission Pipeline Project

February 4, 2011

LEGEND

- City Limit Line
- Roadway
- Stream
- Proposed Waterline

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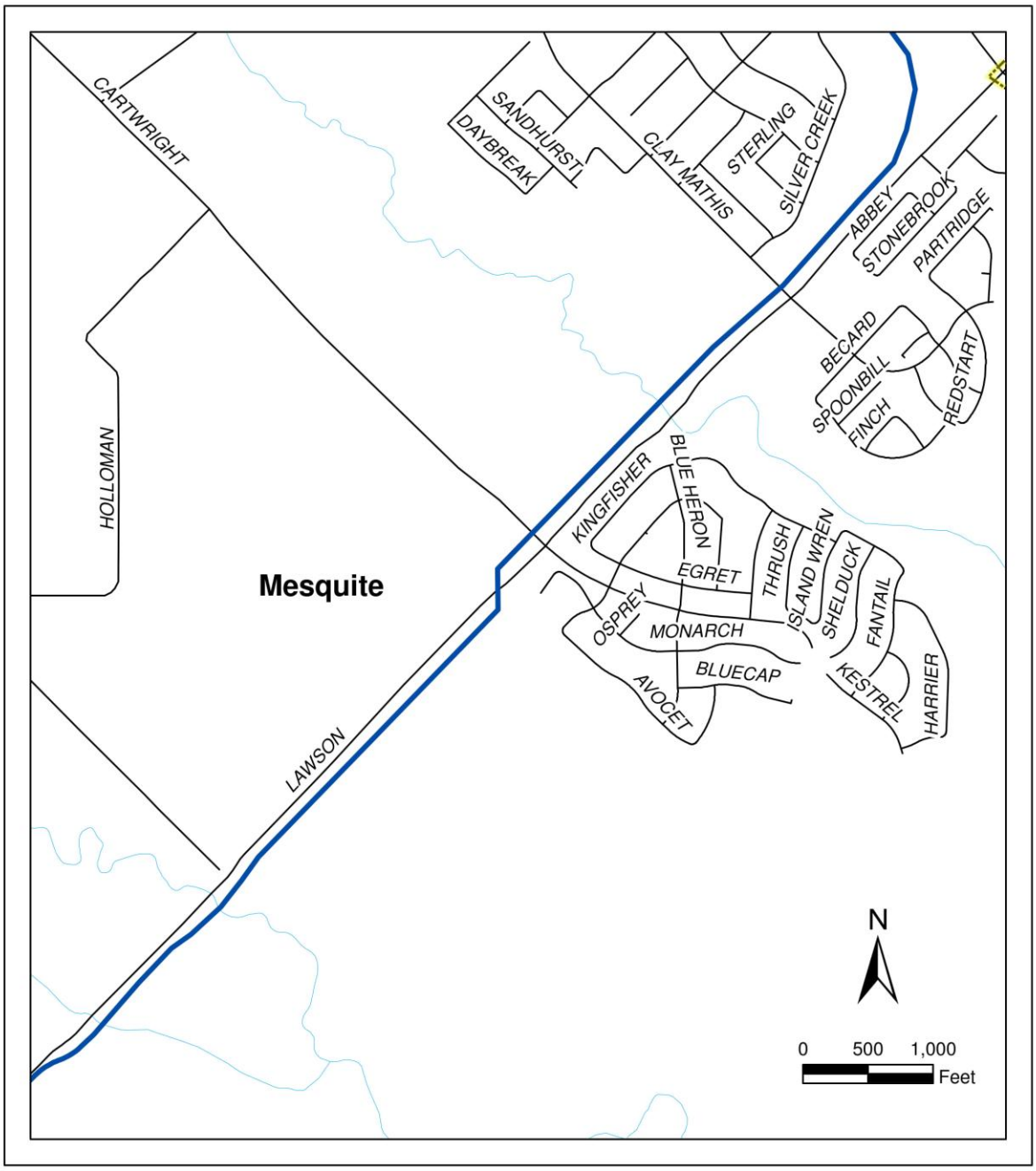


Exhibit B (Page 2 of 4)

dallas water utilities
city of dallas

Dallas Water Utilities Southwest 120-inch Water Transmission Pipeline Project

February 4, 2011

LEGEND

- City Limit Line
- Roadway
- Stream
- Proposed Waterline

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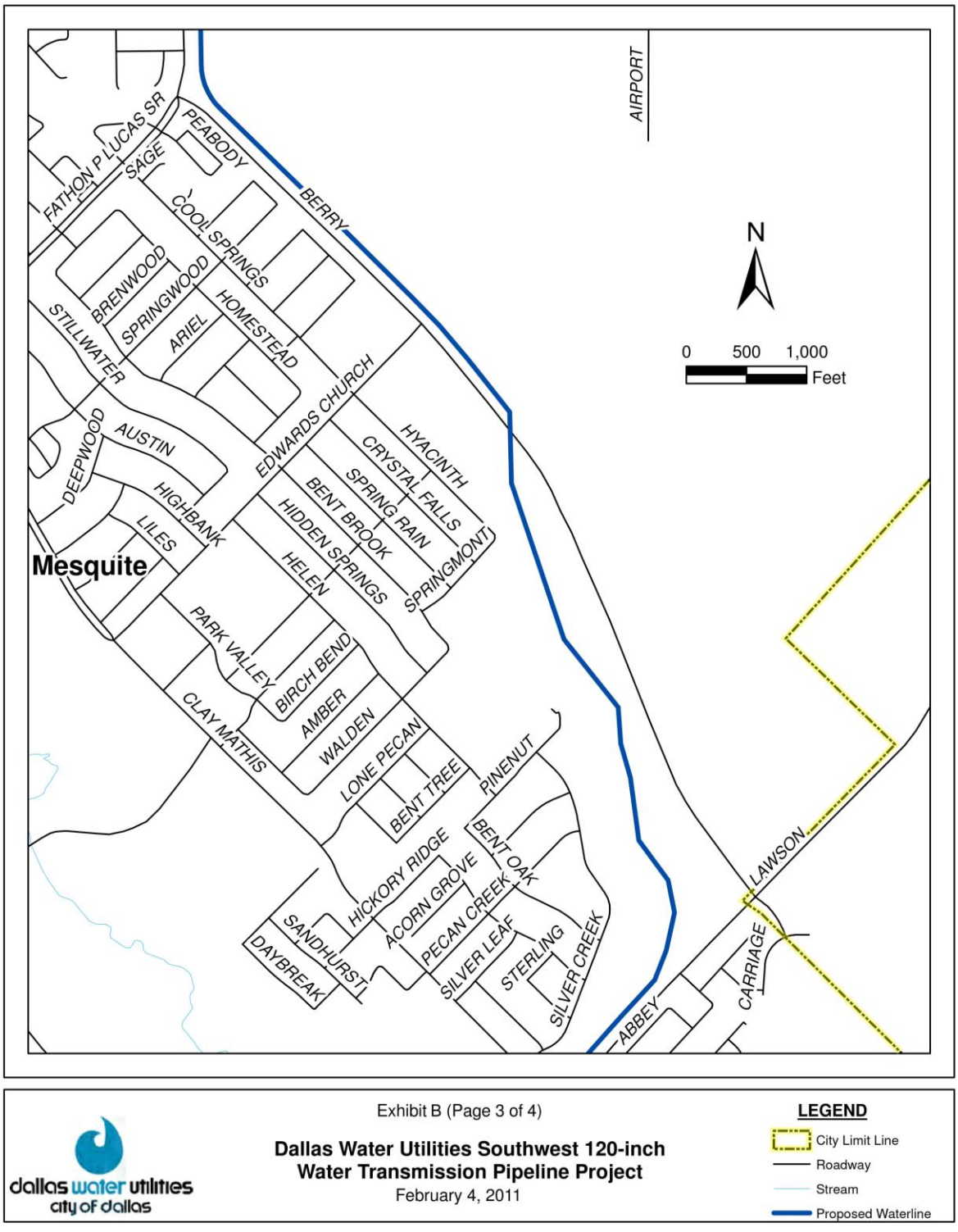


Exhibit B (Page 3 of 4)

dallas water utilities
city of dallas

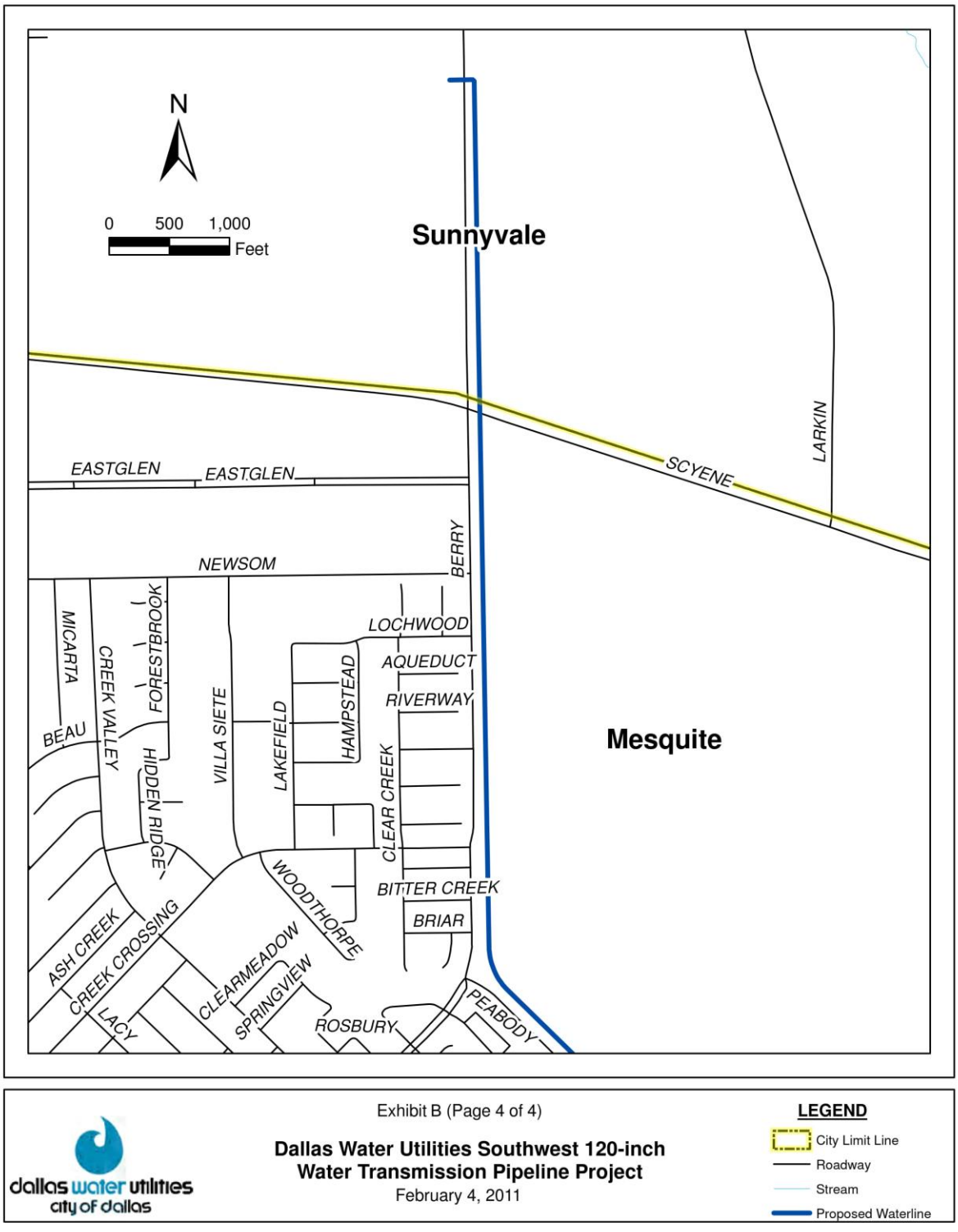
Dallas Water Utilities Southwest 120-inch Water Transmission Pipeline Project

February 4, 2011

LEGEND

- City Limit Line
- Roadway
- Stream
- Proposed Waterline

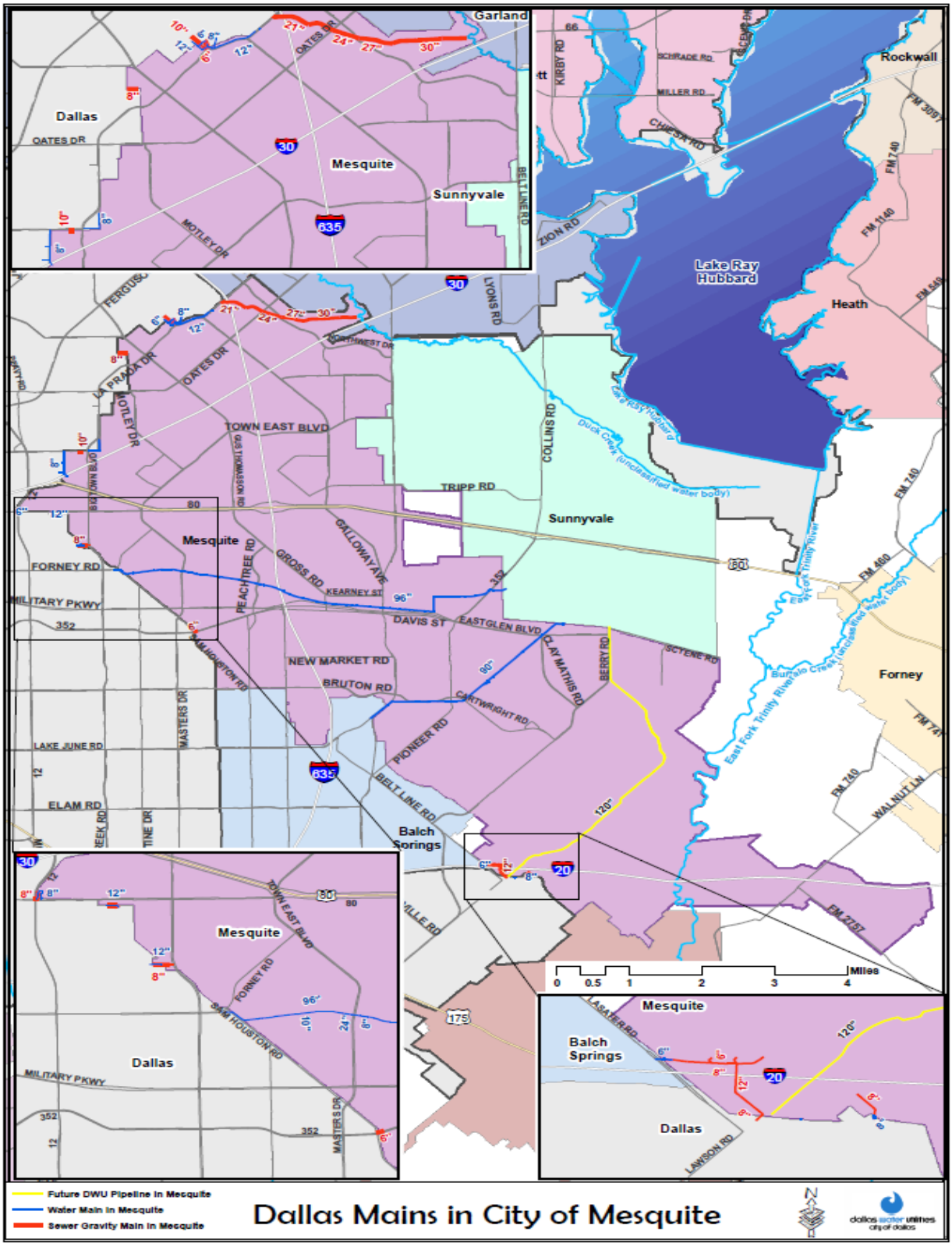
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Exhibit C

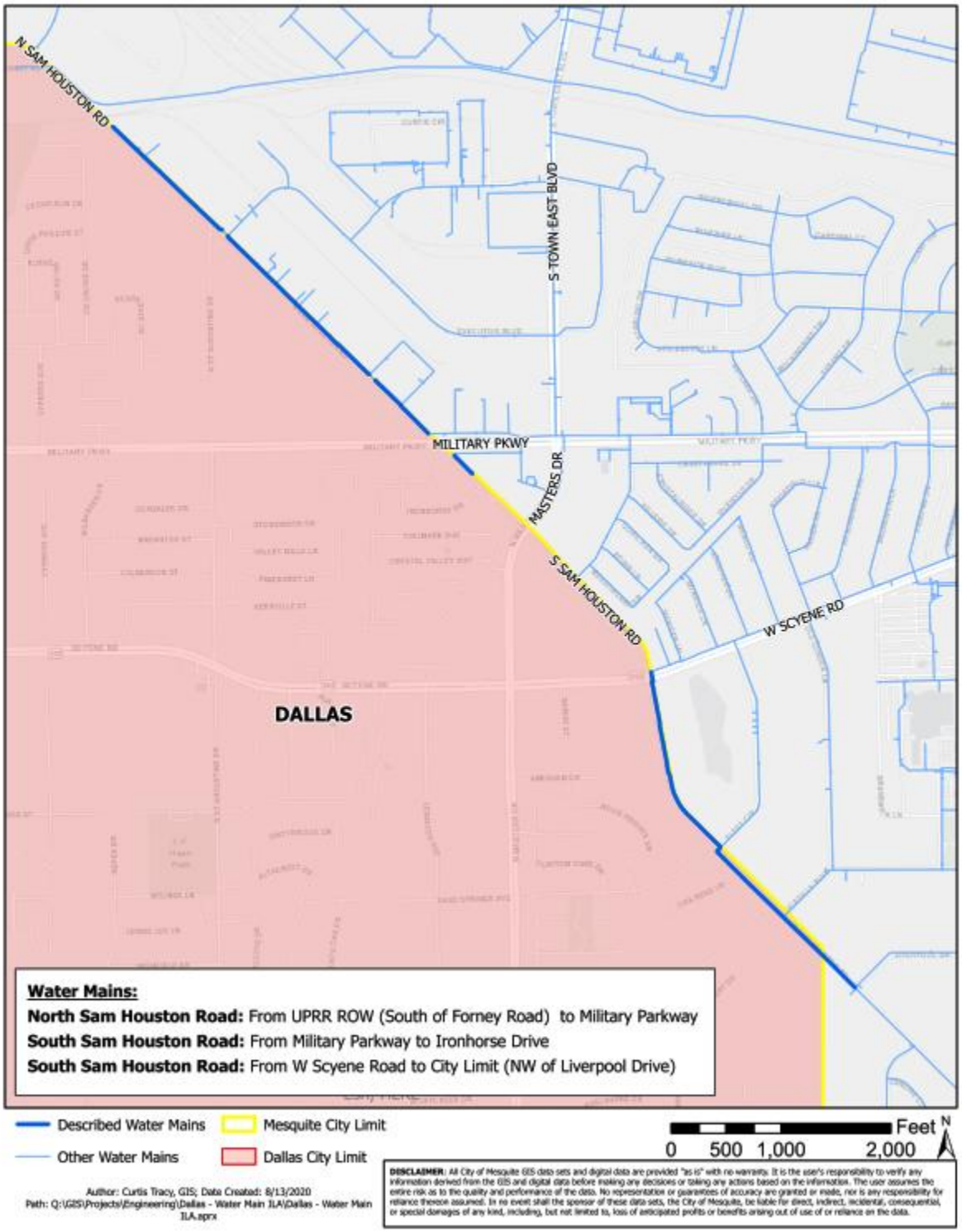
Existing Dallas Water & Wastewater Pipelines Within Corporate Limits of Mesquite



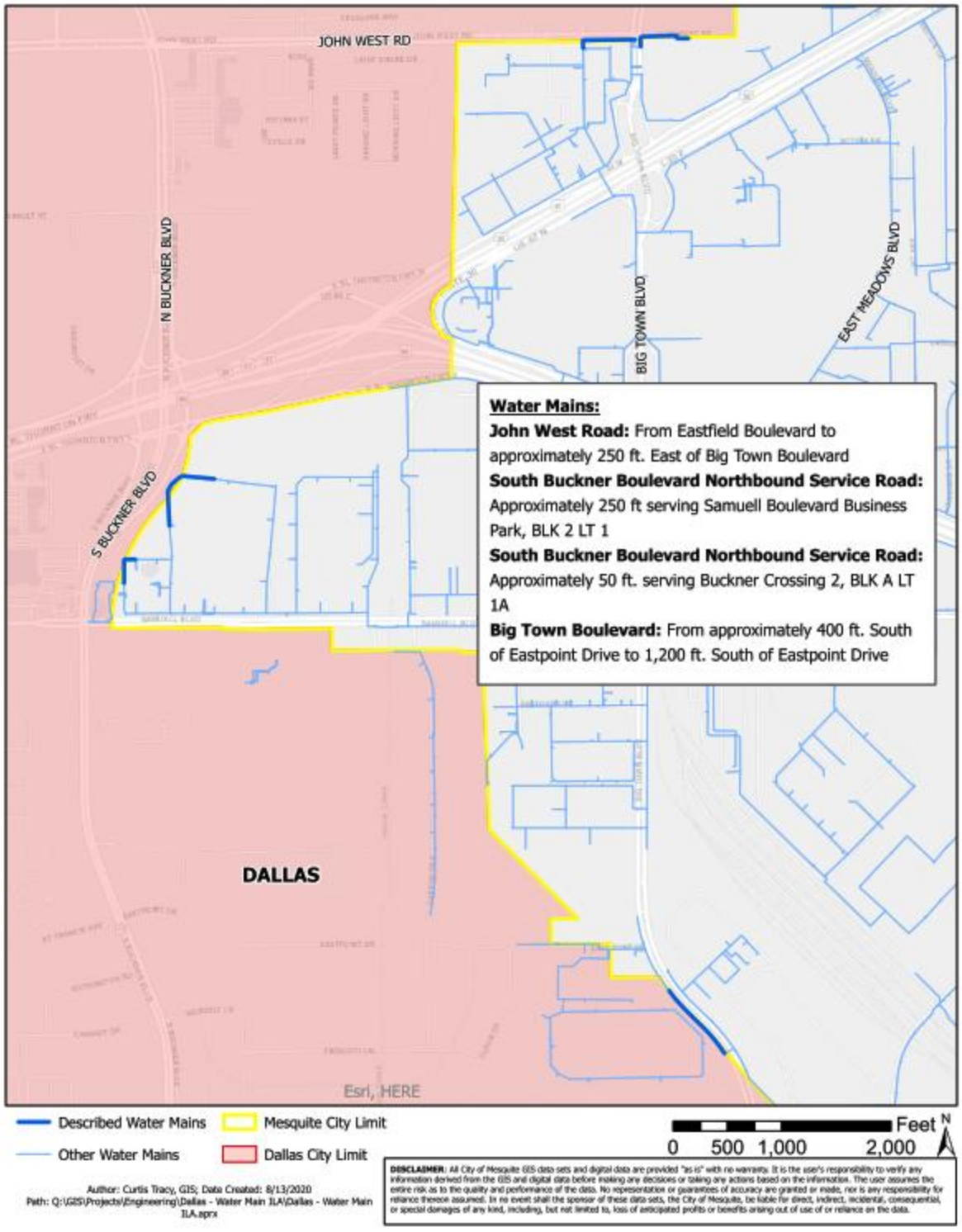
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Exhibit D

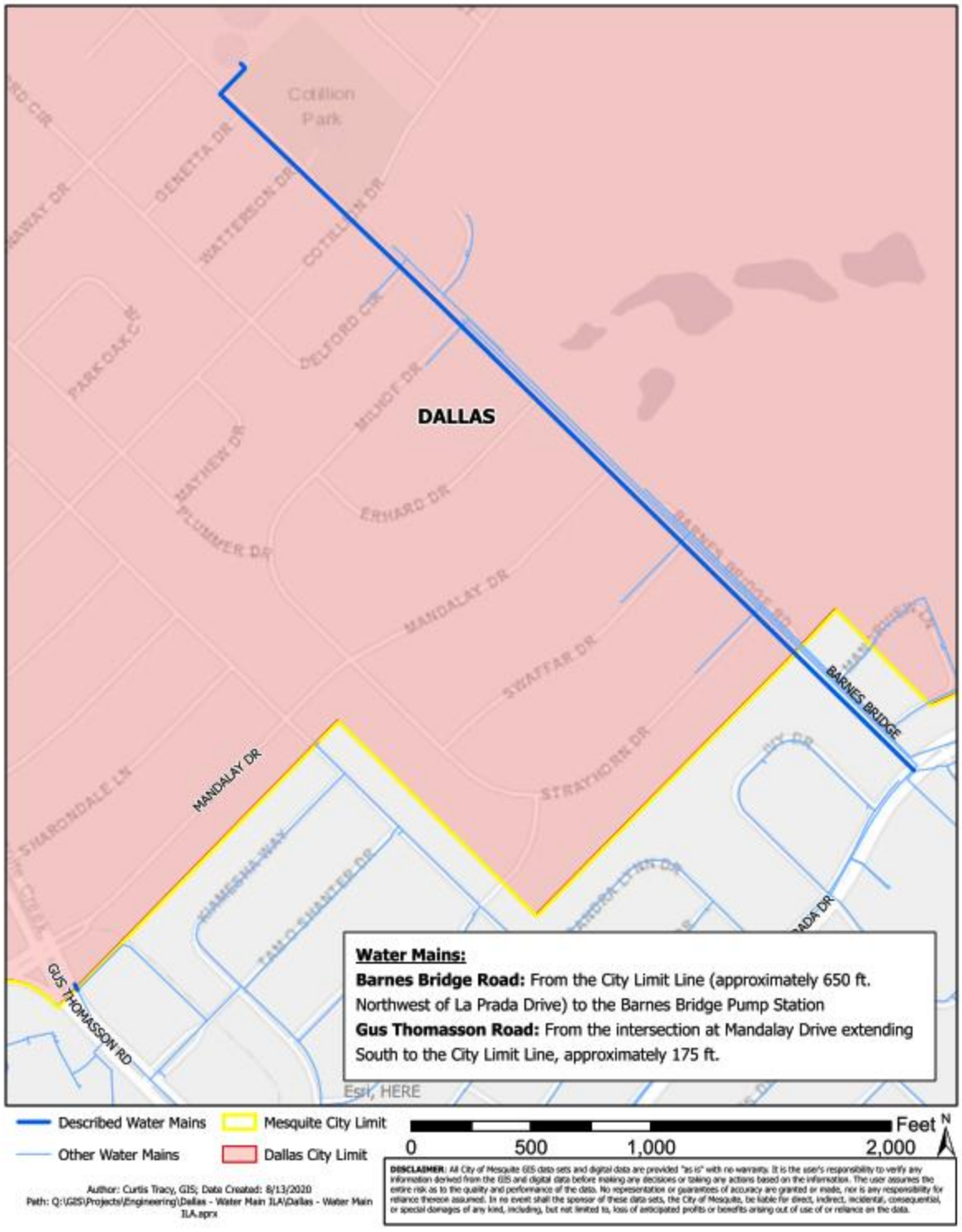
Existing Mesquite Water & Wastewater Pipelines Within Corporate Limits of Dallas



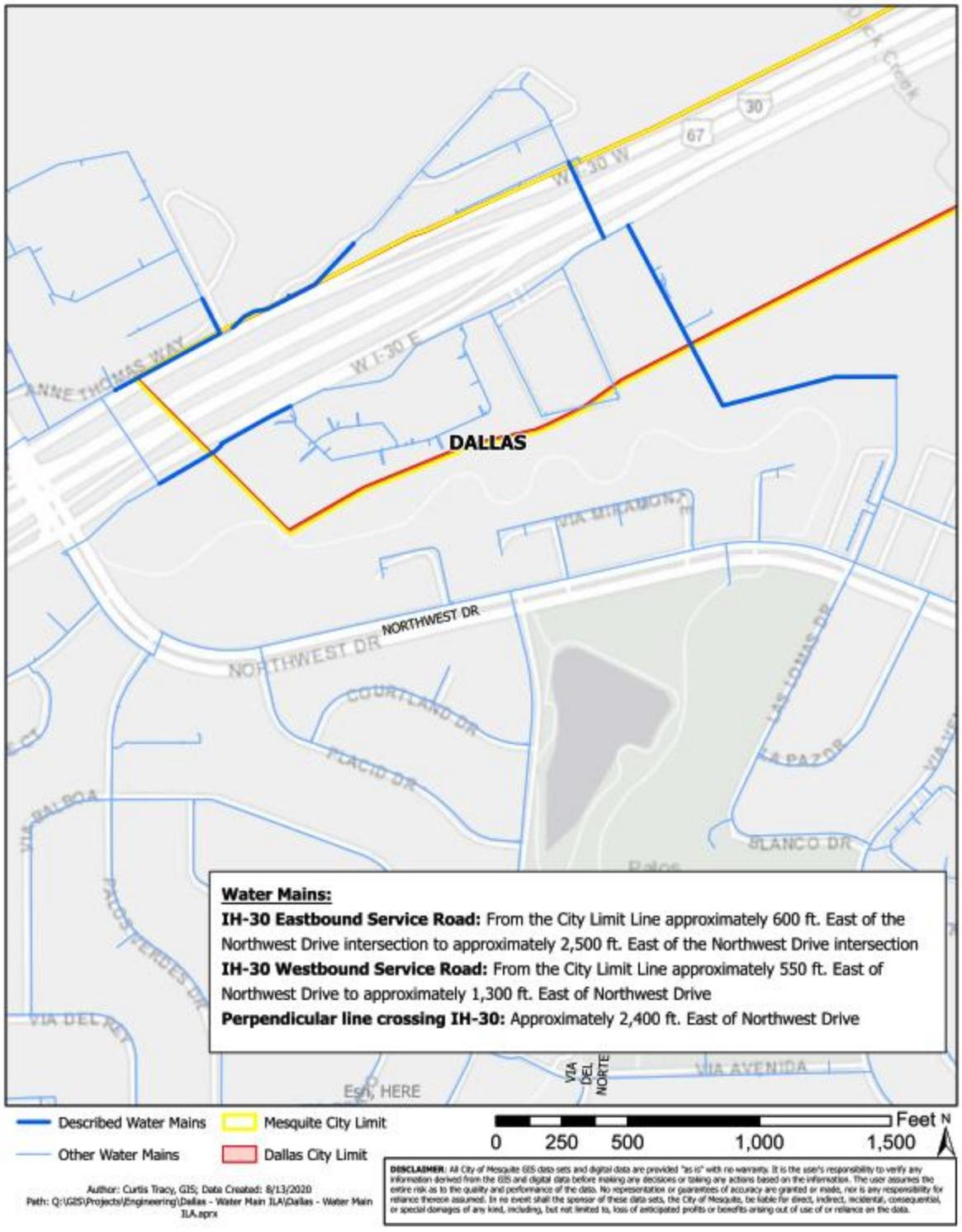
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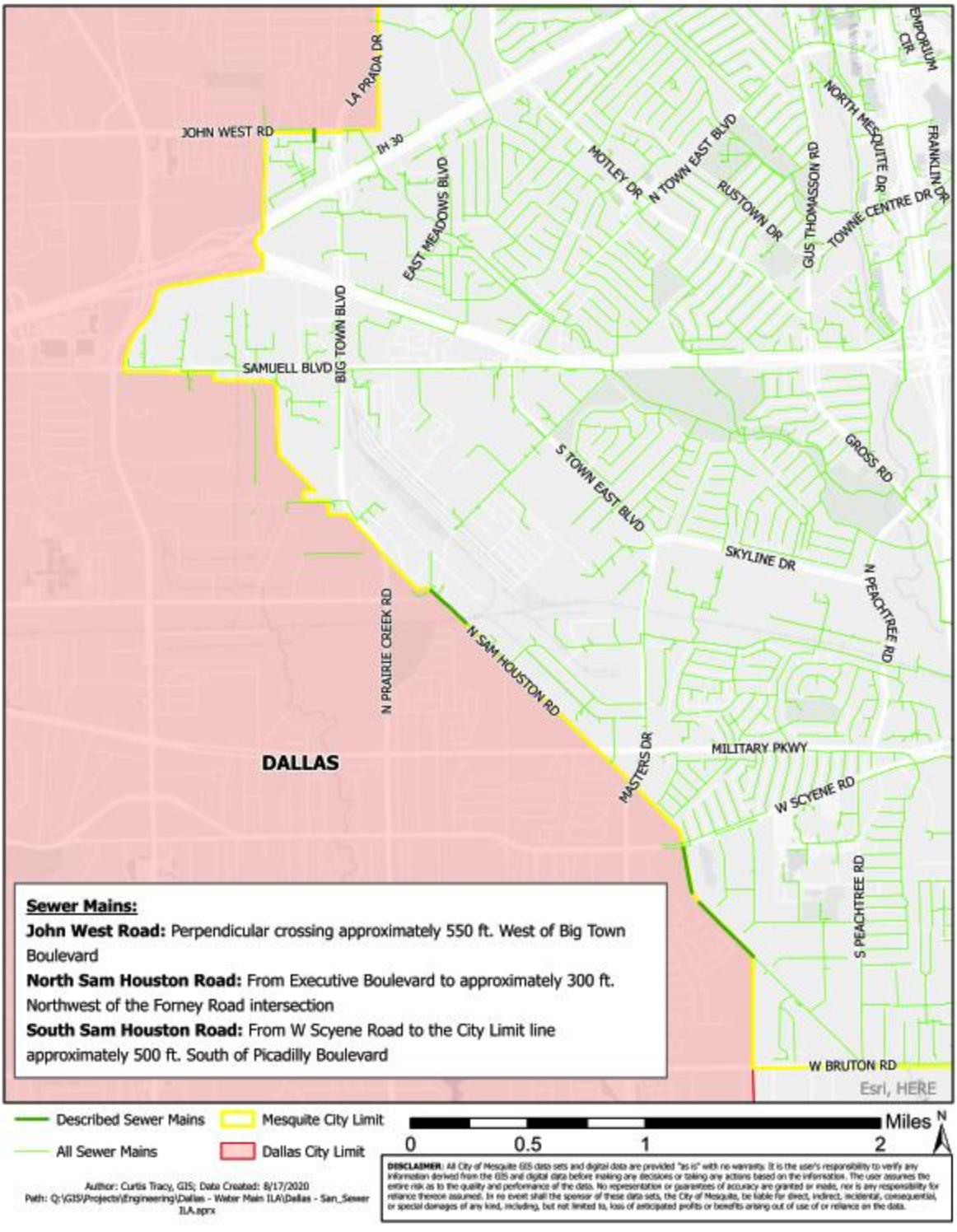
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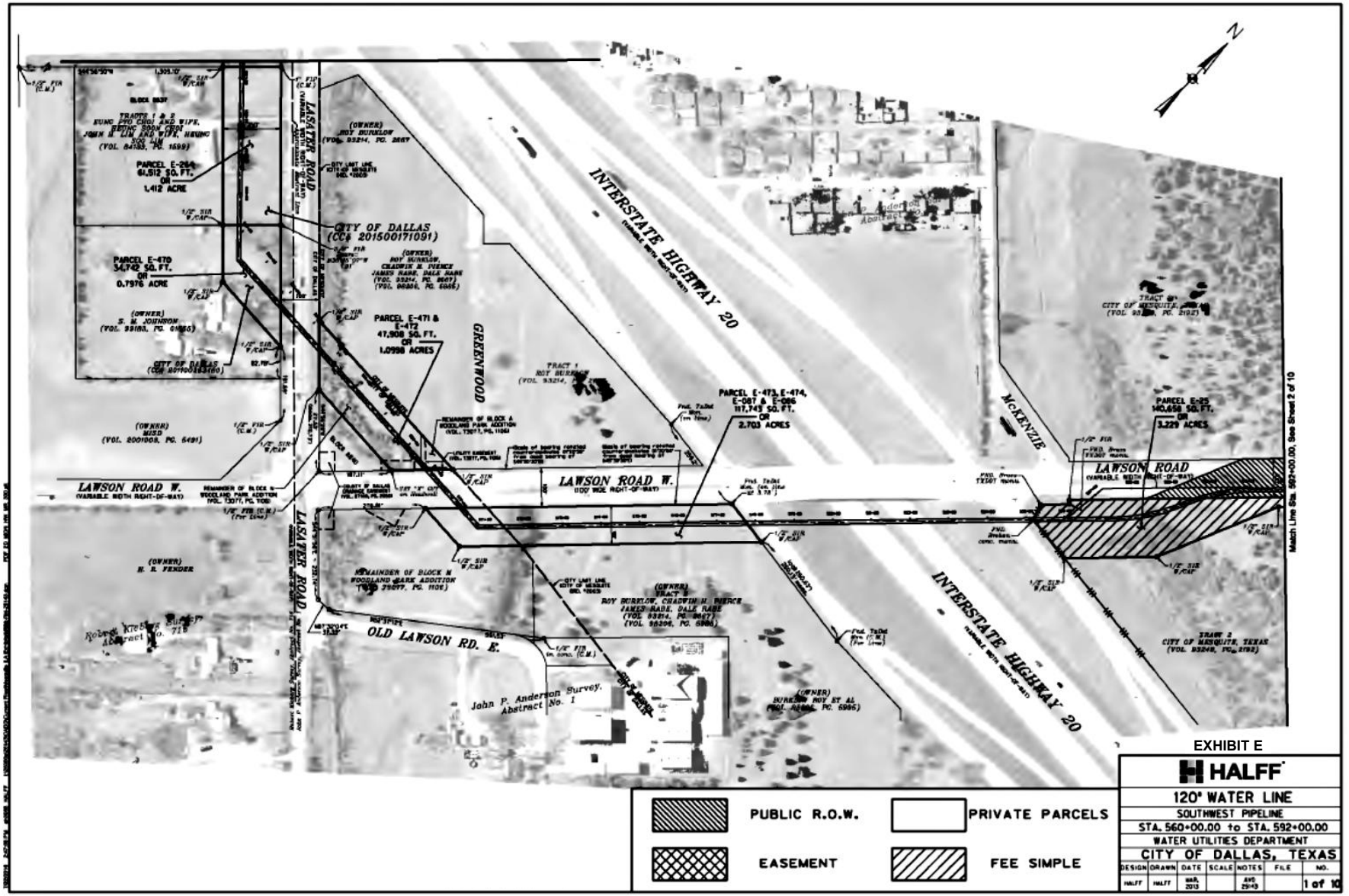


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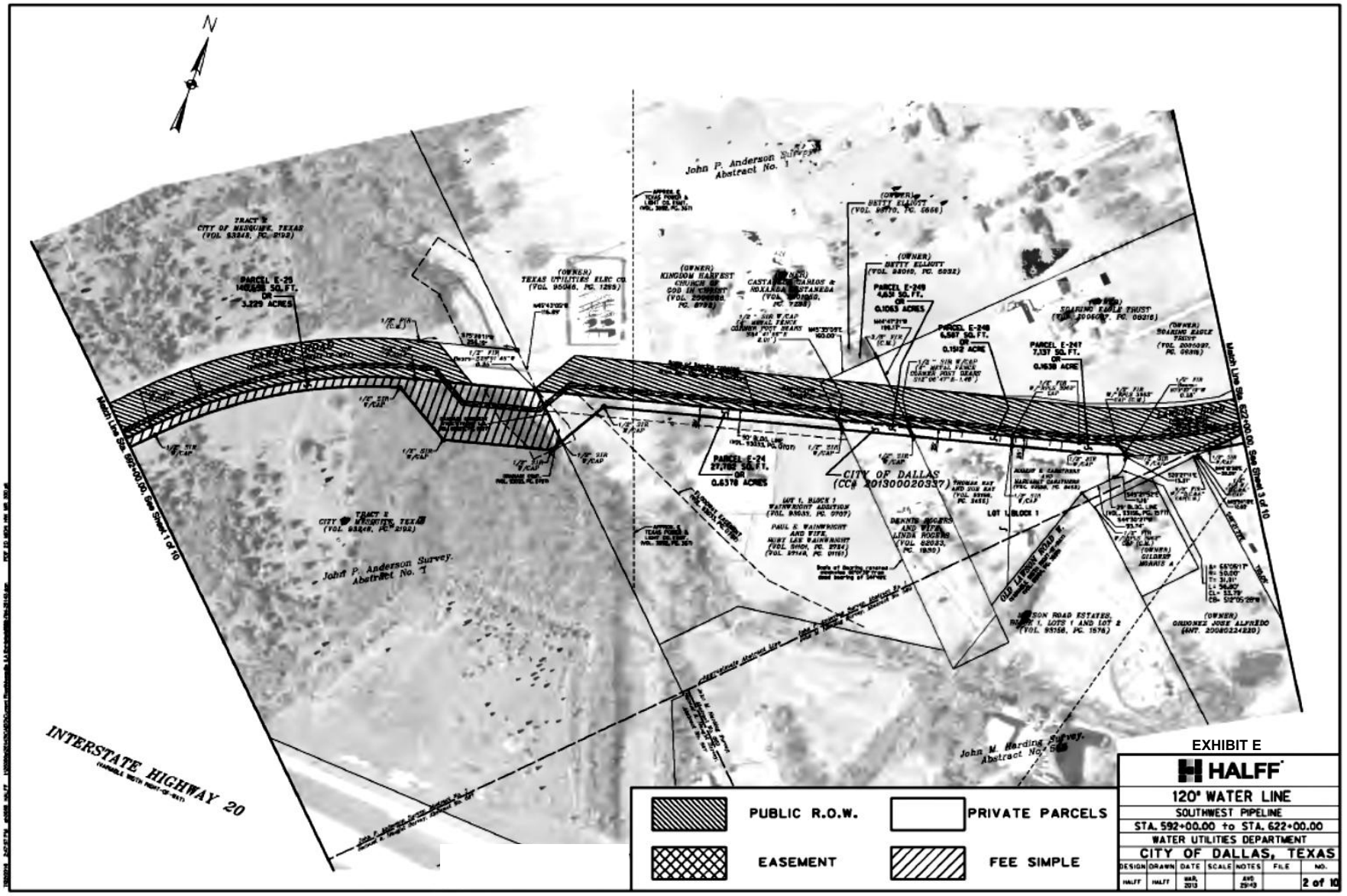


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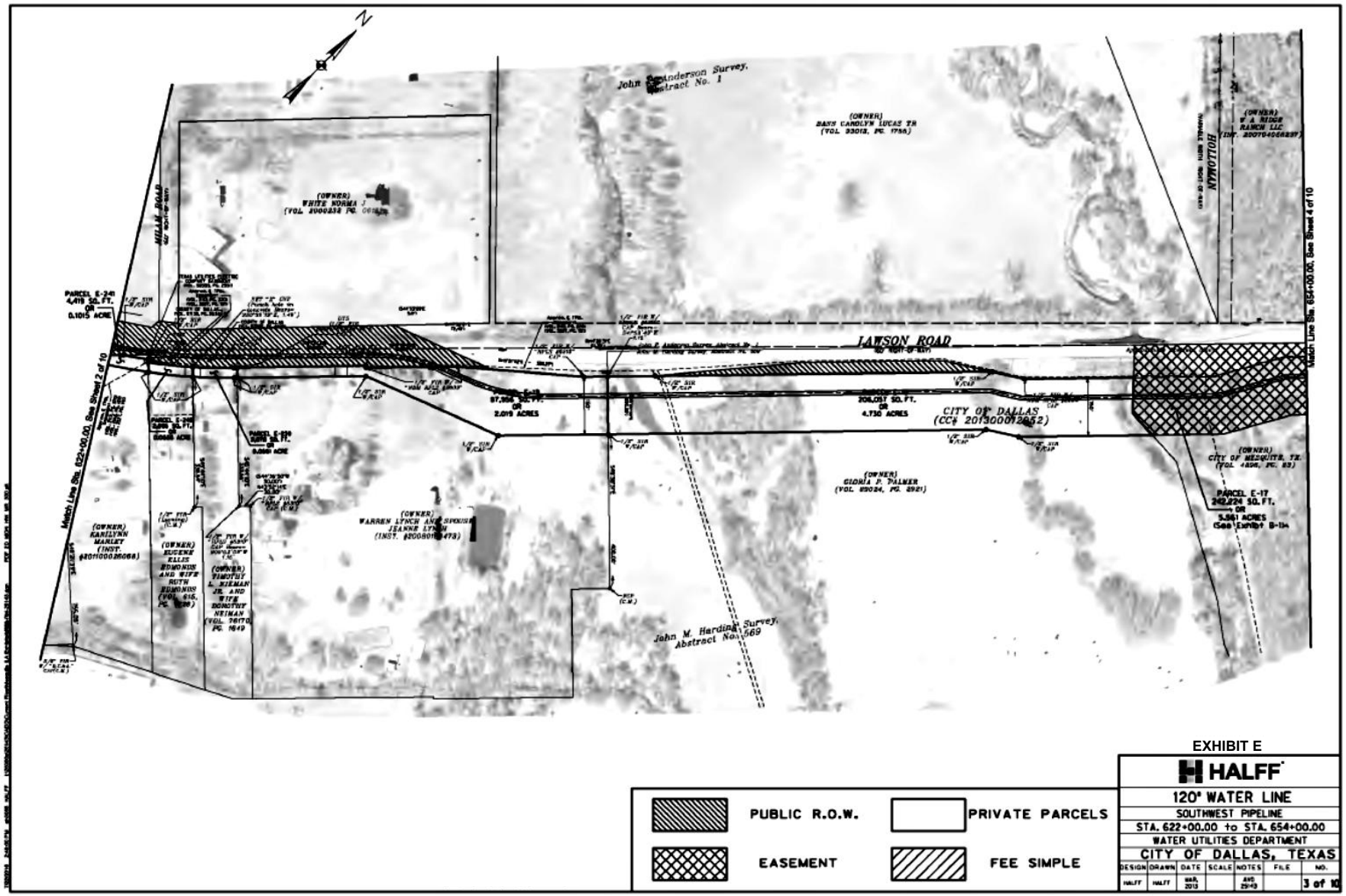
Exhibit E – The Agreement Area for Southwest Water Transmission Pipeline Project



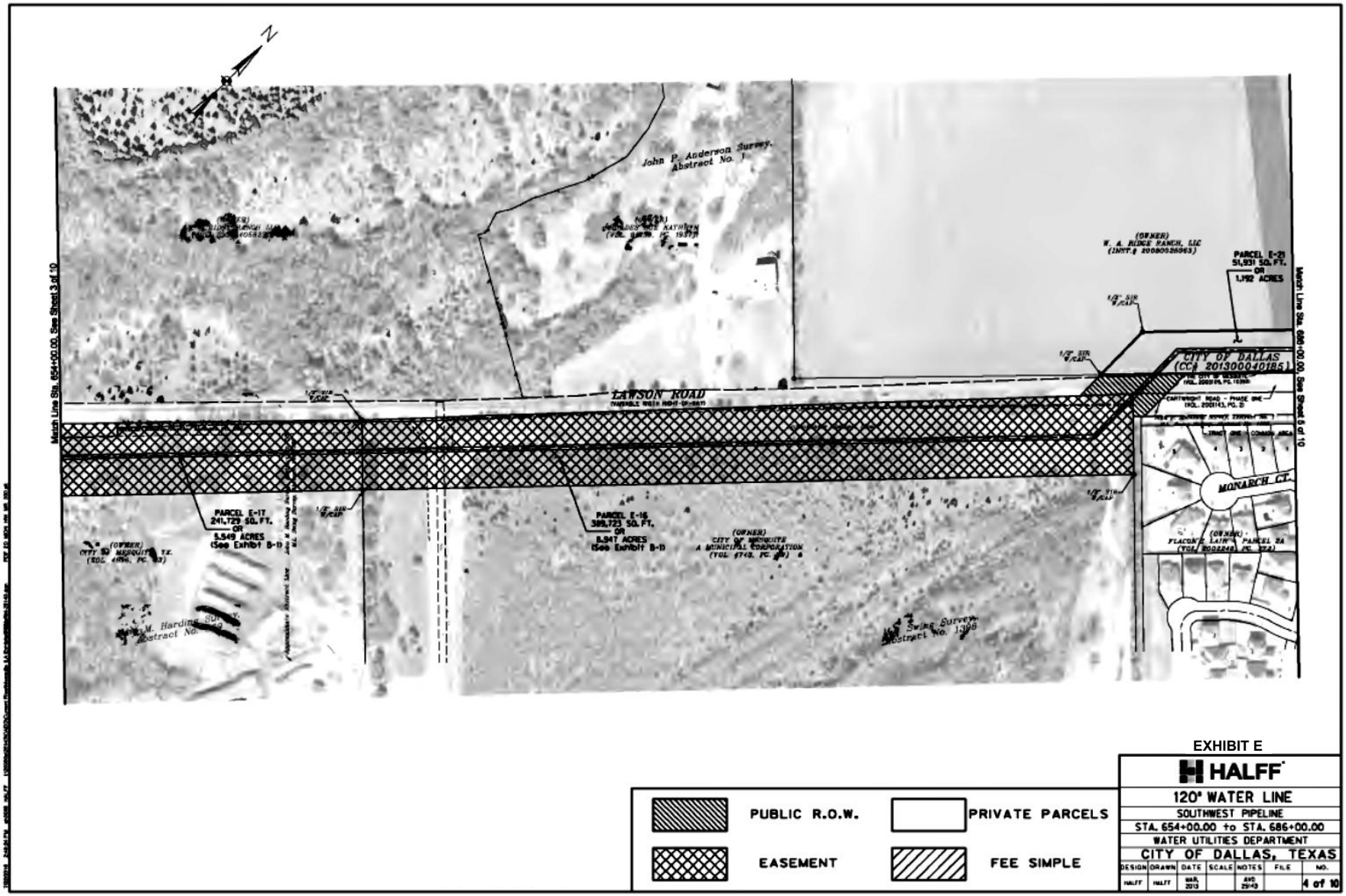
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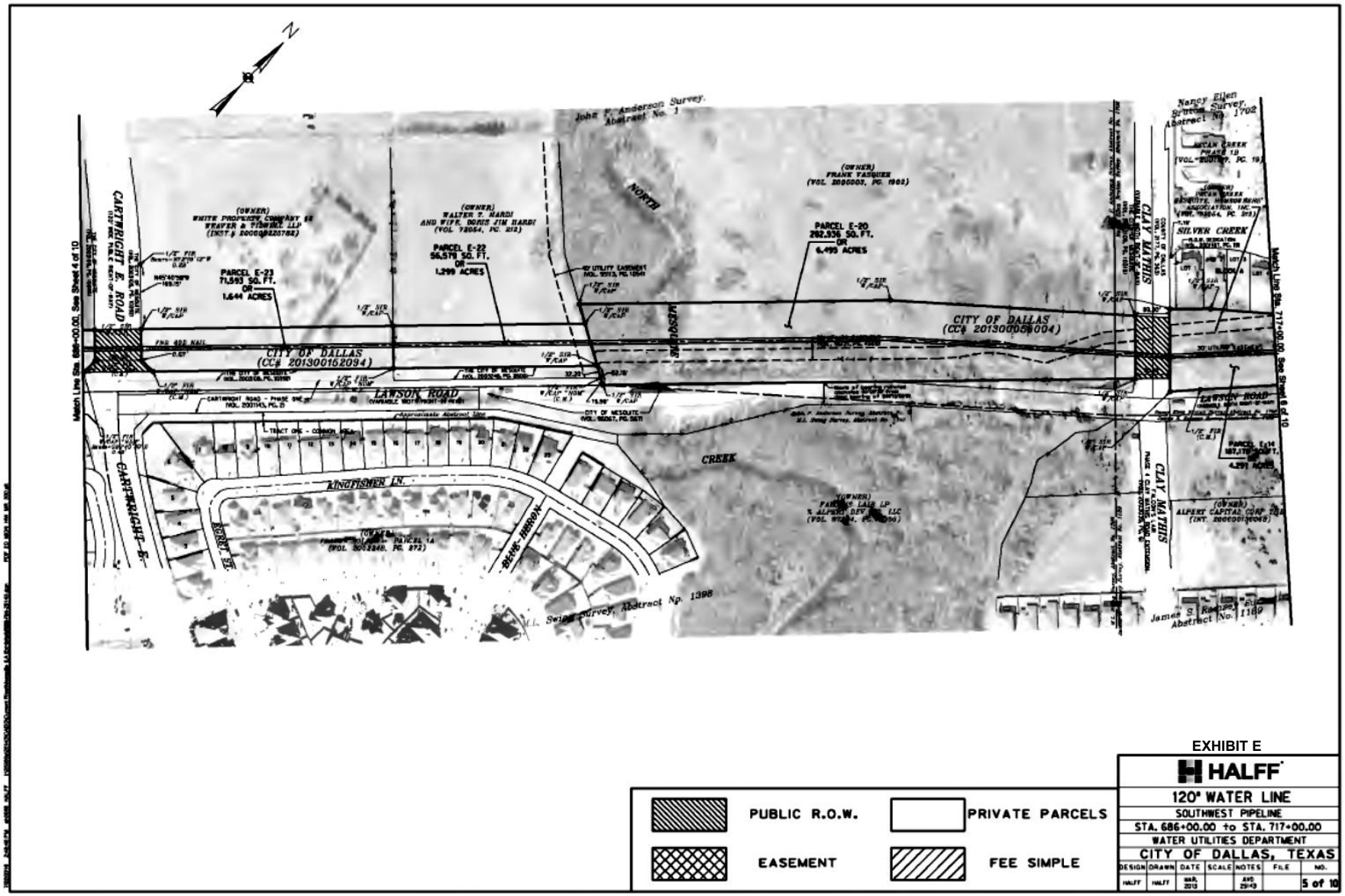
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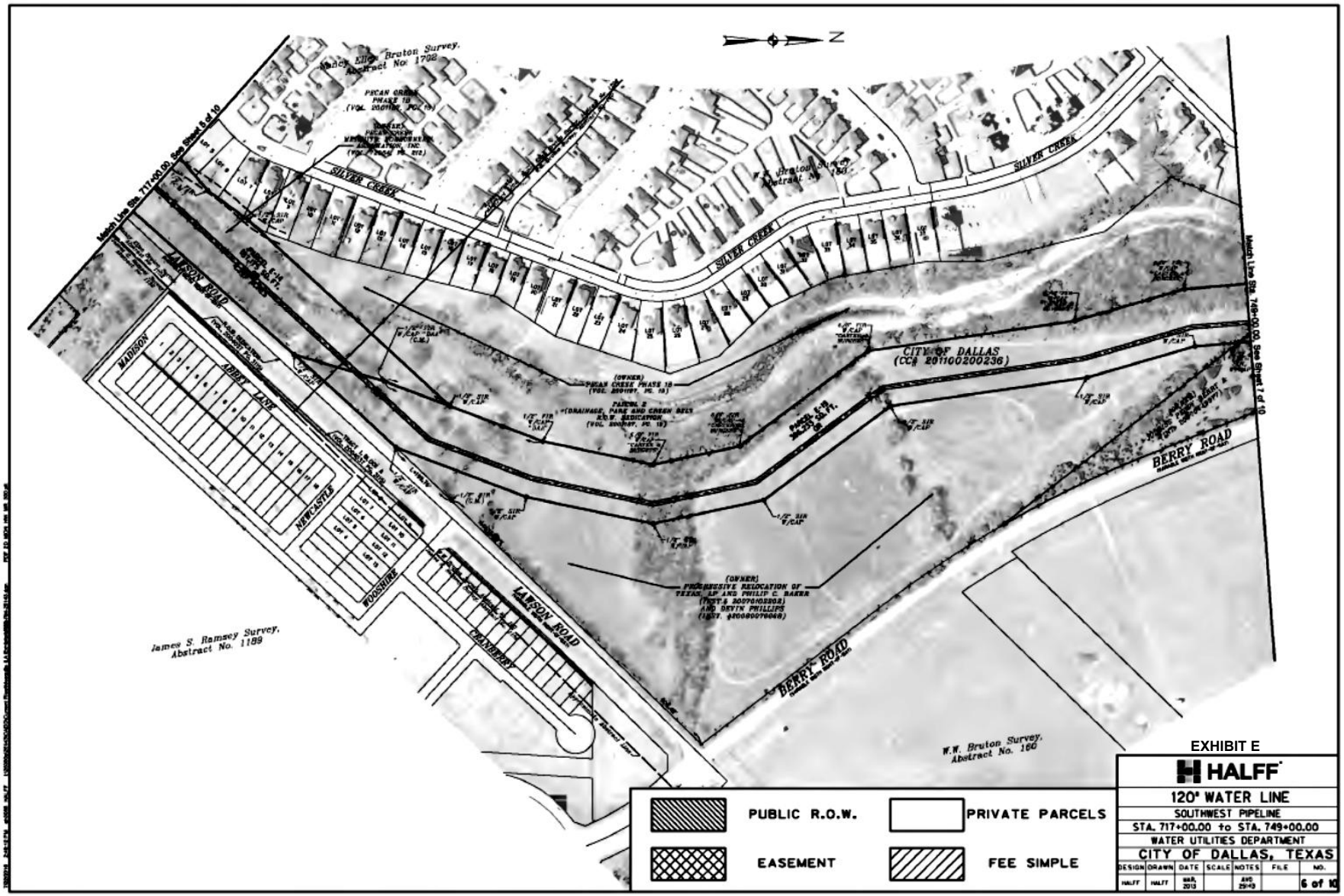
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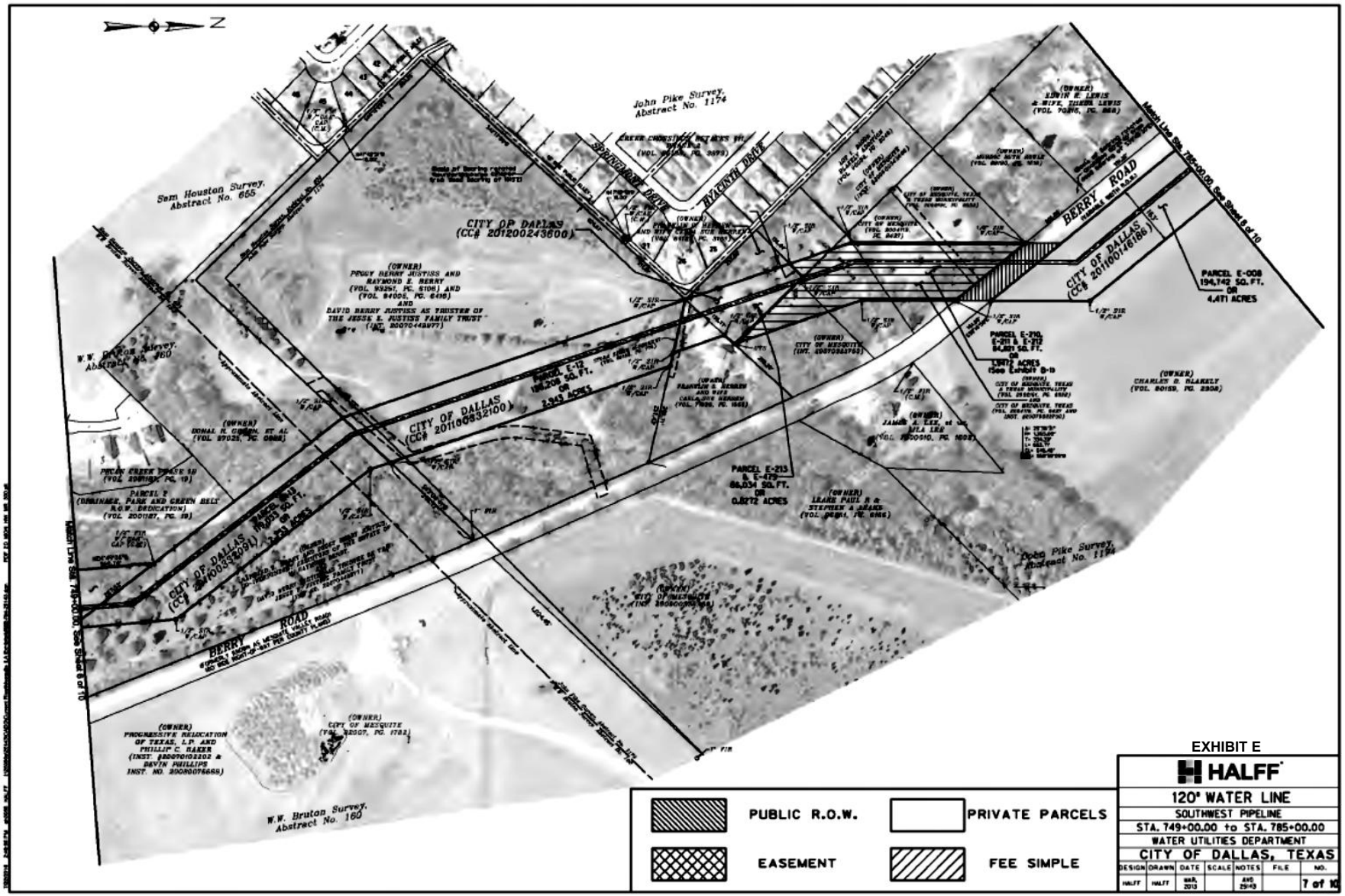
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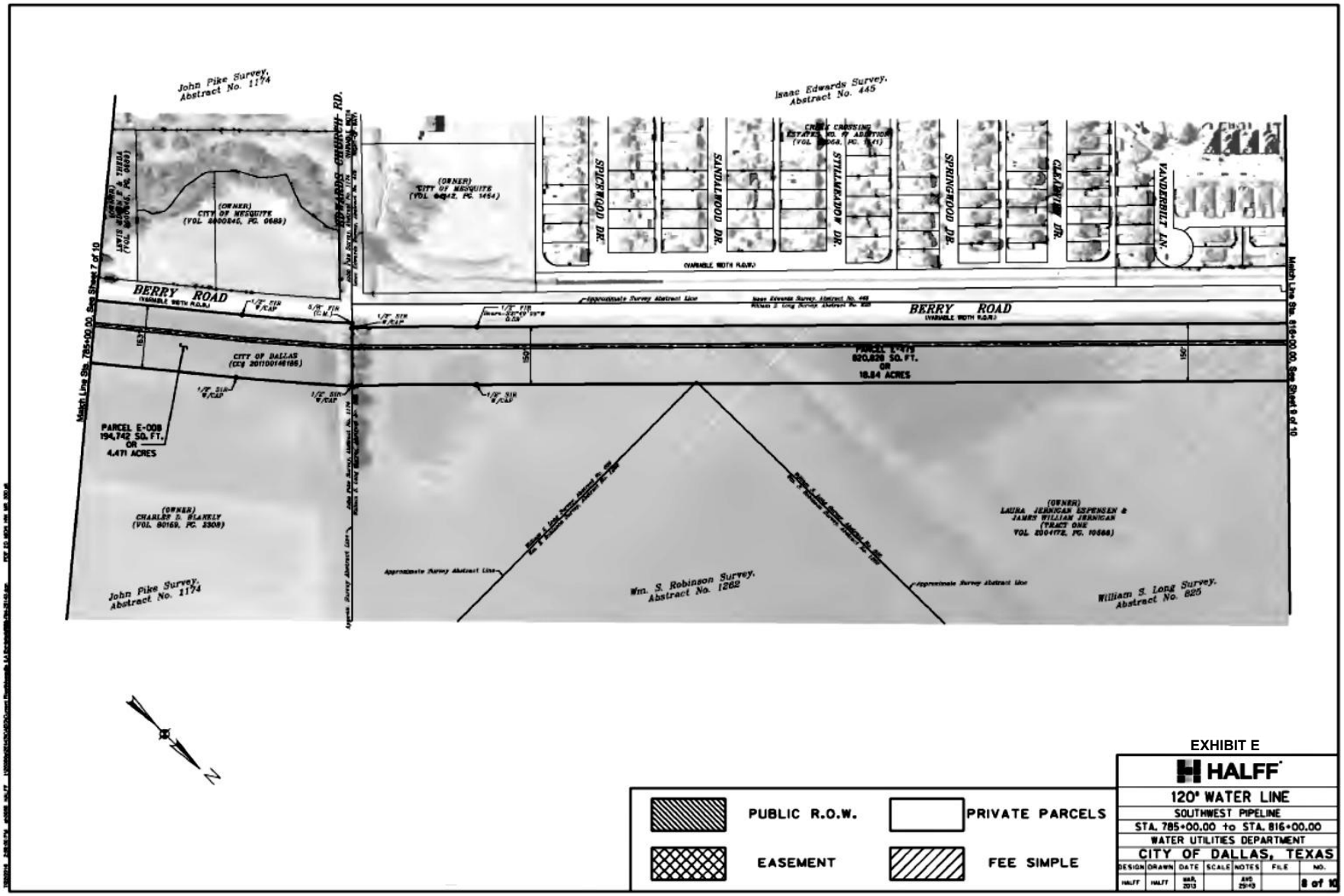
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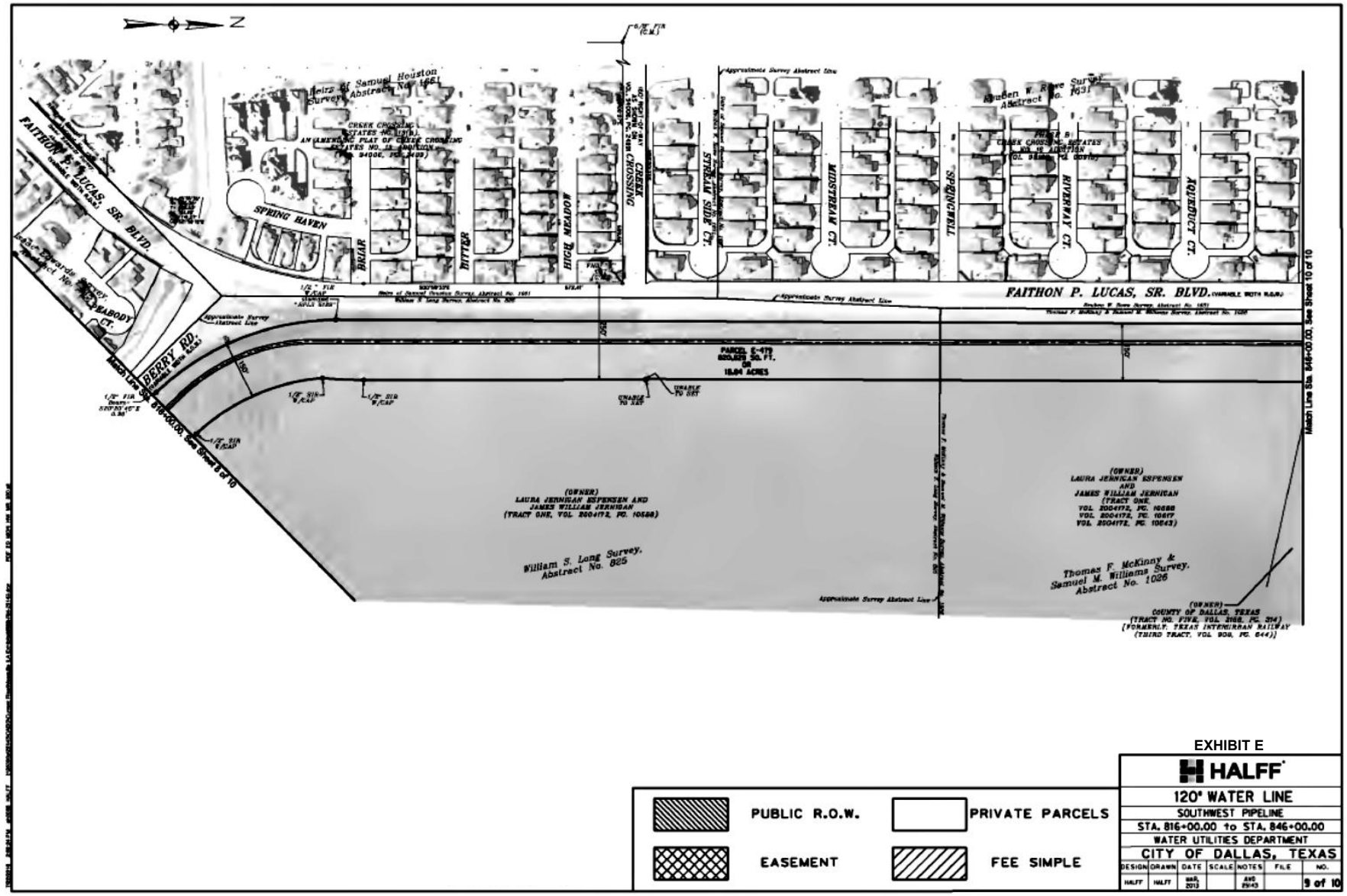
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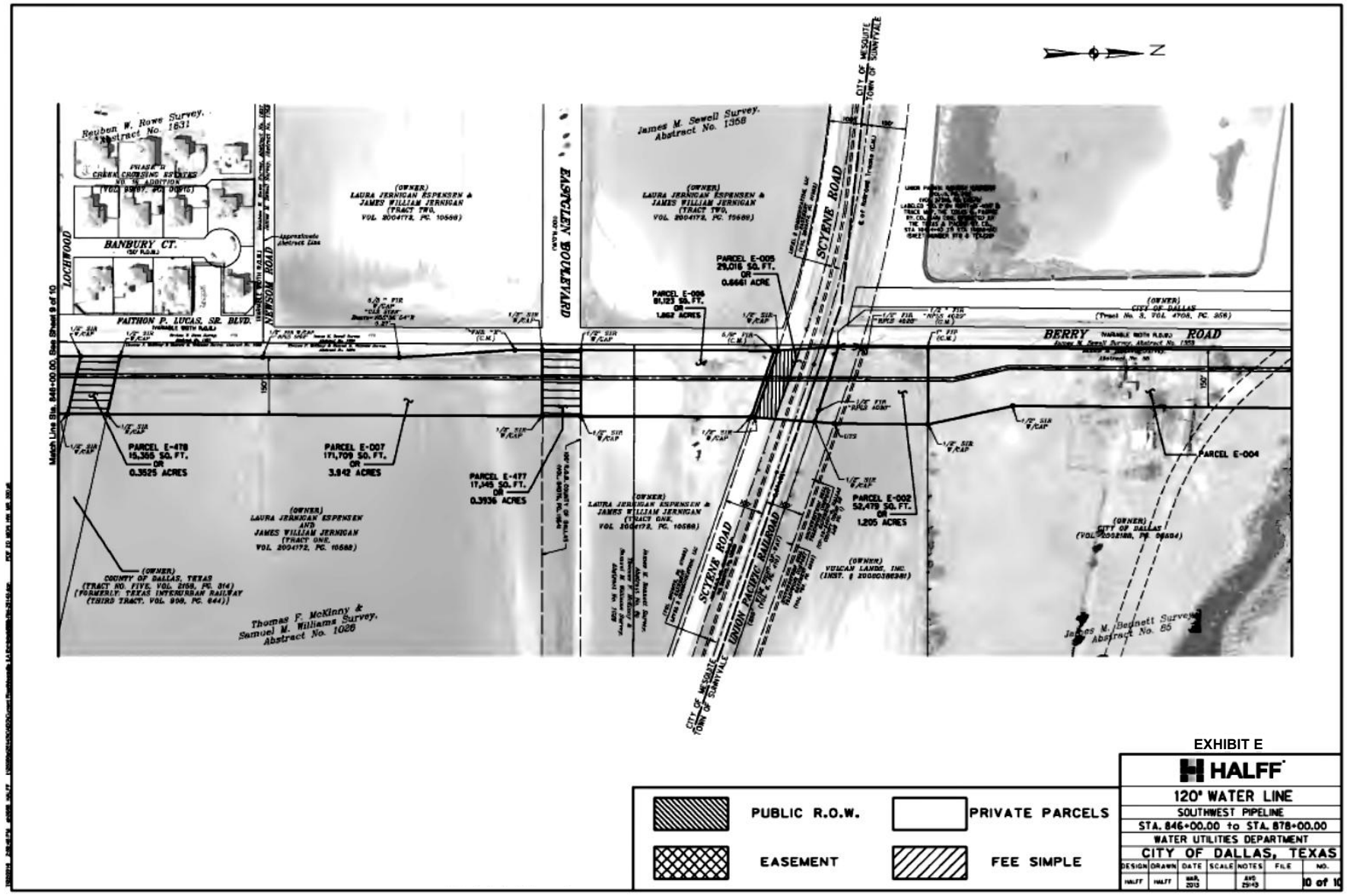
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Exhibit F

Representative Form of Water Pipeline Easements and Ancillary Facilities Easements
(see attached)

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Exhibit F1

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Utility Easement

Date: _____ ____, 20___

Grantor: City of Mesquite

Grantor's Address: 151 N. Galloway Ave.
Mesquite, TX 75149

Grantee:

Grantee's Address:

Consideration: Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

Exceptions to Conveyance and Warranty. _____

Easement Property: A tract of land consisting of _____ more or less, as described in the attached **Exhibit "A"**, which is incorporated in and made a part of this instrument for all purposes.

Easement Purpose: (1) For the installation, construction, operation, maintenance, replacement, repair, upgrade, removal; of water or wastewater lines, transmission mains, service lines and connections, pumps, drain valve assemblies, air releases, valves, and related electrical and communication poles, lines, facilities, equipment and appurtenances, route markers, access ways and all other above-ground and below-ground appurtenances (collectively, the "Facilities") upon the Easement Property deemed by the Grantee to be necessary or desirable with respect to the Facilities; and (2) for the ingress and egress at all times upon and across the Easement Property, for (i) the construction, operation, maintenance, replacement, repair, upgrade and removal; of one or more access ways and related drainage improvements, facilities, and equipment, and (ii) all activities necessary and incidental to constructing, operating and maintaining access ways and related drainage improvements.

Grant of Easement. Grantor, for the Consideration, grants, sells, and conveys to Grantee, its successors and assigns, a perpetual, non-exclusive utility and right-of-way easement upon, within, over, under and across the Easement Property, together with all and singular the rights and appurtenances thereto in anywise belonging (collectively "Easement") to have and to hold the Easement to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, successors, and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's heir, successor, and assigns against every person whomsoever lawfully

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claiming or to claim the Easement or any part of the Easement, except as to Reservations from Conveyance and Exceptions to Warranty, to the extent that such claim arises by, through, or under Grantor but not otherwise.

Special provisions: The following special provisions apply to this Easement:

1. *Character of Easement.* The Easement is appurtenant to, runs with, and inures to the benefit of all or any portion of the Dominant Estate Property, whether or not the Easement is referenced or described in any conveyance of all or such portion of the Dominant Estate Property. The Easement is nonexclusive and irrevocable. The Easement is for the benefit of Grantee and Grantee's heirs, successors, and assigns who at any time own any interest in the Dominant Estate Property (collectively, the "Grantee").

2. *Duration of Easement.* The duration of the Easement is perpetual.

3. *Grantor's Use of Easement Property.* Grantor's use and possession of the Easement Property is nonexclusive and shall not be injurious to the public interest or unreasonably impede, impair or interfere with the usefulness of the Easement Property for the public purpose of Grantee's Facilities. Grantor and Grantee agree that Grantor will submit a written request to Grantee for consent for any use of the Easement Property. Grantee shall respond to Grantor's written request on or before the 60th day after receipt of the written request and may request additional information from Grantor. Grantee will coordinate with Grantor on such requests, the approval of which will not be unreasonably withheld but which will remain in Grantee's sole discretion. Grantor's right of use will be subject and subservient to the rights granted to Grantee in this easement.

4. *After Construction/Maintenance.* Upon completion of the construction of the Facilities, or any subsequent construction, maintenance or repair of any Facilities, Grantee will repair any damage to the Grantor's property outside of the Easement Property that occurred during the period of construction, maintenance or repair, and within the Easement Property, will fill trenches, remove rock, construction spoils and debris, repair or replace fencing, and restore the surface to its previous condition to the extent reasonably feasible, so as not to affect normal drainage.

5. *Improvement and Maintenance of Easement Property.* Improvement and maintenance of the Easement Property and the Facilities will be at the sole expense of Grantee. Provided however, this section shall be limited to improvement and maintenance, as needed by Grantee, in operating Grantee's Facilities. Grantee has the right to eliminate any encroachments into the Easement Property. Grantee must maintain the Easement Property in a neat and clean condition. Grantee has the right to construct, install, maintain, replace, and remove the Facilities under or across any portion of the Easement Property. All matters concerning the Facilities and their configuration, construction, installation, maintenance, replacement, and removal are at Grantee's sole discretion, subject to performance of Grantee's obligations under this Easement. Grantee has the right to remove or relocate any fences within the Easement Property or along or near its boundary lines if reasonably necessary to construct, install, operate, maintain, replace, or remove the Facilities, subject

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to replacement of the fences to their original condition on the completion of the work. Provided that a replacement of the fences is not in conflict with Grantee's Facilities.

6. *Equitable Rights of Enforcement*. This Easement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this Easement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

7. This Easement is subject to the terms and conditions in the _____, 2026 Interlocal Agreement for Pipeline and Ancillary Projects by and between the City of Dallas and the City of Mesquite.

[Signatures and acknowledgements on following page]

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Executed this _____ day of _____, 20___.

Grantor

_____

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of City of Mesquite, a home rule municipality of the State of Texas, on behalf of said municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ___ day of _____, 20___.

_____
Notary Public-State of Texas

After recording, please return to:
City of Dallas
Attn.: City Attorney

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Exhibit A – Legal Description of Easement Property

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Exhibit F2

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Ancillary Facilities Easement

Date: _____ ____, 20___

Grantor: City of Dallas

Grantor's Address:

Grantee: City of Mesquite

Grantee's Address: 151 N. Galloway Ave.
Mesquite, TX 75149

Consideration: Ten Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

Exceptions to Conveyance and Warranty. _____

Easement Property: A tract of land consisting of _____ more or less, as described in the attached **Exhibit "A"**, which is incorporated in and made a part of this instrument for all purposes.

Easement Purpose: (1) For the installation, construction, operation, maintenance, replacement, repair, upgrade, removal; of hike and bike trails, public street connections and sidewalk connections and crossings, and landscaping, irrigation, and illumination, and related electrical and communication poles, lines, facilities and related equipment (collectively, the "Ancillary Facilities") upon the Easement Property deemed by the Grantee to be necessary or desirable with respect to the Ancillary Facilities; and (2) for the ingress and egress at all times upon and across the Easement Property, for (i) the construction, operation, maintenance, replacement, repair, upgrade and removal; of one or more access ways and related drainage improvements, facilities, and equipment, and (ii) all activities necessary and incidental to constructing, operating and maintaining access ways and related drainage improvements necessary for Ancillary Facilities;

Grant of Easement. Grantor, for the Consideration, grants, sells, and conveys to Grantee, its successors and assigns, a perpetual, non-exclusive easement upon, within, over, under and across the Easement Property, together with all and singular the rights and appurtenances thereto in anywise belonging (collectively "Easement") to have and to hold the Easement to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs, successors, and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's heir, successor, and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part of

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the Easement, except as to Reservations from Conveyance and Exceptions to Warranty, to the extent that such claim arises by, through, or under Grantor but not otherwise.

Special Conditions: The following special provisions apply to the Easement:

1. *Character of Easement.* The Easement is appurtenant to, runs with, and inures to the benefit of all or any portion of the Dominant Estate Property, whether or not the Easement is referenced or described in any conveyance of all or such portion of the Dominant Estate Property. The Easement is nonexclusive and irrevocable. The Easement is for the benefit of Grantee and Grantee's heirs, successors, and assigns who at any time own any interest in the Dominant Estate Property (collectively, the "Grantee").

2. *Duration of Easement.* The duration of the Easement is perpetual.

3. *Grantor's Use of Easement Property.* Grantor's use and possession of the Easement Property is nonexclusive and shall not be injurious to the public interest or unreasonably impede, impair or interfere with the usefulness of the Easement Property for the public purpose of Grantee's Ancillary Facilities. Grantor and Grantee agree that Grantor will submit a written request to Grantee for consent for any use of the Easement Property. Grantee shall respond to Grantor's written request on or before the 60th day after receipt of the written request and may request additional information from Grantor. Grantee will coordinate with Grantor on such requests, the approval of which will not be unreasonably withheld but which will remain in Grantee's sole discretion. Grantor's right of use will be subject and subservient to the rights granted to Grantee in this easement.

4. *After Construction/Maintenance.* Upon completion of the construction of the Ancillary Facilities, or any subsequent construction, maintenance or repair of any Ancillary Facilities, Grantee will repair any damage to the Grantor's property outside of the Easement Property that occurred during the period of construction, maintenance or repair, and within the Easement Property, will fill trenches, remove rock, construction spoils and debris, repair or replace fencing, and restore the surface to its previous condition to the extent reasonably feasible, so as not to affect normal drainage.

5. *Improvement and Maintenance of Easement Property.* Improvement and maintenance of the Easement Property and the Ancillary Facilities will be at the sole expense of Grantee. Provided however, this section shall be limited to improvement and maintenance, as needed by Grantee, in operating Grantee's Facilities. Grantee has the right to eliminate any encroachments into the Easement Property. Grantee must maintain the Easement Property in a neat and clean condition. Grantee has the right to construct, install, maintain, replace, and remove the Ancillary Facilities under or across any portion of the Easement Property. All matters concerning the Ancillary Facilities, and their configuration, construction, installation, maintenance, replacement, and removal are at Grantee's sole discretion, subject to performance of Grantee's obligations under this Easement. Grantee has the right to remove or relocate any fences within the Easement Property or along or near its boundary lines if reasonably necessary to construct, install, operate, maintain, replace, or remove the Ancillary Facilities, subject to replacement of the fences to their

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original condition on the completion of the work. Provided that a replacement of the fences is not in conflict with Grantee's Facilities.

6. *Equitable Rights of Enforcement*. This Easement may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this Easement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

7. This Easement is subject to the terms and conditions in the _____, 2026 Interlocal Agreement for Pipeline and Ancillary Projects by and between the City of Dallas and the City of Mesquite.

[Signatures and acknowledgements on following page]

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Executed this _____ day of _____, 20___.

Grantor

City of Dallas, Texas

By: _____

Name: _____

Title: _____

Date: _____

THE STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of the City of Dallas, a home rule municipality of the State of Texas, on behalf of said municipality, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this the ___ day of _____, 20___.

_____
Notary Public-State of Texas

After recording, please return to:
City of Mesquite
Attn: City Attorney
151 N. Galloway Ave.
Mesquite, TX 75149

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Exhibit A – Legal Description of Easement Property

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Exhibit G – Southwest Water Transmission Pipeline Project Utility Cross-sections / Clearance Requirements

