

**INTERLOCAL AGREEMENT REGARDING
RELOCATION OF WATER SYSTEM IMPROVEMENTS
(SH 195 PROJECT)**

THE STATE OF TEXAS	§	
	§	KNOW ALL BY THESE PRESENTS:
COUNTY OF WILLIAMSON	§	

THIS INTERLOCAL AGREEMENT REGARDING RELOCATION OF WATER SYSTEM IMPROVEMENTS ("Agreement") is entered into between Chisholm Trail Special Utility District, a conservation and reclamation district of the State of Texas (the "**District**") and Williamson County, a political subdivision of the State of Texas (the "**County**"). In this Agreement, the District and the County are sometimes individually referred to as "**a Party**" and collectively referred to as "**the Parties**".

WHEREAS, the County and the Texas Department of Transportation ("TxDOT") have entered into agreements regarding the construction of improvements to SH 195 from IH-35 to the Williamson County line west of Florence, Texas (the "**Project**"); and

WHEREAS, in said agreements, the County has assumed the responsibility to acquire right-of-way and relocate utilities for the Project, and TxDOT shall construct the roadway improvements that constitute the Project; and

WHEREAS, some of the proposed SH 195 roadway improvements include the widening of the right-of-way into easements in which the District's water system improvements are located; and

WHEREAS, in connection with the construction of the roadway improvements, the County desires to relocate the District's existing water system improvements into substitute water line easements; and

WHEREAS, this Agreement sets forth the terms and conditions pursuant to which the District shall relocate the District's water system improvements in certain segments of the Project into substitute easements at the County's sole cost and expense to accommodate TxDOT's subsequent construction of the SH 195 roadway improvements.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained in this Agreement, the Parties agree as follows:

**I.
DEFINITIONS**

When used in this Agreement, capitalized terms not otherwise defined shall have the meanings set forth below:

1.01 "Agreement" means this Interlocal Agreement Regarding Relocation of Water System Improvements.

1.01 "Betterment Area" means the area(s) in which the Betterment Improvements would be located.

1.02 "Betterment Costs" means the incremental costs of construction of the Betterment Improvements within the Betterment Area to be determined in accordance with alternative bidding procedures.

1.03 "Betterment Improvements" means an increase in diameter of the Waterline Improvements that would be constructed by the District as part of the Project but only if the District elects to proceed with construction of the Betterment Improvements and pays 100% of the Betterment Costs.

1.04 "Bid Documents" means the plans and specifications, together with all contract documents and bid instructions, relating to construction of the Waterline Improvements.

1.05 "County" means Williamson County, Texas.

1.06 "District Waterline Costs" means all costs and expenses incurred by the District relating to or arising out of the Project. By way of example and without limitation, the District Waterline Costs shall include the following costs and expenses: (i) all costs and expenses incurred by the District for Waterline Design Work; (ii) all costs and expenses incurred by the District under the Engineering Services Agreement; (iii) all legal fees and expenses incurred by the District relating to the negotiation and preparation of this Agreement and otherwise incurred with respect to the Project; (iv) all costs and expenses incurred by the District relating to securing the Replacement Easements, including costs of surveying, appraisal, easement preparation, purchase price, and condemnation costs (including the condemnation award); and (v) all internal administrative and employee costs incurred by the District relating to the Project, but such administrative and employee costs shall not exceed the amount set forth on Exhibit "D" without the County's prior written consent.

1.07 "Effective Date" means the last date of execution of this Agreement by the Parties; provided all of the Parties must execute this Agreement for it to be effective.

1.08 "Engineering Services Agreement" means that certain contract for engineering services relating to the Waterline Improvements entered into by the District and Halff Associates, Inc. and dated May 21, 2009. In the event of termination of such contract for any reason, the phrase Engineering Services Agreement shall refer to any subsequent engineering services contract entered into by the District relating to the Waterline Improvements that contains rates that do not exceed those in the Engineering Services Agreement.

1.09 "Existing Easements" means all easements held by the District for the ownership and operation of the Existing Waterline Improvements within the limits of conflict areas identified on Exhibit "B" and Exhibit "C". The Existing Easements shall not include any

easement rights held by the District that relate to facilities that are not being abandoned under this Agreement.

1.10 "Existing Waterline Improvements" means the existing water transmission line improvements owned and operated by the District within the limits of conflict of Segment 2 and Segment 4 of the Project Area, as more particularly identified on **Exhibit "B"** and **Exhibit "C"**, to be abandoned in place and replaced with the Waterline Improvements under the terms of this Agreement.

1.11 "Party" or "Parties" means the District and/or the County, individually or collectively, as applicable.

1.12 "Project" means, collectively, the Roadway Improvements and the Waterline Improvements, all as set forth in this Agreement.

1.13 "Project Area" means the four segments in which the Project will be undertaken, as said Project Area is more particularly identified in **Exhibit "A"** attached hereto.

1.14 "Replacement Easements" means the twenty (20') feet wide permanent and exclusive easements to be acquired by the District at the County's sole cost and expense on the tracts abutting Segment 2 and Segment 4, in which the Waterline Improvements will be constructed. If, during the course of the design and construction phases for the Project, it becomes apparent that the proposed Roadway Improvements would conflict with the design, operation, maintenance or repair of District facilities in addition those identified in this Agreement, then the District shall secure additional Replacement Easements at the County's cost and expense in accordance with applicable terms and provisions of this Agreement, and the water system facilities in conflict with the Roadway Improvements will be relocated therein at the County's sole cost and expense. The form of the Replacement Easements shall be specified by the District. The Replacement Easements shall also include temporary construction easement rights over additional lands as determined necessary or convenient in the District's sole discretion to accomplish construction of the Waterline Improvements.

1.15 "Roadway Improvements" means the acquisition of additional right-of-way and construction of the improvements to SH 195 within the Project Area. By separate agreement, the County has agreed to acquire right-of-way for the Roadway Improvements on behalf of TxDOT.

1.16 "Segment 1" means that portion of the Project more particularly described by the sketch set forth in **Exhibit "A"** attached hereto.

1.17 "Segment 2" means that portion of the Project more particularly described by the sketch set forth in **Exhibit "A"** attached hereto, and described by reference to engineering stations in **Exhibit "B"** attached hereto.

1.18 "Segment 4" means that portion of the Project more particularly described by the sketch set forth in **Exhibit "A"** attached hereto, and described by reference to Engineering Stations in **Exhibit "C"** attached hereto.

1.19 "Waterline Design Work" means the engineering consulting and design services to be undertaken by the District, its staff, and its engineering consultants in connection with the Project, including the Waterline Improvements; the evaluation and preparation of all proposed Replacement Easements; surveying undertaken in connection therewith; participation in meetings relating to the Project, and all other employee, administrative, engineering and consultant services performed relating to the District's interests in the Project.

1.20 "Waterline Improvements" means the design and construction of those certain water transmission line improvements more particularly described in Exhibits "B" and Exhibit "C", together with related facilities, equipment and appurtenances to replace the Existing Waterline Improvements in Segment 2 and Segment 4 of the Project Area. If, during the course of the design and/or construction of the Roadway Improvements, it becomes apparent that the proposed Roadway Improvements would conflict with the design, operation, maintenance or repair of District facilities in addition those identified in this Agreement, then any such water system improvements that must be relocated will be deemed Waterline Improvements for purposes of this Agreement, and shall be relocated at the County's sole cost and expense. In the event the District elects to construct the Betterment Improvements, then the Waterline Improvements shall be deemed to include the Betterment Improvements for purposes of this Agreement (provided the District shall be solely responsible for payment of the Betterment Costs).

1.21 "Party" or "Parties" means the District and/or the County, individually or collectively, as applicable.

1.22 "Project Contractor" means the contractor(s) that enter into a contract with the District for construction of the Waterline Improvements.

II.

STATEMENT OF INTENT; CONDITION PRECEDENT; AND PRELIMINARY SURVEYING COSTS

2.01 General. The purpose of this Agreement is to provide for the District to abandon its existing easement rights and waterline improvements within Segment 2 and within Segment 4 of the Project Area; to provide for the acquisition of certain new waterline easements by the District at the County's sole cost and expense; and to provide for the construction of new waterline improvements by the District at the County's expense, all so that TxDOT may subsequently proceed with the Roadway Improvements.

III.

PROJECT COMMITTEE

3.01 Composition of Project Committee. There is hereby created a Project Committee to be composed of not less than one representative appointed by each Party. The following persons are hereby designated as the initial members of the Project Committee: the General Manager and Todd Jackson on behalf of the District, and Joe England on behalf of the

County. Each such representative may appoint additional representatives on behalf of its Party. Each representative of a Party shall serve at the will of the governing body that the person represents. Upon the death, resignation, or revocation of the power of such representative, the governing body of the appropriate Party shall promptly appoint a new representative (or alternate representative) to the Project Committee, and shall immediately notify the other Party of such appointment.

3.02 Responsibility of Project Committee. The Project Committee shall represent the individual and collective interests of the Parties with respect to the following matters:

- (i) The design of the Waterline Improvements;
- (ii) The review and approval of the Bid Documents, as related to the Waterline Improvements;
- (iii) The review of the bid tabulation and qualification of prospective contractors for the Waterline Improvements;
- (iv) The periodic review of the status of construction of the Waterline Improvements;
- (v) The review and approval of change orders relating to the construction of the Waterline Improvements;
- (vi) The review and approval of invoices for payment related to the Waterline Improvements;
- (vii) The confirmation of final completion of construction of the Waterline Improvements; and
- (viii) Any other pertinent matters relating to the construction or operation of the Waterline Improvements, or the Project to the extent any such matter impacts the Waterline Improvements.

The Project Committee shall meet at regular intervals to review the matters over which it has authority. The Project Committee shall be diligent, prompt and timely in reviewing and acting on matters submitted to it.

IV. DESIGN OF PROJECT

4.01 Design of Waterline Improvements. Promptly after execution of this Agreement by the Parties, the District will authorize its engineering consultants to provide engineering consulting services for the Waterline Design Work in accordance with the Engineering Services Agreement. The District may include Betterment Improvements in the design, which will be separately identified as an alternative bid item in the Bid Documents.

4.02 Design of Roadway Improvements. The County agrees that the District shall have no responsibility for any engineering services relating to the Project except for the Waterline Design Work, including without limitation, the design of the Roadway Improvements.

4.03 Cost of Design. The District will advance and pay the cost of the Waterline Design Work, subject to its right to reimbursement from the County in accordance with the terms of this Agreement.

4.04 Reimbursement of District Waterline Costs. Upon the District's approval of each invoice for the Waterline Design Work under the Engineering Services Agreement, the District will transmit a copy of the invoice to the County. In addition to any costs incurred by the District under the Engineering Services Agreement, each invoice shall identify additional District Waterline Costs incurred by the District relating to the Project. The County agrees to pay each invoice in full within 30 days after delivery of the invoice (the "Due Date"). Each invoice submitted by the District for reimbursement will clearly describe the work done for which reimbursement is sought, and will not seek reimbursement or payment for any costs or expenses other than District Waterline Costs. Upon request of the County, the District agrees to make available documentation in reasonable detail evidencing any District Waterline Costs for which reimbursement is sought. Any amounts due to the District which are not paid within 30 days of delivery will accrue interest at the rate of 8% per annum from the Due Date until paid.

4.05 Work Product. Upon receipt of a request from the County, the District agrees to promptly make available to the County a copy of any work product produced by its engineering consultant in connection with the Waterline Design Work. The County shall pay all reasonable costs incurred by the District in preparing and furnishing the copies.

V. EASEMENT MATTERS

5.01 Replacement Easements.

(a) The District agrees to secure all Replacement Easements in accordance with the terms of this Agreement. Without limitation, the District shall obtain and/or prepare all required surveys, property descriptions, and appraisals associated with the preparation of the Replacement Easements, and shall provide payment of all legal fees, costs of acquisition (whether by purchase or condemnation) associated with the acquisition of the Replacement Easements. All costs and expenses incurred by the District in connection therewith shall qualify as District Waterline Costs to be paid by the County.

(b) The District agrees to retain the firm of Sheets & Crossfield for purposes of managing the acquisition of the Replacement Easements, and providing all legal services related thereto. The District further agrees to cause Sheets & Crossfield, and other consultants that may provide services relating to the acquisition of the Replacement Easements (such as surveyors and appraisers), to send their bills directly to the County for payment. The County shall pay all such invoices, and other costs and expenses incurred by the District, if any, in connection with acquisition of the Replacement Easements, in the same time and manner as other District Waterline Costs (i.e., within 30 days after receipt of a written invoice).

(c) In the event of termination of the District's contract with Sheets & Crossfield for any reason, then the County shall reimburse all costs and expenses incurred by the District related to the acquisition of Replacement Easements in the same manner, and according to the same procedures, as other District Waterline Costs.

5.02 Existing Easements. At such time as the District receives all Replacement Easements and construction of the Waterline Improvements has been completed, are operational, and are accepted by the District, the District agrees to release the Existing Easements. It is specifically agreed, however, that the District shall not release any easement rights that relate to facilities that are not being abandoned under this Agreement. The District agrees to execute and record in the Official Records of Williamson County a form of instrument releasing the Existing Easements in accordance with the terms and conditions of this Agreement.

5.03 Shared Easements. The District agrees to cooperate with the Pedernales Electric Cooperative (the "PEC") to allow for the installation of PEC overhead lines within new District easements, provided that the District and the PEC enter into a mutually acceptable joint use agreement.

VI. CONSTRUCTION OF PROJECT

6.01 General. The Parties mutually acknowledge and agree that the District shall construct all physical improvements that constitute the Waterline Improvements. The Parties further acknowledge and agree that TxDOT shall construct the Roadway Improvements subsequent to completion of construction of the Waterline Improvements by the District. In the event that TxDOT requests that the Roadway Improvements be constructed simultaneously with the Waterline Improvements utilizing the same contractor, the District agrees to consider in good faith any proposed amendments to this Agreement necessary to accomplish such simultaneous construction; provided, however, such amendment must provide that the County and/or TxDOT pays all costs and expenses related to the Waterline Improvements and all other District Waterline Costs.

6.02 Approval of Bid Documents. Without limitation, the Bid Documents must include the following requirements relating to the construction of the Waterline Improvements:

(i) The design of the Waterline Improvements within the Bid Documents shall be in the form prepared by the District;

(ii) The District's existing waterline improvements shall remain operational at all times until the Waterline Improvements are completed, operational, and accepted by the District;

(iii) The Bid Documents shall seek alternative bids for construction of the Betterment Improvements in the Betterment Area. Specifically, the Bid Documents shall solicit alternate bids for construction of the Betterment Improvements (as the alternate bid) and the Waterline Improvements set forth on Exhibits "B" and Exhibit "C" (as the base bid and as applicable, depending on the segment in which the

Betterment Improvements are located) in the Betterment Area for purposes of quantifying the Betterment Costs;

(iv) The District shall be named as an additional insured on the contractor's insurance policies; and

(v) The District shall be named as additional beneficiary under the contractor's performance and payment bonds with respect to the Waterline Improvements.

6.03 Bid Award.

(a) All construction contracts for the Waterline Improvements will be competitively bid and awarded by the District in the manner provided by State laws and in accordance with this Section.

(b) The bid tabulation and related information for the construction of the Project will be submitted to the Project Committee for review and consideration. The District shall consider the advice and recommendations of the Project Committee, but the decision as to the acceptance of any bid shall be within the sole discretion of the District.

(c) The District shall furnish the bid tabulation and apparent successful contractor (subject to Board approval) to the County not less than 20 days prior to awarding a contract for construction of the Waterline Improvements. The District shall also specify the meeting date on which the District shall consider the award of the contract. The District's notice shall also inform the County in writing as to whether the District desires to include the Betterment Improvements in the construction contract, the amount of the Betterment Costs (as determined by the alternate bids to be solicited in the Bid Documents), and the net amount of the construction contract for which payment must be received by the District.

(d) As more particularly described in Section 6.05 below, the County must provide payment to the District in the amount equal to the bid price submitted by the apparent successful contractor that for the Waterline Costs as a condition of award of the construction contract by the District; provided, however, that the County shall not be required to pay the amount of the Betterment Costs in the event the District elects to construct the Betterment Improvements. Failure by the County to provide timely payment in full to the District shall be a material breach of this Agreement, and the District shall have no obligation to award a contract for construction of the Waterline Improvements until payment is received.

6.04 Construction of Waterline Improvements.

(a) **General.** The District shall be responsible for constructing, or causing to be constructed, the Project, including the Waterline Improvements, and all related equipment, materials and supplies. In connection with the construction of the Waterline Improvements, the District agrees to use good faith and reasonable efforts to ensure that the Project Contractor completes construction of the Waterline Improvements in accordance with the plans and specifications and other requirements set forth in the Bid Documents. The County will be

responsible for payment of any and all costs and expenses associated with the construction of the Waterline Improvements (save and except Betterment Costs, if any) in accordance with this Agreement.

(b) **Segment Relocations.**

(i) The SH 195 Project is divided into four segments, as shown on **Exhibit "A"**, attached hereto. The District has previously entered into an agreement with TxDOT regarding the relocation of District water lines and related improvements in Segment 1 of the Project, and such agreement shall remain in full force and effect.

(ii) The County agrees, at its sole cost and expense, to replace the Existing Waterline Improvements abutting Segment 2 within the "Limits of Conflict" engineering stations shown on **Exhibit "B"** attached hereto and incorporated herein. The Existing Waterline Improvements within this segment will be abandoned-in-place and replaced with Waterline Improvements of the type, size, and in the location more particularly described in **Exhibit "B"**, which waterline improvements shall be relocated into Replacement Easements abutting the limits of conflict. Any existing waterlines within Segment 2 outside the limits of conflict identified on **Exhibit "B"** will not be relocated unless relocation is necessitated as a result of design or construction of the Roadway Improvements, in which event the existing facilities in such conflict areas will be relocated into Replacement Easements at the sole cost and expense of the County, utilizing the same materials and capacity as the other Waterline Improvements in Segment 2. The County specifically agrees that it will not acquire public right-of-way that encompasses any portion of Segment 2 outside the "Limits of Conflict" identified on **Exhibit "B"** without relocating such improvements into new Replacement Easements secured at the County's expense in accordance with the same terms and conditions as other Existing Waterline Improvements are relocated as described herein.

(iii) The County agrees, at its sole cost and expense, to replace the Existing Waterline Improvements abutting Segment 4 within the "Limits of Conflict" engineering stations shown on **Exhibit "C"** attached hereto and incorporated herein. The Existing Waterline Improvements within this segment will be abandoned-in-place and replaced with Waterline Improvements of the type, size, and in the location more particularly described in **Exhibit "C"**, which waterline improvements shall be relocated into Replacement Easements abutting the limits of conflict. Any existing waterlines within Segment 4 outside the limits of conflict identified on **Exhibit "C"** will not be relocated unless relocation is necessitated as a result of design or construction of the Roadway Improvements, in which event the existing facilities in such conflict areas will be relocated into Replacement Easements at the sole cost and expense of the County, utilizing the same materials and capacity as the other Waterline Improvements in Segment 4. The County specifically agrees that it will not acquire public right-of-way that encompasses any portion of Segment 4 outside the "Limits of Conflict" identified on **Exhibit "C"** without relocating such improvements into new Replacement Easements secured at the County's expense in accordance with the same

terms and conditions as other Existing Waterline Improvements are relocated as described herein.

(iv) Notwithstanding any provision in this Agreement (including exhibits) to the contrary, the Parties acknowledge that the most eastern engineering station identified within the "Limits of Conflict" for Segment 4 on Exhibit "C" is an estimate only, and the actual most-eastern limit of conflict for Segment 4 will be the most eastern 45 degree bend where the District's existing 16-inch water transmission line connects to an existing 14-inch water transmission line.

(c) **Inspection.** The District shall retain a full-time construction inspector to inspect construction of the Project, including the Waterline Improvements. The District will notify the Project Committee of any construction defects relating to the Waterline Improvements coming to its attention as soon as practicable and in no event later than five calendar days (excluding official holidays) after obtaining knowledge of the defect. The District's costs of inspection shall be reimbursed by the County as District Waterline Costs.

(d) **Change Orders.** During construction, any change orders related to the Waterline Improvements will be subject to review and approval by the District. The costs of any change orders related to the Waterline Improvements, other than the costs of any "betterments" specifically requested by the District, shall be reimbursed by the County as District Waterline Costs. It is specifically agreed by the Parties that the Waterline Improvements identified on the exhibits to this Agreement are not "betterments." In the event that any change orders incurred in response to unanticipated conditions encountered during construction relating solely to the Betterment Improvements (and that would not arise but for construction of the Betterment Improvements) increase the costs of the Betterment Improvements, then the District shall be responsible for the costs of such change order (as it relates to the Betterment Improvements).

(e) **Insurance.** The District shall require that all workers involved with the installation and construction of the Waterline Improvements are covered by workers' compensation insurance as required by the laws of the State of Texas. The District shall also require that the contractors procure and maintain comprehensive general liability insurance insuring against the risk of bodily injury, property damage, and personal injury liability occurring from, or arising out of, construction of the Waterline Improvements, with such insurance in the amount of a combined single limit of liability of at least \$1,000,000 and a general aggregate limit of at least \$5,000,000. Such insurance coverage shall be maintained in force at least until the completion, inspection and acceptance of the Project.

6.05 Payment of Water Line Costs.

(a) The County shall provide payment to the District in the amount equal to 100 percent of the bid price for the Waterline Improvements (save and except Betterment Costs) as a condition of award of the construction contract for the Waterline Improvements by the District. The County shall provide payment in full within 20 days after receipt of an invoice for payment from the District. Failure by the County to provide timely payment in full to the District shall be a material breach of this Agreement.

(b) All construction contracts and other agreements relating to the construction of the Waterline Improvements will contain provisions to the effect that the Project Contractor will look solely to the District for payment of all sums coming due thereunder. The District shall pay all construction costs relating to the Waterline Improvements directly to the Project Contractor, subject to prior receipt of payment from the County in accordance with Section 6.05(a) above.

(c) In the event any change orders increase the costs of the Waterline Improvements (other than Betterment Costs for Betterment Improvements requested by the District), the District shall send an invoice to the County for payment. The County shall provide payment in the full amount of the invoice within 30 days of receipt of the invoice, in the same way as other District Waterline Costs are paid by the County. In the event of any change orders requested by the District as a "betterment", the District shall be solely responsible for such betterment costs.

(d) Except for Betterment Costs, the County shall pay 100 percent of all District Waterline Costs (except to the extent that any District internal administrative or employee costs exceed the amount set forth on Exhibit "D" attached hereto).

6.06 Ownership. After acceptance, the District shall hold an 100% undivided ownership interest in the Waterline Improvements, and shall be responsible for operation, maintenance and repair thereof.

6.07 Continuation of Service. The County agrees that the Project shall be undertaken so as to minimize any disruption of water service to existing customers of the District and will not result in the permanent loss of water service to any such customers. In the event that the construction of the Roadway Improvements or Waterline Improvements requires any water service lines to be replaced or relocated, the District will undertake and perform the replacement and/or relocation of the service lines as part of the Waterline Improvements at the County's sole cost and expense, regardless of whether such service lines are identified in Exhibit "B" or Exhibit "C" to this Agreement..

VII. DISPUTES

7.01 Material Breach; Notice and Opportunity to Cure.

(a) In the event that one Party believes that another Party has materially breached one of the provisions of this Agreement, the non-defaulting Party will make written demand to cure and give the defaulting Party up to 30 days to cure such material breach or, if the curative action cannot reasonably be completed within 30 days, the defaulting Party will commence the curative action within 30 days and thereafter diligently pursue the curative action to completion. Notwithstanding the foregoing, any matters specified in the default notice which may be cured solely by the payment of money must be cured within 10 days after receipt of the notice. This applicable time period must pass before the non-defaulting Party may initiate any remedies available to the non-defaulting party due to such breach.

(b) Any non-defaulting Party will mitigate direct or consequential damage arising from any breach or default to the extent reasonably possible under the circumstances.

(c) The Parties agree that they will negotiate in good faith to resolve any disputes and may engage in non-binding mediation, arbitration or other alternative dispute resolution methods as recommended by the laws of the State of Texas.

7.02 Equitable Relief. In recognition that failure in the performance of the Parties' respective obligations could not be adequately compensated in money damages alone, the Parties agrees that after providing notice and an opportunity to cure in accordance with Section 7.01 above, the Parties shall have the right to request any court, agency or other governmental authority of appropriate jurisdiction to grant any and all remedies which are appropriate to assure conformance to the provisions of this Agreement. The defaulting Party shall be liable to the other for all costs actually incurred in pursuing such remedies, including reasonable attorney's fees, and for any penalties or fines as a result of the failure to comply with the terms including, without limitation, the right to obtain a writ of mandamus or an injunction requiring the governing body of the defaulting party to levy and collect rates and charges or other revenues sufficient to pay the amounts owed under this Agreement.

7.03 Agreement's Remedies Not Exclusive. The provisions of this Agreement providing remedies in the event of a Party's breach are not intended to be exclusive remedies. The Parties retain, except to the extent released or waived by the express terms of this Agreement, all rights at law and in equity to enforce the terms of this Agreement.

VIII. GENERAL PROVISIONS

8.01 Authority. This Agreement is made in part under the authority conferred in Chapter 791, *Texas Government Code*.

8.02 Severability. The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

8.03 Assignment. Except as otherwise provided herein, the assignment of this Agreement by any Party is prohibited without the prior written consent of the other Party. All of the respective covenants, undertakings, and obligations of each of the Parties will bind that Party and will apply to and bind any successors or assigns of that Party.

8.04 Payments from Current Revenues. Any payments required to be made by a Party under this Agreement will be paid from current revenues or other funds lawfully available to the Party for such purpose.

8.05 Cooperation. The Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement.

8.06 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter.

8.07 Amendments. Any amendment of this Agreement must be in writing and will be effective if signed by the authorized representatives of the Parties.

8.08 Applicable Law; Venue. This Agreement will be construed in accordance with Texas law. Venue for any action arising hereunder will be in Williamson County, Texas.

8.09 Notices. Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

DISTRICT:

Chisholm Trail Special Utility District
851 FM 970
Florence, Texas 76527
Attn: General Manager
Telephone: (254) 793-3103
Facsimile: (254) 793-3100

COUNTY:

Attn: _____
Telephone: _____
Facsimile: _____

8.10 Exhibits. The following exhibits are attached to this Agreement and incorporated herein by reference:

- Exhibit A - Project Area
- Exhibit B - Location and Description of Waterline Improvements (Segment 2)
- Exhibit C - Location and Description of Waterline Improvements (Segment 4)
- Exhibit D- Budget for internal District Waterline Costs


8.11 Counterparts; Effect of Partial Execution. This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

8.12 Authority. Each Party represents and warrants that it has the full right, power and authority to execute this Agreement.


ATTEST:


Secretary

CHISHOLM TRAIL SPECIAL UTILITY
DISTRICT:

By: 
Printed Name: GORDON EURON
Title: President
Date: 7/7/2009

ATTEST:


County Clerk

WILLIAMSON COUNTY:


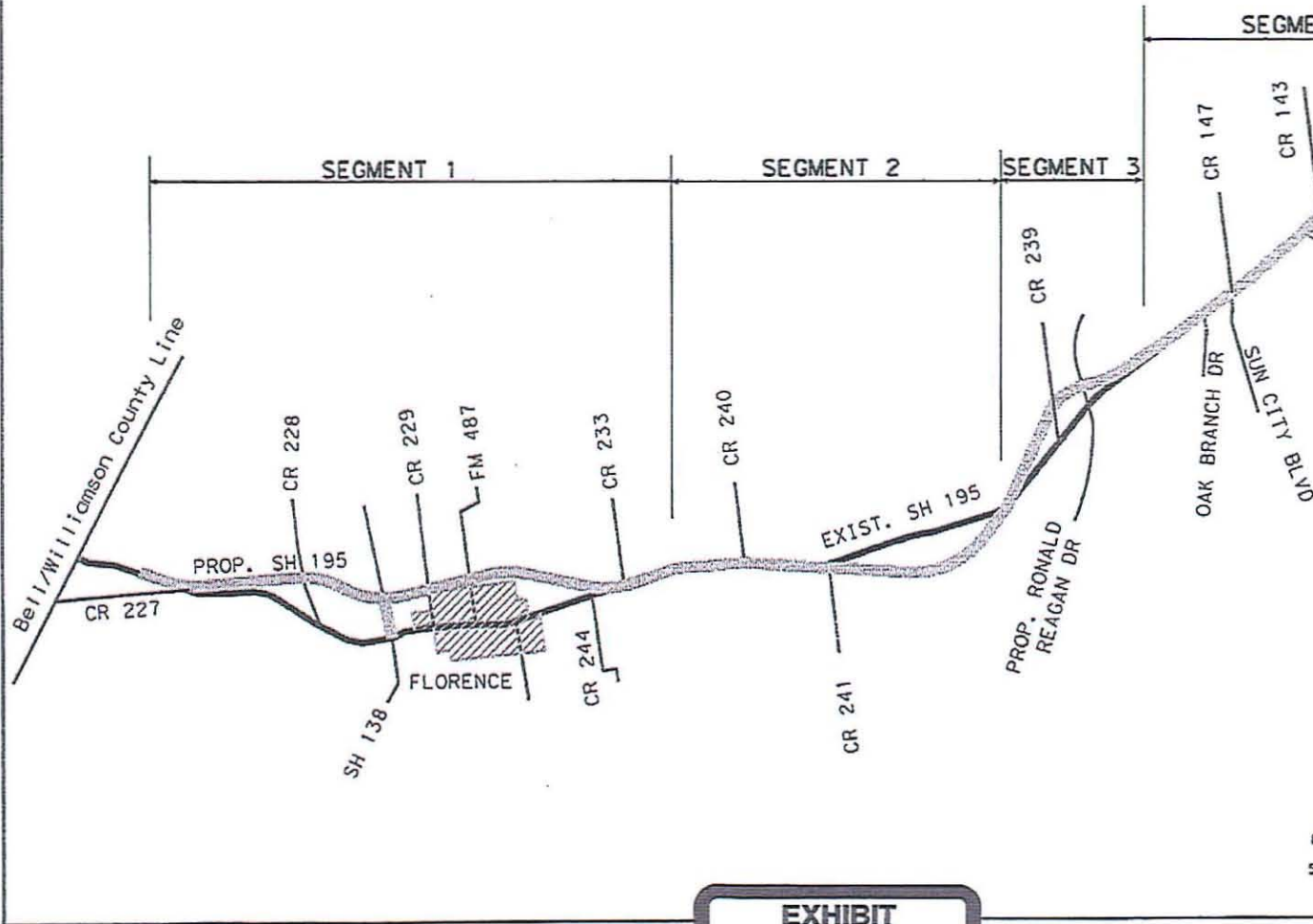
By: 
Printed Name: DAR A. GATTIS
Title: County Judge
Date: 7-13-09

EXHIBIT "A"

SKETCH OF PROJECT AREA

PROP. SH 195
EXIST. SH 195

SH 195 PROPOSED IMPROVEMENTS



EXHIBIT

A

tabbles

EXHIBIT "B"

**LOCATION AND DESCRIPTION OF WATERLINE IMPROVEMENTS
(SEGMENT 2)**

SH 195, Segment 2
Anticipated Relocation Limits

Existing Pipe Size	Proposed Pipe Size	Limits of Relocation to Clear Conflicts		Comments
		STA	STA	
4" PVC	8" PVC	1266+00	1294+60	
3" PVC	4" PVC	1246+00	1246+00	CR 240
4" PVC	8" PVC	1294+60	1294+60	Crossing at CR 241

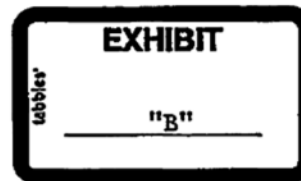


EXHIBIT "C"

LOCATION AND DESCRIPTION OF WATERLINE IMPROVEMENTS (SEGMENT 4)

SH 195, Segment 4
Anticipated Relocation Limits

Existing Pipe Size	Proposed Pipe Size	Limits of Relocation to Clear Conflicts		Comments
		STA	STA	
14" DIP	18" DIP	1688+00	1761+00	
2 - 12" PVC	18" DIP	1597+00	1688+00	
12" PVC	12" PVC	1687+00	1687+80	SH 195 Crossing at
10" PVC	10" PVC	1686+00	1689+00	CR 143 crossing
4" PVC	8" PVC	1686+30	1686+30	Shell Road
4" PVC	8" PVC	1612+00	1615+00	SH 195 Crossing at

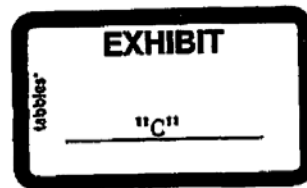


EXHIBIT "D"

INTERNAL WATERLINE COSTS BUDGET

The District's administrative and employee costs for the Project will not exceed \$100,000 without prior written approval from the County. This exhibit shall not be construed to limit the County's obligation to reimburse the District Waterline Costs incurred for outside consultants, including those for legal fees and costs incurred under the Engineering Services Agreement.