INTERLOCAL AGREEMENT

CITY OF McKINNEY, TEXAS and NORTH TEXAS MUNICIPAL WATER DISTRICT for the

Reimbursement of Costs Pursuant to TCEQ Permit Modification on a Certain ± 168.92 acre Tract of Land Situated in the S. McFarland Survey, Abstract No. 558.

This Interlocal Agreement for the reimbursement of costs pursuant to modification of solid waste permit MSW 568A (the "Permit") issued by the Texas Commission on Environmental Quality ("TCEQ") to operate a landfill on a certain ± 168.92 acre tract of land situated in the S. McFarland Survey, Abstract No. 558 (the "Agreement") is entered into between the City of McKinney, Texas (the "City") and the North Texas Municipal Water District ("NTMWD" or the "District") (collectively the "Parties" or "parties" or individually referred to as a "Party" or "party") and this Agreement shall be effective on the date it is executed by the latter of the Parties hereto ("Effective Date").

RECITALS

- WHEREAS, The Parties entered into a September 28, 1993 Lease and Easement Agreement ("Landfill Agreement") whereby City, as the owner of a certain ± 168.92 acre tract situated in Collin County ("Landfill Tract") leased the Landfill Tract to NTMWD for the operation of a municipal solid waste landfill (the "McKinney Landfill"), and entered into certain agreements regarding the operation, closure, and post-closure of the McKinney Landfill; and
- WHEREAS, NTMWD operated the McKinney Landfill on the Landfill Tract under a Solid Waste Permit (MSW 568A) from a predecessor agency to the TCEQ; and
- WHEREAS, NTMWD has obtained a "closed" status designation from TCEQ for the McKinney Landfill; but has continuing post-closure monitoring and other obligations under the Permit; and
- WHEREAS, NTMWD now has a non-exclusive easement to and on the Landfill Tract to fulfill any closure and post-closure obligations under the Permit pursuant to the Landfill Agreement (as amended from time-to-time); and
- WHEREAS, the State of Texas, acting through the Texas Department of Transportation (" \underline{TxDOT} ") is seeking to acquire a \pm 4.812 acre tract of land out of the Landfill Tract for use as right-of-way and related infrastructure for an expansion and construction of Farm-to-Market Road 546; and
- WHEREAS, the land acquisition will require, *inter alia*, relocation of a portion of the McKinney Landfill perimeter fence, relocation of gas monitoring probes and

- groundwater monitoring wells, and a survey to create a new legal description for the revised landfill boundary; and
- WHEREAS, NTMWD will need to obtain a permit modification or amendment to the Permit from TCEQ before work to execute the modifications may commence; and
- WHEREAS, the City has agreed to delay closing and transfer of title on Parcel 4 until after the District obtains approval of the permit modification request from TCEQ; and
- WHEREAS, the City has agreed to reimburse NTMWD for certain costs from the funds paid to the City by TxDOT.
- NOW, THEREFORE, in consideration of the above recitals, the mutual promises that follow and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

ARTICLE 1

Definitions

1.1 <u>Parcel 4 Defined</u>. The \pm 4.812 tract to be sold to TxDOT, together with all improvements now or hereafter constructed thereon, and subject to the District's easement established in the Landfill Agreement, (as amended), is referred to as "<u>Parcel 4</u>," said premises being more particularly described in <u>Exhibit A</u>.

ARTICLE 2

- 2.1 <u>Reimbursement.</u> The City agrees to reimburse the District for actual expenses incurred from the modification of the TCEQ permit, subject to the limit set forth in Section 2.3.
- Permitted Expenses. Expenses eligible for reimbursement will be limited to costs reasonably associated with modifying the Permit as needed for the transfer of Parcel 4 as contemplated in this Agreement, including but not limited to the following(1) installation of a new groundwater monitoring well; (2) monitoring of the new groundwater well; (3) plugging and abandonment of an existing groundwater monitoring well;; (4) relocation of a portion of the McKinney Landfill perimeter fence; (5) installation of new landfill gas monitoring probes, (6) filling and abandoning landfill gas probes; (6) surveying; (7) consulting and legal assistance in preparing and prosecuting a permit modification request to the TCEQ, (8) costs of public notice if required by the TCEQ; and (9) fees payable to the TCEQ for submitting a modification request to the TCEQ. All other expenses not expressly approved herein, shall be borne solely by the District, unless agreed to by the Parties in writing.
- 2.3 <u>Maximum Reimbursement Amount</u>. The maximum amount that the City will reimburse the District is one hundred sixteen thousand, sixty-one and no/100 dollars (\$116,061.00), and the District shall be solely responsible for any costs in excess of this maximum amount unless agreed to by the Parties in writing.

- 2.4 <u>Receipts Required</u> The District agrees to provide the City with evidence of the permitted expense amounts within thirty (30) days of incurring the same. The City will provide payment to the District within thirty (30) days of receipt of a permitted expense, subject to the limitations of Section 2.3.
- 2.5 <u>Reimbursement Deemed Full Compensation</u> The District acknowledges that reimbursement under this Article shall constitute full and fair compensation for any taking of any interest in real property that the District may incur as a result of the sale or condemnation of Parcel 4, including but not limited to any value of any portion of the District's easement established through the Landfill Agreement (as modified).

ARTICLE 3

- 3.1 <u>Conveyance of Parcel 4</u> The City shall not voluntarily transfer ownership of Parcel 4 to TxDOT until TCEQ approval of the District's permit modifications.
- Request for Amendment. The Parties acknowledge that the Permit may only be changed via a non-notice modification, a notice modification, or an amendment, and that the TCEQ, subject to applicable statutes and its own rules and guidance, may determine which method is required. The Parties further acknowledge that a non-notice modification is the least expensive and easiest of option to change the Permit and that an amendment is the most expensive and difficult option to obtain than a modification. The Parties anticipate that the TCEQ will process the District's request as a non-notice modification, and agree that (1) if required by the TCEQ, the District shall process the request as a notice modification, and (2) in no event shall the District be required to request, apply for, or otherwise pursue an amendment to the Permit. The District shall have no duty to appeal the TCEQ's decision to require that the District request to change the Permit via an amendment.
- 3.3 <u>Denial of Application</u>. The Parties acknowledge that the TCEQ is the sole authority able to grant or deny the District's application for a modification. If the TCEQ denies the District's application for any reason, the District shall have no further obligation under this Agreement, and the City shall pay expenses subject to the limitations in Article 2. The District shall have no duty to appeal the decision of the TCEQ or to request reconsideration of the decision of the TCEQ.
- 3.4 <u>Subject to Eminent Domain</u>. The Parties acknowledge that this Article is subject to the exercise of eminent domain powers by TxDOT or any other entity with eminent domain powers.

ARTICLE 4

Miscellaneous

4.1 <u>Notices</u>. Any notice provided for or permitted to be given hereunder must be in writing and may be given by (i) depositing same in the United States Mail, postage prepaid, registered or certified, with return receipt requested, addressed as set forth in this Section, (ii) delivering the same to the party to be notified via hand delivery or local courier service, or (iii) delivering the same via a nationally recognized overnight courier service. Notice given in accordance herewith

shall be effective upon receipt or refusal at the address of the addressee, as evidenced by the executed postal receipt or other receipt or refusal for delivery. For purposes of notice relating to all matters, the addresses of the parties hereto shall, until changed, be as follows:

City: City of McKinney

222 N. Tennessee Street McKinney, Texas 75069

Attn: Tom Muehlenbeck

With a copy to: Mark S. Houser

740 E. Campbell, Suite 800 Richardson, TX 75081

District: North Texas Municipal Water District

501 East Brown St. (Overnight Delivery Service)

PO Box 2408 (U.S. Postal Service)

Wylie, Texas 75098 Attn: Tom Kula

The Parties hereto shall have the right from time to time to change their respective addresses for purposes of notice hereunder to any other location within the United States by giving notice to such effect to the other Party in accordance with the provisions of this Section.

- 4.2 <u>Dispute Resolution</u>. Prior to filing any actions in any court of law with respect to a dispute concerning this Agreement, the Parties shall endeavor to resolve the dispute through mediation. Should the Parties be unable to resolve the dispute via mediation within thirty (30) days after a Party first notifies the other of its desire to mediate, then the Parties shall be free to file any actions in any court of competent jurisdiction.
- 4.3 <u>Modification and Non-Waiver</u>. No variations, modifications or changes herein or hereof shall be binding upon any party hereto unless set forth in writing executed by both parties hereto. No waiver by either party of any breach or default of any term, condition or provision hereof shall be deemed a waiver of any other or subsequent breaches or defaults of any kind, character or description under any circumstance. No waiver of any breach or default of any term, condition or provision hereof shall be implied from any action of any party, and any such waiver, to be effective, shall be set out in a written instrument signed by the waiving party.
- 4.4 <u>Governing Law</u>. This Agreement, the entire relationship of the parties hereto, and any litigation between the parties (whether grounded in contract, tort, statute, law or equity) shall be governed by, construed in accordance with, and interpreted pursuant to the laws of the State of Texas and venue shall be in Collin County, Texas.
- 4.5 <u>Number and Gender; Caption; References</u>. Pronouns, wherever used herein, and of whatever gender, shall include natural persons and corporations and associations of every kind and character, and the singular shall include the plural wherever and as often as may be appropriate. Article and section headings in this Agreement are for convenience of reference and

- shall not affect the construction or interpretation of this Agreement. Whenever the terms "hereof," "hereby," "herein" or words of similar import are used in this Agreement they shall be construed as referring to this Agreement in its entirety rather than to a particular section or provision, unless the context specifically indicates to the contrary. Any reference to a particular "Article" or "Section" shall be construed as referring to the indicated article or section of this Agreement. Whenever placed before one or more items, the words "include," "includes," and "including" shall mean considered as part of a larger group, and not limited to the item(s) recited.
- 4.6 **Exhibits**. All exhibits and addenda attached hereto are incorporated herein for all purposes.
- 4.7 <u>Severability</u>. If any provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, and the basis of the bargain between the parties hereto is not destroyed or rendered ineffective thereby, the remainder of this Agreement, or the application of such provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.
- 4.8 <u>Relation of Parties</u>. Nothing in this Agreement shall be construed to make City and District partners or joint venturers.
- 4.9 **Entire Agreement**. This Agreement constitutes the entire agreement of the parties hereto with respect to its subject matter. In entering into this Agreement, each Party agrees it is relying solely on its own judgment and not any statement by the other Party.
- 4.10 <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the Party's successors and assigns.
- 4.11 <u>City's Joinder</u>. City agrees to join with District in the execution of such applications for permits and licenses from any governmental authority as may be reasonably necessary or appropriate to effectuate the intents and purposes of this Agreement.
- 4.12 **No Third Parties Benefitted**. The terms and provisions of this Agreement are for the sole benefit of City and District, and no third party is intended to benefit therefrom.
- 4.13 <u>Survival</u>. Any terms and provisions of this Agreement pertaining to rights, duties or liabilities extending beyond the expiration or termination of this Agreement shall survive termination of the Agreement.
- 4.14 <u>Transfer of City's Interest</u>. Neither Party may transfer its interest in Parcel 4 or in this Agreement without the prior written consent of other Party.
- 4.15 <u>Authority</u>. City and District hereby represent to the other that: (i) City is a duly authorized and existing municipality and District is a duly authorized and existing district, and each is organized under the laws of the State of Texas, (ii) each has full right and authority to enter into this Agreement, (iii) each person signing on behalf of the City and District are authorized to do so, and (iv) the execution and delivery of this Agreement by City and District will not result in

any breach of, or constitute a default under any agreement or other contract or instrument to which either City or District is a party or by which either such party may be bound.

- 4.16 <u>Time of Essence</u>. Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.
- 4.17 <u>Holidays</u>. If a date for performance by either party falls on a Saturday, Sunday or on a legal holiday, such date for performance shall instead be the next following business day.

[the remainder of this page is intentionally left blank; signature pages to follow]

EXECUTED as of the dates set forth below.

DISTRICT:	<u>CITY</u> :
NORTH TEXAS MUNICIPAL WATER DISTRICT 501 East Brown St. Wylie, Texas 75098	CITY OF MCKINNEY, TEXAS 222 N. Tennessee Street McKinney, Texas 75069
BY: Thomas W. Kula Executive Director	BY: TOM MUEHLENBECK Interim City Manager
DATE:	DATE:
ATTEST:	ATTEST:
NAME:	SANDY HART,
TITLE: DATE:	T TRMC, MMC City Secretary DATE:

EXHIBIT A

Legal Description of Parcel 4

County:

Collin

Highway:

Farm to Market Road 546

Station:

31+14.51 to 45+71.60

R.O.W. CSJ:

1013-01-031

PROPERTY DESCRIPTION FOR PARCEL 4

DESCRIPTION OF A 209,618 SQUARE FOOT [4.812 ACRE] TRACT OF LAND LOCATED IN THE S. MCFARLAND SURVEY, ABSTRACT NO. 558 AND THE W.S. RICHARDSON SURVEY ABTRACT NO. 747, IN COLLIN COUNTY, TEXAS, BEING A PORTION OF A CALLED 157 ACRE TRACT, DESCRIBED AS FIRST TRACT AND A PORTION OF A CALLED 12 ACRE TRACT DESCRIBED AS SECOND TRACT IN THE DEED TO CITY OF MCKINNEY, RECORDED IN VOLUME 503, PAGE 251, DEED RECORDS OF COLLIN COUNTY, TEXAS, (D.R.C.C.T.), AS SHOWN ON A SKETCH PREPARED BY SAM, INC. FOR THIS PARCEL, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a railroad iron monument found in the common line of the east existing right-of-way line of a Dallas Area Rapid Transit Railroad (D.A.R.T.), (a 200 foot wide right-of-way) recorded in Volume 5443, Page 5532, D.R.C.C.T. and Lot 2-B-1, Block B as described in the deed to McKinney Habitat for Humanity, Inc., recorded in Document Number 20110601000558750, Official Public Records Collin County, Texas (O.P.R.C.C.T.) as shown on McKinney Industrial Park No. 2 Replat, recorded in Volume H, Page 445, Plat Records Collin County, Texas (P.R.C.C.T.);

THENCE with the east existing right-of-way line of said D.A.R.T. railroad, with the arc of a curve to the right, passing an aluminum monument stamped "Survey Point Lone Star Gas Co. Do Not Disturb" found at an arc distance of 85.81 feet for the north corner of a tract of land described as Tract 6 in the deed to Enserch Corporation, recorded in Volume 743, Page 210, D.R.C.C.T., and continuing with the arc of a curve to the right, a total arc length of 488.15 feet, through a central angle of 09°43′09", having a radius of 2,877.70 feet and a chord that bears S43°19'01"W, a distance of 487.57 feet to a calculated point in the common line of said east existing right-of-way line of the D.A.R.T. railroad and said 157 acre tract;

THENCE S48°20'57"W, with the common line of said east existing right-of-way line of D.A.R.T. railroad and said 157 acre tract, a distance of 69.46 feet to a 5/8-inch iron rod with a Texas Department of Transportation (TxDOT) aluminum cap set** in the north proposed right-of-way line of Farm to Market Road (F.M.) 546, for the **POINT OF BEGINNING** being 70.00 feet left of Baseline Station 31+47.49 and having a Texas State Plane Coordinate System, N.A.D. 83(1996 CORS, EPOCH 2002.0), North Central Zone (4202), surface coordinate of North 7,115,988.48, East 2,545,808.57;

1) THENCE crossing said 157 acre tract and with said north proposed right-of-way line of F.M. 546 with the arc of a curve to the left, an arc length of 311.75 feet, through a central angle of 16°36'07", having a radius of 1,075.92 feet, and a chord that bears S64°02'02"E, a distance of 310.67 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;

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County:

Collin

Highway:

Farm to Market Road 546

Station:

31+14.51 to 45+71.60

R.O.W. CSJ: 1013-01-031

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PROPERTY DESCRIPTION FOR PARCEL 4

- 2) THENCE S72°20'05"E, crossing said 157 acre tract and with said north proposed right-of-way line of F.M. 546, a distance of 96.89 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set** in the common line of said 157 acre tract and Lot 2-B-2, Block B as described in the deed to Couch Warehouse, Ltd., recorded in Document Number 99-0067165, O.P.R.C.C.T., as shown on McKinney Industrial Park No. 2 Replat, recorded in Volume H, Page 445, P.R.C.C.T from which an aluminum monument stamped "Survey Point Lone Star Gas Co. Do Not Disturb" found for the north corner of said Tract 6, and in said east existing right-of-way line of said D.A.R.T. railroad bears, N04°31'45"W, a distance of 501.50 feet;
- THENCE S04°31'45"E, with the common line of said 157 acre tract and said Lot 2-B-2, a distance of 102.13 feet to a calculated point for the north common corner of said 157 acre tract and said 12 acre tract and said Lot 2-B-2;
- 4) THENCE S88°04'35"E, with the common line of said 12 acre tract and said Lot 2-B-2, passing a 3/4-inch iron rod found at a distance of 30.30 feet and continuing a total distance of 348.55 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set** in said north proposed right-of-way line of F.M. 546:
- 5) THENCE S72°20'05"E, crossing said 12 acre tract and with said north proposed right-of-way line of said F.M. 546, a distance of 380.59 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 6) THENCE N45°35'07"E, continuing to cross said 12 acre tract and with said north proposed right-of-way line of said F.M. 546, a distance of 141.20 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 7) THENCE N04°32′22″E, continuing to cross said 12 acre tract and with said north proposed right-of-way line of said F.M. 546, a distance of 1.11 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set** in the common line of said 12 acre tract and said Lot 2-B-2
- 8) and the west existing right-of-way line of Couch Drive (a variable width right-of-way) as shown on Cabinet A, Page 234 P.R.C.C.T., from which a point in a telephone vault where a 1/2-inch iron rod with yellow cap stamped "2818" was previously found (now destroyed) bears N01°37'51"E, a distance of 364.29 feet:
- 9) THENCE S88°04'35"E, with the common line of said 12 acre tract and said Couch Drive and with said north proposed right-of-way line of said F.M. 546, a distance of 60.00 feet to a 1/2-inch iron rod found for the common corner of said 12 acre tract and said Couch Drive and Lot 1R, Block D as described in the deed to Wistron Greentech (Texas) Corporation, recorded as Document Number 20121005001267790, O.P.R.C.C.T., as shown on McKinney Industrial Park No. 2, recorded as Document No. 20080811010002890, O.P.R.C.C.T., and a called 84.714 acre tract as described in the deed to North Texas Municipal Water District, recorded in Volume 4503, Page 1610, D.R.C.C.T.;

County:

Collin

Highway:

Farm to Market Road 546

Station:

31+14.51 to 45+71.60

R.O.W. CSJ:

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PROPERTY DESCRIPTION FOR PARCEL 4

- 10) THENCE S00°35'07"W, with the common line of said 12 acre tract and said 84.714 acre tract, a distance of 398,06 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set** being 168.38 feet right of Baseline Station 45+71.60, same being in the south proposed right-of-way line of F.M. 546, from which a 1/2" iron rod found for the southeast corner of said 12 acre tract and in the west line of said 84.714 acre tract bears, S00°35'07"W, a distance of 209.54 feet;
- 11) **THENCE** N89°24'53"W, crossing said 12 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 87.60 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 12) **THENCE** N04°32'22"E, continuing to cross said 12 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 50.81 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**:
- 13) THENCE N34°27'20"W, continuing to cross said 12 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 97.12 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**:
- 14) THENCE N72°20'05"W, continuing to cross said 12 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 350.91 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 15) **THENCE** N27°20'05"W, continuing to cross said 12 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 21.21 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 16) **THENCE** N72°20'05"W, crossing said 12 acre tract and said 157 acre tract and with said south proposed right-of-way line of F.M. 546, a distance of 554.23 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set**;
- 17) **THENCE** crossing said 157 acre tract with the arc of a curve to the right, an arc length of 387.32 feet, through a central angle of 18°15'03", having a radius of 1,215.92 feet, and a chord that bears N63°12'34"W, a distance of 385.68 feet to a 5/8-inch iron rod with a TxDOT aluminum cap set** in the common line of said 157 acre tract and said east existing right-of-way line of D.A.R.T. railroad, being 70.00 feet right of the Baseline Station 31+14.51;

County:

Collin

Highway:

Farm to Market Road 546

Station:

31+14.51 to 45+71.60

R.O.W. CSJ:

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PROPERTY DESCRIPTION FOR PARCEL 4

18) THENCE N48°20'57"E, with the common line of said 12 acre tract and said east existing right-of-way line of D.A.R.T. railroad, a distance of 143.82 feet to the POINT OF BEGINNING and containing 209,618 square feet [4.812 acres] of land of which 28,282 square feet [0.649 acre] lies within the apparent existing right-of-way of Couch Drive (a variable width right-of-way, no record information found).

THE STATE OF TEXAS

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KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF DALLAS

This property description is accompanied by a separate plat of even date.

All bearings are based on the Texas State Plane Coordinate System, North Central Zone, NAD 83(1996) CORS, EPOCH 2002.0).

All distances and coordinates shown are surface and may be converted to grid by dividing by a combined scale factor of 1.000152710 (0.999847313).

**The monument described and set in this call, if destroyed during construction, may be replaced with a TxDOT Type II Right of Way Marker upon completion of the highway construction project under the supervision of a Registered Professional Land Surveyor, either employed or retained by TxDOT

The Station and Offset Information refers to the baseline described in the Control Sheet to be created 11-20-2013 for the TxDOT Right of Wav Mapping Project Control-Section-Number 1013-01-031.

That I, Christopher B. Cox, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and belief and that the property described herein was determined by a survey made on the ground under my direction and supervision.

WITNESS MY HAND AND SEAL at Dallas, Dallas County, Texas.

SURVEYING AND MAPPING, Inc.

7101 Envoy Court Dallas, Texas 75247

Christopher B. Cox Registered Professional Land Surveyor

001-24-2014 REV. Date

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No. 6427 State of Texas



