

**INTERLOCAL AGREEMENT BETWEEN  
CITY OF COPPELL AND DALLAS COUNTY IRRIGATION DISTRICT NO. #1**

THIS AGREEMENT (“Agreement”) is made and entered into by and between DALLAS COUNTY IRRIGATION DISTRICT NO. #1 (the “DISTRICT”), an irrigation district organized by order of the Dallas County Commissioners granting a petition for formation pursuant to Chapter 58, Texas Water Code, and CITY OF COPPELL (the “CITY”), a Texas home rule municipal corporation and shall be effective on the date signed by the last of the parties to sign (the “Effective Date”).

**RECITALS**

WHEREAS, Northlake (herein so called), a reservoir located adjacent to the city limits of Coppel, is an invaluable resource for irrigation, open space, and recreation for the surrounding community, including the community known as “Cypress Waters.”

WHEREAS, created as a cooling lake for a now-dismantled electric generating station, Northlake seasonally suffers evaporative loss, reducing the lake pool elevation and lake size, depreciating the lake’s resource value.

WHEREAS, inundation limits the utilization of and access to the property underlying the waters of Northlake.

WHEREAS, CITY, as the previous owner of Northlake, acquired ownership of the dam serving such reservoir (the “Northlake Dam”) as well as adjacent land bounding the north shore of Northlake. In conjunction with such ownership, CITY entered into that one certain Amended and Restated Northlake Agreement on or about August 2, 2013, by and between CITY and parties associated with the Cypress Waters developer (the “Cypress Waters Group”) and under that agreement, assumed various duties, including maintaining the pool elevation of Northlake resulting from evaporative loss. The ongoing costs of lake pool and dam maintenance are burdensome to the CITY, effectively imposing the cost of preserving a community asset outside the city limits to CITY taxpayers.

WHEREAS, Cypress Waters Group and CITY have mutually determined that lake maintenance and irrigation relying on waters impounded in Northlake can be more efficiently handled if Cypress Waters Group members assume such duty, and conditioned on CITY’s transfer of (i) Northlake ownership to a Cypress Waters affiliate, and (ii) the Northlake Dam ownership to DISTRICT. The Coppel City Council has determined that divesting Northlake and securing a release of future obligations under the Amended and Restated Northlake Agreement benefits the CITY by ensuring professional maintenance of Northlake Dam, community-based funding of such maintenance, and eliminating financial burdens on the CITY.

WHEREAS, CITY transferred the ownership of Northlake and the adjacent land bounding the north shore to Cypress Waters Group affiliates on September 28, 2021, and obtained a release of its future obligations under the Amended and Restated Northlake Agreement.

WHEREAS, DISTRICT was formed pursuant to Order 2021-0976 of the Dallas County Commissioners Court dated September 21, 2021, granting the landowner petition for formation of the DISTRICT. DISTRICT was formed primarily to deliver untreated water for irrigation and to provide for the drainage of lands and such other functions incidental to the accomplishment of such purposes. Assuming dam maintenance at Northlake will have the additional public benefit of preserving the integrity of the dam and spillway through a governmental unit dedicated to the purpose.

WHEREAS, DISTRICT ownership and control of Northlake Dam is therefore essential to accomplishing DISTRICT's primary purpose.

NOW, THEREFORE, in consideration of the premises and mutual promises and covenants contained herein to be performed by the parties, DISTRICT and CITY agree as follows:

## **ARTICLE I CITY'S OBLIGATIONS**

1.01 Northlake Dam Property. Convey the Northlake Dam Property to DISTRICT in consideration of the mutual promises documented in this Agreement. The Northlake Dam Property (herein so-called) is more particularly described on Exhibit A attached to this Agreement and incorporated herein by reference.

1.02 Maintenance and Development Agreement. CITY entered into that certain Maintenance and Development Agreement (the "Maintenance Agreement") with the purchaser of Northlake, CW Rock Bottom Partners, Ltd., and Cypress Waters Group, attached to this Agreement as Exhibit B and incorporated herein by reference. The Maintenance Agreement provides for DISTRICT's assumption thereof upon acquisition of title to the Northlake Dam. The duties of Northlake Dam maintenance described in the Maintenance Agreement are collectively referred to herein as "Dam Administration."

1.03 Funding of Maintenance Reserve. Contemporaneous with DISTRICT's acceptance of the conveyance of the Northlake Dam Property, CITY will fund, or arrange for the one-time funding of a maintenance reserve in the amount of \$200,000.00 for DISTRICT use in fulfilling DISTRICT's obligations under the Maintenance Agreement with respect to Dam Administration. CITY has contracted with private parties who have committed to the funding of such maintenance reserve, and has induced Cypress Waters Group to fund such maintenance reserve in accordance with the terms of the Maintenance Agreement.

## **ARTICLE II DISTRICT OBLIGATIONS**

2.01 Northlake Dam Property. Accept conveyance of the Northlake Dam Property from CITY in consideration of the mutual promises documented in this Agreement.

2.02 Maintenance and Development Agreement. At the time of the conveyance of the Northlake Dam Property, assume and agree to perform the CITY's duties under the Maintenance Agreement, including, without limitation, the duties of Dam Administration.

### **ARTICLE III TERMINATION**

3.01 Term. If CITY has not delivered its deed conveying Northlake Dam to DISTRICT by December 31, 2021, this Agreement shall terminate unless extended by mutual agreement of the parties.

3.02 Notice and Grace. If either Party believes the other is in default of this Agreement, the non-defaulting Party shall provide written notice to the other, specifying the basis for such default, and allowing the defaulting party 30 days from receipt of the notice to cure the default.

3.03 Remedies. In the event of default by either party that is not cured within such period, should a court of competent jurisdiction determine the CITY's or DISTRICT's immunity from suit is waived in any manner other than as provided in Subchapter I of Chapter 271, TEXAS LOCAL GOVERNMENT CODE, as amended, the CITY and DISTRICT hereby acknowledge and agree that in a suit against either Party for breach of this Agreement:

(a) The total amount of money awarded is limited to actual damages in an amount not to exceed the balance due and owed by either Party under this Agreement;

(b) The recovery of damages against either Party may not include consequential damages or exemplary damages;

(c) Neither Party may recover attorney's fees; and

(d) Neither Party is entitled to specific performance or injunctive relief against the other Party.

### **ARTICLE IV GENERAL TERMS**

4.01 Notice. Notices by or to either Party provided under this Agreement shall be in writing and delivered to the addresses shown below.

If to DISTRICT:

\_\_\_\_\_  
DISTRICT Executive Officer

Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to CITY:

Mike Land,  
CITY Manager

Mailing Address:

255 E Parkway Blvd  
Coppell, TX 75019

COPY TO:

Charles C. Jordan  
Carrington, Coleman, Sloman & Blumenthal,  
LLP  
901 Main Street, Suite 5500  
Dallas, Texas 75202

COPY TO:

Robert E. Hager, City Attorney  
Nichols, Jackson, Dillard, Hager & Smith, LLC  
500 N. Akard, Suite 1800  
Dallas, Texas 75201

The above contact information may be modified in writing by a Party on behalf of that Party without requiring an amendment to this Agreement.

4.02 Contractual Relationship. It is understood and agreed that the relationship described in this Agreement between the parties is contractual in nature and is not to be construed to create a partnership of joint venture or agency relationship between the parties. Nor shall any party be liable for any debts incurred by the other party in the conduct of such other party's business or functions.

4.03 Compliance with Regulations. During the performance of this Agreement, each party, for itself, its assignees, and successors agrees to comply with all applicable local, state, and federal regulations.

4.04 No Third-Party Beneficiaries. Nothing in this Agreement shall be construed as creating any liability in favor of any third party against DISTRICT or CITY. Additionally, this Agreement shall not ever be construed as relieving any third party from any liability to DISTRICT or CITY.

4.05 Assignment. Neither Party shall assign this Agreement in whole or in part without first obtaining written consent from the other Party, which may be withheld for any reason.

4.06 Responsibility. DISTRICT and CITY agree that each shall be responsible for the acts or omissions of its officials, officers, employees or agents as provided by Texas law, in the performance of this Agreement.

4.07 Immunity Retained. Nothing contained in this Agreement shall be construed as constituting a waiver of the CITY's or DISTRICT's governmental immunity from suit or liability, which is expressly reserved to the extent allowed by law.

4.08 Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and shall not in any way affect, limit, amplify, or modify its terms and provisions.

4.09 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. The Parties agree venue shall lie in Dallas County, Texas.

4.10 Number and Gender. Whenever used herein, unless the context otherwise provides, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all other genders.

4.11 Severability and Legal Construction. In the event any one or more of the provisions contained in this Agreement shall be for any reason held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision(s) hereof, and this Agreement shall be revised so as to cure such invalid, illegal, or unenforceable provision(s) to carry out as near as possible the original intent of the Parties.

4.12 Merger and Amendment. This instrument constitutes the entire agreement of the Parties with respect to the matters contemplated herein and supersedes any prior dealings between the Parties on this subject matter. This Agreement may be modified or amended only in writing, signed by both Parties.

4.13 Nondiscrimination. In its performance of this Agreement, DISTRICT and the CITY each warrant that it shall not discriminate against any person on account of race, color, religion, national origin, sex, age, disability, genetic information, veteran status, sexual orientation, gender identity or any other characteristic protected by law.

4.14 No Waiver. Neither of the Parties shall be deemed, by any act or omission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by the waiving Party, and then only to the extent specifically set forth in such writing. A waiver with reference to one event shall not be construed as continuing or as a bar to or waiver of any right or remedy as to a subsequent event.

4.15 Authorization to Act. By their signatures below, the representatives of the DISTRICT and CITY state that they are authorized to enter into this Agreement. The DISTRICT and CITY will each provide documentation that this Agreement has been authorized by its respective governing body.

[SIGNATURE PAGE TO FOLLOW]

EXECUTED this \_\_\_\_\_ day of November, 2021 by authority of Coppell City Council  
Resolution No. 2020 - \_\_\_\_\_, approved on \_\_\_\_\_, 2021.

CITY OF COPPELL

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Attest:

\_\_\_\_\_  
CITY Secretary

Approved as to Form:

\_\_\_\_\_  
CITY Attorney

EXECUTED this \_\_\_\_\_ day of November, 2021 by authority of DISTRICT Board  
Resolution No. \_\_\_\_\_ adopted on \_\_\_\_\_:

DALLAS COUNTY IRRIGATION DISTRICT  
NO. #1

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### **Northlake Dam Property 47.01 Acre Tract, save and except 1.02 acres**

**BEING** a tract of land situated in the Jacob G. Carlock Survey, Abstract No. 312, the Greenberry Hendricks Survey (a.k.a. Grandbury Hendricks) Abstract No. 630, the Francis Jones Survey, Abstract No. 674, City of Dallas, Dallas County, Texas and being all of a called 39.638 acre tract of land described in the Special Warranty Deed and right of First Refusal Agreement, recorded in Instrument No. 201300273238, Official Public Records of Dallas County, Texas; and part of a called 362.4110 acre tract of land described as "Storage Tract A" and part of a called 21.7155 acre tract of land described as "East Tract 1B" in General Warranty Deed to the City of Coppell, recorded in Instrument No. 20080370218, Official Public Records of Dallas County, Texas; and being more particularly described as follows:

**BEGINNING** at the easternmost northeast corner of said 39.638 acre tract, at the northwest corner of Grand Estates at Northlake Hills – Phase II, an addition to the City of Irving, Texas according to the plat thereof recorded in Volume 2005041, Page 158, Official Public Records of Dallas County, Texas and in the south line of Block C of South Haven Addition, an addition to the City of Irving, Texas according to the plat thereof recorded in Instrument No. 201800020024, Official Public Records of Dallas County, Texas;

**THENCE** with the west line of said Grand Estates at Northlake Hills – Phase II, South 0°22'32" East, a distance of 1102.37 feet to a point for corner at the northeast corner of a called 19.82 acre tract of land described as "North Tract, Tract 1" in the Special Warranty deed to Billingsley Pin Oak Partners, Ltd., recorded in Instrument No. 201700078162, Official Public Records of Dallas County, Texas;

**THENCE** with the north line of said 19.82 acre tract, South 89°59'58" West, a distance of 474.47 feet to a point for corner at the northernmost northwest corner of said 19.82 acre tract;

**THENCE** with the northwest line of said 19.82 acre tract, the following courses and distances:

South 32°55'15" West, a distance of 466.04 feet to a point for corner;

North 90°00'00" West, a distance of 276.70 feet to the westernmost northwest corner of said 19.82 acre tract;

**THENCE** over and across said 362.4110 acre tract, the following courses and distances:

North 26°27'29" East, a distance of 167.29 feet to a point for corner;

North 10°56'03" West, a distance of 94.42 feet to a point for corner;

North 31°18'56" East, a distance of 126.07 feet to a point for corner;

North 11°23'50" East, a distance of 76.40 feet to a point for corner;

North 25°35'22" West, a distance of 2044.79 feet to a point in the north line of said 362.4110 acre tract and the south line of a called 81.85 acre tract of land described in the

Special Warranty Deed to Oncor Electric Delivery Company LLC, recorded in Instrument No. 201600174471, Official Public Records of Dallas County, Texas;

**THENCE** with said north line of the 362.4110 acre tract and the south line of said 81.85 acre tract, the following courses and distances:

South 88°50'43" East, a distance of 18.64 feet to a point for corner;  
South 86°56'53" East, a distance of 21.97 feet to a point for corner;  
South 78°51'41" East, a distance of 23.71 feet to a point for corner;  
South 62°14'27" East, a distance of 21.45 feet to a point for corner;  
South 51°01'23" East, a distance of 7.31 feet to the northeast corner of said 362.4110 acre tract and the northwest corner of said 39.638 acre tract;

**THENCE** continuing with the south line of said 81.85 acre tract and the north line of said 39.638 acre tract, South 89°57'08" East, a distance of 879.92 feet to a point in the west line of said Block C, South Haven Addition, at the southeast corner of said 81.85 acre tract and the northernmost northeast corner of said 39.638 acre tract;

**THENCE** with the west line of said Block C and the east line of said 39.638 acre tract, the following courses and distances:

South 0°34'34" East, a distance of 167.73 feet to a point for corner;  
South 30°25'38" East, a distance of 676.26 feet to a point for corner;  
South 89°32'29" East, a distance of 430.58 feet to the **POINT OF BEGINNING** and containing 47.0128 acres of land.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983.

**SAVE AND EXCEPT THE FOLLOWING 1.02 ACRES:**

**BEING** a tract of land situated in the Jacob G. Carlock Survey, Abstract No. 312, City of Dallas, Dallas County, Texas and being part of a called 362.4110 acre tract of land described as "Storage Tract A" in the General Warranty Deed to the City of Coppell, recorded in Instrument No. 20080370218, Official Public Records of Dallas County, Texas, and part of a called 39.638 acre tract of land described in the Special Warranty Deed to the City of Coppell, recorded in Instrument No. 201300273238, Official Public Records of Dallas County, Texas and being more particularly described as follows:

**COMMENCING** at the southwest corner of Lot 5X, Block C of South Haven Addition, an addition to the City of Irving, Texas according to the plat thereof recorded in Instrument No. 201800020024, Official Public Records of Dallas County, Texas;

**THENCE** with the west line of said Block C, the following courses and distances:

North 30°25'38" West, a distance of 676.26 feet to a point for corner;  
North 0°34'34" West, a distance of 167.73 feet to a point for corner at the southeast corner of a called 81.85 acre tract of land described in the Special Warranty Deed to Oncor Electric Delivery Company LLC, recorded in Instrument No. 201600174471, Official Public Records of Dallas County, Texas;

**THENCE** with the south line of said 81.85 acre tract, North 89°57'08" West, a distance of 849.99 feet to the **POINT OF BEGINNING**;

**THENCE** departing said south line, over and across said 39.638 acre tract and said 362.4110 acre tract, the following courses and distances:

South 41°59'56" East, a distance of 30.56 feet to a point for corner;  
South 30°29'07" East, a distance of 30.17 feet to a point for corner;  
South 25°35'21" East, a distance of 97.73 feet to a point for corner;  
South 68°06'19" West, a distance of 56.45 feet to a point for corner;  
South 21°53'41" East, a distance of 33.04 feet to a point for corner;  
North 68°06'19" East, a distance of 28.70 feet to a point for corner;  
South 19°22'40" East, a distance of 289.53 feet to a point for corner;  
South 10°11'40" East, a distance of 180.53 feet to a point for corner;  
North 25°35'22" West, a distance of 71.72 feet to a point for corner;  
North 25°35'22" West, a distance of 648.31 feet to a point for corner in said south line of the 81.85 acre tract;

**THENCE** with said south line of the 81.85 acre tract, the following courses and distances:

South 88°50'43" East, a distance of 18.64 feet to a point for corner;  
South 86°56'53" East, a distance of 21.97 feet to a point for corner;  
South 78°51'41" East, a distance of 23.71 feet to a point for corner;  
South 62°14'27" East, a distance of 21.45 feet to a point for corner;  
South 51°01'23" East, a distance of 7.31 feet to a point for corner;  
South 89°57'08" East, a distance of 29.94 feet to the **POINT OF BEGINNING** and containing 1.02 acres of land.

## **EXHIBIT B**

### **Maintenance and Development Agreement**

[to be attached]

## ASSIGNMENT AND ASSUMPTION OF MAINTENANCE AND DEVELOPMENT AGREEMENT

This Assignment and Assumption of Maintenance and Development Agreement (this “**Assignment**”) is executed as of November \_\_\_\_, 2021 (the “**Effective Date**”), by and between **THE CITY OF COPPELL**, a Texas home rule municipality (“**Assignor**”), and **DALLAS COUNTY IRRIGATION DISTRICT NO. 1**, an irrigation district organized by order of the Dallas County Commissioners granting a petition for formation pursuant to Chapter 58 of the Texas Water Code (“**Assignee**”).

### RECITALS

**WHEREAS**, Assignor entered into that certain Maintenance and Development Agreement, dated July 13, 2021, but only effective as of the Effective Date herein (the “**Agreement**”) attached hereto as Exhibit A, among Assignor, CW Rock Bottom Partners, Ltd., and affiliates of CW Rock Bottom Partners, Ltd., wherein Assignor agreed to assign the Agreement following the formation of Assignee.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Assignment**. As of the Effective Date, Assignor hereby assigns and transfers to Assignee all of Assignor’s right, title, and interest under the Agreement.
2. **Assumption**. As of the Effective Date, Assignee hereby assumes Assignor’s right, title, and interest under the Agreement, agrees to be bound by all of the terms and provisions of the Agreement, and agrees to perform all of the obligations, covenants and other provisions pertaining to the “Dam Operator,” as that term is defined under the Agreement.
3. **Release of Liability**. This assignment by Assignor shall serve to release Assignor from any obligations under the terms of the Agreement.
4. **Binding Effect**. The agreements, covenants, warranties, and representations herein set forth shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns.
5. **Counterpart and Facsimile or Electronic Execution**. This Assignment may be executed in one or more counterparts, which, when taken together, shall constitute one original agreement. To facilitate execution, facsimile or scanned electronic images (in .pdf or .jpg format) shall constitute original signatures and shall be binding on the parties as if such copies were in fact original signatures.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the Effective Date set forth above.

**ASSIGNOR:**

**THE CITY OF COPPELL,**  
a Texas home rule municipality

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF TEXAS                   §  
                                             §  
COUNTY OF DALLAS           §

The foregoing instrument was acknowledged before me on November \_\_\_\_ 2021,  
by \_\_\_\_\_, the \_\_\_\_\_ of the City of Coppell, a Texas  
home rule municipality, on behalf of said municipality.

\_\_\_\_\_  
Signature of Notary

Notary Public: \_\_\_\_\_  
Notary printed or typed name

(Official Seal)

My Commission expires: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Secretary

Approved as to form:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: City Attorney

**ASSIGNEE:**

**DALLAS COUNTY IRRIGATION DISTRICT NO. 1.**

By: \_\_\_\_\_  
Kimberly Meyer, President

## **EXHIBIT A**

### **Maintenance and Development Agreement**