

## INTERLOCAL AGREEMENT

THIS AGREEMENT is made and entered into by and between the DENTON INDEPENDENT SCHOOL DISTRICT (hereinafter "DISD"), organized and existing under the laws of the State of Texas, and the CITY OF DENTON, TEXAS, a Texas Municipal Corporation (hereinafter "CITY"), acting by and through, and under the authority of their respective governing bodies; and

WHEREAS, the DISD and CITY are local governmental entities both of whom have the authority to perform the services set forth in this Agreement individually and who mutually desire to enter into an interlocal agreement, which is authorized by Chapter 791 of the Texas Government Code (Vernon 1994), Section 45.109 of the Texas Education Code, and Chapter 332 of the Texas Local Government Code, in order to maximize the benefits derived from each taxpayer dollar; and

WHEREAS, the DISD is the owner of that certain tract of real property situated within the boundary of the DISD, and which is more specifically described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the DISD and CITY desire to provide for the construction of Aquatic Facilities consisting of a Natatorium and outdoor swimming pool and related aquatic facilities (the "Aquatic Facilities") on the Property including infrastructure necessary to serve the Aquatic Facilities; and

WHEREAS, the DISD and CITY desire to pool their resources, avoid unnecessary or duplicitous expense, and take advantage of maximizing economies of scale, resulting in cost savings to their respective taxpayers; and

WHEREAS, the DISD and the CITY desire to provide for the maintenance and operation of the Aquatic Facilities once completed; and

WHEREAS, this Agreement serves important public purposes in providing for aquatic recreational and educational activities for the constituents of the DISD and CITY; and

WHEREAS, the DISD and CITY agree that all payments made in connection with the governmental functions provided for by this Agreement shall be made from current revenues available to the paying party and the payments received are adequate and fairly compensate the parties for the services performed, except that the parties agree and understand that the CITY will not have their funds available until November 1, 2001; and

WHEREAS, the Interlocal Cooperation Act, now contained in Chapter 791 of the Texas Government Code (Vernon 1994), authorizes the DISD and CITY to enter into this Agreement for the purpose of achieving the governmental functions and providing the services represented by this

collective, cooperative undertaking.

NOW THEREFORE, the DISD and CITY, for and inconsideration of the premises and the mutual covenants set forth herein do hereby AGREE as follows:

ARTICLE I  
INCORPORATION OF PREAMBLES

All matters and recitations stated in the preamble of this Agreement are true and correct and are hereby incorporated by reference into the provisions of this Agreement for all purposes.

ARTICLE II  
PURPOSE

The purpose of this Agreement is, as described in the preamble, to evidence the agreement of the DISD and CITY to provide for the design, construction, operation, management, maintenance and financing of the Aquatic Center (hereinafter sometimes called the "Project") and being generally described in Exhibit "B" attached hereto and incorporated herein by reference.

ARTICLE III  
TERM

The term of this Agreement shall commence on the date on which all parties hereto have executed this Agreement (the "Effective Date") and shall continue until terminated in accordance with Article X.

ARTICLE IV  
DEFINITIONS

The following terms shall have the meanings set forth below:

*Aquatic Center*- shall mean the Natatorium, Outdoor Aquatic Facilities, Parking Facilities, Landscaping and Infrastructure for the Project as set forth in Section 6.2 of this Agreement.

*Natatorium*- shall have the meaning set forth in Section 6.2 of this Agreement.

*Outdoor Aquatic Facilities*- shall have the meaning set forth in Section 6.2 of this Agreement.

*Preliminary Concept Plan or Schematic Design*- shall have the meaning set forth in Section 6.1 of this Agreement.

*Project*- means the design, construction, maintenance and usage of the Aquatic Center.

#### ARTICLE V PROJECT SITE

5.1. Project Site. Unless otherwise provided and agreed by an amendment to this Agreement, the DISD shall construct the Aquatic Center to be located on the Property. DISD shall convey to the CITY by separate instrument a one-half undivided interest in the Property for the a price of \$5000.00 per acre. The DISD and CITY shall enter into a separate real estate agreement to provide for the sale and purchase of the undivided interest in the Property.

5.2. Waiver of Right of Partition. Each party hereto agrees to waive any rights to partition the Property, whether by partition in kind or by sale and division of the proceeds, and further agrees that it will not resort to any action in law or in equity to partition the Property. The covenants contained in this Section 5.2 shall survive termination of this Agreement.

#### ARTICLE VI PROJECT DESIGN

6.1. Preliminary Concept Design. The CITY has previously paid for and selected, and DISD has approved, the use of Schrickel, Rollins and Associates, Inc. (the "Architect") in association with VLK Architects, Inc. and Aquatic Design Group to prepare a Preliminary Concept Design (also called the Schematic Design ) for the Project, a copy of which is attached as Exhibit "B".

6.2. Project Composition. As shown by the Schematic Design the Project consists of the following:

- a. Natatorium-The Natatorium is the indoor swimming facility containing (1) a competition swimming pool, (2) a recreation swimming pool, (3) competition seating, (4) office space, (5) showers and locker rooms, (6) storage facilities, (7) concession areas, (8) associated mechanical/chemical/pump areas, and (9) restrooms.
- b. Outdoor Aquatic Facilities-The Outdoor Aquatic Facilities are the outdoor swimming facility containing (1) recreation areas designated as (a) a continuous current channel, (b) two outdoor swimming pools, (c) pavilions, and (d) volleyball court, (2) mechanical/chemical areas, (3) restrooms, (4) entrance gates, (5) lounging areas, and (6) green areas.
- c. Parking Facilities-The Project, as shown by the Schematic Design, has a parking lot

with a capacity of 331 parking spaces and bus drop-off areas.

- d. Infrastructure- The Project includes infrastructure to serve the Aquatic Center, including, water, sanitary sewer, drainage, and street facilities.
- e. Landscaping- The landscape improvements as shown on the Preliminary Concept design and as may be added to the final design of the Project.

6.3. Final Design. The DISD shall enter into an additional agreement with the Architect to provide for the Design Development, preparation of the Working Drawings and Construction Documents, Bidding Phase, and Construction of the Project. The final design and approved plans and specifications of the Project shall require the approval of the DISD and CITY. As provided for below, the DISD shall be responsible for the construction phase of the Project.

6.4. Compliance with Laws. The DISD shall comply with all applicable laws, regulations and rules in the design and construction of the Project and shall periodically consult with designated CITY representatives in connection with the design of the Project and shall provide to CITY representatives a copy of the Working Drawings and Construction Documents.

6.5. Project Schedule. The Project shall be designed and constructed in accordance with the schedule set forth in Section 7.6 below (the "Project Schedule"). Each party acknowledges that the time parameters include construction which is generally beyond the control of DISD and the Architect.

6.6. CITY Participation. A CITY representative shall be notified and be allowed to participate in all regularly scheduled meetings between DISD, the Architect, and Construction Manager, which involve the Project Design.

ARTICLE VII  
PROJECT CONSTRUCTION

7.1. Construction Procurement. The DISD shall cause the approved plans and specifications to be submitted for construction procurement through the Construction Manager at Risk procurement procedure as authorized by Chapter 44 of the Texas Education Code. Such contract and other construction contracts awarded thereunder shall be between the DISD and the construction manager and construction contractors. The CITY shall not be a party to such contracts. However, prior to awarding such construction contracts the amount of such contracts shall be submitted to the CITY for its review and approval of the amounts thereof.

7.2. Project Construction Costs. The DISD shall be responsible for all of the direct payments of Project costs of design, construction, and equipment to the construction manager, contractors and Architect. As provided in Section 8.2 below, the CITY shall reimburse the DISD for the CITY's share of such costs in a total amount not to exceed \$4,000,000.00 (this does not include the CITY's

purchase price for the Property), unless the total Project construction costs exceed \$9,000,000.00 (the "Maximum Costs").

If it appears that the total Project construction costs will exceed the Maximum Costs then the parties hereto shall consult with each other and determine whether the Project may be redesigned so as to bring the Project within the Maximum Costs. If the parties determine that such redesign is unfeasible, either party may prior to the award of any construction manager or construction contract either terminate this Agreement or amend this Agreement to equitably apportion such excess costs between the parties.

After the award of the Construction Manager at Risk contract the parties shall apportion between the parties any increase in the cost of the Project on the basis of DISD being responsible for costs clearly identifiable and allocable to the Natatorium and CITY being responsible for costs clearly identifiable and allocable to the Outdoor Aquatic Facilities, and DISD and CITY being equally responsible for costs incapable of being identifiable and allocable to one or the other of the facilities.

In the event of termination of the Project after the awarding of the Construction Manager at Risk contract, but prior to the Notice to Proceed with construction CITY shall reimburse the DISD that portion of the costs, including but not limited to Architect's fees and Construction Manager expenses, identifiable and allocable to the Aquatic Park and outdoor swimming facilities, and one-half (½) of the costs, including but not limited to Architect's fees and Construction Manager expenses, incapable of being identifiable and allocatable to one or the other of the facilities, after deducting the costs paid by the CITY for the Preliminary Design Concept.

In the event of termination of the Project after the Notice To Proceed with construction has been given CITY shall reimburse the DISD that portion of the costs, including but not limited to Architect's fees, Construction Manager expenses, contractor's fees and expenses, and materials costs, identifiable and allocable to the Outdoor Aquatic Facilities, and one-half (½) of the costs, including but not limited to Architect's fees, Construction Manager expenses, contractor's fees and expenses, and materials costs, incapable of being identifiable and allocable to one or the other of the facilities, after deducting the costs paid by the CITY for the Preliminary Design Concept.

7.3. Architect's Agreement, Construction Manager and Construction Contracts. The DISD's agreement with the Architect, the construction manager contract and each construction contract shall provide that: (i) the CITY is a third party beneficiary of all representations and warranties made by Architect, construction manager and construction contracts; (ii) the Architect, construction manager and contractors shall look solely to the DISD for any payment due them; and (iii) the Architect, construction manager and contractor each recognize and agree that the CITY shall have no obligation (express, or implied, direct or indirect) for the performance of the obligations of the DISD under such contracts.

7.4. Permits. DISD shall obtain and pay the fees for all permits and approvals, including

impact fees, required by any applicable governmental authorities for the design and construction of the Project. DISD and CITY acknowledge and agree that these fees are part of the total construction cost and CITY shall reimburse DISD for its proportionate share as set out herein.

7.5. CITY Inspection Rights. It is intended that the Property will be annexed into the City of Denton. However, should construction begin prior to annexation the CITY shall be entitled to enter upon the Project Site to inspect the progress of the construction and equipment of the Project, provided the CITY and its representatives do not interfere with the contractors. During construction of the Project the DISD will provide the CITY with copies of all written construction progress reports received from DISD's contractors and representatives.

7.6. Completion of Project. Subject to the Events of Force Majeure, construction of the Project is intended to be completed in accordance with the Project Schedule. The Project Schedule is as follows:

October 15, 2001	Construction Begins
August 15, 2002	Natatorium Opens for DISD use (Substantial Completion)
November 2002	Natatorium Opens for Public use
April 1, 2003	Outdoor Aquatic Facilities Construction Substantially Complete
May 24, 2003	Outdoor Aquatic Facilities Open to public

7.7. CITY Participation. CITY shall designate a representative who shall be informed of and shall have the right to attend all construction progress meetings between DISD, the Architect, and the Construction Manager, or any combination of such individuals.

ARTICLE VIII.  
CITY COST PARTICIPATION

8.1. CITY Total Cost. The CITY shall pay the DISD the CITY's share of the costs as provided herein, to be paid as provided in Section 8.2 below.

8.2. CITY Reimbursement. Beginning October 15, 2001 CITY shall reimburse the DISD for CITY's share of the Project costs as provided herein, which have been actually paid by DISD, or incurred, and shall thereafter until completion of the Project reimburse DISD for all construction costs and expenses identifiable and allocable to the Outdoor Aquatic Facilities, and one-half (1/2) of the construction costs and expenses, including but not limited to Architect's fees and Construction Manager expenses, incapable of being identifiable and allocable to Outdoor Aquatic Facilities. Such reimbursements shall be made within 30 days of receiving from DISD a legible copy of the Project Architect's Certificate for Payment, and Architect's and Construction Manager's opinion as to whether the costs and/or expenses are allocable to the Natatorium or Outdoor Aquatic Facilities, or both. Said reimbursement shall not exceed \$4,000,000.00 or the CITY's adjusted share as provided herein.

8.3 DISD reimbursement. At the time of the CITY's first reimbursement to DISD as provided for in Section 8.2, the CITY shall be given a credit of \$55,750.00 against such reimbursement, which is one half of the cost of the Preliminary Concept Plan which was previously paid for by the CITY.

ARTICLE IX.  
PROJECT OPERATION

9.1 Project Operation and Management. During construction and until completion and acceptance of the Project, the DISD shall exclusively manage and maintain the Project. After completion and acceptance of the Project the CITY shall exclusively operate, maintain, and manage the Aquatic Center. The City Manager of the CITY shall provide the day to day administration, management and operation of the Aquatic Center. Prior to completion of construction of the Natatorium, DISD and CITY shall enter into a separate agreement to provide for operation, maintenance and usage of the Aquatic Center. Such agreement shall allow for joint usage of the Aquatic Center. Such agreement shall provide for the equitable sharing of the costs for such administration, management and operation of the Aquatic Center between the City and DISD.

9.2 Insurance and Risk of Loss: CITY and DISD shall each maintain in full force and effect, insurance coverage providing liability coverage for the construction and operation of the Aquatic Facilities and any incidents occurring on the Project Site. DISD shall be deemed the primary insurer of the Natatorium and associated indoor swimming facilities, and CITY shall be deemed the primary insurer of the Outdoor Aquatic Facilities and associated outdoor swimming facilities. The City shall maintain property and casualty insurance for the Aquatic Center upon completion of the construction of Project which cost shall be divided equally between the CITY and DISD. DISD's share of such insurance cost shall be reimbursed to the CITY as an operation expense and will be provided for under the Operation and Management Agreement mentioned in Section 9.1 above. During construction of the Project DISD shall make provision in the construction documents that the construction manager or construction contractors shall provide such insurance coverage as a part of the construction costs. The property and casualty insurance shall be in an amount sufficient to replace, and fully cover, any loss or damage to the Aquatic Center, and all associated facilities. The liability coverage shall be in an amount of not less than \$1,000,000.00 per occurrence for injury to persons (including death) and for property damage or destruction. The insurance policy or policies required herein shall name the CITY and DISD as co-insureds.

9.3 Casualty: If the Project should be damaged or destroyed to the extent that the estimated costs of repairs, replacement or reconstruction is not more than one hundred percent (100%) of the aggregate amount of the proceeds from property damage insurance carried and covering the costs of the repairs, replacement or reconstruction of the Project, the parties, unless otherwise agreed, shall repair, replace or reconstruct the Project to substantially the same general character or use as the original.

9.4 Use of Insurance Proceeds: In the event any damage or loss occurs to the Aquatic Center,

which results in the payment of insurance monies for said loss or damage, said funds shall be used to repair or replace the damage or otherwise restore the property to its original condition. In the event insurance monies are received in excess of the amount required to repair or replace the damage or loss, said excess shall be maintained in a separate escrow account to be held for future damages, losses, repairs or maintenance of the Aquatic Center. In the event the Aquatic Center or other structure located on the Project Site is deemed to be a total loss and the parties make a determination not to repair or restore the loss or damage, the insurance proceeds shall be apportioned between DISD and CITY with DISD being allocated all monies resulting from the loss of the Natatorium and CITY being allocated all monies resulting from the loss of the Outdoor Aquatic Facilities, and with all other monies being divided between CITY and DISD equally.

#### ARTICLE X. TERMINATION

10.1 This agreement terminates upon the following:

- a. by mutual written agreement of the parties;
- b. by termination under Section 7.2 of this agreement;
- c. by either party, if a party defaults or breaches any of the terms or conditions of this agreement and such default or breach is not cured within sixty (60) days after notice by the non-defaulting party to the defaulting party;
- d. on the fifty (50) year anniversary date of the issuance of a certificate of occupancy for the Project.

10.2 Remedies: The non-defaulting party may after notice and right to cure has expired seek specific performance of this agreement, or monetary damages in the event of breach of this agreement.

10.3 Early termination: If this agreement is terminated prior to commencement of construction of the Project, in addition to the reimbursement of the costs as provided in Section 7.2, the City's undivided interest in the Property shall be conveyed back to DISD for the price provided for in Section 5.1.

10.4 Option to purchase: If this agreement is terminated after completion of construction of the Project, the non-defaulting party if termination is pursuant to subsection 10.1(c), or either party, if termination is pursuant to subsections 10.1(a) or (b), shall have the option to purchase the other party's undivided interest in the Property, which includes all improvements to the Property. The option to purchase shall be exercised by giving written notice of intent to exercise the option to the other party no later than 60 days after termination if termination is under subsection 10.1(c), and no



later than 180 days prior to termination if termination is under subsections 10.1(a) or (b). The purchase price for the option shall be determined as follows. Within 60 days after notice of intent to exercise the option is given, the exercising party, at its sole expense, shall give the other party a copy of a real estate appraisal prepared by an independent certified real estate fee appraiser holding a MAI designation from the National Society of Real Estate Appraisers, which provides an opinion of the fair market value of the other party's undivided interest in the Property. If the other party is satisfied with said opinion, the option to purchase shall be consummated within 60 days after delivery of the appraisal. If the other party is not satisfied with such opinion of value, then it shall provide the exercising party a second appraisal within 30 days after receiving the first appraisal. The second appraisal shall be prepared by an independent certified real estate fee appraiser holding a MAI designation from the National Society of Real Estate Appraisers, which provides an opinion of the fair market value of the non-exercising party's undivided interest in the Property. If the first and second appraisal do not vary by more than 20%, then the option price shall be determined by averaging the two appraisals, and the purchase shall be consummated within 40 days thereafter. If the appraisals vary by more than 20%, then the two appraisers will attempt to agree on the fair market value of the undivided interest. If they are able to agree within 20 days after the second appraisal is delivered, then the exercising party shall have the option to purchase the other party's interest for either the average of the two appraisals or the agreed upon value, which purchase shall be consummated within 20 days thereafter. If the appraisers are unable to agree within said 20 day period, then they shall select a third appraiser who shall examine the two appraisals and arrive at an opinion of value within 20 days thereafter. In such case the exercising party shall have the option to consummate the purchase of the other's undivided interest for either the average value of the first two appraisals or the opinion of value of the third appraiser, which shall be consummated within 20 days after the delivery of the third opinion of value.

#### ARTICLE XI. MISCELLANEOUS

11.1 Notice: Any notice required or permitted to be delivered hereunder shall be deemed received when sent in the United States Mail, Postage Prepaid Certified Mail Return Receipt Requested, or facsimile transmission and addressed to the respective parties as follows:

If intended for CITY:  
City of Denton  
Attn: City Manager  
215 E. McKinney  
Denton, Texas 76201  
Fax: 940-349-8596

With copy to:  
City Attorney  
City of Denton

215 E. McKinney  
Denton, Texas 76201  
Fax: 940-382-7923

If intended for DISD:  
Superintendent  
Denton Independent School District  
1307 North Locust  
Denton, Texas 76201

With copies to:  
Executive Director of Budget and Finance  
Denton Independent School District  
1307 North Locust  
Denton, Texas 76201

Executive Director of Operations  
Denton Independent School District  
230 Mayhill Road  
Denton, Texas 76205

11.2 Governing Law: The validity of this agreement and any of its terms and provisions as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas; and venue for any action concerning this agreement shall be in the Courts of Denton County, Texas.

11.3 Entire Agreement: This agreement represents the entire agreement among the parties with respect to the subject matter covered by this agreement. There is no other collateral, oral or written agreement between the parties that in any manner relates to the subject matter of this agreement.

11.4 Exhibits: All exhibits to this agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

11.5 Recitals: The recitals to this agreement are incorporated herein.

11.6 Amendment: This agreement may be amended by the mutual written agreement of all parties hereto.

11.7 Severability: In the event any 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 shall not affect the other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this

agreement.

11.8 Counterparts: This agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

11.9 Non-Assignability: Except as otherwise provided herein, no party to this agreement may sell, assign, or transfer its interest in the Project, or any of its rights, duties, or obligations hereunder without the prior written consent of the other party.

11.10 Consents: Whenever the consent or the approval of a party is required herein, such party shall not unreasonably withhold, delay or deny such consent or approval.

11.11 Good Faith Negotiation; Dispute Mediation: Whenever a dispute or disagreement arises under the terms of this agreement the parties agree to enter into good faith negotiations to resolve such disputes. If the matter continues to remain unresolved, the parties shall refer the matter to outside mediation prior to engaging in litigation.

11.12 Waiver of Claims: Each party shall have no remedies against the other party for tortious conduct arising out of the ownership and operation of the Project, or any portion thereof.

12.13 Indemnification: Except to the extent that DISD or CITY has governmental immunity and then only to the extent permitted by applicable law, the CITY agrees to indemnify and defend DISD, its trustees, officers and employees, against any and all claims, demands, causes of action, costs and liabilities, including reasonable attorneys fees and court costs, arising out of, or resulting from the CITY's negligent act or omissions pertaining to its operation of the Aquatic Facilities under this agreement. Except to the extent that DISD or CITY has governmental immunity and then only to the extent permitted by applicable law, DISD agrees to indemnify and defend the CITY, its council, officers, agents and employees, against any and all claims, demands, causes of action, costs and liabilities, including reasonable attorneys fees and court costs, arising out of, or resulting from DISD's negligent acts or omissions pertaining to DISD use, (including DISD sponsored events or activities), of the Aquatic Facilities by DISD, its officers, agents, employees, students and invitees under this agreement while acting in the above capacities. In the event of joint and concurrent negligence of both DISD and CITY, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the laws of the State of Texas, without, however, waiving any governmental immunity available to either party under Texas law and without waiving any defense of the parties under Texas law. The provisions of this Section are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise to any third person or entity. Each party shall be responsible for any property damage to the Aquatic Facilities and any related facilities and equipment caused by such party, its officers, agents, employees, and invitees during such party's use of the Aquatic Facilities.

11.14 Force Majeure: Events of Force Majeure shall mean any contingency or cause beyond the reasonable control of a party including, without limitation, acts of God or the public enemy, war,

riot, civil commotion, insurrection, government or de facto governmental action (unless caused by acts or omissions of the party), fires, explosions, rain or other weather delays, floods, strikes, slowdowns or work stoppages.

ARTICLE XII.  
REPRESENTATIONS, WARRANTIES AND COVENANTS

12.1 Representations, and Warranties of the CITY. The CITY hereby represents and warrants to DISD that the following statements are true as of the date of execution.

- a. Due Authority: No Conflict. The CITY has all requisite power and authority to execute this agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This agreement has been, and the documents contemplated hereby will be, duly executed and delivered by the CITY and constitute legal, valid and binding obligations enforceable against the CITY in accordance with the terms. The consummation by the CITY of the transactions contemplated hereby is not in violation of or in conflict with, not does it constitute a default under, any of the terms of any agreement or instrument to which the CITY is a party, or by which the CITY is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.
- b. Litigation. There are no pending or, to the best knowledge of the CITY, threatened, judicial, municipal or administrative proceedings, consent, decreed or judgments which might effect the CITY's ability to consummate the transaction contemplated hereby.
- c. The CITY hereby covenants to comply with all laws, ordinances and regulations of and agreements with or obligations to any federal, state, municipal or other governmental body as may apply to the performance of the CITY's obligations hereunder.

12.2 DISD's Representations and Warranties. DISD represents and warrants to the CITY that the following representations and warranties are true as of the date of execution.

- a. Due Authority: No Conflict. DISD has all requisite power and authority to execute this agreement and to carry out its obligations hereunder and the transactions contemplated hereby. This agreement has been, and the documents contemplated hereby will be, duly executed and delivered by DISD and constitute legal, valid and binding obligations enforceable against DISD in accordance with the terms. The consummation by DISD of the transactions contemplated hereby is not in violation of or in conflict with, nor does it constitute a default under, any of the terms of any

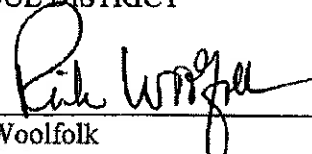
agreement or instrument to which DISD is a party, or by which DISD is bound, or of any provision of any applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment or decree of any court, arbitrator or governmental authority.

- b. Litigation. There are no pending or, to the best knowledge of DISD, threatened, judicial, municipal or administrative proceedings, consent, decreed or judgments which might effect DISD's ability to consummate the transaction contemplated hereby.
- c. DISD hereby covenants to comply with all laws, ordinances and regulations of and agreements with or obligations to any federal, state, municipal or other governmental body as may apply to the performance of DISD's obligations hereunder.

12.3 Survival. Each of the provisions contained in this Article shall survive termination.

IN WITNESS WHEREOF, the Denton Independent School District has caused this Interlocal Agreement to be executed by its duly authorized President of the Board of Trustees; and the City of Denton, Texas has caused this Interlocal Agreement to be executed by its duly authorized Mayor on this the 15<sup>th</sup> day of May, 2001.

DENTON INDEPENDENT  
SCHOOL DISTRICT

By:   
Rick Woolfolk  
President of the Board of Trustees

ATTEST:

By:   
Jean B. Schaake,  
Member of the Board of Trustees

CITY OF DENTON

By:   
Euline Brock, Mayor

ATTEST:

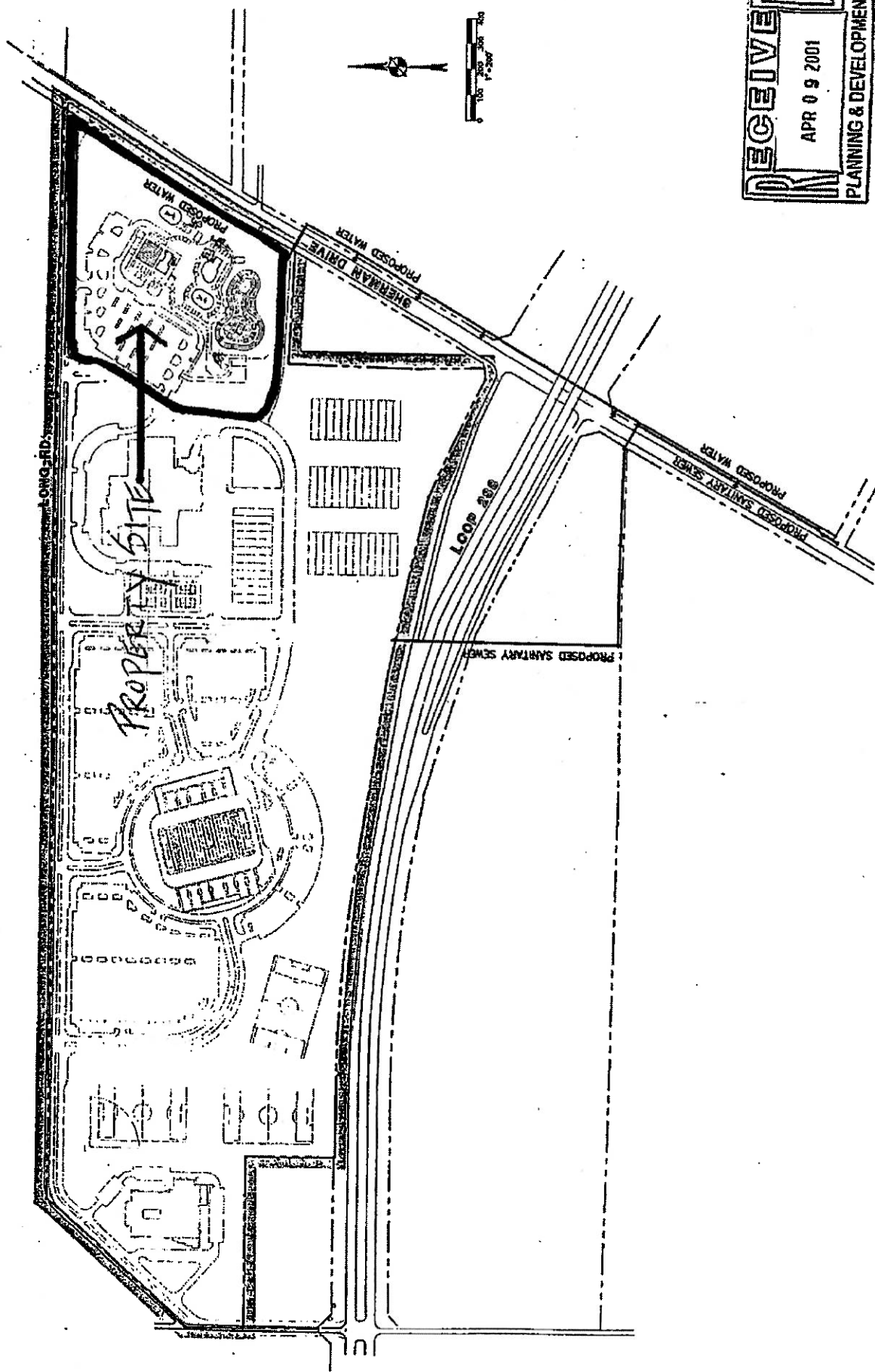
By: Jennifer Walters  
Jennifer Walters, City Secretary

APPROVED AS TO LEGAL FORM:

By: [Signature]  
Herbert L. Prouty, City Attorney

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EXHIBIT A

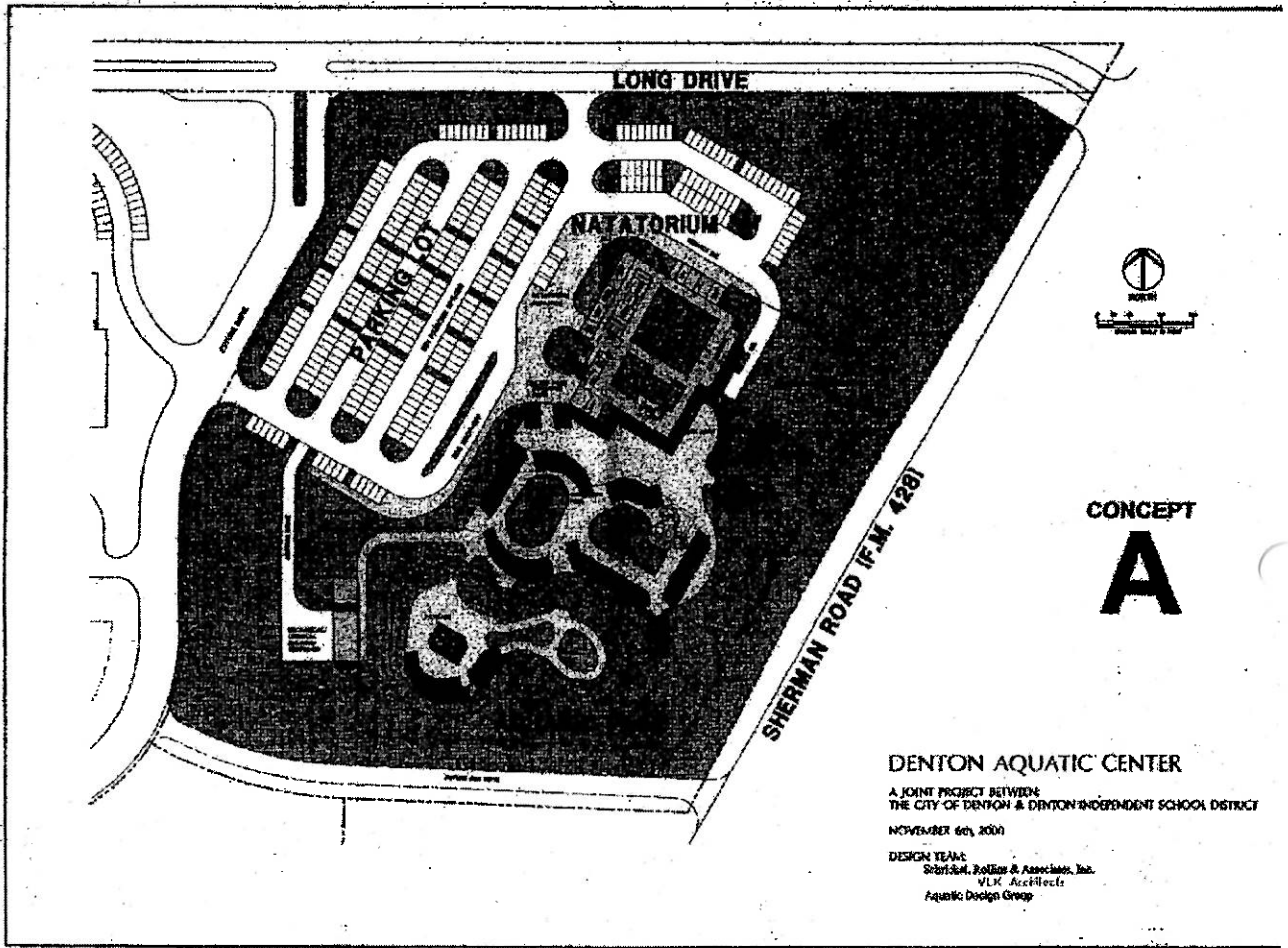


**RECEIVED**  
 APR 09 2001  
 PLANNING & DEVELOPMENT

BY DATE	BY DATE	SCALE	DATE	DATE	DATE
		1" = 100'	APR 01	APR 01	APR 01
PREPARED BY	DESIGNED BY	<p><b>TEAGUE NALL AND PERKINS</b>                  ARCHITECTS                  235 W. WILCOX ST. SUITE 100, 1100 WOOD STREET                  DENVER, CO 80202 TEL: (303) 733-4177 FAX: (303) 556-5773</p>			
JLS	GLV	<p>THE INFORMATION ON THIS PLAN IS FOR INFORMATION ONLY AND IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES.                  City, L. Victory P.E. Date: APR 01                  No. Rev. 7-2858</p>			
		DENTON I.S.D.		AQUATIC CENTER	
				EXHIBIT	

**EXHIBIT "B"**

**PRELIMINARY CONCEPT DESIGN**



**DENTON AQUATIC CENTER**  
 A JOINT PROJECT BETWEEN  
 THE CITY OF DENTON & DENTON INDEPENDENT SCHOOL DISTRICT  
 NOVEMBER 6th, 2000  
 DESIGN TEAM  
 Strickland, Rollins & Associates, Inc.  
 VLK Architects  
 Aquatic Design Group