

A G R E E M E N T

THE STATE OF TEXAS    I  
COUNTY OF TITUS       I

This agreement made and entered into this 31<sup>st</sup> day of March, 1974,  
by and between Dallas Power & Light Company, Texas Electric Service  
Company and Texas Power & Light Company, Texas corporations, hereinafter  
called "COMPANIES," and Titus County, Texas, hereinafter called "COUNTY,"

W I T N E S S E T H:

WHEREAS, Companies own certain lands in Titus County, Texas, surrounding,  
adjacent to, and including Monticello Reservoir, hereinafter called "THE  
LAKE"; and

WHEREAS, Companies operate an electric generating station ("the Plant")  
on a portion of said lands and use the water of the Lake for cooling purposes  
and lands adjoining it for purposes incidental to the operation of the Plant;  
and

WHEREAS, County desires to lease a part of said land for use as a  
County park.

NOW, THEREFORE, in consideration of the premises and one dollar (\$1.00)  
and other valuable consideration paid by County to Companies, the receipt  
of which is hereby acknowledged, and the covenants and agreements herein  
set out, the parties hereto agree as follows:

1.

Subject to the rights hereinafter reserved to Companies and the  
conditions set forth, and without warranty, express or implied, as to title,  
Companies hereby lease unto County:

- (a) the land located in Titus County, Texas, shown in red on the map,  
which is attached hereto and made a part of this agreement, it being  
the intention of the parties that this lease shall cover and include

the surface area of said lands to the water's edge, however, the level of the lake may hereafter fluctuate;

- (b) that area of the Lake shown in blue on Exhibit A and located outside the areas reserved for the exclusive use, control and jurisdiction of Companies.

The term "leased premises," as hereinafter used, includes both said area of land and that portion of the Lake described above.

This lease shall extend for a primary term of twenty-five years from the date hereof, and thereafter upon same terms and conditions hereof unless and until terminated upon two years' notice in writing from either party to the other.

2.

At the conclusion of the term of this lease, the leased premises shall be surrendered to Companies in their present condition, alteration or change, and reasonable wear and tear through the uses herein permitted, being excepted. The County shall have the right to remove any of their facilities within 90 days after termination of the lease. Title to all remaining facilities or improvements then on the leased premises shall pass to the Companies without payment of any consideration therefor.

3.

Immediately from and after the execution and delivery of this lease, County shall assume, and have, exclusive jurisdiction and control over the land area hereby leased to County and shall be solely responsible for its condition and all activities thereon, including the ingress and egress of all persons to and from the leased premises and their actions thereon.

4.

The leased premises shall be used by County to establish a County park, and solely for recreational purposes. They shall be kept in a clean,

sanitary and orderly condition. County shall determine and be the sole judge as to the nature and extent of the recreational facilities and services it deems proper to meet the public demand, and for the development, operation and maintenance of said facilities, either directly or through concession agreements, and shall decide what charges, including entrance and user fees, shall be made to persons using such facilities.

5.

The rights granted County by paragraph 1 above in a portion of the Lake shall be limited to a non-consumptive recreational use of the water in such portion of the Lake. No improvements or permanent facilities shall be placed in the Lake except for boat launching ramps and such other facilities as Companies may approve. Sanitary practices shall be adopted and enforced by County to prevent the pollution of its waters.

6.

County shall enforce all State and County laws applicable to persons using the Lake for recreational purposes and shall make all reasonable efforts to insure that all users of the Lake respect the buoy lines marking the areas reserved to Companies' exclusive jurisdiction.

7.

Companies shall retain exclusive control of the entire lake level, and may cause or permit its fluctuation up or down and shall not be responsible for any damage to the leased premises or improvements thereon caused by such fluctuation or by flooding or overflow; provided, however, Companies shall give County two (2) years' notice of any plans to change the level of the lake by the construction of a new spillway or dam.

8.

All areas shown on the attached map marked Exhibit A, other than the land identified in red and that portion of the Lake in which County is granted rights, are reserved to Companies and are not affected by the terms of this agreement.

9.

Buoy lines as shown on Exhibit A will be constructed and maintained by Companies at the approximate locations shown. Companies, however, reserve the right to relocate such buoy lines, and thus alter the area of the leased premises, at any time that they in their sole discretion deem such action necessary or advisable in connection with the operation of the Plant. It is understood, however, that at all times at least one-half of the surface area of the Lake shall be available for recreational purposes, and access to and from the Lake, to and from the park area, will be preserved to County.

10.

Companies retain the superior right to the use of all waters of the Lake as required in their judgment, for the proper operation of the Plant. No warranty, express or implied, is given by Companies with respect to the quality, or quantity, of water now or at any time hereafter available for use by County in the Lake.

11.

In the event the leased premises or any portion thereof is taken through exercise of the power of eminent domain, or there is a conveyance of any such interest under threat of condemnation, the amount paid pursuant to the condemnation proceedings, or any amount paid upon voluntary conveyance under threat of condemnation, shall be paid to Companies so far as the value of the land or interest taken, or damage to the remainder, is concerned (there being no value assigned to the leasehold estate held by County under this agreement) and shall be divided between Companies and County, in accordance with their interests, so far as improvements, and damage thereto, are concerned.

12.

County acknowledge that it is familiar with the leased premises and accepts them in their existing condition and agrees that Companies shall not

be liable to County or to its employees, patrons or visitors for any injury to person (including death) or damage to property, caused by or resulting from the condition of the leased premises, or any danger or defect therein, or any building or other structure, placed by/<sup>County</sup>State thereon, being improperly constructed or out of repair or in a dangerous condition, and insofar as County has the legal authority to do so, it agrees to indemnify and hold harmless Companies, and each of them, and their representatives and employees, against and from all claims, liabilities, costs and expenses arising from injury to person (including death) of any of County's employees, patrons, or visitors, or trespassers, and damage to property, which may arise out of, or in any way be incident to, the use of the leased premises by, or the presence on them of, County's employees, patrons, or visitors, or trespassers.

13.

It is acknowledged that mineral interests in portions of the leased premises are owned by other parties, and Companies cannot control activities by them, their grantees or lessees. However, in the event Companies enter into future leases for the development of oil and gas, they agree, insofar as it is practical to do so, to pool their interest with other adjacent tracts, or to locate development and production activities so that mineral development will not interfere with the use of the leased premises.

14.

Anything in this lease to the contrary notwithstanding, if at any time County abandons the use of the leased premises, or any identified tract or tracts thereof, as a park, Companies may give County notice of such fact of abandonment and if, within ninety (90) days thereafter County does not resume the use of the land in question as a park, this lease shall terminate, so far as the land in question is concerned, as if the term above provided had expired.

15.

This lease contains the entire agreement between the parties and all covenants and agreements between them. There shall be no subletting by

County, and the rights granted County under this agreement shall not be assigned, in whole or in part, without consent and approval of Companies in writing.

16.

It is acknowledged that Texas Utilities Generating Co., a Texas corporation acts as agent for Companies in the operation and management of the Plant, the Lake, and adjacent land; and it is agreed that in the administration of this agreement Texas Utilities Generating Co., or its successor will act in all respects in behalf of Companies. It shall be considered as included within the terms "Companies" as herein employed and all obligations of County herein set forth shall run to it and inure to its benefit, and County may deal with it, and receive consents from it, as if it were Companies.

EXECUTED in quadruplicate originals the day and year first above written.

DALLAS POWER & LIGHT COMPANY

ATTEST:

                      
Assistant Secretary

By Robert J. Long

TEXAS ELECTRIC SERVICE COMPANY

ATTEST:

                      
Assistant Secretary

By                     

TEXAS POWER & LIGHT COMPANY

ATTEST:

                      
Assistant Secretary

By                     

"COMPANIES"

COUNTY OF TITUS, STATE OF TEXAS

By \_\_\_\_\_  
County Judge, Titus County, Texas

\_\_\_\_\_  
Commissioner, Precinct 1

\_\_\_\_\_  
Commissioner, Precinct 2

\_\_\_\_\_  
Commissioner, Precinct 3

\_\_\_\_\_  
Commissioner, Precinct 4

"COUNTY"

