

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF
TARRANT REGIONAL WATER DISTRICT
HELD ON THE 17TH DAY OCTOBER 2006 AT 9:30 A.M.

The call of the roll disclosed the presence of the Directors as follows:

Present

Victor W. Henderson
Hal S. Sparks III
Jack R. Stevens
Marty V. Leonard
James W. Lane

Also present were James M. Oliver, Alan Thomas, Linda Christie, JD Granger, Nancy King, David Marshall, Wayne Owen, Sandy Swinnea, Ed Weaver and Mike Witthaus.

Also in attendance were George Christie, General Counsel for Tarrant Regional Water District (the Water District); Lee Christie representing Pope, Hardwicke, Christie, Schell, Kelly & Ray, LLP; Ian Stott of Camp, Dresser, and McKee, Inc; Max Baker representing Fort Worth Star Telegram; Bill Marshall of Save Eagle Mountain Lake; Tracy Smith, Bob Arlington and Ken Schaumberg.

President Henderson convened the meeting with the assurance from management that all requirements of the "open meetings" laws had been met.

1.

All present were given the opportunity to join in reciting the Pledge of Allegiance.

2.

On a motion made by Director Stevens and seconded by Director Leonard, the Directors unanimously voted to approve the minutes from the meeting held September 19, 2006. It was accordingly ordered that such minutes be placed in the permanent files of Tarrant Regional Water District.

3.

There were no persons of the general public requesting the opportunity to address the Board of Directors.

4.

With the recommendation of management, Director Stevens moved to approve a contract with Camp, Dresser and McKee, Inc. for engineering services related to the design, programming and implementation of the Eagle Mountain Connection and the Wetlands SCADA System Expansion at a cost not to exceed \$1,379,074. Funding for this contract is included in the 2006 Bond Issue. Director Sparks seconded the motion and the vote in favor was unanimous.

5.

With the recommendation of management, Director Stevens moved to approve a change order to the contract with Archer Western for construction of the wetlands to include the power supply to the re-lift pump station at a cost not to exceed \$812,836. Funding for this change order is included in the 2006 Bond Issue. Director Leonard seconded the motion and the vote in favor was unanimous.

6.

With the recommendation of management, Director Leonard moved to amend the contract with Simpson, Gumpertz and Heger, Inc. to further develop the GIS risk management model with the Pressure Pipe Inspection Company including refinement of the structural integrity of the pipeline due to water hammer at a cost of \$70,000. Funding for this amendment is included in the FY 2007 Revenue Fund Budget. Director Stevens seconded the motion and the vote in favor was unanimous.

7.

The agenda item to consider a contract to perform an electrical arc flash study, provide training and recommend equipment was tabled.

8.

With the recommendation of management, Director Leonard moved to authorize the Operations Committee to purchase 4 MW of pumping power for 2007 - 2011 at a cost not to exceed \$63.25 per MW. Staff will report the outcome to the Board of Directors. Future purchases of pumping power require approval of the Operations Committee. Funding for this

purchase is included in the FY 2007 Revenue Fund. Director Sparks seconded the motion and the vote in favor was unanimous.

9.

The agenda item to consider a contract for the design of the 121/Southwest Freeway - Clear Fork Crossing stream bank stabilization and city dam modification was tabled.

10.

With the recommendation of management, Director Lane moved to change the Board approval level of expenditures, contract change orders and checks from \$10,000 to \$25,000, and to create a multiline agenda form for both capital expenditures and operation and maintenance expenditures for items greater than \$25,000. Change orders of \$25,000 or more should be approved by the Construction Committee and ratified by the Board. Director Leonard seconded the motion and the vote in favor was unanimous.

11.

With the recommendation of management, Director Lane moved to approve the purchase of furniture to be used in the TRV downtown office from Business Interiors at a cost of \$48,332.59. Funding for this purchase is included in the FY 2007 General Fund. Director Leonard seconded the motion and the vote in favor was unanimous.

12.

With the recommendation of management and legal counsel, Director Sparks moved to approve the official Bylaws of the Trinity River Vision Authority.

Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
TARRANT REGIONAL WATER DISTRICT**

October 17, 2006

WHEREAS, under the authority granted by House Bill 2639 of the 79th Texas Legislature, on July 18, 2006 the Board of Directors of the Tarrant Regional Water District

("TRWD") authorized the creation of a nonprofit corporation to act on behalf of TRWD as TRWD's authority and instrumentality;

WHEREAS, such a nonprofit corporation was thereafter incorporated as Trinity River Vision Authority ("TRVA") as evidenced by the Certificate of Filing issued by the Texas Secretary of State dated effective July 21, 2006;

WHEREAS, the organizational meeting of TRVA was held on October 5, 2006;

WHEREAS, at said organizational meeting, the board of directors of TRVA unanimously adopted the form of Bylaws attached hereto as Exhibit "1" as the official Bylaws of TRVA; and

WHEREAS, the Board of Directors of TRWD is required to approve the initial Bylaws of TRVA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT:

1. The Bylaws adopted at the organizational meeting of TRVA and attached hereto as Exhibit "1" are approved as the official Bylaws of TRVA.

PASSED, APPROVED AND ADOPTED THIS 17th DAY OF OCTOBER, 2006.

TARRANT REGIONAL WATER DISTRICT

BY: _____
Victor W. Henderson
President
Board of Directors

ATTEST:

Jack R. Stevens
Secretary

**BYLAWS
OF
TRINITY RIVER VISION AUTHORITY**

These Bylaws govern the affairs of Trinity River Vision Authority (hereinafter the "Corporation"), a Texas nonprofit corporation created pursuant to Chapter 1363, Section 5, Acts of the 79th Texas Legislature, Regular Session, 2005 (the "Act"), Sections 5 through 20 and 33 through 36 of the Development Corporation Act of 1979, and the Texas Business Organizations Code (the "Code").

ARTICLE I

OFFICES

Section 1.01. *Registered Office and Agent.* The initial registered office of the Corporation shall be at 800 East Northside Drive, Fort Worth, Tarrant County, Texas 76102, and the name of the initial registered agent at such address is James M. Oliver. The registered office and registered agent of the Corporation may be changed from time to time by action of the Board of Directors.

Section 1.02. *Principal Office.* The principal office of the Corporation shall be maintained at 800 East Northside Drive, Fort Worth, Tarrant County, Texas 76102, which shall be the headquarters for the transaction of all business, but other offices may be established at such other places within the boundaries of the Tarrant Regional Water District (hereinafter "TRWD") as the Board of Directors may in its discretion determine or the business of the Corporation may require.

ARTICLE II

BOARD OF DIRECTORS

Section 2.01. *Management.* The business and affairs of the Corporation shall be managed by the Board of Directors, in which all powers of the Corporation shall be vested.

Section 2.02. *Number; Qualification; Appointment; Term.* The Directors of the Corporation shall be not fewer than three (3) nor more than seven (7) in number, as specified by the board of directors of TRWD, each of whom shall be appointed by the board of directors of TRWD. The Directors of the Corporation shall serve at the will of the board of directors of TRWD. Each Director shall serve for a term of four (4) years from the date of his appointment.

Section 2.03. *Change in Number.* The number of Directors may be increased or decreased from time to time by amendment to these Bylaws, but in no event shall the number of Directors be less than three (3). No decrease in the number of Directors shall have the effect of shortening the term of any incumbent Director. Any directorship to be filled by reason of an increase in the number of Directors shall be filled by appointment of the board of directors of TRWD.

Section 2.04. *Removal.* Any Director may be removed at any time by the board of directors of TRWD. A Director may be removed either for or without cause.

Section 2.05. *Vacancies.* Vacancies in the Board of Directors occurring during the year shall be filled for the unexpired term by the board of directors of TRWD.

Section 2.06. *Resignation, Removal or Death of Entire Board.* In the event the entire Board of Directors shall be removed, resign or die, the board of directors of TRWD shall appoint replacement Directors.

Section 2.07. *Place of Meetings.* Meetings of the Board of Directors, regular or special, shall be held at the principal office of the Corporation or at any place designated in the notice of the meeting or in a waiver of notice.

Section 2.08. *Notice of Meetings.* Public notice of all meetings shall be provided by the Secretary in the time and manner required by the Texas Open Meetings Act, TEX. GOV'T CODE Chapter 551, as amended.

Section 2.09. *Regular Meetings.* Annual Meetings of the Board of Directors shall be held on the first Thursday in November of each year at the Corporation's registered office. Additional regular meetings of the Board of Directors may be held at such time and place as shall from time to time be determined by the Board of Directors.

Section 2.10. *Special Meetings.* Special meetings of the Board of Directors may be called by the President of the Corporation upon three (3) days' notice, delivered either in person or by mail; and a special meeting may be called by the President or Secretary in like manner and on like notice upon written request of any Director. Notice of time, place and purpose of any such meeting of the Board may be waived by a duly executed waiver thereof.

Section 2.11. *Quorum; Majority Vote.* At any regular or special meeting of the Board of Directors, a majority of the Board of Directors shall constitute a quorum for the transaction of business. A majority shall decide the vote of the Board of Directors at any regular or special meeting at which a quorum is present unless a greater number is required by statute, the Certificate of Formation, or these Bylaws.

Section 2.12. *Compensation.* The Directors of the Corporation shall serve as such without compensation except that they shall be reimbursed for their actual expenses incurred in the performance of their duties.

Section 2.13. *Record of Proceedings.* The Board of Directors shall keep regular minutes of its proceedings, and such minutes shall be placed in the minute book of the Corporation.

Section 2.14. *Action Without Meeting.* Subject to any requirements of the Open Meetings Act, TEX. GOV'T CODE Chapter 551, as amended, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the members of the Board of Directors. Such consent shall have the same force and effect as a unanimous vote at a meeting. The signed consent, or a signed copy, shall be placed in the minute book of the Corporation. Such consent shall have the same force and effect as a unanimous vote and may be stated as such in any document filed with the Secretary of State.

ARTICLE III

NOTICE

Section 3.01. *Manner of Notice.* Whenever by statute, the Certificate of Formation, or these Bylaws, notice is required to be given to a Director, and no provision is made as to

how the notice shall be given, it shall not be construed to require personal notice, but any such notice may be given either (a) in writing, by mail, postage prepaid, addressed to the Director at the address appearing on the books of the corporation; (b) by electronic mail or messaging, if authorized by the Director; or (c) in any other method permitted by law. Any notice required or permitted to be given by mail shall be deemed given at the time when same is thus deposited in the United States mail with the proper address thereon, postage prepaid.

Section 3.02. *Waiver of Notice.* Whenever by statute, the Certificate of Formation, or these Bylaws, notice is required to be given to a Director, a waiver thereof in writing signed by the Director entitled to such notice, whether signed before or after the time stated in such notice, shall be equivalent to the giving and receiving of such notice. Attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where the Director attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE IV

OFFICERS AND EXECUTIVE DIRECTOR

Section 4.01. *Number; Qualification; Election; Term.* The officers of the Corporation shall be a President, one or more Vice Presidents, a Secretary, a Treasurer, and such other officers and assistant officers as may be deemed necessary. Any two or more offices may be held by the same person, except that the President may not hold the office of Secretary. All officers shall be elected annually by the Board of Directors at the Annual Meeting of the Board of Directors and shall serve until the next Annual Meeting of the Board of Directors or until their successors are appointed and qualified. No officer or employee need be a Director of the Corporation (except the President), and the Executive Director of the Corporation shall serve as Secretary unless otherwise directed by the Board of Directors.

Section 4.02. *Removal.* Any officer or employee of the Corporation may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed. However, election or appointment of an officer or employee shall not of itself create contract rights.

Section 4.03. *Vacancies.* Any vacancy occurring in any office of the Corporation may be filled by the Board of Directors for the unexpired term at any regular or special meeting of the Board of Directors.

Section 4.04. *Contracts.* By action of the Board of Directors at the time of employment, an employment contract approved by the Board of Directors may be entered into with any employee or officer; provided, however, that any such officer or employee may be removed by the Board of Directors in the manner provided in Section 4.02 of these Bylaws. All contracts for and compensation of officers and employees shall be fixed from time to time by the Board of Directors, and must be approved by the board of directors of TRWD.

Section 4.05. [Intentionally deleted.]

Section 4.06. *President.* The President shall be the chief executive officer of the Corporation; he shall preside at all meetings of the Board of Directors; he shall have general and active management of the business and affairs of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe.

Section 4.07. *Vice Presidents.* The Vice Presidents, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the President, perform the duties and have the authority and exercise the powers of the President. They shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

Section 4.08. *Secretary.*

(A) The Secretary shall attend all meetings of the Board of Directors and record all votes, actions and the minutes of all proceedings in a book to be kept for that purpose.

(B) He shall give, or cause to be given, notice of all meetings of the Board of Directors to the Directors and to the public to the extent required by law.

(C) He shall keep in safe custody the seal of the Corporation and, when authorized by the Board of Directors, affix it to any instrument requiring it. When so affixed, it shall be attested by his signature or by the signature of the Treasurer or an Assistant Secretary.

(D) He shall be under the supervision of the President. He shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

Section 4.09. *Assistant Secretary.* The Assistant Secretaries, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Secretary, perform the duties and have the authority and exercise the powers of the Secretary. They shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

Section 4.10. *Treasurer.*

(A) The Treasurer shall oversee the custody of the corporate funds and securities, shall supervise the keeping of full and accurate accounts of receipts and disbursements of the Corporation, and shall cause all funds and other valuables in the name and to the credit of the Corporation to be deposited in such depositories as may be designated by the Board of Directors.

(B) The Treasurer shall monitor the disbursement of funds of the Corporation as ordered by the Board of Directors and provide for the preparation of financial statements as they direct.

(C) If required by the Board of Directors, the Treasurer shall give the Corporation a bond (in such form, in such sum, and with such surety or sureties as shall be satisfactory to the Board) for the faithful performance of the duties of office and for the restoration to the Corporation, in case of death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

(D) The Treasurer shall be under the supervision of the President and shall perform such other duties and have such other authority and powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

(E) The Treasurer, with the approval of the Board of Directors, may enter into a contract with TRWD providing for the discharge by TRWD of all or some of the duties aforesaid on such terms and conditions as the Board of Directors deems necessary and advisable.

Section 4.11. *Assistant Treasurer.* The Assistant Treasurers, if any, in the order of their seniority, unless otherwise determined by the Board of Directors, shall, in the absence or disability of the Treasurer, perform the duties and have the authority to exercise the powers of the Treasurer. The Assistant Treasurers shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe or as the President may from time to time delegate.

Section 4.12. *Executive Director.* The Board of Directors of the Corporation may employ an Executive Director to administer the day to day affairs of the Corporation, to carry out the directives of the Board of Directors, and to discharge such other duties as may be conferred upon him by the Board of Directors. Unless otherwise directed by the Board of Directors, the Executive Director shall serve as the Secretary of the Corporation.

ARTICLE V

RELATIONS WITH TRWD

Section 5.01. *Boundaries.* The Corporation shall establish and maintain the principal office of the Corporation inside the boundaries of TRWD and exercise the Corporation's powers relating to real property or tangible personal property only inside the boundaries of TRWD.

Section 5.02. *Sharing Permitted.* The Corporation and TRWD may share officers, directors, employees, equipment, and facilities. The Corporation and TRWD may provide goods and services to each other at cost without the requirement of competitive bidding.

Section 5.03. *Directors.* A member of the board of directors of TRWD may serve as a member of the Board of Directors of the Corporation.

Section 5.04. *Budget.* The Board of Directors shall prepare and approve an annual budget for the Corporation. The budget of the Corporation must be approved by the board of directors of TRWD.

Section 5.05. *Continuing Review.* The activities of the Corporation are subject to the continuing review and supervision of the board of directors of TRWD.

Section 5.06. *Issuance of Bonds.* The issuance of bonds or other obligations by the Corporation, as provided for under the Act, must be approved by the board of directors of TRWD.

Section 5.07. *Real Property.* The board of directors of TRWD may sell, lease, loan, or otherwise transfer some, all, or substantially all of the real property of TRWD to the Corporation. Any such property transfer must be made under terms approved by the board of directors of TRWD.

ARTICLE VI

POWERS

Section 6.01. *Nonprofit Nature and Public Purpose.* The Corporation shall be a nonprofit corporation, and no part of its net earnings remaining after payment of its expenses shall inure to the benefit of any individual, firm, or corporation, except that in the event the Board of Directors determines that sufficient provision has been made for the full payment of the expenses, bonds, and other obligations of the Corporation, then any net revenues of the Corporation thereafter accruing shall be paid to TRWD. The Corporation shall at all times be operated for exclusively public purposes.

Section 6.02. *Corporate Powers.* The Corporation shall have the power to:

- (A) Act on behalf of TRWD as TRWD's authority and instrumentality;
- (B) Exercise any power of TRWD, but the Corporation may exercise the power of eminent domain and the power to acquire, lease, purchase, or sell real property only on approval of the board of directors of TRWD;
- (C) Issue bonds or other obligations or otherwise borrow money on behalf of TRWD to accomplish any purpose of the Corporation, provided that such issuance has the prior written approval of the board of directors of TRWD;
- (C) Issue an obligation granted to the governing body of an issuer under Chapter 1371 of the Texas Government Code;
- (D) Guarantee or otherwise provide credit support for any public security or other obligation or contract of the Corporation if the board of directors of TRWD determines that the guarantee or other credit agreement meets the requirements of Section 5(n) of the Act;

(E) Exercise all of the rights, powers, privileges, authority, and functions given by the general laws of this state to nonprofit corporations incorporated under the Code so long as such exercise is not inconsistent with the Act or applicable provisions of the Development Corporation Act of 1979; and

(F) Exercise all of the rights, powers, privileges, authority, and functions given to development corporations under the applicable provisions Development Corporation Act of 1979.

Section 6.03. Prohibited Acts. As long as the Corporation exists, and except with the prior approval of the Board of Directors, no Director, officer, employee, or agent of the Corporation may:

(A) Act in violation of these Bylaws or a binding obligation of the Corporation;

(B) Act with the intention of harming the Corporation, TRWD, or their respective operations;

(C) Act with the intention of using for improper personal benefit the monies, revenues, property, or other resources of the Corporation, TRWD, or their respective operations;

(D) Act in such a way that would make it impossible or unnecessarily difficult to carry on the intended or ordinary work of the Corporation;

(E) Receive an improper personal benefit from the operations of the Corporation;

(F) Use assets of the Corporation or TRWD, directly or indirectly, for any purpose other than carrying on the Corporation's business;

(G) Wrongfully transfer or dispose of property of the Corporation or TRWD;

(H) Use the name of, or position with, the Corporation or TRWD, except on behalf of the Corporation in the ordinary course of its business; or

(I) Use their position with the Corporation or TRWD to lobby for or influence the selection of contractors for improper personal benefit.

(J) As used in these Bylaws, an "improper personal benefit" shall include, but not be limited to, any benefit to a Director, officer, employee, or his or her respective family, which involves:

(1) Self-dealing for pecuniary gain;

(2) Usurpation of an opportunity of TRVA or TRWD for pecuniary gain;

(3) Using TRVA or TRWD property, information or position for personal gain;

- with
- (4) Using TRVA or TRWD property, information or position to compete TRWD or TRVA;
- constituting
- (5) Any act or acts that can be defined under the laws of Texas as an illegal conflict of interest; or
- entity
- (6) Seeking, offering, or accepting benefits or gratuities from a person or doing business, or seeking to do business, with TRVA or TRWD, or whose pecuniary interests may be impacted by a decision of TRVA or TRWD, including the following:
- (a) Payments such as bribes, kickbacks, or any other payments or transfers of value;
 - (b) Excessive or extravagant business entertainment;
 - (c) Vacations or pleasure trips;
 - (d) Unusual discounts or extravagant gifts;
 - (e) Gratuitous products or services;
 - (f) Loans or advances (other than normal loans from financial institutions); or
 - (g) Any other unusual favors.

The foregoing prohibitions against gifts or favors shall not apply to:

- (a) An occasional non-pecuniary gift, insignificant in value;
- (b) An award publicly presented in recognition of public service;
- (c) Any gift which would have been offered or given if the recipient were not an official or employee; or
- (d) Ordinary business meals.

ARTICLE VII

AMENDMENTS

Section 7.01. *Amendment of Certificate of Formation.*

(A) The Certificate of Formation of the Corporation may at any time be amended, provided that the Board of Directors files with the board of directors of TRWD a written application requesting that TRWD approve such amendment to the Certificate of Formation, specifying in such application the amendment or amendments proposed to be made. If the board of directors of TRWD, by appropriate resolution, finds and determines that it is advisable that the proposed amendment be made, authorizes the same to be made,

and approves the form of the proposed amendment, the Board of Directors shall proceed to amend the Certificate of Formation as provided by law.

(B) The Certificate of Formation may also be amended at any time by the board of directors of TRWD at its sole discretion by adopting an amendment to the Certificate of Formation of the Corporation by appropriate resolution.

Section 7.02. *Amendment of Bylaws.* The Board of Directors shall have the power to make, amend or repeal the Bylaws of the Corporation by vote of a majority of all the Directors at any regular or special meeting, provided that notice of intention to make such changes at said meeting shall have been previously given to each Director, and may be made without such notice by a unanimous vote of all the Directors of the Corporation. All amendments to the Bylaws must be approved by the board of directors of TRWD to become effective.

ARTICLE VIII

DISSOLUTION

Section 8.01. *Authority to Alter or Dissolve Corporation.* At any time the Board of Directors of TRWD may in its sole discretion alter the structure, organization, programs, or activities of the Corporation or terminate and dissolve the Corporation, subject only to any limitation provided by the Constitution and laws and decisions of Texas on the impairment of contracts entered into by the Corporation. Such alteration or dissolution shall be made by written resolution of the board of directors of TRWD and as provided by these Bylaws and the laws of Texas.

Section 8.02. *Dissolution Upon Completion of Purposes.*

(A) Whenever the Board of Directors of the Corporation by resolution shall determine that the purposes for which the Corporation was formed have been substantially complied with and that all bonds theretofore issued by the Corporation, if any, have been fully paid, the Board of Directors of the Corporation shall, with the approval by written resolution of TRWD, thereupon dissolve the Corporation as provided by law.

(B) Whenever dissolution occurs, whether instituted by TRWD or by the Board of Directors of the Corporation, the dissolution proceedings shall transfer the title to all funds and properties then owned by the Corporation to TRWD.

ARTICLE IX

MISCELLANEOUS

Section 9.01. *Corporate Seal.* The seal of the Corporation shall bear the full name of the Corporation, with the word "Seal" noted thereon, provided, however, that if the full corporate name is too long, it may be abbreviated in the seal.

Section 9.02. *Limitation of Liability.*

(A) No Director or officer of the Corporation shall be personally liable to the Corporation for monetary damages for an act or omission in the person's capacity as a Director or officer, except that this Section 9.02 does not eliminate or limit the liability of a Director for:

(1) A breach of a Director's or officer's duty of loyalty to the Corporation;

(2) An act or omission committed in bad faith or for an improper personal benefit or that involves intentional misconduct or a knowing violation of the law;

(3) A transaction from which a Director or officer is or was intended to receive an improper personal benefit, whether or not the benefit results from an action taken within the scope of the Director's or officer's office; or

(4) An act or omission for which the liability of a Director or officer is expressly provided by statute.

(B) Neither the subsequent amendment nor repeal of this Section 9.02 shall eliminate or reduce the effect of this Section 9.02 for any claim or cause of action which arose prior to the amendment or repeal.

(C) To the extent that the Act, the Development Corporation Act of 1979, or the Code now provides or is hereafter amended to authorize corporate action further eliminating or limiting the personal liability of Directors or officers, then the liability of a Director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the Act, the Development Corporation Act of 1979, or the Code, as so amended from time to time.

Section 9.03. *Indemnification.*

(A) Except as otherwise provided in Section 9.02, Paragraph (A) preceding, the Corporation shall indemnify, to the extent provided in the following paragraphs, any person who is or was a Director, officer, agent, trustee or employee of the Corporation and any person who serves or served at the Corporation's request as a Director, officer, partner, venturer, proprietor, agent, trustee or employee of another corporation, or of a partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise. In the event the provisions of indemnification set forth below are more restrictive than the provisions of indemnification allowed by the Act, the applicable provisions of the Development Corporation Act of 1979, or the Code, then such persons named above shall be indemnified to the full extent permitted by the Act, the applicable provisions of the Development Corporation Act of 1979, or the Code, as so amended from time to time.

(B) In case of a threatened or pending suit, action or proceeding (whether civil, criminal, administrative or investigative) against a person named in Section 9.03(A) by reason of such person's holding a position named in such Section 9.03(A), the Corporation shall indemnify such person if such person satisfies the standard contained in Section 9.03(C) for amounts actually and reasonably incurred by such person in connection with the

defense or settlement of the suit as expenses (including court costs and attorneys' fees), amounts paid in settlement, judgments and fines.

(C) A person named in Section 9.03(A) will be indemnified only if it is determined in accordance with Section 9.03(E) that such person

(1) acted in good faith in the transaction which is the subject of the suit; and

(2) reasonably believed:

(a) if acting in his or her official capacity as a Director, officer, trustee, agent or employee of the Corporation, that his or her conduct was in the best interests of the Corporation; and

(b) in all other cases, that his or her conduct was not opposed to the best interests of the Corporation; and

(3) in the case of any criminal proceeding had no reasonable cause to believe that his or her conduct was unlawful; and

(4) has not committed an act or omission for which such person would be personally liable under Paragraph (A) of Section 9.02 preceding.

(D) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of *nolo contendere* or its equivalent will not, of itself, create a presumption that such person failed to satisfy the standard contained in this Section 9.03.

(E) A determination that the standards of Section 9.03(C) have been satisfied must be made:

(1) By a majority vote of a quorum consisting of Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(2) If such quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding; or

(3) By special legal counsel selected by the Board of Directors or a committee of the Board of Directors by vote as set forth in Section 9.03(E)(1) or (2), or, if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

(F) Determination as to reasonableness of expenses must be made in the same manner as the determination that indemnification is permissible, except that if the determination that indemnification is permissible is made by special legal counsel, determination as to reasonableness of expenses must be made in the manner specified by Section 9.03(E)(3) for the selection of special legal counsel. If the amount of any payment demanded pursuant to Section 9.03 (G) is determined to be unreasonable, the portion not deemed to be unreasonable shall be paid within the time limit set forth in that Section for such payment.

(G) The Corporation shall reimburse or pay in advance any reasonable expenses (including court costs and attorneys' fees) which may become subject to indemnification under Section 9.03(A) through (F), but only after the person to receive the payment (i) signs a written affirmation of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification under Section 9.03(C), and (ii) undertakes in writing to repay such advances unless it is ultimately determined that such person is entitled to indemnification by the Corporation. The written undertaking required by this Section 9.03(G) must be an unlimited general obligation of the person but need not be secured. It may be accepted without reference to financial ability to make repayment. Any payment to be made under this provision shall be made within sixty (60) days of the submission of documentation supporting the amount of such request and delivery to the Corporation of the required undertaking of repayment.

(H) The indemnification and advance payment provided by Section 9.03(A) through (G) will not be exclusive of any other rights to which a person may be entitled by law, bylaw, agreement, vote of disinterested Directors or officers, or otherwise.

(I) The indemnification and advance payment provided by Section 9.03(A) through (G) above will continue as to a person who has ceased to hold a position named in Section 9.03(A) and will inure to such person's heirs, executors and administrators.

(J) The Corporation may purchase and maintain insurance on behalf of a person who holds or has held any position named in Section 9.03(A) against any liability incurred by such person in any such position, or arising out of such person's status as such, whether or not the Corporation would have power to indemnify such person against such liability under Section 9.03(A) through (G).

Section 9.04. *Books and Records.* The Corporation shall keep correct and complete books and records of account and all such books and records shall be open to inspection to the extent expressly provided by statute, and not otherwise. The Directors may examine such books and records at all reasonable times.

Section 9.05. *Authority.*

(A) The Board of Directors, except as otherwise provided in these Bylaws or by applicable law, may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

(B) Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the Corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the Corporation, and other corporate instruments or documents, shall be executed, signed or endorsed by the President and by the Secretary, or any Assistant Secretary, and may have the corporate seal affixed thereto.

Section 9.06. Depositories.

(A) All funds of the Corporation shall be deposited from time to time to the credit of the corporation with such banks, trust companies or other depositories as the Board of Directors may select or as may be selected by any officer or agent of the Corporation to whom such power may be delegated from time to time by the Board of Directors, with the approval of the board of directors of TRWD.

(B) Endorsements for deposit to the credit of the Corporation in any of its duly authorized depositories may be made without countersignature by the President or by any other officer or agent of the Corporation to whom the Board of Directors, by resolution, shall have delegated such power, or by hand stamped impression in the name of the Corporation.

(C) All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, shall be signed or endorsed by such persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

Section 9.07. Fiscal Year. The fiscal year of the Corporation shall be as determined by the Board of Directors or as required by applicable law.

Section 9.08. Legal Authority.

(a) These Bylaws are to be construed under applicable Texas law, including but not limited to, the Act, the applicable provisions of the Development Corporation Act of 1979, and the Code. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

(b) To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions that may be available to the Corporation.. If any provision of these Bylaws is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability will not effect any other provision, and these Bylaws shall be construed as if they had not included the invalid, illegal, or unenforceable provision.

(c) Nothing in these Bylaws shall act to waive or limit sovereign immunity to the full extent available to the Corporation.

Section 9.09. Construction and Definition. Whenever used herein, the singular number shall include the plural, and the plural number shall include the singular. Whenever used herein the masculine gender shall include the feminine and neuter genders and the

neuter gender shall refer to any gender. Article headings used in these Bylaws are intended for convenience only and not necessarily to describe the intent of a particular provision and therefore shall not be construed as limiting the effect of any provision of these Bylaws.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of Trinity River Vision Authority and that these Bylaws constitute the Corporation's Bylaws. These Bylaws were adopted at a meeting of the Board of Directors of the Corporation held on the ____ day of _____, 2006.

ATTEST:

J. D. Granger
Secretary of Trinity River Vision Authority

13.

With the recommendation of management, Director Leonard moved to appoint Hon. Tom J. Vandergriff, Tarrant County Judge, as a director of the Trinity River Vision Authority.

Director Lane seconded the motion and the vote in favor was unanimous.

**RESOLUTION OF THE BOARD OF DIRECTORS
OF
TARRANT REGIONAL WATER DISTRICT**

October 17, 2006

WHEREAS, under the authority granted by House Bill 2639 of the 79th Texas Legislature, on July 18, 2006 the Board of Directors of the Tarrant Regional Water District ("TRWD") authorized the creation of a nonprofit corporation to act on behalf of TRWD as TRWD's authority and instrumentality;

WHEREAS, such a nonprofit corporation was thereafter incorporated as Trinity River Vision Authority ("TRVA") as evidenced by the Certificate of Filing issued by the Texas Secretary of State dated effective July 21, 2006;

WHEREAS, the Board of Directors of TRWD has previously appointed five (5) directors to constitute the initial board of directors of TRVA;

WHEREAS, the Bylaws of TRVA, which were approved by the Board of Directors of TRWD on this date, call for a TRVA board of directors of up to seven (7) in number; and

WHEREAS, the Board of Directors of TRWD has determined that there exists a need to appoint one (1) additional director to the board of directors of TRVA.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TARRANT REGIONAL WATER DISTRICT:

1. The number of directors which constitute the board of directors of TRVA is increased to six (6).
2. The name and address of the additional director of TRVA are as follows:

<u>Name</u>	<u>Mailing Address</u>
Hon. Tom J. Vandergriff	100 East Weatherford Street Fort Worth, Texas 76102

PASSED, APPROVED AND ADOPTED THIS 17th DAY OF OCTOBER, 2006.

TARRANT REGIONAL WATER DISTRICT

BY: _____
Victor W. Henderson
President, Board of Directors

ATTEST:

Jack R. Stevens
Secretary

14.

The Board was updated on TIF participation of the Water District.

15.

The President and presiding officer next called an executive session at 10:47 a.m. under Chapter 551.072 of the Government Code to consider real property issues – restrictive covenant agreement on the Cedar Creek Pipeline; and under Chapter 551.074 to consider personnel issues - management.

16.

Upon completion of the executive session at 12:28 p.m., the President reopened the meeting.

17.

With the recommendation of management, Director Sparks moved to ratify a Restrictive Covenant Agreement between the Water District and F & R Management, L.P. d/b/a Meridian Homes, joined by Northwest Bank, a Texas state banking association outlining certain agreements between the parties concerning the existing and future use of portions of the following residential lots in Midlothian, Texas for the total agreed settlement price of \$25,416. Funding for this use is included in the FY 2007 Revenue Fund.

Lots 20-24, Block 2, Phase One of the Millbrook Addition of the City of Midlothian, Texas as recorded in Cabinet H, Slides 28 and 29 of the Plat Records of Ellis County, Texas.

ORIGINAL FILED

FILED FOR RECORD
CINDY POLLOCK
ELLIS COUNTY CLERK

RESTRICTIVE COVENANT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF ELLIS §

This Restrictive Covenant Agreement (the "Agreement") is entered into between Tarrant Regional Water District, a Water Control and Improvement District (the "Water District"), and F&R Management, L.P., a Texas limited partnership d/b/a Meridian Homes ("Owner"), joined by Northwest Bank, a Texas state banking association ("Bank") to be effective on the 1st day of October, 2006 ("Effective Date"), for the purposes and consideration set forth hereinbelow.

WHEREAS, the Water District is a conservation and reclamation district created pursuant to Article 16, Section 59 of the Texas Constitution, is a political subdivision of the State of Texas, and was formerly known as the "Tarrant County Water Control and Improvement District Number One";

WHEREAS, the Water District is the Grantee under the terms and provisions of that certain Pipeline Right-of-Way Easement dated February 7, 1963, executed and delivered by Tom Lundberg and wife, Leta Lundberg, as Grantor, recorded in Volume 490, Page 340, Deed Records, Ellis County, Texas, to which reference is made hereby for all purposes (the "Easement");

WHEREAS, the Easement grants the Water District, among other rights, the right to survey, construct, operate, maintain, inspect, alter, replace, move and remove one or more pipelines under and across a strip of land 130 feet wide as described therein (the "Easement Property");

WHEREAS, at the time of the grant of the Easement, the Easement Property and adjacent properties were primarily devoted to agricultural uses;

WHEREAS, the Water District has heretofore installed, and continues to maintain, two raw water pipelines, and appurtenant facilities, including corrosion control equipment extending laterally from the pipeline (collectively, the "Facilities") within the Easement Property;

WHEREAS, Midco, L.P., as owner/developer, filed that certain Final Plat of Millbrook Addition, Phase One, an Addition to the City of Midlothian, Ellis County, Texas, which plat is recorded in Cabinet H, Slides 28 and 29, Plat Records, Ellis County, Texas (the "Plat"), which Plat subdivides a 41.907 acre tract therein described into residential lots, streets, and appurtenant improvements, including six (6) lots platted to extend to the centerline of the Easement Property;

WHEREAS, Owner is the owner of Lots 20 through 24, Block 2, Millbrook Addition, Phase One ("Owner's Property"), as more fully identified and described in the

Plat, a copy of which is attached hereto as Exhibit "A." which depicts thereon the location of the Easement Property;

WHEREAS, Owner's Property is among the lots platted so as to extend to the centerline of the Easement Property;

WHEREAS, the Plat prohibits structures within the Easement Property;

WHEREAS, the Water District and Owner recognize that the residential use of Owner's Property, and the Water District's activities in connection with the Easement, including operation, maintenance, and replacement of the Water District's Facilities and the anticipated construction of a third raw water pipeline within the Easement Property, may result in conflicts between the Water District and Owner and its successors and assigns, and the parties have therefore entered into this Agreement in order to address and resolve any such potential future conflicts in a mutually agreeable and beneficial manner, with the intent that the agreements memorialized hereby shall touch and concern the affected land, and be covenants running with said land and binding upon the Water District and Owner and their respective successors and assigns.

NOW, THEREFORE, in consideration of the payment of Ten Dollars (\$10.00) by Water District to Owner, the mutual covenants and agreements herein contained, the foregoing recitals, which are not recitals only, but which form a part of this Agreement, and other good and valuable consideration, the parties hereby agree as follows:

1. The northern portion of Owner's Property, beginning from a point fifteen (15) feet north of the southern boundary of the Easement Property, and extending to the centerline of the Easement Property, also being the northern property line of Owner's Property, as depicted on Exhibit "B" attached hereto, is hereinafter referred to as the "Restricted Area." With the one exception below, no above ground or below ground structure of any kind may be constructed by Owner, its successors or assigns, on the Restricted Area. Likewise, Owner shall not plant or permit the planting of trees within the Restricted Area or construct fencing, except as provided herein, within the Restricted Area. Owner may with the Water District's advance written permission construct readily removable garden-type fencing within the Restricted Area of Owner's Property at Owner's sole cost, risk and expense, subject and subordinate at all times to the Water District's rights to construct, operate, maintain and replace its Facilities, and the Water District shall not be liable for damages to or for the removal of any such fencing in connection therewith.

2. It is further agreed that except as provided herein Owner shall not construct any above ground or below ground structure on that portion of Owner's Property between the south line of the Restricted Area and the southern boundary of the Easement Property (depicted as the "Useable Area" on the attached Exhibit "B" and herein so called) except that Owner may construct a wrought iron fence along the northern boundary of the Useable Area and wooden fencing perpendicular thereto along the eastern and western lot lines of Owner's Property connecting to the wrought iron

fence. The wrought iron fence may have a gate opening from Owner's Property to the Restricted Area.

3. The Water District covenants and agrees to restrict its operations on Owner's Property, except as provided in Paragraph 4 or unless necessitated by emergency or other conditions beyond the reasonable control of the Water District, to the Restricted Area. The Water District shall have the right, after reasonable advance notice to Owner, to remove any structures or trees placed or located within the Restricted Area if Owner fails or refuses to do so. The Water District shall also have all lawful remedies available to it in the case of a violation by Owner, its successors or assigns, of the restrictions set forth hereinabove, including through injunctive relief and/or suit for damages.

4. It is understood and agreed that if the Water District constructs a third pipeline within the Easement Property, it will be necessary for the Water District to access the entire Easement Property, including the Useable Area. If it is necessary to remove fences or other structures within the Useable Area to facilitate such construction, the Water District shall have no liability therefor, payment for any such damage or loss having been made as part of the consideration for this Agreement.

5. The Water District and Owner hereby ratify and confirm the terms and conditions of the Easement, except insofar as such terms or conditions may be in conflict herewith, in which case the terms of this Agreement shall govern. The terms of this Agreement shall likewise govern over any and all conflicting terms and provisions of any prior restriction relating to Owner's Property, and this Agreement shall supersede any and all prior oral understandings and/or agreements. This Agreement may be modified only by a writing executed and delivered by the parties hereto, or their respective successors and/or assigns.

6. This Agreement creates reciprocal rights in Water District and Owner, but creates no rights in any other person or property owner, or with respect to any other property other than Owner's Property. Further, the rights, duties, restrictions, and obligations set forth herein with respect to Owner's Property are several and severable with respect to each of the lots comprising Owner's Property, and this Agreement therefore creates no reciprocal rights between and among each subsequent owner of a lot comprising Owner's Property or in any third party.


7. The agreements and covenants set forth hereinabove touch and concern the Easement Property and Owner's Property and are covenants running with the land and shall bind each of the parties' respective successors and assigns in ownership of all or any part of their respective properties.

8. Bank joins in this Agreement to memorialize its consent to the terms and provisions hereof and its agreement to subordinate any rights it has in and to Owner's Property to the rights of the Water District created and/or evidenced hereby.

This Agreement is executed to be effective as of the Effective Date.

WATER DISTRICT:

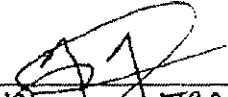
TARRANT REGIONAL WATER DISTRICT,
a Water Control and Improvement District

By: 
Printed Name: R. Steve Christian
Title: Real Property Director

OWNER:

F&R MANAGEMENT, L.P., a Texas limited
partnership, d/b/a Meridian Homes


By: TF Management Co., L.L.C., a Texas
limited liability company, General Partner

By: 
Printed Name: TRAE FOWLER
Its: General Partner

After Recording Please return to:
Tarrant Regional Water District
Attention: Rick Carroll
800 East North Side Drive
Fort Worth, Texas 76102

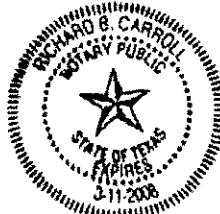
BANK:

NORTHWEST BANK, a Texas state banking
association

By: 
Printed Name: Charica Wade Cravy
Title: Vice President

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 3rd day of October, 2006, by R. Steve Christian, Real Property Director of Tarrant Regional Water District, a Water Control and Improvement District, on behalf of said District.



Richard B. Carroll
Notary Public in and for the State of Texas

STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 3rd day of October, 2006, by Trae Fowler, President of TF Management Co., L.L.C., a Texas limited liability company, General Partner of F&R Management, L.P., a Texas limited partnership, d/b/a Meridian Homes, on behalf of said limited liability company in its capacity as General Partner of F&R Management, L.P.



Richard B. Carroll
Notary Public in and for the State of Texas

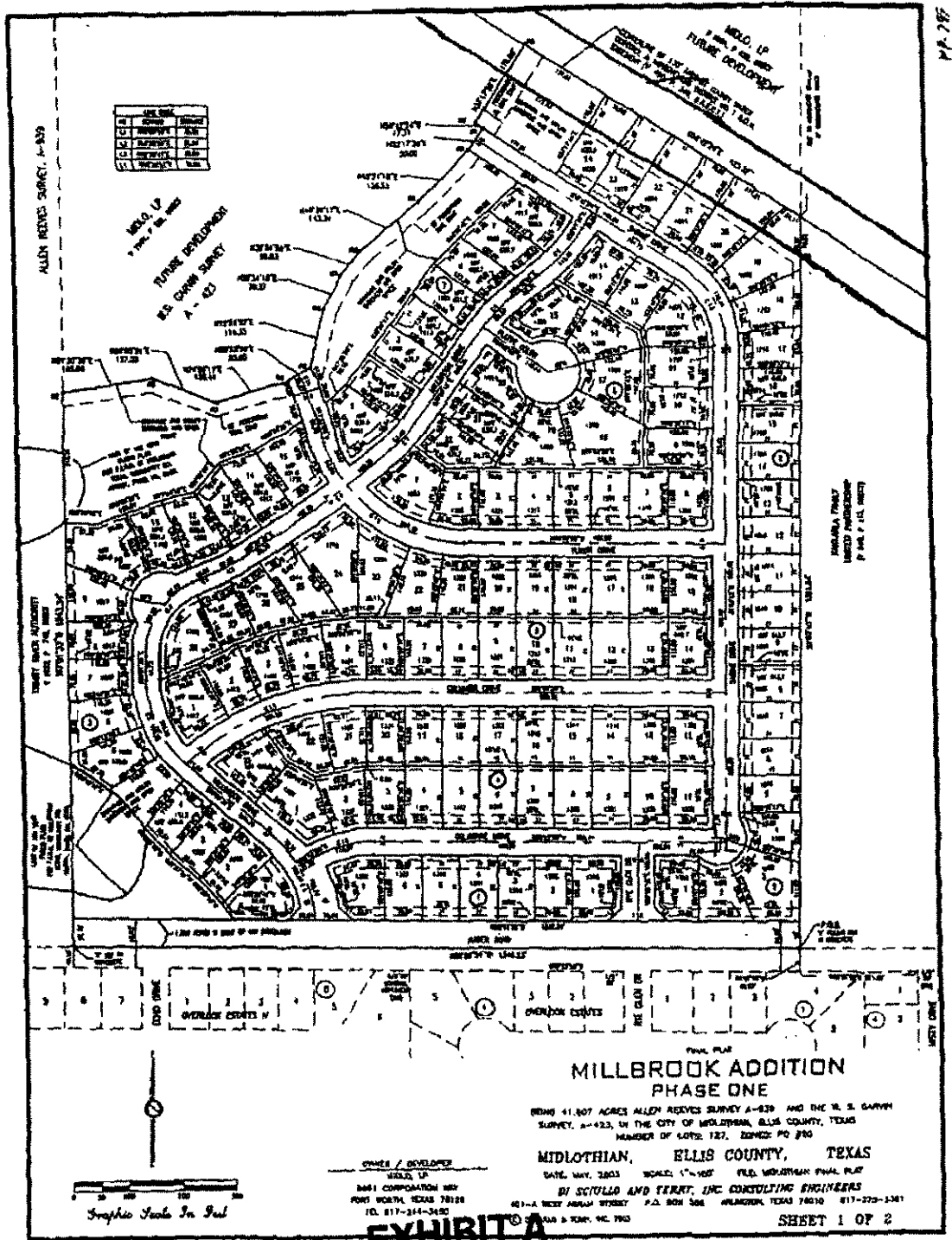
STATE OF TEXAS §
§
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 29 day of September, 2006, by Laura Craig, VP of Northwest Bank, a Texas state banking association, on behalf of said banking association.



Janice Maggiora
Notary Public in and for the State of Texas

P:\TRWD\Misc Land Management\Relative Co-tenancy Agreements.doc



NO.	DESCRIPTION	AREA
1
2
3
4
5

**MILLBROOK ADDITION
PHASE ONE**

BEING 41.807 ACRES ALLEN REEVES SURVEY A-829 AND THE W. S. GARVEY SURVEY, A-423, IN THE CITY OF MIDLOTHIAN, ELLIS COUNTY, TEXAS
NUMBER OF LOTS: 127, ZONING: PD 280

MIDLOTHIAN, ELLIS COUNTY, TEXAS

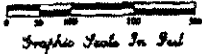
DATE: MAY, 2003 SCALE: 1"=100' FILED: MIDLOTHIAN FINAL PLAT

DI SCIULLO AND TERRI, INC. CONSULTING ENGINEERS

401-A WEST ARHAM STREET P.O. BOX 506 MIDLOTHIAN, TEXAS 76050 817-275-1341

ELLIS & TERRY, INC. 7903

SHEET 1 OF 2



OWNER / DEVELOPER
MILLBROOK, LP
3681 CORPORATION WAY
FORT WORTH, TEXAS 76128
TEL 817-344-3455

EXHIBIT A

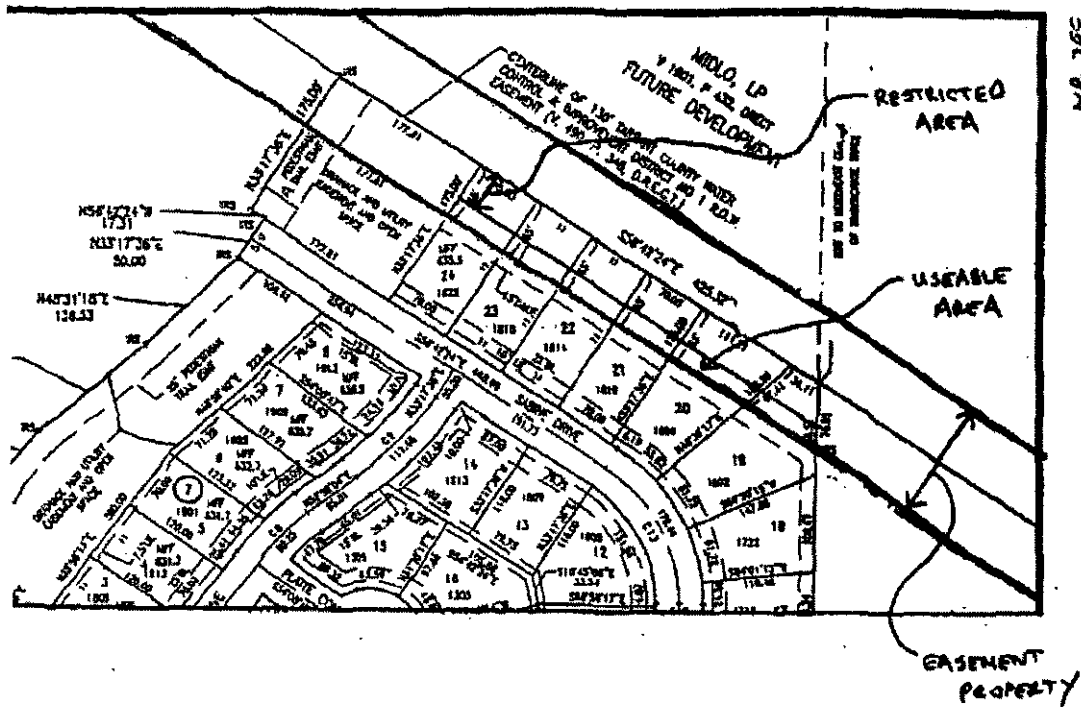
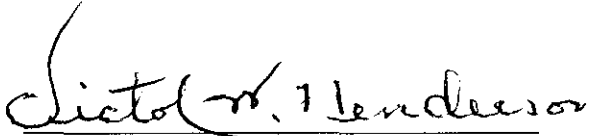



EXHIBIT B

Director Leonard seconded the motion and the vote in favor was unanimous.

18.

There being no further business before the Board of Directors, the meeting was adjourned.


President


Secretary