

THE STATE OF TEXAS)  
COUNTY OF DENTON )  
COUNTY OF TARRANT)

**2008 INTERLOCAL COOPERATION AGREEMENT**  
**FOR FIRE PROTECTION SERVICES**

THIS INTERLOCAL COOPERATION AGREEMENT FOR FIRE PROTECTION SERVICES (hereinafter "Agreement") is made and entered into this 15 day of December, 2008, by and between **Trophy Club Municipal Utility District No. 1**, **Trophy Club Municipal Utility District No. 2**, both districts created pursuant to Section 59, Article XVI, Texas Constitution and the Texas Water Code, Chapter 54 (hereinafter referred to as "**MUDs 1 and 2**") and the **Town of Trophy Club**, a Home Rule Municipality, (hereinafter referred to as "**Town**").

**WITNESSETH:**

**WHEREAS**, MUDs 1 and 2 are duly organized political subdivisions of the State of Texas engaged in the administration of fire protection and related services for the benefit of those persons residing, traveling within, or being physically located within the boundaries of MUDs 1 and 2 and further without limitation, the incorporated and unincorporated limits of the Town of Trophy Club, Texas; and

**WHEREAS**, MUDs 1 and 2 together are owners and operators of certain vehicles and/or other equipment designed to engage in fire-fighting activities and have in their employ such trained personnel whose duties are related to the provision of such services and the operation of necessary vehicles and equipment (hereinafter collectively referred to as "Fire Functions"); and

**WHEREAS**, the provision of Fire Functions is a governmental function that serves the public health and welfare, promotes efficiency and effectiveness of local governments, and is of mutual concern to the contracting parties; and

**WHEREAS**, MUDs 1 and 2 are authorized to perform Fire Functions pursuant to Section 49.351 of the Texas Water Code, the Town is individually authorized to perform Fire Functions pursuant to its police powers, and the parties desire to enter into this Agreement regarding the performance of Fire Functions; and

**WHEREAS**, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "Act") provides authority for governmental entities of the State of Texas to enter into Interlocal agreements with each other regarding governmental functions and services as set forth in the Act; and

**NOW, THEREFORE**, Town and MUDs 1 and 2, for and in consideration of the recitals set forth above and terms and conditions below, agree as follows

**I.**  
**Incorporation / Term**

**1.01 Incorporation of Recitals.** The foregoing recitals are agreed upon and incorporated herein as a part of this Agreement.

**1.02 Term.** This Agreement shall be executed by the respective authorized representatives upon approval by each of the respective governing bodies of Town and MUDs 1 and 2, and shall become effective beginning on January 1, 2009 for an initial term of nine (9) months, ending on September 30, 2009. Thereafter, this Agreement shall renew annually on October 1<sup>st</sup> for ten (10) consecutive terms of one (1) year each, unless terminated by any party at least sixty (60) days prior to the end of each term.

**II.**  
**Definitions**

**2.01** As used herein, the words and phrases hereinafter set forth shall have the meanings as follows:

**A. "Eligible Persons"** shall mean those persons owning property, residing, traveling within, or being physically located within the corporate boundaries of the Town of Trophy Club, Texas and/or MUDs 1 and 2 and shall also include those persons owning property, residing, traveling within, or being physically located within the corporate boundaries of another political subdivision of the State of Texas with whom Town and/or MUD2 and/or MUD1 have a mutual aid agreement to provide fire protection services.

**B. "Fire-fighting Activities", "Fire Protection Services", or "Fire Functions"** shall mean any and all of the customary and usual activities of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, photography, and administration.

**III.**  
**Obligations and Rights of the Parties**

**3.01 Budget and Funding**

**A. Budget** The Director of Finance together with the Fire Chief shall prepare a budget for Fire Protection Services. It shall be the responsibility of the Fire Chief to certify that the budget so prepared meets the Fire Protection needs of the Eligible Persons and allows an appropriate level of service. The budget shall be presented to the governing board of the Master District for final approval. The Town Manager may present the fire budget to the Town Council and forward any input to the Master District for final approval.

The approval of Master District under this section shall not be unreasonably withheld.

**B. Funding** MUDs 1 and 2 and the Town shall share the funding of all costs associated with Fire Protection Services provided to Eligible Persons as defined herein, in accordance with the terms of this Agreement. Said funding shall be accomplished as follows:

- 1) MUDs 1 and 2 shall fund their share of all costs associated with Fire Protection Services provided to Eligible Persons as defined herein, in accordance with the terms of this Agreement through the assessment and collection of an annual Fire Tax on the property owners of MUDs 1 and 2.
- 2) The Town shall fund all costs associated with Fire Protection Services to Eligible Persons by an annual assessment on and collection from Eligible Persons owning real property and improvements thereon located within the Town but not within MUDs 1 or 2 and levied in accordance with the Public Improvement District Act, Chapter 372 of the Texas Local Government Code, as amended; said assessment shall be adopted by Town Council through the approval of the Annual Service and Assessment Plan for Authorized Services for the Trophy Club Public Improvement District No. 1. If the beneficial assessment determined in the SAP (Service and Assessment Plan) is an amount different from the fire tax of MUD1, the three parties agree to negotiate the reconciliation of the difference.
- 3) The proportionate share of costs to be paid by each Party hereto in each year of this Agreement shall be determined as follows:

For each year of this Agreement, the budget for Fire Protection Services shall consist of the total of the annual budgeted costs for fire protection services including fire station rent expense, as set forth in the budget adopted in accordance with Section 3.01 of this Agreement. This total shall be divided by the total of the assessed values of MUD 1, MUD 2 and the assessed values of real property and improvements thereon owned by Eligible Persons and located within the corporate boundaries of the Town but not within MUDs 1 or 2. The proportionate share of the budget attributable to each shall be the proportion which the assessed valuation of each bears to the combined assessed valuations of all three.

- 4) All funds that are not expended during the course of this agreement will be applied to the next year's budget. Conversely, shortfalls would be due by all three (3) Entities.

**C. Payment:** The funds so assessed and collected shall be combined and shall be disbursed for the Fire Protection of all Eligible Persons, as defined above. Payments from the Town to MUD 1 and MUD 2 for the purpose of Fire Protection Services shall be paid to the Master District due on January 31, 2009 and on January 31 for each successive year in which this Agreement is in effect. Payments will become past due fifteen (15) business days after the established due date.

#### **IV. Consideration**

The parties agree that sufficient consideration for this Agreement exists and is found in the cross promises set forth above. Each party hereto paying for the performance of Fire Protection Services shall make such payments from current revenues legally available to the paying party.

#### **V. Default / Termination**

**5.01** In the event that any party hereto breaches any term or condition of this Agreement, this Agreement may be terminated by the aggrieved party if such default is not cured within a period of thirty (30) days after receipt of written notice of default by the party allegedly in breach of its obligations hereunder. At the option of the aggrieved party, if such default is not cured within the thirty (30) day period, this Agreement shall immediately terminate without further notice.

#### **VI. Entire Agreement**

This Agreement represents the entire and integrated agreement between the Town and MUDs 1 and 2 and supersedes all prior negotiations, representations and/or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all three (3) parties.

#### **VII. Venue**

The laws of the State of Texas shall govern this Agreement and each of its terms and provisions, including but not limited to, the rights and duties of the parties hereto, and exclusive venue shall be in Denton County, Texas.

**VIII.  
Severability**

In the event that any portion of this Agreement shall be found to be contrary to law, it is the intent of the parties hereto that the remaining portions shall remain valid and in full force and effect to the extent possible.

**IX.  
Non-Waiver**


All rights, remedies and privileges permitted or available to any party under this Agreement or at law or equity shall be cumulative and not alternative, and election of any such right, remedy or privilege shall not constitute a waiver or exclusive election of rights, remedies or privileges with respect to any other permitted or available right, remedy or privilege. Additionally, one instance of forbearance by any party in the enforcement of any such right, remedy or privilege against one or more of the other parties, shall not constitute a waiver of such right, remedy or privilege by the forbearing party.

**X.  
Signature Authority**

The undersigned officer and/or agents of the parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the parties hereto and each party hereby certifies to the other that any necessary resolutions extending such authority have been duly passed and are now in full force and effect.

EXECUTED in triplicate originals this, the 15 day of December, 2008.

**TOWN OF TROPHY CLUB, TEXAS**

By   
**Nick Sanders, Mayor**

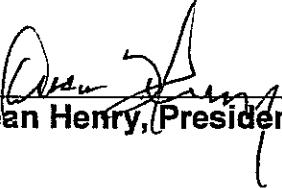
ATTEST:

  
**Lisa Hennek, Town Secretary**

APPROVED AS TO FORM:

  
**Patricia Adams, Town Attorney**

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**

By   
**Dean Henry, President MUD 1**

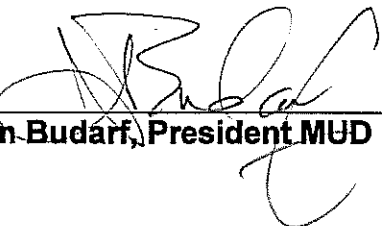
ATTEST:

  
**Constance S White, MUD 1 Secretary**

APPROVED AS TO FORM:

  
**Robert G. West, MUD 1 Attorney**

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 2**

By   
**Jim Budarf, President MUD 2**

ATTEST:

  
**James C. Thomas, MUD 2 Secretary**

APPROVED AS TO FORM:

  
**Pam Liston, MUD 2 Attorney**