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| STATE OF TEXAS | § | Interlocal Cooperation Agreement Regarding |
| | § | Establishment of the Metrocrest Quad Cities |
| COUNTY OF DALLAS | § | Local Government Corporation |

This Interlocal Cooperation Agreement (the "Agreement") is entered into as of the Effective Date by and among the **TOWN OF ADDISON, TEXAS**, ("Addison"), the **CITY OF CARROLLTON, TEXAS** ("Carrollton"), the **CITY OF COPPELL, TEXAS** ("Coppell") and the **CITY OF FARMERS BRANCH, TEXAS**, ("Farmers Branch"), all of whom are Texas home rule municipalities operating under the authority of their respective governing bodies (Addison, Carrollton, Coppell, and Farmers Branch, are hereinafter sometimes referred to collectively as "the Cities" or the "Parties" or individually as a "City" or a "Party")."

RECITALS:

WHEREAS, the Cities are political subdivisions within the State of Texas engaged in the provision of governmental functions and services for the benefit of their citizens; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, as amended (the "Act") provides authority for local governments of the State of Texas to enter into interlocal agreements with each other for the purpose of performing governmental functions and services as set forth in the Act; and

WHEREAS, the Cities have entered into that certain *Metrocrest Quad Cities Public Safety Radio System Interlocal Agreement* effective June 26, 2013, ("the Radio System Agreement") for the purpose of establishing the Cities' agreement regarding the purchase, installation, maintenance, operation, management, and use of a wide area, multi-site ("simulcast") digital trunked radio system compliant with P-25 interoperability standards ("the System") to be used jointly by the Cities for providing public safety dispatch and communications for the Cities' respective Fire/EMS and Police departments; and

WHEREAS, the Cities jointly commissioned a study regarding the method of public safety dispatching and communications conducted by each of the Cities, and the options, advantages, and disadvantages to consolidating the public safety dispatch and communications operations of the Cities into a single consolidated public safety communications center (the "System Study"); and

WHEREAS, the findings of the System Study indicate that the operation by the Cities of a consolidated public safety communications center ("Communications Center") will result in significant efficiencies and savings in both human and financial resources and allow for a higher level of coordination of public safety services within the Cities that will enhance the safety of residents and other inhabitants of each of the Cities; and

WHEREAS, the System Study further recommended that the Communications Center should be managed and operated by a separate entity created by the Cities pursuant to applicable state law; and

WHEREAS, having received and considered the System Study and the recommendations of their respective city administrations, the Cities have decided to create a local government corporation pursuant to the authority of Subchapter D of Chapter 431, Texas Transportation Code (the "LGC Act"), to be known as *Metrocrest Quad Cities Local Government Corporation* (the "Corporation"), which will be organized for the purpose of assisting and acting on behalf of the Cities in the performance of their governmental functions and services, including, but not limited to, the construction, development, management, and operation of the Communications Center and other joint projects as authorized in the Certificate of Formation and the Bylaws of the Corporation, as may be amended from time to time; and

WHEREAS, it is the intention of the Cities that this Agreement set forth the general process for: (i) the creation of the Corporation; and (ii) the development of agreements regarding the operation of the Corporation; and

WHEREAS, subsequent to the execution of this Agreement, the Cities intend to negotiate and sign one or more operation agreements (each an "Operations Agreement") with the Corporation, under which each City will approve specific projects or services to be operated and/or provided by the Corporation, and pursuant to which each City will provide the necessary capital contribution and/or other financing ("Approved Projects"); and

WHEREAS, the Cities agree that, to the extent any payments are required hereunder, such payments shall be from current revenues or other lawful funds available to the paying party.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth herein and other valuable consideration the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

Article I

Purpose

The purpose of this Agreement is to describe the process for the creation of the Corporation and the development of agreements related to the financing and operating the Corporation ("Related Agreements"), and to evidence the agreement of the Cities to jointly establish a local government corporation under Subchapter D of Chapter 431, Texas Transportation Code (the "LGC Act"), to be known as the *Metrocrest Quad Cities Local Government Corporation* for the purpose of financing, constructing, owning, managing and operating a regional public safety communications center in accordance with the terms and provisions of this Agreement and the Related Agreements.

Article II

Creation of Local Government Corporation

2.1 The Cities agree to jointly create the Corporation under the LGC Act for the purpose of financing, constructing, owning, managing and operating Approved Projects in accordance with the terms and provisions of this Agreement. To this end, the Cities agree to have prepared and formally approved by ordinance or resolution of their respective governing

body, and to cause to be filed with the Texas Secretary of State, a Certificate of Formation creating the Corporation (the "Certificate"). The Corporation, following its formation, shall be governed by Bylaws (the "Bylaws") which must also be approved by the Cities.

2.2 The Certificate and Bylaws shall provide for a Board of Directors of the Corporation initially consisting of four (4) members with the initial directors to be the current Town/City Manager of each of the Cities.

2.3 The Certificate shall provide that the Corporation shall have all of the powers provided by law as a non-profit corporation and a local government corporation under the Act, the LGC Act, and the Texas Non-Profit Corporation Laws (Chapters 20 and 22, Texas Business Organizations Code, as amended) including, but not limited to, the authority to do anything reasonable and necessary relating to the development, construction, management, and operation of the Communications Center. The Certificate may also provide for certain powers to be reserved to the Cities, which may include, but may not be limited to, approval of amendments to the Certificate and Bylaws and the issuance of debt by the Corporation.

2.4 The Certificate and the Bylaws shall provide that the Board of Directors of the Corporation shall have the authority to select an Executive Director and to establish the duties, responsibilities, and compensation of the Executive Director.

Article III Communications Center Operations Agreement

Upon creation of the Corporation, the Cities agree to negotiate in good faith and seek to enter into an Operations Agreement among themselves and the Corporation setting forth the agreement among the Cities and the Corporation regarding the financing, development, operation, and management of the Communications Center, including but not limited to, the amounts to be paid by the Cities to the Corporation for operation and management of the Communications Center and methodologies for determining the allocation of said costs.

Article IV Miscellaneous

4.1 **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, by hand-delivery, or facsimile transmission and addressed to the respective City at the following address:

If intended for City of Carrollton, to:

City of Carrollton, Texas
Attn: Leonard Martin, City Manager
1945 E. Jackson Road
P.O. Box 110535 (75011-0535)
Carrollton, Texas 75006

With a copy to:

Clayton Hutchins
City Attorney
1945 E. Jackson Road
P.O. Box 110535 (75011-0535)
Carrollton, Texas 75006

If intended for Town of Addison, to:

Town of Addison, Texas
Attn: Ron Whitehead, City Manager
5300 Belt Line Road
Dallas, Texas 75254-7606

With a copy to:

City Attorney
Cowles & Thompson
901 Main Street, Suite 4000
Dallas, Texas 75202-3746

If intended for City of Farmers Branch, to:

City of Farmers Branch, Texas
Attn: Gary D. Greer, City Manager
13000 William Dodson Parkway
Farmers Branch, Texas 75234

With a copy to:

Peter G. Smith
Nichols, Jackson, Dillard, Hager
& Smith, L.L.P.
500 N. Akard, Suite 1800
Dallas, Texas 75201

If intended for City of Coppell:

City of Coppell
Attn: City Manager
255 E. Parkway Boulevard
Coppell, Texas 75019

With copy(ies) to:

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

4.2. **Governing Law.** The validity of this Agreement and any of its terms and provisions as well as the rights and duties of the Cities shall be governed by the laws of the State of Texas, and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Cities agree to submit to the personal and subject matter jurisdiction of said court.

4.3. **Entire Agreement.** This Agreement represents the entire agreement among the Cities 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.

4.4. **Recitals.** The recitals to this Agreement are incorporated herein.

4.5. **Amendment.** This Agreement may be amended by the mutual written agreement of all of the Cities.

4.6. **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.

4.7. **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.

4.8. **Legal Construction.** In the event any one or more of the provisions contained in the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

4.9. **Assignment.** No City may assign this Agreement without the prior written consent of the other Cities.

4.10. **Consents.** Whenever the consent or the approval of a City is required herein, such City shall not unreasonably withhold, delay or deny such consent or approval.

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

4.12. **Survival of Covenants.** Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the Cities, pertaining to a period of time following the termination of this Agreement shall survive termination.

4.13. **Termination.** The Agreement shall become effective on the date it bears the signatures of authorized representatives of all of the Cities (the "Effective Date") and shall continue on an annual basis until each City has fully satisfied its respective obligations hereunder, unless sooner terminated as provided herein. However, notwithstanding the foregoing or any other provision of this Agreement, in the event the Cities are unable to unanimously agree upon any of the instruments or documents described in this Agreement, including but not limited to the Certificate of Formation, the Bylaws, and any Operations Agreement, any City may withdraw from participation in this Agreement and terminate its rights, duties, and obligations hereunder by giving to the other Cities at least thirty (30) days written notice thereof. Prior to the date of termination, the terminating City must pay any remaining financial obligations related to its share of the costs described in Section 4.14 below that were

incurred or accrued prior to the date of the termination of the terminating City's participation in this Agreement.

4.14 **Costs.**

A. **Filing Fees.** The Cities will share equally the costs to file the Certificate of Formation of the Corporation with the Texas Secretary of State.

B. **Initial Draft Expenses.** Coppell has incurred out of pocket legal expenses prior to the Effective Date in the amount of \$800.00 for the preparation of the initial draft of this Agreement, and the Cities other than Coppell agree to pay to Coppell the sum of \$200.00 as reimbursement for their equal pro rata (one-fourth) share of such expenses within 30 days after the Effective Date.

C. **Legal Expenses; Certificate of Formation, etc.** With respect to the Certificate of Formation and the Bylaws of the Corporation, and an Operations Agreement, it is anticipated that the City of Coppell (the "Drafting City") will take the lead in preparing the initial draft of one or more of those instruments and will incur legal expenses in connection therewith ("Legal Fees"). Following distribution by the Drafting City of the initial draft to the other Cities, the Drafting City will submit to the other Cities an invoice showing the amount of the Legal Fees, a description of the work performed, and the number of hours worked. The hourly rate for such legal work performed shall not exceed \$160.00. Upon receiving the invoice, the Drafting City will provide any additional information regarding the invoice as any other City may request (and will provide that information to all of the other Cities). If there is a dispute regarding the invoice, the Cities will seek to amicably resolve the same (and a resolution may result in a revision to the amount of Legal Fees). Once all issues (if any) regarding an invoice have been resolved by all of the Cities, each City other than the Drafting City will promptly pay to the Drafting City their equal pro rata (one-fourth) share of the invoice amount as the same may have been revised.

4.15 **Responsibility.** To the extent allowed by law, and without waiving any governmental immunity available to the Cities under Texas law, or any other defenses the Cities are able to assert under Texas law, each City agrees to be responsible for its own negligent or otherwise tortious acts or omissions in the course of performance of this Agreement.

4.16 **Authorization.** The persons signing this Agreement on behalf of the respective Cities is authorized to do so.

(Signature page to follow)

SIGNED AND AGREED this 22 day of January, 2014.

TOWN OF ADDISON

By: Ron Whitehead
Ron Whitehead, City Manager

ATTEST:

Chris Terry
Chris Terry, City Secretary

APPROVED AS TO FORM:

[Signature]
City Attorney

SIGNED AND AGREED this 23 day of January 2014

CITY OF CARROLLTON

By: Leonard Martin
Leonard Martin, City Manager

ATTEST:

Ashley D. Mitchell
Ashley D. Mitchell, City Secretary

APPROVED AS TO FORM:

R. Clayton Hults
City Attorney

SIGNED AND AGREED this 27th day of January, 2014.

CITY OF COPPELL

By: [Signature]
Clay Phillips, City Manager

ATTEST:

[Signature]
Christel Pettinos, City Secretary

APPROVED AS TO FORM:

[Signature]
City Attorney

SIGNED AND AGREED this 27th day of January, 2014

CITY OF FARMERS BRANCH

By: [Signature]
Gary D. Greer, City Manager

ATTEST:


[Signature]
Angela Kelly, City Secretary

APPROVED AS TO FORM:

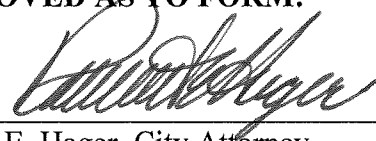
[Signature]
City Attorney

[Type text]

ATTEST:


Christel Pettinos, City Secretary

APPROVED AS TO FORM:


Robert E. Hager, City Attorney
(kbl:1/3/14:63663)