



TROPHY CLUB TOWN COUNCIL TO BE HELD ON TUESDAY, APRIL 28, 2015 AT 6:00 P.M. WAS POSTED ON THE FRONT WINDOW OF TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1 ADMINISTRATION BUILDING LOCATED AT 100 MUNICIPAL DRIVE, TROPHY CLUB, TEXAS, WHICH IS A PLACE CONVENIENT TO THE PUBLIC WITHIN THE BOUNDARIES OF THE DISTRICT, AND A COPY WAS ALSO PROVIDED TO THE COUNTY CLERKS OF DENTON AND TARRANT COUNTIES TO BE POSTED ON THEIR WEBSITES OR AT A PLACE CONVENIENT TO THE PUBLIC PURSUANT TO SECTION 49.063 OF THE WATER CODE AND SECTION 551.054 OF THE OPEN MEETINGS ACT, CHAPTER 551 OF THE TEXAS GOVERNMENT CODE.

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LAURIE SLAGHT, DISTRICT SECRETARY

# DRAFT

## LEASE AGREEMENT FOR MUNICIPAL BUILDING ANNEX

### Basic Information

**Date:** \_\_\_\_\_, 2015

**Landlord:** **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1** (“**District**”), a political subdivision of the State of Texas created and operating pursuant to Section 59, Article XVI, of the Texas Constitution, and Chapters 54 and 49 of the Texas Water Code

**Landlord's Address:** Attn: General Manager  
100 Municipal Drive  
Trophy Club, TX 76262

**Tenant:** **TOWN OF TROPHY CLUB, TEXAS** (“**Town**”), a Texas home rule municipal corporation

**Tenant's Address:** Attn: Town Manager  
100 Municipal Drive  
Trophy Club, TX 76262

**Premises:** The real property described on **Exhibit “A”**, which is attached to and made a part hereof for all purposes, including all of the building and permanent improvements located thereon, containing 4,630 square feet, more or less, constructed by Tenant in 2005, as an annex at the west end of the Landlord’s previously existing Svore Municipal Building. The leased premises is commonly referred to by the parties and others as the “Municipal Building Annex.”

The Premises is located at:  
100 Municipal Drive  
Trophy Club, TX 76262

The Premises includes parking for Town employees and visitors without limitation until a Town Hall building is completed. Upon completion of the Town Hall, the Premises will include 23 allocated parking spots in the location shown on the map or diagram attached to this lease as **Exhibit “B”**, which includes \_\_\_\_\_ parking spots located along the front (north side) of the building assigned for visitor parking only during business hours. The parking spots allocated in this agreement are designated

pursuant to the conditions that exist at 100 Municipal Drive as of the date of this agreement. The parties acknowledge that the amount of allocated parking spots may change at the District's sole discretion in the event the parking lot is reduced due to expansion of District facilities.

**Term (years):** Ten (10) Years, with an option to extend as provided in this Lease

**Commencement Date:** October 1, 2015 *[or as otherwise agreed]*

**Termination Date:** September 30, 2025 *[or as otherwise agreed]*

Landlord reserves the right to terminate this lease earlier than the stated Termination Date if the Premises is determined by the Landlord's board of directors to be needed for the Landlord's own business purposes. Landlord shall give written notice to Tenant at least one year (365 days) prior to the effective date of the termination. The lease will then terminate upon the effective date stated in the notice.

**Base Rent (monthly):** \$1.00 per year for the Premises, plus associated costs as provided in this Lease including legal costs of preparing this Lease as provided in Paragraph D.18 of this Lease.

**Tenant's Pro Rata Share:** One Hundred Percent (100%) of the described Premises

**Security Deposit:** None

**Permitted Use:** Office, storage, community meeting room (but not to include an animal control shelter)

**Insurance:** Tenant agrees to maintain property insurance upon the building, other permanent improvements, landscaping around the building, and the leasehold improvements in the Premises in an amount equal to the full replacement cost, plus insurance coverage for removal of debris. Tenant shall be responsible for the deductible amount payable in respect of such insurance. Tenant also agrees to maintain commercial general liability insurance, including contractual liability insurance coverage, covering Tenant's operations within the Premises, with combined single limits of not less than \$2,000,000 per occurrence for bodily injury or property damage, naming Landlord as additional insured. Tenant also agrees to maintain worker's compensation insurance in the amount not less than \$500,000, with a waiver of subrogation in favor of Landlord.

**Tenant's Rebuilding Obligations:** If the Premises are damaged by fire or other elements, Tenant will be responsible for fully repairing or rebuilding the Premises and improvements at Tenant's expense or with the proceeds of its property insurance, including all structural elements of the building, partitions, walls, ceiling systems, wiring, light fixtures, floors, finishes, wall

coverings, floor coverings, signs, doors, hardware, windows, window coverings, plumbing, heating, ventilating, and air-conditioning equipment, and other improvements in the Premises, and landscaping around the building. Building will be reconstructed in the same configuration as existed prior to becoming damaged or destroyed unless prior written approval of the Landlord is received to allow for a different configuration.

## **A. Definitions**

*A.1.* "Agent" means agents, contractors, employees, licensees, and, to the extent under the control of the principal, invitees.

*A.2.* "Essential Services" means utility connections reasonably necessary for occupancy of the Premises for the Permitted Use.

*A.3.* "Injury" means (1) harm to or impairment or loss of property or its use, (2) harm to or death of a person, or (3) "personal and advertising injury" as defined in the form of liability insurance Tenant is required to maintain.

*A.4.* "Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord.

## **Clauses and Covenants**

### **B. Tenant's Obligations**

#### ***B.1.* Tenant agrees to -**

*B.1.a.* Lease the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

*B.1.b.* Accept the Premises in their present condition "AS IS," the Premises being currently suitable for the Permitted Use.

*B.1.c.* Obey (a) all laws relating to Tenant's use, maintenance of the condition, and occupancy of the Premises and Tenant's use of any common areas and (b) any requirements imposed by utility companies serving or insurance companies covering the Premises.

*B.1.d.* Pay annually, in advance, on the first day of the lease year, the Base Rent to Landlord at Landlord's Address.

*B.1.e.* Pay a late charge of 5 percent of any Rent not received by Landlord by the tenth day after it is due.

*B.1.f.* Obtain and pay for all utility services used by Tenant and not provided by

Landlord. To the fullest extent practical, the utility services for Tenant shall be separated from the utility services to Landlord, and the utility service companies shall send invoices directly to Tenant. Any cost to separate the utilities and establish direct billing to Tenant shall be paid by Tenant. If it is not practical to separate one or more utility services, then the utility service billed to Landlord will be paid by Landlord and allocated between the parties in a reasonable manner, and Tenant agrees to pay Tenant's Pro Rata Share of any utility services provided by Landlord.

*B.1.g.* Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.

*B.1.h.* Repair, replace, and maintain all parts of the Premises, normal wear excepted. Landlord is not obligated to repair, replace, or maintain any part of the Premises.

*B.1.i.* Allow Landlord to file a financing statement perfecting the security interest created by this lease.

*B.1.j.* Vacate the Premises on the last day of the Term.

*B.1.k.* INDEMNIFY, DEFEND, AND HOLD LANDLORD, AND ITS AGENTS, HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES. **THE INDEMNITY CONTAINED IN THIS PARAGRAPH (i) IS INDEPENDENT OF TENANT'S INSURANCE, (ii) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (iii) WILL SURVIVE THE END OF THE TERM, AND (iv) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD OR ITS AGENTS.**

***B.2.* Tenant agrees not to -**

*B.2.a.* Use the Premises for any purpose other than the Permitted Use.

*B.2.b.* Create a nuisance.

*B.2.c.* Permit any waste.

*B.2.d.* Use the Premises in any way that would increase insurance premiums or void insurance on the Premises.

*B.2.e.* Alter the Premises.

*B.2.f.* Allow a lien to be placed on the Premises.

*B.2.g.* Assign this lease or sublease any portion of the Premises without Landlord's written consent.

**C. Landlord's Obligations**

***C.1. Landlord agrees to -***

*C.1.a.* Lease to Tenant the Premises for the entire Term beginning on the Commencement Date and ending on the Termination Date.

*C.1.b.* Obey all laws relating to Landlord's ownership of the Premises.

*C.1.c.* Provide the Essential Services, but all charges for installing or separating utility service connections or from use charges relating to the Premises shall be paid by Tenant.

*C.1.d.* [Provision for return of Security Deposit is intentionally deleted since there is no Security Deposit by Tenant under this Lease.]

***C.2. Landlord agrees not to -***

*C.2.a.* Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

**D. General Provisions**

**Landlord and Tenant agree to the following:**

*D.1. Alterations.* Any physical additions or improvements desired by Tenant must be submitted in writing to Landlord and must be approved in writing by Landlord. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Commencement Date, normal wear excepted.

*D.2. Janitorial Services.* The parties agree to cooperate with each other to negotiate with a single janitorial service to clean the Premises occupied by Tenant and the building occupied by Landlord, but in the absence of a joint agreement between the parties each party shall be responsible for its own janitorial services at its own cost.

*D.3. Landscape Fees* Tenant agrees that its employees will provide care for the landscaping around the Premises of the Municipal Building Annex and around the Svore Municipal Building. The parties agree to cooperate with each other to make any decisions required relating to the landscape care for the Premises occupied by Tenant and the remainder of Landlord's property at the Svore Municipal Building, but in the absence of a joint decision between the parties each party shall be responsible for its own landscape care decisions.

*D.4. Abatement.* Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

*D.5. Insurance.* Tenant will maintain the insurance coverages described in the Insurance paragraph on page 2 of this lease.

*D.6. Release of Claims/Subrogation.* LANDLORD AND TENANT RELEASE EACH OTHER AND LIENHOLDER, AND THEIR RESPECTIVE AGENTS, FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE PREMISES, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. **THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY OR ITS AGENTS BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY OR ITS AGENTS.**

*D.7. Casualty/Total or Partial Destruction*

*D.7.a.* If the Premises are damaged by casualty and can be restored within ninety days, Tenant will, at its expense, restore the roof, foundation, and structural soundness of the exterior walls of the Premises, landscaping, and any leasehold improvements within the Premises to substantially the same condition that existed before the casualty and Tenant also will, at its expense, be responsible for replacing any of its damaged furniture, fixtures, and personal property and performing Tenant's Rebuilding Obligations.

*D.7.b.* If Tenant cannot complete the portion of the restoration for which Tenant is responsible within ninety days, Landlord has an option to restore the Premises. If Landlord chooses not to restore, this lease will terminate. If Landlord chooses to restore, Landlord will notify Tenant in writing of the estimated time to restore and give Tenant an option to terminate this lease by notifying Landlord in writing within ten days from receipt of Landlord's estimate. If Tenant does not notify Landlord timely of Tenant's election to terminate this lease, the lease will continue and Landlord will restore the Premises.



D.7.c. To the extent the Premises are untenantable after the casualty, the Rent will be adjusted as may be fair and reasonable.

*D.8. Condemnation/Substantial or Partial Taking*

D.8.a. If the Premises cannot be used for the purposes contemplated by this lease because of condemnation or purchase in lieu of condemnation, this lease will terminate.

D.8.b. If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Tenant will, at Tenant's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

D.8.c. Tenant will have no claim to the condemnation award or proceeds in lieu of condemnation.

D.9. *Uniform Commercial Code.* Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code. Landlord may file financing statements or continuation statements to perfect or continue the perfection of the security interest.

D.10. *Default by Landlord/Events.* Defaults by Landlord are failing to comply with any provision of this lease within thirty days after written notice and failing to provide Essential Services to Tenant within ten days after written notice.

D.11. *Default by Landlord/Tenant's Remedies.* Tenant's remedies for Landlord's default are to sue for damages and, if Landlord does not provide an Essential Service for thirty days after default, terminate this lease.

D.12. *Default by Tenant/Events.* Defaults by Tenant are (a) failing to pay timely Rent, (b) abandoning or vacating a substantial portion of the Premises, and (c) failing to comply within ten days after written notice with any provision of this lease other than the defaults set forth in (a) and (b).

D.13. *Default by Tenant/Landlord's Remedies.* Landlord's remedies for Tenant's default are to (a) enter and take possession of the Premises, after which Landlord may relet the Premises and receive the rent directly by reason of the reletting, and Tenant agrees to reimburse Landlord for any expenditures made in order to relet; (b) enter the Premises and perform Tenant's obligations; and (c) terminate this lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

D.14. *Default/Waiver/Mitigation.* It is not a waiver of default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this lease does not preclude pursuit of other remedies in this lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

*D.15. Security Deposit.* [Provision relating to use of Security Deposit to pay Tenant's rent or other obligations is intentionally deleted since there is no Security Deposit under this Lease.]

*D.16. Holdover.* If Tenant does not vacate the Premises following termination of this lease, Tenant will become a tenant at will and must vacate the Premises on receipt of notice from Landlord. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term.

*D.17. Alternative Dispute Resolution.* Landlord and Tenant agree to mediate in good faith before filing a suit for damages.

*D.18. Attorney's Fees.* If either party retains an attorney to enforce this lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs. In addition, the legal costs of preparing this lease shall be paid by Tenant.

*D.19. Venue.* Exclusive venue is in Denton County, Texas, in which the Premises are located.

*D.20. Entire Agreement.* This lease, its exhibits, addenda and riders, are the entire agreement of the parties concerning the lease of the Premises by Landlord to Tenant. There are no representations, warranties, agreements, or promises pertaining to the Premises or the lease of the Premises by Landlord to Tenant, and Tenant is not relying on any statements or representations of any agent of Landlord, that are not in this lease and any exhibits, addenda, and riders.

*D.21. Amendment of Lease.* This lease may be amended only by an instrument in writing signed by Landlord and Tenant.

*D.22. Limitation of Warranties.* THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

*D.23. Notices.* Any notice required or permitted under this lease must be in writing. Any notice required by this lease will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this lease. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, electronic message, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

*D.24. Abandoned Property.* Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

*D.25. Subordination.* Landlord subordinates its security interest and liens to purchase-money security interests in Tenant's personal property located on the Premises, but Landlord's ownership interest in the land and permanent improvements shall not be subordinated to any security interest of a third party against Tenant.

*D.26. Advertisement of Premises.* During the last six months of the Term, Landlord may place a sign on the Premises advertising the Premises for rent or sale.

*D.27. Extension Option.* Landlord grants Tenant an option to extend the Term for one additional five year period beginning on the day immediately following the expiration of the original Term and continuing to the date five years after the end of the original Term (the "Additional Term"). Tenant's rights under this option terminate if (1) the lease or Tenant's right to possession of the Premises is terminated, (2) Tenant assigns its interest in the lease or sublets any portion of the Premises, (3) Tenant fails to timely exercise the option, or (4) default exists by Tenant at the time Tenant seeks to exercise the option. During the Additional Term the lease will continue as written, except that there shall be no further extension option at the end of the Additional Term. An option to extend for the Additional Term must be exercised by written notice delivered to Landlord at least one year and not more than eighteen months before the Termination Date.

*D.28. Asbestos.* Buildings or structures located on the Premises may contain asbestos-containing material or presumed asbestos-containing material as defined by OSHA regulations. Tenant has inspected the Premises and conducted such tests and inspections as Tenant deems necessary or desirable. Tenant will provide Landlord with copies of all such test results and inspections. Tenant will comply with all rules and regulations relating to asbestos in performing any maintenance, housekeeping, construction, renovation, or remodeling of the Premises, and Tenant will bear all costs related to removal and disposal of asbestos from the Premises.

## **E. Additional Provisions**

### **Landlord and Tenant agree to the following:**

*E.1. Interlocal Agreement.* This Lease is entered into by the parties as an interlocal agreement pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, et seq., as amended (the "Act"), which 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. Both the Landlord and Tenant are governmental entities entrusted with the expenditure of public funds and both are interested in efficiently and effectively managing public assets.

*E.2. Effective Date.* This Lease shall become effective upon approval by each of the respective governing bodies of the parties and upon execution by their respective authorized representatives, provided that the identical version of this Lease between the parties is approved by each of the respective governing bodies of those entities and executed by their respective authorized representatives.

*E.3. Public Purpose.* Pursuant to Section 272.005 of the Texas Local Government Code, each party to this Lease has determined and hereby declares: (a) this Lease is to promote a public purpose of that party by providing office space and other community-related purpose space for the performance of services and opportunities for gathering for the benefit of the residents, property owners, businesses, customers, taxpayers, and voters of either party, and (b) that the terms of this Lease promote and maintain the public purpose of such party.

*E.4. Tenant's Use of Premises in Svore Municipal Building.* At the time this Lease is prepared and executed, Tenant is occupying several offices in the Svore Municipal Building and is periodically using the board room in the Svore Municipal Building for its Town Council meetings, for elections, and other municipal purposes, when the board room is not being used for a previously scheduled purpose of Landlord. Tenant agrees to end its occupancy of all space in the Svore Municipal Building no later than thirty (30) days following substantial completion of Tenant's construction of a new Town Hall, unless a separate Lease Agreement is negotiated and approved by both Landlord and Tenant at that time. In addition, Landlord may require Tenant to move out of Tenant's occupied offices in the Svore Municipal Building at any time upon at least ninety (90) days prior written notice to Tenant in the event that Landlord requires use of such offices for its own purposes.

*E.5. Landlord's Use of Premises in Annex Building.* As part of the consideration for this Lease of the Municipal Building Annex to Tenant, Landlord reserves the right to use the conference and meetings rooms in the Municipal Building Annex for meetings and other purposes of the Landlord when such rooms are not being used for a previously scheduled purpose of Tenant.

LANDLORD

TENANT

TROPHY CLUB MUNICIPAL  
UTILITY DISTRICT NO. 1

TOWN OF TROPHY CLUB, TEXAS

By: \_\_\_\_\_  
James Moss, President  
Board of Directors

By: \_\_\_\_\_  
Nick Sanders, Mayor

**Exhibit “A”**

**Legal Description of Leased Property**

*[to be obtained from surveyor]*

**Exhibit “B”**

**Site Plan of Premises and Parking Area**

*[to be prepared]*

**JOINT MEETING APRIL 28, 2015  
STAFF REPORT**

**AGENDA ITEM**

Item No. 3: Consider and take appropriate action regarding an Interlocal Agreement for Fire Service to properties located within the Town of Trophy Club but outside the District and Public Improvement District boundaries.

**STAFF REPORT**

A need for an interlocal agreement with the Town of Trophy Club has been identified to serve 11 properties that are located within the Town but outside the District and PID boundaries. Chapter 49.351 of the Texas Water Code states:

“Sec. 49.351. FIRE DEPARTMENTS. (a) A district providing potable water or sewer service to household users may, separately or jointly with another district, municipality, or other political subdivision, establish, operate, and maintain, finance with ad valorem taxes, mandatory fees, or voluntary contributions, and issue bonds for a fire department to perform all fire-fighting services within the district as provided in this subchapter and may provide for the construction and purchase of necessary buildings, facilities, land, and equipment and the provision of an adequate water supply.”

The water code allows the district to provide services out of district through an interlocal agreement (ILA) with a municipality. Fire service is currently provided to PID residents through an ILA with the Town and this ILA would be similar to that agreement. The attached map shows the properties that were identified as outside the District boundaries and outside the PID boundaries. These properties do not pay taxes for fire service like District residents and do not pay an assessment for fire service like PID residents. To ensure fire protection for all Town properties, staff is proposing an ILA with the Town.

The included ILA for fire service to out of district and out of PID properties is only provided as a starting point for the board to consider terms with the council. District and Town staff discussed a possible method for determining compensation for fire service to these properties that could be included in the ILA. A common method is to utilize FEMA rates for labor and equipment with a two-hour minimum. Per the Fire Chief, current FEMA rates are as follows:

2014 FEMA Schedule of Equipment Rates

8695 Truck, Fire Ladder - \$150.00 per/hr  
8692 Truck, Fire Pumper - \$85.00 per/hr  
8690 Truck, Fire Pumper (brush) - \$70.00 per/hr  
8800 Truck, Pickup (utility) – \$14.00 per/hr  
8800 Truck, SUV - \$14.00

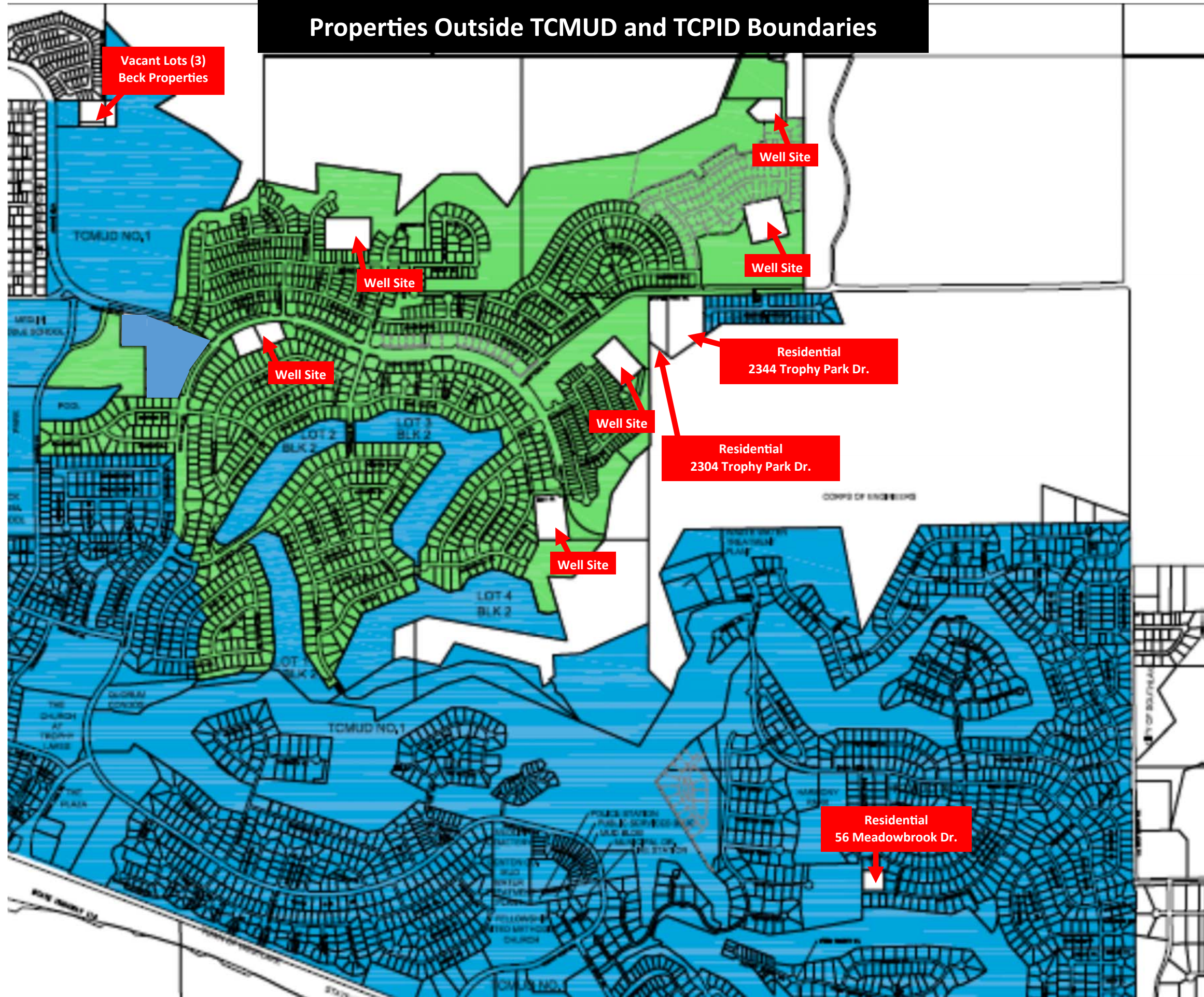
2014 FEMA 9525.5 Labor Cost – Emergency Workers

Straight time calculations  
Five man crew: Captain, Eng, (3) Firefighters  
Captain - \$37.00  
Engineer - \$30.00  
Firefighter – \$27.00

The District and Town Managers estimated a cost of \$500 per call to be included in the draft ILA, only as a suggested starting point for consideration. If this method is used, the District would bill the Town and the Town would bill the property owner when fire service is required. If a property owner does not pay the Town, they have the ability to place a lien on the property.

Staff is seeking direction from the Board on terms of an agreement.

# Properties Outside TCMUD and TCPID Boundaries





# DRAFT

**THE TOWN OF TROPHY CLUB**                   §  
    §       **TROPHY CLUB MUNICIPAL**  
    §       **UTILITY DISTRICT NO. 1**  
**STATE OF TEXAS**                             §

**FIRE PROTECTION SERVICES**  
**MUTUAL AID AGREEMENT**

**THIS AGREEMENT** is made and entered into by and between the **TOWN OF TROPHY CLUB, TEXAS** a home rule municipality located in Denton and Tarrant Counties of the State of Texas, hereinafter referred to as "**TOWN**" and **TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1**, a conservation and reclamation District of the State of Texas in Denton and Tarrant Counties created and operating pursuant to Chapters 49, 59, and 54 of the Texas Water Code, hereinafter referred to as "**DISTRICT,**"

**WHEREAS,** TOWN is a duly organized political subdivision of the State of Texas engaged in the administration of municipal government and related services for the benefit of the citizens of the Town of Trophy Club; and

**WHEREAS,** DISTRICT is a duly organized political subdivision of the State of Texas engaged in the provision of fire protection services and related services for the benefit of the citizens of the DISTRICT; and

**WHEREAS,** DISTRICT is the owner and operator of certain fire protection vehicles and other equipment designed for the extinguishing of fire and prevention of damage to property and injury to persons from fire and has in its employ trained personnel whose duties are related to the use of such vehicles and equipment; and

**WHEREAS,** it is agreed by TOWN and DISTRICT to be of mutual interest and advantage that the Trophy Club Municipal Utility District No. 1 Fire Department supply fire protection service to property described as outside the District boundaries and outside the boundaries of the Town's Public Improvement District, but within the incorporated boundaries of the Town of Trophy , and

**WHEREAS,** TOWN and DISTRICT mutually desire to be subject to an agreement pursuant to the provisions of the Texas Government Code, Chapter 791, the Interlocal Cooperation Act, and Texas Local Government Code, Chapter 352, and

**NOW, THEREFORE,** TOWN and DISTRICT, for the mutual promises, covenants, Agreements and consideration stated herein, agree as follows:

**I.**

**TERM**

The term of this Agreement shall be for the period of \_\_\_\_\_, 2015 to and through \_\_\_\_\_, 201\_.

**II.**

**SERVICES**

The services to be rendered in accordance with this Agreement by DISTRICT are the fire protection services normally rendered by DISTRICT to all property located within the corporate boundaries of the DISTRICT and within the boundaries of the Town's Public Improvement District, and which services will now be extended to all citizens of the TOWN residing out of DISTRICT and out of the Town's Public Improvement District as shown in "**Exhibit A**" of this Agreement. These services are rendered in consideration of the fees set forth in "**Exhibit B**" for the common good and benefit; and to serve the public convenience and necessity of the citizens of the TOWN who are not otherwise protected with respect to fire prevention, extinguishment, safety, and rescue services. The services to be rendered are as follows:

- A. DISTRICT shall make available and provide emergency fire prevention, extinguishment, safety and rescue services within the agreed or specified territory or jurisdiction of the TOWN;
- B. DISTRICT shall respond to requests for fire protection services made within the portion of the TOWN designated in Exhibit A.
- C. DISTRICT, in the performance of its duties and responsibilities under this Agreement, shall have the responsibility, within the sole discretion of the officers and employees of DISTRICT to determine priorities in the dispatching and use of DISTRICT equipment and personnel, and the judgment of any such officer or employee as to any such matter shall be the final determination.

**III.**

## **LIASON OFFICER**

The Fire Chief shall be designated to serve as "Liaison Officer" between the TOWN and DISTRICT. The Fire Chief or her designated substitute shall devote sufficient time and attention to this Agreement to insure the performance of all duties and obligations required herein for the mutual benefit of the TOWN and DISTRICT.

## **IV. PERFORMANCE OF SERVICE**

DISTRICT shall devote sufficient time and attention to insure the performance of all duties and obligations of DISTRICT under this Agreement and shall provide immediate and direct supervision of the DISTRICT employees, agents, contractors, sub-contractors and/or laborers engaged in the performance of this Agreement for the mutual benefit of DISTRICT and the TOWN.

## **V. COMPENSATION**

TOWN shall compensate the DISTRICT per this agreement at the rate of \$500 per call to an area designated in Exhibit A. Fire Chief shall submit an invoice request to the DISTRICT Finance Department and an invoice will be sent to the TOWN within fifteen days of each call. TOWN shall make payment to the DISTRICT within thirty days of receipt of invoice. TOWN will bill the property owner for any amount paid to DISTRICT for fire service received under the terms of this Agreement.

## **VI. RESPONSIBILITY OF THE TOWN**

The TOWN, to the extent allowed by law, shall be responsible for the acts, negligence, and/or omissions of all officers, employees, and agents of the TOWN while engaged in the performance of this Agreement.

## **VII. APPLICABLE LAW**

The TOWN and DISTRICT understand and agree that liability under this contract is governed by Texas Government Code, Chapter 791 and Texas Local Government Code Chapter 352. This Agreement is made in contemplation of the applicability of these laws to the Agreement. Insofar as legally possible the TOWN and DISTRICT agree to be bound by the above mentioned statutes as they exist as of the date of this Agreement.

**VIII.**  
**DEFAULT**

In the event of any default in any of the covenants herein contained, this Agreement may be forfeited and terminated at either party's discretion if such default continues for a period of ten (10) days after notice to the other party in writing of such default and intention to declare this Agreement terminated. Unless the default is cured as aforesaid, this Agreement shall terminate as if that were the day originally fixed herein for the expiration of the Agreement.

**IX.**  
**TERMINATION**

This Agreement may be terminated any time, by either party giving thirty (30) days advance written notice to the other party. In the event of such termination by either party, **DISTRICT** shall be compensated pro rata for all services performed to termination date, together with reimbursable expenses then due and as authorized by this Agreement. In the event of such termination, should **DISTRICT** be overcompensated on a pro rata basis for all services performed to termination date, and/or be overcompensated reimbursable expenses as authorized by this Agreement, the **TOWN** shall be reimbursed pro rata for all such overcompensation. Acceptance of such reimbursement shall not constitute a waiver of any claim that may otherwise arise out of this Agreement.

**X.**  
**GOVERNMENTAL IMMUNITY**

The fact that the **TOWN** and **DISTRICT** accept certain responsibilities relating to the rendition of fire protection services under this Agreement as a part of their responsibility for providing protection for the public health makes it imperative that the performance of these vital services be recognized as a governmental function and that the doctrine of governmental immunity shall be and it is hereby invoked to the extent possible under the law. Neither **DISTRICT** nor the **TOWN** waives nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising from the exercise of government powers and functions.

**XI.**  
**ENTIRE AGREEMENT**

This Agreement represents the entire and integrated Agreement between **DISTRICT** and **TOWN** and supersedes all prior negotiations, representations and/or Agreements, either written

or oral. This Agreement may be amended only by written instrument signed by both **DISTRICT** and the **TOWN**.

**XII.**  
**LAW OF CONTRACT**

This Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereto, shall be governed by the laws of the State of Texas. The venue of any dispute or matter arising under this Agreement shall lie in Denton County.

**XIII.**  
**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.

**XIV.**  
**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 said authority have been duly passed and are now in full force and effect.

**TOWN OF TROPHY CLUB**

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

\_\_\_\_\_  
Nick Sanders  
Mayor

\_\_\_\_\_  
Jim Moss  
President

**ATTEST:**

\_\_\_\_\_  
Greg Lamont  
Mayor Pro Tem

\_\_\_\_\_  
Kevin R. Carr  
Secretary/Treasurer

**DATED:** \_\_\_\_\_

**DATED:** \_\_\_\_\_

**BILL OF SALE AND ASSIGNMENT**

**Date:** \_\_\_\_\_, 2015

**Grantor:** Town of Trophy Club, Texas

**Grantor's Mailing Address (including county):**

100 Municipal Drive  
Trophy Club, TX 76262  
Denton County

**Grantee:** Trophy Club Municipal Utility District No. 1

**Grantee's Mailing Address (including county):**

100 Municipal Drive  
Trophy Club, TX 76262  
Denton County

**Consideration:** Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Grantee.

**Facilities:** See Exhibit "A" attached hereto.

Grantor, for the consideration herein expressed, sells, assigns, and transfers to Grantee the Facilities as described on **Exhibit "A"**.

Grantor agrees to hereafter cooperate with Grantee, take such actions and execute such other specific documents as may be necessary or appropriate to accomplish the transfers contemplated in the Agreement and this document.

When the context requires, singular nouns and pronouns include the plural. References to defined terms shall refer to those terms as defined in the Agreement.

Executed effective February 3, 2015.

**GRANTOR:**

Town of Trophy Club

By: \_\_\_\_\_

Printed Name: Stephen Seidel

Title: Town Manager

Date: \_\_\_\_\_, 2015

**GRANTEE:**

Trophy Club Municipal Utility District No. 1

By: \_\_\_\_\_

Printed Name: Jennifer McKnight

Title: General Manager

Date: \_\_\_\_\_, 2015

## EXHIBIT A

### Description of Facilities

<u>Development</u>	<u>Water System Improvements</u>	<u>Wastewater System Improvements</u>
Waters Edge @ Hogans Glen 2B-1	\$ 28,679.71	\$ 31,831.66
Waters Edge @ Hogans Glen 2B-2	\$ 36,886.18	\$ 28,980.11
Canterbury Hills PH IA	\$ 128,452.94	\$ 80,365.33
Canterbury Hills PH 1B	\$ 224,811.50	\$ 205,286.00
Canterbury Hills PH 2	\$ 151,600.00	\$ 136,355.25