

INTERLOCAL COOPERATION AGREEMENT

WHEREAS, the Interlocal Cooperation Act, Title 7, Chapter 791, Vernon's Texas Statutes and Codes Annotated (the "Act"), and the Constitution of the State of Texas, Article III, Section 64(b) (the "Constitution") specifically authorizes counties and other political subdivisions comprised or located within the County, to contract with one another for the performance of governmental functions and/or services required or authorized by the Constitution, or the laws of this State, under the terms and conditions prescribed in the Act; and

WHEREAS, the functions and/or services contemplated to be performed by Collin County, Texas, as set out herein, are governmental functions and/or services contemplated by the terms of the Act and are functions and/or services which each of the parties hereto have independent authority to pursue, notwithstanding this Agreement; and

WHEREAS, both the County and the political subdivision named herein are desirous of entering into this Interlocal Cooperation Agreement, as is evidenced by the resolutions or orders of their respective governing bodies approving this Agreement which are attached hereto and made a part hereof.

NOW, THEREFORE, THIS AGREEMENT is hereby made and entered into by and between Collin County, Texas, a political subdivision of the State of Texas, and City of Lavon, political subdivision of the State of Texas which is wholly or partially located within Collin County, Texas. Consideration for this Agreement consists of the mutual covenants contained herein, as well as any monetary consideration, which may be stated herein. This agreement is as follows, to-wit:

I.

As requested by the political subdivision named herein, Collin County, Texas, acting by and through its duly authorized agents and employees, agrees to provide said political subdivision with the following described governmental functions and/or services:

ROAD IMPROVEMENTS IN ACCORDANCE WITH COURT ORDER NO.
97-576-08-25.

II.

As consideration for the above-described governmental functions and/or services, said political subdivision agrees to pay to Collin County, Texas, in accordance with the advance cost estimate submitted to them for work they have requested in the amount and upon the following terms and conditions:

- 1) PAYMENT IN FULL UPON COMPLETION OF WORK AND RECEIPT OF BILL FOR SAME.
- 2) PAYMENT TO EQUAL REIMBURSEMENT IN FULL FOR LABOR, EQUIPMENT, AND MATERIAL EXPENDED BY COLLIN COUNTY.

III.

To the fullest extent allowed by law, each party hereto agrees to defend and indemnify the other from any claims, demands, costs or judgments arising out of any negligent act or omission of their respective employees or agents in the performance of the governmental functions and/or services under this Agreement,

IV.

This Agreement shall be effective from and after the passage of enabling resolutions or orders by the governing bodies of the parties hereto and the execution hereof by each of the authorized representatives of the political subdivisions who are parties hereto and shall remain in effect for an initial term of one (1) year, but shall automatically renew for successive one year terms unless terminated by a party upon giving thirty (30) days written notice to the other party of its intent to terminate the agreement.

IV Cont.

Notwithstanding the foregoing, it is understood that each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party. In the event of a nonappropriation by the paying party, the performing party shall be relieved of its responsibilities hereunder as of the first day of the fiscal year of such nonappropriation. All payments must be in an amount that fairly compensates the performing party for the services or functions performed under this Agreement.

Date: 5/5/2002

COLLIN COUNTY, TEXAS

By: Ron Harris

Title: Ron Harris, County Judge

City of Laron

(Political Subdivision)

Date: 2/21/02

By: Jim Albright

Title: Mayer