CITY OF MOUNT VERNON, TEXAS, AND

COUNTY OF FRANKLIN, TEXAS

FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR FIRE PROTECTION SERVICES

This **FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT FOR FIRE PROTECTION SERVICES** (this "***First Amendment***") is made and entered into on the First Amendment Effective Date (hereinafter defined) by and between the COUNTY OF FRANKLIN, TEXAS, a political subdivision of the State of Texas (the "*County*"), and the CITY OF MOUNT VERNON, TEXAS, a Type A general-law municipality located in Franklin County, Texas (the "*City*" or "*Mount Vernon*") (collectively, the "*Parties*" and each individually a "*Party*" hereto), and amends the Original Agreement (hereinafter defined) as set forth herein.

RECITALS

WHEREAS, the Parties previously entered into that certain Interlocal Cooperation Agreement for Fire Protection Services, effective as of November 24, 2025, and recorded in the official records of the Franklin County Commissioners' Court as Instrument No. 2025-3259, CCM Vol. 78, P. 264 (the "Original Agreement"), pursuant to which the City provides Fire Protection Services to the County in exchange for the Service Fee;

WHEREAS, Section 6(b) of the Original Agreement provides that the Original Agreement shall continue in full force and effect until September 30, 2026 (the "Initial Term"), and that upon conclusion of the Initial Term the Original Agreement shall automatically terminate unless the Parties duly agree in writing, via formal amendment, to extend the duration of the Original Agreement (a "Renewal Term");

WHEREAS, Section 10(g) of the Original Agreement provides that no amendment, modification, or alteration to the Original Agreement shall be binding unless the same is in writing, dated subsequent to the date of the Original Agreement, and duly executed by the Parties;

WHEREAS, the Parties are presently engaged in good-faith negotiations regarding the terms, scope, funding, and structure of a successor or long-form renewal agreement for fire protection services, and require additional time in which to conclude those negotiations;

WHEREAS, the Parties desire that Fire Protection Services continue without interruption to the residents of the County and the City during the pendency of those negotiations, and

accordingly desire to extend the Term of the Original Agreement for a period of two (2) months on the terms set forth herein;

WHEREAS, each Party has sufficient funds available from current revenues to perform the functions and services contemplated by the Original Agreement, as amended by this First Amendment, and the Parties agree, acknowledge, and understand that this First Amendment is conditioned upon appropriation of sufficient revenue being made available by the County to pay the monetary consideration to the City as provided herein;

WHEREAS, Chapter 791 of the Texas Government Code, as amended, and Section 352.001 of the Texas Local Government Code, as amended, authorize the Parties to enter into and amend this interlocal cooperation agreement; and

WHEREAS, this First Amendment has been approved by the Commissioners' Court of Franklin County, Texas, and by the City Council of the City of Mount Vernon, Texas, and the Parties find and determine that this First Amendment will promote the health, safety, and general welfare of the residents located within the City and County.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants, promises, obligations, and agreements set forth below, the City and County hereby mutually agree as follows:

Section 1. Findings Incorporated; Defined Terms.

The foregoing Recitals are hereby incorporated into the body of this First Amendment and shall be considered part of the mutual covenants, consideration, and promises that bind the Parties. Capitalized terms used but not otherwise defined in this First Amendment shall have the meanings assigned to them in the Original Agreement. As used herein, the term "Agreement" means the Original Agreement as amended by this First Amendment.

Section 2. Extension of Term; Amendment to Section 6(b).

Section 6(b) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

> (b) **Term**. Upon the Effective Date, this Agreement shall continue in full force and effect until September 30, 2026, unless terminated earlier in accordance with the provisions of this Agreement (the "*Initial Term*"). The Initial Term is hereby extended, and this Agreement shall continue in full force and effect, for the period commencing October 1, 2026 and ending at 11:59 p.m. on November 30, 2026, unless terminated earlier in accordance with the provisions of this Agreement (the "*First Renewal Term*"). Upon conclusion of the First Renewal Term, this Agreement shall automatically terminate, unless the Parties duly agree in writing, via formal amendment to this Agreement, to extend the duration of this Agreement (each such extension, together with the First Renewal Term, a "*Renewal Term*"). The Initial Term and each Renewal Term, if applicable, shall be collectively referred to as the "*Term*" herein.

The Parties agree, acknowledge, and understand that the First Renewal Term constitutes a Renewal Term for all purposes under the Original Agreement, and that all rights, duties, and obligations of the Parties under the Original Agreement that are stated to apply "during the Term" shall apply during the First Renewal Term.

Section 3. Purpose of Extension; No Prejudice to Negotiations.

The sole purpose of the extension effected by this First Amendment is to afford the Parties additional time in which to negotiate the terms of a successor or long-form renewal agreement for fire protection services while Fire Protection Services continue without interruption. Neither the execution of this First Amendment nor the continued performance of either Party during the First Renewal Term shall be construed as: (i) an agreement by either Party to any term, condition, service level, funding amount, or allocation proposed or discussed in those negotiations; (ii) a course of dealing, waiver, admission, or precedent binding upon either Party in those negotiations or in any subsequent term; or (iii) an obligation of either Party to enter into any successor or renewal agreement. Each Party expressly reserves all rights, positions, claims, and defenses.

Section 4. Consideration for the First Renewal Term; Amendment to Section 5(a).

(a) **Reimbursement in Lieu of Service Fee**. Notwithstanding anything to the contrary in Section 4 or Section 5(a) of the Original Agreement, and in lieu of any Service Fee that would otherwise accrue or become due for the Fiscal Year commencing October 1, 2026, the County shall reimburse the City, out of current revenues, for Reimbursable Expenses (hereinafter defined) actually incurred by the City during the First Renewal Term, in an amount not to exceed THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS ($37,500.00) per calendar month (the "Monthly Reimbursement Cap"). No Service Fee shall be payable by the County with respect to any period falling within the First Renewal Term, and the County shall have no payment obligation hereunder except as expressly provided in this Section 4.

(b) **Reimbursable Expenses**. As used herein, "Reimbursable Expenses" means the actual, documented expenses incurred by the City in and attributable to the provision of the Fire Protection Services during the First Renewal Term, including without limitation personnel and payroll expenses, fuel, repairs, maintenance, supplies, and equipment expenses relating to the City fire equipment used in performance hereunder. Reimbursable Expenses do not include: (i) any expense incurred outside the First Renewal Term; (ii) any capital expenditure, or acquisition of apparatus, vehicles, or equipment, in each case in excess of Five Thousand and No/100 Dollars ($5,000.00), unless approved in advance in writing by the County; (iii) any expense reimbursed, paid, or payable to the City from any other source, including insurance proceeds, grants, or payments from any County Volunteer Fire Department; (iv) attorneys' fees or costs relating to the negotiation of this First Amendment or any successor agreement; or (v) fines, penalties, or amounts paid in settlement or satisfaction of any Claim.

(c) **Expense Transaction Ledger; Submission and Payment**. As a condition precedent to payment, the City shall submit to the County, on or before the tenth (10th) day of the calendar month following the month in which the expenses were incurred, a detailed expense transaction ledger itemizing each Reimbursable Expense for which reimbursement

is sought, stating for each the date incurred, the payee, the amount, and a description sufficient to identify the nature and purpose of the expense (the "Expense Ledger"). The County shall pay the undisputed portion of each Expense Ledger, up to the Monthly Reimbursement Cap, within thirty (30) calendar days following receipt thereof, in accordance with Chapter 2251 of the Texas Government Code, as amended. The County may withhold payment of any line item it disputes in good faith, provided that the County notifies the City in writing of the disputed item and the basis for the dispute within fifteen (15) calendar days of receipt of the Expense Ledger, and the Parties shall endeavor to resolve the dispute in accordance with Section 10(b) of the Original Agreement.

(d) **Supporting Documentation; Records; Audit**. Upon the County's written request, the City shall furnish invoices, receipts, payroll records, or other documentation reasonably supporting any item set forth in an Expense Ledger. The City shall maintain records of all Reimbursable Expenses in accordance with generally accepted accounting principles and applicable records-retention requirements for not less than four (4) years following the expiration or termination of this Agreement, and the County, at its sole expense, shall have the right upon reasonable prior written notice to audit and inspect such records during normal business hours. This Section 4(d) shall survive the expiration or termination of this Agreement.

(e) **Cap; No Carryover; Proration**. The Monthly Reimbursement Cap applies separately to each calendar month, and any unused portion of the Monthly Reimbursement Cap for a given month shall not carry forward to, or increase the Monthly Reimbursement Cap for, any subsequent month. In no event shall the County's aggregate obligation under this Section 4 exceed SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS ($75,000.00) for the First Renewal Term. For any partial calendar month, including a month in which this Agreement is terminated prior to its expiration, the Monthly Reimbursement Cap shall be prorated on the basis of a thirty (30) day month. The City's right to submit, and the County's obligation to pay, a final Expense Ledger for the last month of the First Renewal Term shall survive the expiration or termination of this Agreement, provided such Expense Ledger is submitted within thirty (30) calendar days following such expiration or termination.

(f) **Current Revenues; Appropriation**. All payments required under this First Amendment shall be made solely from current revenues lawfully available to the County. The County's reimbursement obligation is conditioned upon the appropriation of sufficient revenue by the Commissioners' Court of Franklin County, Texas. Nothing herein shall be construed as creating a debt of the County within the meaning of the Texas Constitution or as pledging the ad valorem taxing power of the County.

(g) **No Modification of Section 5(a) Beyond the First Renewal Term**. Except as expressly set forth in this Section 4, Section 5(a) of the Original Agreement remains in full force and effect. In the event the Parties execute a further extension pursuant to Section 5 below, the consideration for such further extension shall be as set forth in the written amendment effecting the same, and in the absence of a stated amount or method shall continue on the reimbursement basis, and subject to the Monthly Reimbursement Cap, set forth in this Section 4.

Section 5. Option to Further Extend.

(a) **Further Extensions**. The Parties may, but shall not be obligated to, further extend the duration of this Agreement for one (1) or more additional periods, on a month-to-month basis or for such other defined period as the Parties may agree, by written amendment dated subsequent to the date hereof, executed by both Parties, and duly approved by the Commissioners' Court of Franklin County, Texas and the City Council of the City of Mount Vernon, Texas in accordance with Section 10(g) of the Original Agreement.

(b) **Outside Date**. Notwithstanding Section 5(a) above, in no event shall the Term be extended by amendment executed pursuant to this Section 5 beyond September 30, 2027, it being the intent of the Parties that any continuation of fire protection services beyond such date be effected by a successor agreement negotiated and approved by the governing bodies of both Parties.

(c) **No Automatic Renewal**. Nothing in this Section 5 shall be construed to create an automatic renewal, a right of first refusal, an option exercisable by one Party unilaterally, or any obligation of either Party to agree to any further extension. Absent a duly executed written amendment, this Agreement shall automatically terminate at the expiration of the First Renewal Term as provided in Section 6(b), as amended hereby.

Section 6. Termination During the First Renewal Term; Amendment to Section 7.

Solely with respect to the First Renewal Term and any further extension executed pursuant to Section 5 above, the sixty (60) calendar day notice period set forth in clause (iii) of Section 7 of the Original Agreement is hereby reduced to thirty (30) calendar days, such that either Party may terminate this Agreement, at any time, for cause or for convenience, upon at least thirty (30) calendar days prior written notice to the other Party in accordance with Section 10(n) of the Original Agreement. In all other respects, Section 7 of the Original Agreement remains in full force and effect.

Section 7. No Other Modifications; Ratification.

Except as expressly amended and modified by this First Amendment, all terms, conditions, covenants, rights, duties, and obligations of the Original Agreement remain unchanged and in full force and effect, including without limitation the provisions of Section 3 (Fire Protection Services), Section 4 (Personnel; Equipment) (as modified solely to the extent provided in Section 4 of this First Amendment), Section 8 (Insurance), Section 9 (Liability), and Section 10 (Miscellaneous) thereof, together with Exhibit A and Exhibit B attached thereto, and the Parties hereby ratify, confirm, and adopt the same. In the event of any conflict between the terms of this First Amendment and the terms of the Original Agreement, the terms of this First Amendment shall control.

Section 8. Miscellaneous.

(a) **First Amendment Effective Date**. This First Amendment shall not take effect until the date on which the latter of all the following have occurred: (i) the County has approved and duly executed this First Amendment after obtaining approval from the Commissioners' Court of Franklin County, Texas; and (ii) the City has formally approved and duly executed

this First Amendment after obtaining approval from the City Council of the City of Mount Vernon, Texas (the "First Amendment Effective Date"). The Parties intend that the First Amendment Effective Date occur on or before September 30, 2026.

(b) **Governing Law; Venue**. This First Amendment shall be governed by and construed in accordance with the laws of the State of Texas, without regard to choice of law rules of any jurisdiction, and venue for any suit, action, or legal proceeding between the Parties in any way relating to this First Amendment shall lie exclusively in Franklin County, Texas.

(c) **Counterparts**. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. Signatures delivered by electronic transmission shall be deemed originals for all purposes.

(d) **Drafting Provisions; Interpretation**. This First Amendment shall be deemed to have been drafted equally by each Party hereto. The language of all parts of this First Amendment shall be construed as a whole according to its fair and common meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings are inserted for convenience only and are not intended to be used in construing this First Amendment.

(e) **Immunity Not Waived**. Nothing in this First Amendment shall be construed as a waiver by either Party of any rights, privileges, defenses, remedies, or immunities, governmental or otherwise, available to governmental entities within the State of Texas.

(f) **Third-Party Rights**. The provisions and conditions of this First Amendment are solely for the benefit of the City and the County, and any lawful assigns or successors, and are not intended to create any rights, contractual or otherwise, to any other person or entity.

(g) **Acknowledgement; Binding Authority**. The Parties represent and warrant that they fully and completely understand the scope and purpose of this First Amendment and the terms contained herein, and voluntarily enter into this First Amendment as evidenced by signing and executing it below. The person signing this First Amendment on behalf of each Party has been properly authorized by that Party's respective governing body to sign this First Amendment for that Party.

HAVING READ AND UNDERSTANDING ALL THE PROVISIONS OF THIS FIRST AMENDMENT, THE CITY AND COUNTY AGREE TO BE BOUND BY ITS TERMS. THIS FIRST AMENDMENT IS EFFECTIVE AS OF THE FIRST AMENDMENT EFFECTIVE DATE AS DEFINED HEREIN.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.

EXECUTION PAGES TO IMMEDIATELY FOLLOW.]

CITY

CITY OF MOUNT VERNON, TEXAS
a Type A general-law municipality

By: _____

Name: _____

Title: Mayor, City of Mount Vernon, Texas

Date: _____

ATTEST:

By: _____

Name: _____

Title: City Secretary

COUNTY

COUNTY OF FRANKLIN, TEXAS
a political subdivision of the State of Texas

COMMISSIONERS COURT OF FRANKLIN COUNTY, TEXAS

By: Scott Lee

Name: Scott Lee

Title: Franklin County Judge

Date: 9/28/26

ATTEST:

By: Brook Noble

Name: Brook Noble

Title: Franklin County Clerk