

***INTERLOCAL AGREEMENT FOR THE USE OF
THE COLLIN COUNTY ANIMAL SHELTER***

This Interlocal Agreement for the Use of the Collin County Animal Shelter ("Agreement") is entered into by and between Collin County ("County") and the City of Anna, the City of Celina, the Town of Fairview, the City of Farmersville, the City of Frisco, the City of Lowry Crossing, the City of McKinney, the City of Melissa, the City of Princeton, and the Town of Prosper (each, a "City" and collectively, the "Primary Cities"), and City of Weston, Blue Meadow Municipal Utility District No. 1, East Collin Municipal Utility District No. 1, North Collin County Municipal Utility District No. 1, Van Alstyne Municipal Utility District No. 3, Magnolia Pointe Municipal Utility District No. 1, and Van Alstyne Municipal Utility District No. 2 (each, an "entity", and collectively, "Secondary Parties"), (the "County", the "Cities", and Secondary Entities hereinafter collectively referred to as the "Parties" or individually referred to as a "Party") through their duly authorized officers or employees, and this Agreement shall be effective on October 1, 2025, for the Parties that have executed the agreement ("Effective Date"). This Agreement supersedes and replaces all prior agreements between the parties regarding the construction and use of the Collin County Animal Shelter.

RECITALS

WHEREAS, the Parties have identified a need for animal shelter services in the County; and

WHEREAS, the Parties desire to cooperate in using an animal shelter in accordance with Texas law and in a manner intended to realize greater efficiencies in the expenditure of limited public funds; and

WHEREAS, the Parties have agreed to purchase animal shelter services from Collin County; and

WHEREAS, the Parties believe at this time it is necessary, appropriate, and in their mutual best interests to express in this Agreement their respective duties, responsibilities, and covenants by and between each Party with respect to the animal shelter; and

WHEREAS, this Agreement is an interlocal agreement authorized and governed by Chapter 791 of the Texas Government Code, the Interlocal Cooperation Act; and

WHEREAS, each Party represents and warrants that in the performance of its respective obligations as set forth in this Agreement, it is carrying out a duly authorized governmental function that it is authorized to perform individually under the applicable statutes of the State of Texas and/or (as applicable) its charter; and

WHEREAS, each Party has agreed that any compensation to be paid to any other Party as set forth in this Agreement is an amount that fairly compensates the performing Party for the services or functions described herein, and such compensation shall be paid from current revenues available to the paying Party.

NOW, THEREFORE, in consideration of the above recitals, the mutual promises that follow and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

TERMS:

1. **Definitions.** For purposes of this Agreement and all other agreements, contracts and documents executed, adopted or approved pursuant to this Agreement, the following terms shall have the meaning prescribed to them within this section unless the context of their use dictates otherwise:
 - (a) ***Agreement*** - this Agreement together with all attachments and schedules appended hereto.
 - (b) ***Cities*** - the City of Anna, the City of Celina, the Town of Fairview, the City of Farmersville, the City of Frisco, the City of Lavon, the City of Lowry Crossing, the City of Lucas, the City of McKinney, the City of Melissa, the City of Nevada, the City of Princeton, and the Town of Prosper.
 - (c) ***County*** - Collin County, Texas.
 - (d) ***Parties*** - The Cities, the County, and the Secondary Parties, collectively.
 - (e) ***Quarterly Payment*** - Payments made to the County by each City on a quarterly basis, comprised of the City's: (1) Base Operations Fee; (2) Maintenance and Capital Contribution; (3) Non-Resident Surcharge Fee, if applicable; and (4) Capacity Surcharge Fee, if any.
 - (f) ***Secondary Parties*** - the City of Weston, the Blue Meadow Municipal Utility District No. 1, the North Collin County Municipal Utility District No. 1, the East Collin Municipal Utility District, the Van Alstyne Municipal Utility District No. 3, the Magnolia Pointe Municipal Utility District No. 1, and the Van Alstyne Municipal Utility District No. 2.
 - (g) ***Secondary Party Payment*** - Payments made to the County by each Secondary Party on a quarterly basis, as further described herein.
 - (h) ***Shelter*** - the Collin County Animal Shelter facility, including all buildings and structures located at 4750 Community Avenue, McKinney, Texas, utilized for Shelter Services on behalf of the Parties.
 - (i) ***Shelter Services*** - the scope of services to be provided at the Shelter, as further described and shown on the attached "Exhibit A".

2. **Incorporation of Recitals.** The recitals that appear above are found by the Parties to be true and correct in all respects and are incorporated into this Agreement by reference.

3. **Initial Term/Renewal Term.**

3.01 **Initial Term.** This Agreement shall commence on the Effective Date and shall continue for an initial term of five (5) years, unless terminated earlier as provided in this Agreement or by law.

3.02 **Renewal Term.** Unless terminated in accordance with this Agreement, by law, or modified by agreement of the Parties, this Agreement may be renewed for a term following the Initial Term. The duration of the renewal term shall be for a period of one (1) year, upon the same terms and conditions as this Agreement or as modified by subsequent agreements between the Parties. Parties must notify all other Parties in writing one (1) year prior to the expiration of the Initial Term whether they seek a renewal term.

4. **Animal Shelter Facility.** The County will allow the Shelter to be used for purposes related to this Agreement. The County will retain its title and ownership in the Shelter during the term of this Agreement and following termination. No other party, person and/or entity shall have any legal rights, title or interest in the Shelter.

5. **Operation of Facilities.**

5.01 **County Authority.** County has exclusive authority over the operation of the Shelter. The County, through its Commissioners Court, shall be empowered to make all decisions regarding ongoing operational issues including scheduling, replacement of furniture and equipment, problems associated with breakage of personal property and fixtures, and related issues.

5.02 **Shelter Operation by City.** If during the term of this Agreement any Party, other than the County, desires to operate the Shelter, including providing employees for the operation thereof, it shall express such request in writing to County along with a proposed plan for the operation of the Shelter. Upon receipt of the Party's written request, the County shall enter into negotiations with that Party for purposes of transferring operational control of the Shelter to that Party on terms and conditions that are mutually agreeable between County and said City; however, nothing herein shall require the County to transfer operational control of the Shelter on terms and conditions the County finds to be detrimental to its and/or the Shelter's long term interest and/or viability.

5.03 Use of Shelter by Non-Parties. While the Parties to this Agreement may use the Shelter, it is agreed that the County may accept delivery of animals to the Shelter from non-parties to this Agreement, so long as the occupancy rate of the Shelter on the date of said delivery does not exceed 100% of the maximum capacity allowed. In such event, the non-parties shall be charged a flat fee, as determined by the County, for use of the Shelter.

5.04 Housing Limitations. There will not be a limit to the number of animals delivered by any Party. If the Shelter reaches capacity, as determined by County, the County may stop accepting animals or apply a surcharge, as determined by the County, to the City to accept the animal.

5.05 Shelter Workers. The persons employed to work at the Shelter shall be County employees, subject to the exclusive direction and control of the County. The County shall be responsible for all wages, benefits, and taxes associated with all of the Shelter workers.

5.06 Shelter Services. The scope of services to be provided at the Shelter is defined in "Exhibit A". Should County, through a Commissioners Court Order, amend Shelter Services as outlined in "Exhibit A", County shall give notice to Parties of said proposed amendment within thirty (30) days of amendment. Any proposed amendment shall not be legally binding until County receives the written consent of said amendment by a majority of the Cities.

5.07 Payments by Cities for Use of the Shelter. Each City agrees to pay up front and in advance on a quarterly basis its Quarterly Payment. Each City warrants that, as of the Effective Date of this Agreement, it has appropriated and has committed funds in the amount of its Quarterly Payment requirements to the extent such payments will become due during the City's current fiscal year. Each City hereby covenants and agrees to pay promptly when due all Quarterly Payments, all adjustments to such payments, and any other charges payable to the County under the provisions of this Agreement. Each City further covenants and agrees that all such Quarterly Payments due and owing or other charges due and unpaid as of the date of termination of this Agreement shall be deemed due and payable on such termination date. Each City agrees that any Quarterly Payment due to the County which is not paid on or before the due date shall bear interest at the rate of interest prescribed by the Texas Prompt Payment Act (Tex. Gov't Code Ann. § 2251.025) from the date due until paid.

5.07.01 Base Operations Fee. The Base Operations Fee shall be set at \$1,823,976.00 beginning October 1, 2025, and increase by three and one half (3.5) percent each year for the duration of this agreement. Each City's proportion of the Base Operations Fee shall be calculated on a pro-rata basis based on the U.S. Census

Bureau's Decennial Census or the population estimates from the North Central Texas Council of Governments ("NCTCOG"). For any City who is not included in the NCTCOG population estimates, the Base Operations Fee payments due from that City will be based on a flat fee amount at rates set by the County. The County reserves the right to increase the Base Operation Fee to cover additional expenses related to a material change to the operation of the Shelter, including maintenance and operations costs related to an expansion of the animal shelter facility.

5.07.02 Maintenance and Capital Contribution. The Maintenance and Capital Contribution shall be set at \$140,000.00 beginning on October 1, 2025, and increase according to the schedule below:

- FY 26, October 1, 2025: \$140,000.00
- FY 27, October 1, 2026: \$190,000.00
- FY 28, October 1, 2027: \$240,000.00
- FY 29, October 1, 2028: \$290,000.00
- FY 30, October 1, 2029: \$340,000.00

Each City's proportion of the Maintenance and Capital Contribution shall be calculated on a pro-rata basis based on the U.S. Census Bureau's Decennial Census or the population estimates from NCTCOG. For any City who is not included in the NCTCOG population estimates, the Maintenance and Capital Contribution payments due from that City will be based on a flat fee amount at rates set by the County.

5.07.03 Non-Resident Surcharge Fee. Cities with residents that do not live in Collin County shall pay a Non-Resident Surcharge Fee. The Non-Resident Surcharge Fee shall be calculated on a pro-rata basis based on the U.S. Census Bureau's Decennial Census or the population estimates from NCTCOG. The County shall calculate the Non-Resident Surcharge Fee by dividing the debt service payment for any debt sold from the November 2023 Collin County bond election for the Collin County Animal Shelter by the population of Collin County as determined by the latest Census or NCTCOG population estimate. The quotient shall be multiplied by the number of municipal residents living outside of Collin County. Beginning on October 1, 2025, with the Non-Resident Surcharge Fee shall be calculated and apportioned to the Quarterly Payment for each such City with residents that do not live in Collin County. For avoidance of doubt, Cities whose resident populations are located solely within Collin County shall not be subject to a Non-Resident Surcharge Fee at any time.

5.07.04 Capacity Surcharge Fee. The County shall send notice to all Cities within twenty-four (24) hours upon the Shelter reaching one hundred percent (100%) capacity. Upon provision of said notice, the County may assess a Capacity Surcharge Fee to a City upon delivery of an animal to the Shelter for so long as the Shelter remains at one hundred percent (100%) capacity, as determined by the County. The Capacity Surcharge Fee shall be determined by the Commissioners Court and shall not exceed \$500 per animal. Capacity Surcharge Fees shall be calculated and paid as part of the next quarterly payment after the Capacity Surcharge Fee invoice is received.

5.07.05 Notice. Notice of the estimated Annual Payment Amount and Quarterly Payments shall be sent to each City by July 1 of each year.

5.07.06 Scheduled Payments. Each City's Quarterly Payment is due as and shall be paid to the County in advance without demand or offset at such an address as the County shall, from time to time, designate in writing.

5.08 Non-appropriation: Notwithstanding any other provision(s) to the contrary in this Agreement, the Parties specifically recognizes that the continuation of this Agreement after the close of any given fiscal year of the Cities, which fiscal year ends on September 30th of each year, shall be subject to approval by the governing bodies of each participating City: The Parties expressly agree that this Agreement shall automatically terminate, without any penalty or liability to any participating City, in the event the governing body of such City fails to approve or appropriate funds for any continuation period of this Agreement.

5.08.01 Notice of Non-appropriation. If for any fiscal year a City fails to appropriate or commit funds to satisfy its Quarterly Payments and/or any other financial obligations under this Agreement, such City shall promptly give written notice to all other Parties of the non-appropriation of funds. A City shall make a reasonable effort to ensure that funds are appropriated to fully perform its obligations under this Agreement. A City shall endeavor to provide all other Parties with at least one (1) year notice of such City's intent to not appropriate the funds necessary to satisfy its obligations under this Agreement.

5.08.02 Loss of Rights. Any Party who fails to fully appropriate the funds necessary to cover such Party's obligations under this Agreement shall, upon the effective date of such non-appropriation,

immediately lose all rights to house any animals in the Shelter or have any use thereof.

5.09 Payment by Secondary Parties for Use of the Shelter. Each Secondary Party shall pay to the County on a quarterly basis, \$562.50 for each Municipal Utility District (\$2,250.00 annually) and \$687.50 for each city not included on NCTCOG's annual population estimates (\$2,750.00 annually).

6. Termination. Notwithstanding any other provision, this Agreement may be terminated as provided in this section.

6.01 Mutual Agreement. This Agreement may be terminated by mutual agreement of all of the Parties, as evidenced by a written termination agreement.

6.02 By the County. The County may terminate this agreement without cause if the County gives notice to each of the Party one (1) year before the date of termination. The County may also terminate this agreement if a Party fails or refuses to make its Quarterly Payments as required by this Agreement. A Party that receives notice of termination due to non-payment of Quarterly Payments will have sixty (60) days to become current with its Quarterly Payment obligation and avoid termination. If a Party is subject to termination under this subsection, such Party shall not be entitled to a refund of any payments made prior to termination.

6.03 By a City or Secondary Party. Any City that is a Party to this Agreement may voluntarily end its rights and obligations under the Agreement, if at any time, the City believes that adhering to the Agreement is no longer in its best interest. To invoke its right to terminate the Agreement, a City must give at least one (1) year notice of its intent to terminate its rights and obligations under this Agreement to all other Parties. No prior payments shall be refunded.

6.04 Non-appropriation of funds. The County may cease all operation of the Shelter and thereby terminate this Agreement if any Party fails to appropriate the funds necessary to perform its obligations under this Agreement and such non-appropriation losses cannot be mitigated adequately by efforts of the County, and such non-appropriation results in a lack of committed funding for the continued operation of the Shelter. In such event, the County shall provide all Parties with reasonable notice of its intent to terminate this Agreement in accordance with this provision and shall provide the other Parties with a reasonable opportunity to mitigate any damages caused because of a Party's non-appropriation.

7. **Additional Rights Upon Default.** This Agreement may be enforced in law or in equity, including a suit for specific performance and/or for damages. The Parties agree that specific performance should be an available remedy due to the difficulty in determining the damages that may accrue as a result of a material breach of the Agreement by any other Party. In the alternative, should any Party breach any of the terms of this Agreement, the non-breaching Parties to this Agreement may obtain a judgment against any breaching Party to remedy such breach. Such rights upon breach shall be supplemental to those procedures set forth in Section 8 below. The Parties hereby expressly waive their immunity from suit and for liability and/or damages in connection with any actions brought by another Party to this Agreement solely to enforce a term of this Agreement.

8. **Dispute Resolution Process.** Before commencing formal legal proceedings concerning any dispute arising under or relating to this Agreement, or any breach thereof, the Parties agree to observe the following procedures ("Dispute Resolution Process").

8.01 Notice. The aggrieved Party shall notify the responding Party of the dispute by way of a meeting or a writing which contains sufficient detail to clearly identify the problems giving rise to the dispute, and the responding Party shall attend said meeting or respond to the writing within 30 days.

8.02 First Resolution Meeting. After consulting with and obtaining input from the appropriate individuals so as to facilitate a complete discussion and proposed solution of the problem, the Parties shall schedule a meeting and designate representative(s) to attend such meeting to attempt to effect an agreed resolution of the issue.

8.03 Second Resolution Meeting. If the Parties' designated representatives reach an impasse concerning the dispute, the following representative shall meet to discuss the dispute: (a) if the Party is a City, the City Manager and/or the Mayor; (b) if the Party is the County, a County Commissioner and/or County Judge.

8.04 Successful Resolution. If the Parties reach an accord at any stage of the meeting, they shall reduce their agreement to writing. Such writing shall be presented for approval by the respective governing bodies of all Parties to this Agreement. If approval of the writing is obtained by a majority of the Parties, such writing shall constitute an amendment to this Agreement with respect to the subject matter of the notice of the dispute. The terms and conditions of such an amendment shall not supersede the terms and conditions of this Agreement with respect to any matter other than the subject matter submitted to the Dispute Resolution Process.

8.05 Unsuccessful Resolution. If the Parties are unable to reach a resolution of the dispute within 90 days, either Party may pursue such legal and equitable

remedies as are available to it under Texas law in a court of competent jurisdiction in Collin County, Texas.

8.05.1 Expenses for Enforcement. In the event either party hereto is required to employ an attorney to enforce the provisions of this agreement or required to commence legal proceedings to enforce the provisions hereof, the prevailing party shall be entitled to recover from the other, reasonable attorney's fees and court costs incurred in connection with such enforcement including collection.

9. Miscellaneous.

- 9.01 Interpretation of Agreement.** Although drawn by one Party, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any other Party.
- 9.02 Administration of Agreement.** The County shall administer this Agreement on behalf of the County. The City Council of each City shall administer this Agreement on behalf of each City. Each Party may designate a new administrator on written notice to the other.
- 9.03 Governing Law.** This Agreement shall be governed by the laws of Texas without regard to the principles of conflict of laws.
- 9.04 Venue.** Any litigation relating to this Agreement shall be brought in State court in Collin County, Texas.
- 9.05 Non-Assignability.** A Party shall not assign, sublet or transfer its interest in this Agreement without the written consent of the other Parties.
- 9.06 Notices.** Any notice or request required to be given pursuant to the terms of this Agreement shall be in writing and mailed or delivered to the respective Parties at the address set forth for each Party below, or any other address which the respective Parties hereafter may designate in writing to the other party for such purposes. and such notice or request shall be deemed to have been duly given if (1) delivered personally to such Party, or to an officer or duly authorized agent of such Party; or (2) served by enclosing the request or notice in a registered or certified mail, with return receipt requested, postpaid envelope properly addressed to the Party to be notified and depositing the envelope in a post office or official depository under the care and custody of the United States Postal Service; or (3) delivered by telecopy, when appropriate, addressed to the Party to be notified. Notice deposited in the mail in the manner herein above described shall be effective from and after such deposit if it is received by its intended recipient within

ten (10) business days of the mailing. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For purposes of notice, the addresses of the Parties shall, until changed as herein provided, be as follows:

For Collin County, Texas:

Chris Hill
Collin County Judge
2300 Bloomdale Rd
McKinney, Texas 75071

For the Town of Prosper, Texas:

Mario Canizares
Town Manager
PO Box 307
Prosper, TX 75078

The Parties shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice to all other Parties.

- 9.07 Severability.** Should any provision of this Agreement or the application thereof be held invalid or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected thereby and shall continue to be valid and enforceable to the fullest extent, consistent with the intent of the Parties as evidenced by this Agreement.
- 9.08 Non-waiver.** Failure of a Party to exercise any right or remedy in the event of default by any other Party shall not constitute a waiver of such right or remedy for any subsequent breach or default.
- 9.09 Authority of Signatories.** The Parties represent that the individuals signing this Agreement on their behalf possess full power and authority to enter into this Agreement from their respective governing boards in compliance with the laws of the State of Texas.
- 9.10 Further Assurance.** Each Party agrees to perform all other acts and execute and deliver all other documents as may be necessary or appropriate to carry out the intent and purposes of this Agreement.
- 9.11 Retention of Defenses.** The Parties agree that neither this Agreement nor the operation or use of the Shelter by the Parties shall affect, impair or limit their respective immunities and limitations of liability to the claims of third parties, including claims predicated upon Shelter Site defects.

9.12 Modification. If the Parties desire to modify this Agreement during or after the initial term, any modifications may be either incorporated herein .by written amendment or set forth in a new written agreement.

9.13 Entire Agreement. This Agreement constitutes the entire agreement of the Parties. This Agreement may not be altered or amended except by mutual written agreement as provided herein.

9.14 No Third-Party Beneficiaries. This Agreement does not confer any rights or remedies upon any person or entity other than the Parties.

9.15 Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: acts of God; flood, fire or explosion; war, invasion, riot or other civil unrest; actions, embargoes or blockages in effect on or after the date of this Agreement; or national or regional emergency (each of the foregoing, a "Force Majeure Event"). A party whose performance is affected by a Force Majeure Event shall give notice to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to end the failure or delay and minimize the effects of such Force Majeure Event.

DATED to be effective this the ____ day of _____, 2026.

COLLIN COUNTY, TEXAS

By: _____
CHRIS HILL
Collin County Judge

Date Signed: _____

TOWN OF PROSPER, TEXAS,
a Texas municipal corporation

By: _____
MARIO CANIZARES
Town Manager

Date Signed: _____

ATTEST:

MICHELLE LEWIS SIRIANNI
Town Secretary

APPROVED AS TO FORM:

TERRENCE S. WELCH
Town Attorney

Exhibit A

Shelter Scope of Services

- Public Operating days/hours – 11:00 AM to 6:00 PM Tuesday through Friday and 11:00 AM to 5:00 PM, Saturday and Sunday. The Shelter is closed to the public on Monday.
- 24/7 access for Cities for live animal drop-off.
- 24/7 access for Cities for deceased animal drop-off.
- Require appointments for owner surrender of animals or allow for immediate surrender (as space is available) only after payment of immediate surrender fee.
- Hold received animals based on current County Court Order specifying Animal Impoundment Holding Policy.
 - House, feed, and care for (or locate appropriate care and housing for) any type of animal impounded at the shelter, ensuring that their basic needs are met while in shelter.
 - Verify current rabies vaccination for all owner-reclaimed animals.
 - Arrange for vaccination of non-vaccinated animals prior to release from the shelter or request proof of prepayment for rabies shot.
 - Counsel and provide information on the importance of spay and neuter to all affected owners reclaiming animals.
 - Pre-evaluate for adoption potential and sterilize (or provide vouchers for sterilization) all adoption candidates.
 - Humanely euthanize, in accordance with law, animals not selected for adoption and not reclaimed by owner.
 - Dispose of, in accordance with law, all euthanized animals.
- Reduce disease transmission between animals by placing animals suspected of communicable illness in a separate isolation area.
- Place animals involved in biting incidents in rabies quarantine area and observe for signs of rabies for the specified amount of time.
- Build and maintain a database of information about each animal that enters and leaves the shelter.
- Produce reports, as requested, for each entity detailing information about animals sheltered and final dispositions.