

AGREEMENT FOR PROVIDING FIRE PROTECTION SERVICES

STATE OF TEXAS §

COUNTY OF HENDERSON §

This **AGREEMENT FOR PROVIDING FIRE PROTECTION SERVICES** (“Agreement”), effective as October 1, 2024, by and between **HENDERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 8** (“District”), a political subdivision of the State of Texas organized and operating pursuant to the provisions of Section 48-e, Article III of the Texas Constitution and Chapter 775 of the Health and Safety Code, as amended (“H&S Code”), and the **DISTRICT 8 FIRE RESCUE** (“Department”), a Texas non-profit corporation duly organized and operating under the laws of the State of Texas.

WITNESSETH

WHEREAS, District is a duly-organized emergency services district, and a political subdivision of the State of Texas, created to protect life and health, and for such other purposes as determined by the District under Chapter 775 of the H&S Code, with full authority to carry out the objects of its creation; and

WHEREAS, pursuant to Section 775.031 of the H&S Code, District has the authority to enter into such necessary contracts with others, including incorporated cities or towns or other government entities, and volunteer fire organizations, whereby fire protection services and other services may be made available to the District as the District shall determine; and

WHEREAS, the District desires to continue fire protection, suppression and education services (“Emergency Services,” defined below) for the geographic area of the District that is served by the Department (“Service Area,” defined below); and

WHEREAS, District currently does not have any personnel to provide such Emergency Services directly; and

WHEREAS, the District has determined that it is in the best interests of the residents and the property owners of the District to enter into a contract for Emergency Services with an independent department capable of providing Emergency Services at levels acceptable to the District and to acquire and assume responsibility for any and all assets necessary to provide such services; and

WHEREAS, the Department currently owns or has access to real and personal property and equipment (together, “Equipment,” hereinafter defined) and has the requisite personnel (paid and/or volunteer) to provide the Emergency Services and is willing and able to provide to the District such Emergency Services to the Service Area for the consideration hereinafter provided; and

WHEREAS, the Department is the current provider of Emergency Services to the Service

Area pursuant to prior county and/or 911 designations; and

WHEREAS, District has determined that Department is an Emergency Services provider entity located within the Service Area that has the ability to provide the requisite personnel to provide the Emergency Services;

NOW, THEREFORE, for and in consideration of the premises and mutual covenants hereinafter contained, the Parties agree as follows:

ARTICLE I.
DEFINITIONS

Section 1.01 Definitions

In addition to other terms defined herein, the following terms shall have the meanings assigned to them in this Article I whenever they are used in this Agreement.

A. **Act**. Chapter 775 of the Health and Safety Code, as amended, also referred to herein as the “H&S Code”.

B. **Agreement**. This Agreement and all amendments, exhibits, and supplements hereto.

C. **Board**. The Board of Commissioners for the District.

D. **Chain of Command**. Organizational structure that establishes the line of authority, responsibility, titles, and functions within the Department.

E. **Department**. District 8 Fire Rescue, a non-profit corporation duly organized and existing under the laws of the State of Texas.

F. **Department Board of Directors**. A minimum of three individuals serving in three separate and distinct officer positions to ensure appropriate controls at the Department.

G. **District**. Henderson County Emergency Services District No. 8, a political subdivision of the State of Texas created and operating pursuant to the H&S Code.

H. **Emergency Services**. All fire protection and suppression services, rescue, emergency medical and other services to be made available to the District pursuant to this Agreement. Emergency Services include:

1. firefighting practices to protect people and property;
2. fire prevention education and public outreach;
3. identification of hazardous materials;
4. rescue from motor vehicle accidents, technical rescue and other rescue operations; and

5. other services, as may be mutually agreed upon in writing by the District and Department.

I. Equipment. The buildings, facilities, real property, personal property and firefighting equipment and apparatus operated and utilized by the Department in providing Emergency Services.

J. Fiscal Year. District's fiscal year, which runs from October 1 through September 30.

K. Operating Budget. The portion of the Department's final budget approved by the District in accordance with Section 5.01, below, related solely to operating and payroll expenses and approved for funding by the District.

L. Party/Parties. "Parties" refers to the District and Department collectively. "Party" refers to either District or Department.

M. Service Area. The geographic area of the District to be served by the Department, as more particularly described in Exhibit "A", attached hereto and incorporated herein for all purposes, which the Department will serve as the primary responder for Emergency Services.

Section 1.02 Construction of Terms

In this Agreement, words of the singular number shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, and neuter genders shall be considered to include the other genders.

ARTICLE II. REPRESENTATIONS AND WARRANTIES

Section 2.01 District's Representations, Warranties, and Findings. The District represents, warrants, and finds that:

A. The District is a duly constituted political subdivision of the State of Texas created and operating pursuant to the H&S Code, and has the authority to enter into this Agreement and the transactions contemplated hereby, and to carry out its obligations.

B. The services to be provided by the Department under this Agreement include providing Emergency Services to the Service Area. This Agreement also recognizes the ability to provide and receive mutual aid and automatic aid from other emergency service organizations as deemed necessary by the Department.

Section 2.02 Department's Representations and Warranties

A. The Department is a non-profit corporation duly incorporated and validly existing and in a good standing under the laws of the State of Texas and is not in violation of any of the provisions of its Articles of Incorporation, its Bylaws, or any laws of the State of Texas relevant to

the transactions contemplated by this Agreement. Department shall ensure that it remains in good standing under the laws of the State of Texas for as long as this Agreement is in effect.

B. The Department has full corporate power and authority to execute and deliver this Agreement, and has, by proper corporate action, duly authorized the execution and delivery of this Agreement.

C. Neither the execution or delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms or conditions of this Agreement conflicts with or results in a breach of the terms, conditions, or provisions of any corporate restriction or any agreement or instrument to which the Department is now a party or by which it is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever on any property or assets of the Department.

D. The Department is knowledgeable of the boundaries of the Service Area and agrees to provide Emergency Services to all the residents, commercial interests, and others found within the Service Area.

E. The quality of the Emergency Services to be provided to the residents, commercial interests, and others found within the Service Area will be equal to or better than the quality of the Emergency Services received in the Service Area before the effective date of this Agreement or as evaluated by the District.

F. The training of the Department's personnel shall equal or exceed that of the prior year's level, as determined in the sole and reasonable discretion of the District.

ARTICLE III.
SERVICES TO BE PROVIDED

Section 3.01 General

A. During the term of this Agreement, the Department shall provide Emergency Services to the Service Area on a 24-hour per day basis, seven days a week.

B. Response time is calculated as the time between receipt of the call from the dispatcher, or primary service answering point, and arrival of Department's first apparatus on scene. "Apparatus" in this section means a firefighting engine, ladder truck, or brush truck. The Department shall respond to each incident dispatched. Response times shall reflect times and personnel in accordance with applicable rules and regulations adopted by the District, including the National Fire Protection Association ("NFPA") Standards that may be adopted by the District.

C. Until NFPA Standards are adopted by the District, the following response time guidelines apply. The Department shall respond on scene to each call within the following response times, unless there is an Abnormal Circumstance as defined below:

- 1) Within one mile of station in not more than 15 minutes.

- 2) For distances greater than one mile from station, not more than two additional minutes for each one mile.
- 3) “Abnormal Circumstance” includes, but is not limited to:
 - a) Acts of nature;
 - b) Unusual road or other conditions; or
 - c) Calls where incident location is not clearly identifiable.

Section 3.02 Duties and Responsibilities of Department and Chief.

A. Department’s Chief, or the Chief’s designated representative, is the liaison with District’s Board for Emergency Services operations and shall report directly to District’s Board as set forth in the attached Chain of Command. (See Exhibit “B”). Department’s Board of Directors is the liaison with District’s Board for Emergency Services operations on legal and business matters.

B. Department’s Chief, or the Chief’s designated representative, shall attend each of the District’s regular monthly meetings, and be prepared and authorized to answer questions from the District’s Board regarding the Department’s reports, activities, and finances.

C. Department’s Chief, or the Chief’s designated representatives, determines what constitutes an emergency for a response by Department. Department’s personnel shall assume incident command in accordance with the National Incident Management System (“NIMS”) for all Emergency Services within the Service Area.

D. Department’s Chief, or the Chief’s designated representative, shall notify the District’s Board when Department responds to mutual or automatic aid outside of the District. This notification shall be part of Department’s monthly report to District.

E. Department shall disclose to District’s Board a roster of all of Department’s personnel, noting thereon the respective state certifications held by the personnel and the percentage of calls that each member responded to in a calendar quarter.

F. Department shall utilize appropriate background checks and engage only responsible, competent and well-trained personnel (volunteer or paid) and conduct regularly scheduled training sessions to ensure a high level of competency among its personnel. Department shall notify the District’s President in writing within ten days of an occurrence when the level of personnel in Department declines by more than 10% from the level of Department as of the effective date of this Agreement.

G. Department shall, at all times, conduct its activities in accordance with all current statutes, rules and regulations of any and all governmental bodies, and shall further obtain and maintain all permits, consents and certificates that are required by any governmental body for the provision of the Emergency Services by the Department. In the event Department fails to comply

with any such statutes, rules and regulations of any governmental body, Department shall notify District's Board President in writing (with a copy to District's legal counsel) within ten days of the date the Department receives official notice of such non-compliance. Any non-compliance issues, as outlined in this subsection, will be listed on District's agenda for discussion and possible action at Board's next meeting, and Department shall present a plan for correction of noncompliance issues at the next District Board meeting.

H. Department shall maintain all Equipment in a state of good repair at all times and shall comply, so far as practicable, with applicable sections of the NFPA codes and standards. In order to assure readiness of Equipment, Department's Chief, or the Chief's designated representative, shall notify District's Board of any out-of-service Equipment as soon as practicable depending upon the nature of the problem and need for the Equipment, and to the greatest extent and as soon as practicable, Department will repair any out-of-service Equipment.

I. Department shall make recommendations to District's Board for future acquisition of Equipment during District's annual budget process, which begins in May, and as part of the 13-5 Year Plan defined below.

J. Department shall implement and maintain a staff and emergency services personnel evaluation and review policy toward the goal of satisfying the requirements under Paragraph 3.02.E. and 3.02.F. The personnel evaluation and review policy shall include policies addressing discrimination, sexual harassment, and chain of command. The policy shall be delivered to District upon execution of this Agreement if the policy is then in place; otherwise, it shall be delivered not later than 90 days following the date Department signs this Agreement.

Section 3.03 Non-Exclusive Agreement

The Department hereby acknowledges and agrees that its primary responsibilities are to the Service Area. However, to ensure there will be Equipment and personnel available at all times, the Parties acknowledge that the Department may, in its sole and reasonable discretion, summon mutual and automatic aid from others, including incorporated cities, towns or other governmental entities, or volunteer or paid fire and first responder organizations, that are able to provide and/or assist in providing the Emergency Services in the Service Area. Except if otherwise prohibited by Chapter 791, Texas Government Code (Interlocal Cooperation Act); Chapter 418, Texas Government Code (Texas Disaster Act of 1975); Chapter 421, Texas Government Code (Homeland Security); and Chapter 362, Local Government Code, the Department shall obtain prior written approval from the Board for all such aid agreements, approval of which shall not be unreasonably withheld, provided that:

- A. Such services are consistent with federal, state, and local laws, regulations, and policies;
- B. The Department's methods of providing such services do not detract from its ability to meet its contractual obligations to the District;

- C. No equipment, personnel, or resources will be utilized to provide Emergency Services outside the Service Area except as authorized through this Agreement and as specifically approved by the District; and
- D. The Department takes express measures, to the satisfaction of the District in the District's sole discretion, to ensure that the District is not exposed to any risks or liabilities, whether legal, insurance (including workers' compensation) or otherwise, in connection with the Department's performance of such work outside the Service Area.

Section 3.04 Independent Contractor

A. Notwithstanding anything in this Agreement that may be construed to the contrary, Department and all its personnel (paid and volunteers), including all members of Department, contract emergency service providers, and volunteers and agents, are at all times independent contractors and not employees of District. Department and its personnel will at all times have the right to supervise, manage, control, and direct the details and performance of the work in providing Emergency Services under this Agreement and exercise their independent, professional and discretionary judgment. If any compensation is paid to any person, Department will be liable for the payment of all taxes (including income, social security, withholding and unemployment taxes (state and federal), and shall provide worker's compensation insurance for all of Department's personnel.

B. Nothing in this Agreement shall be construed to make either Party the partner or joint venture of or with the other Party.

Section 3.05 Emergency Services Billing

A. Under Sections 775.040 and 775.041 of the H&S Code, the District has the authority to bill for and enforce collections from individuals or entities, including private insurance carriers, in payment for Emergency Services, collectively referred to as "Emergency Services billing revenue."

B. Any funds received by Department from private insurance carriers in payment for Emergency Services provided under this Agreement shall be paid by the Department to the District not later than 45 days following the Department's receipt of such revenue. At the District's discretion, the funds received may be used for future Department needs.

Section 3.06 Planning

The Department shall develop a one-, three-, and five-year plan for improvement of Emergency Services and delineating anticipated future Equipment and personnel needs within the Service Area ("1-3-5-Year Plan"). The 1-3-5-year plan shall be reviewed and updated annually and presented to the Board for approval no later than June 1 of each fiscal year. The Department must include District's designated representatives in all meetings related to preparation, review, and revision of the 1-3-5-year plan.

ARTICLE IV.

INSURANCE AND INDEMNIFICATION

Section 4.01 Insurance

A. The Department shall insure or cause to be insured all of the Department's Equipment reasonably required to provide the Emergency Services under this Agreement against loss or damage of such kind usually insured against by similarly situated entities.

B. At all times during the term of this Agreement and following the expiration of any policy currently held by the Department, the Department shall maintain the following policies of insurance in the following respective limits:

- 1) Workers Compensation for all personnel;
- 2) Commercial General Liability Insurance providing a limit of not less than \$1,000,000 per occurrence and a \$3,000,000 annual aggregate;
- 3) Commercial Auto Liability Insurance providing a limit of not less than \$1,000,000 per occurrence; and
- 4) Management Liability (Errors and Omissions) providing not less than a \$1,000,000 per occurrence and \$3,000,000 annual aggregate.
- 5) Damage insurance for any property purchased with District funds for full replacement cost;
- 6) The treasurer for Department and all other persons having access to funds shall be bonded for \$500,000.00.

C. The Department shall ensure that District is provided with accurate and updated certificates of insurance within 30 days of date Department signs this Agreement, and within 30 days of any renewal, cancellation, revision, or replacement of an insurance policy.

D. The District shall maintain any renewals, cancellations, revisions, and replacements of the insurance policies listed in Section 4.01 B, above.

Section 4.02 Indemnification and Assignment of Liability

TO THE EXTENT PERMITTED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, DEPARTMENT SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS DISTRICT AND ITS OFFICERS, MEMBERS, EMPLOYEES, AGENTS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "INDEMNIFIED PARTIES"), FROM AND AGAINST ALL COSTS, EXPENSES (INCLUDING , BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, EXPENSES OF INVESTIGATION AND LITIGATION, COURT COSTS, AND AMOUNTS PAID IN SETTLEMENT AND AMOUNTS PAID IN DISCHARGE OF JUDGMENTS), LIABILITIES,

DAMAGES, CLAIMS, SUITS, JUDGMENTS, ACTIONS, AND CAUSES OF ACTIONS WHATSOEVER (COLLECTIVELY, "CLAIMS") DIRECTLY OR INDIRECTLY RESULTING FROM OR ARISING FROM THE PERFORMANCE OR THE PROVISION OF DEPARTMENT SERVICES UNDER THIS AGREEMENT, TO THE EXTENT ARISING OUT OF ANY NEGLIGENT ACT OR OMISSION OR WILLFUL MISCONDUCT OF DEPARTMENT, OR ITS AGENTS, EMPLOYEES OR CONTRACTORS. DISTRICT IS NOT RESPONSIBLE FOR THE ACTS OR OMISSIONS OF DEPARTMENT EMPLOYEES OR PERSONNEL. IT IS EXPRESSLY UNDERSTOOD THAT DISTRICT DOES NOT WAIVE AND WILL NOT BE DEEMED TO WAIVE, ANY IMMUNITY OR DEFENSE THAT WOULD OTHERWISE BE AVAILABLE AT LAW OR IN EQUITY. THE PROVISIONS OF THIS SECTION SURVIVES THE EXPIRATION OR EARLY TERMINATION OF THIS AGREEMENT. NEITHER PARTY WILL BE RESPONSIBLE FOR CLAIMS ARISING OUT OF THE SOLE NEGLIGENCE OF THE OTHER PARTY.

SPECIFICALLY CITING TEXAS GOVERNMENT CODE SECTION 791.006 (A-1), THE PARTIES AGREE THAT, FOR PURPOSES OF DETERMINING CIVIL LIABILITY FOR NON-PARTY CLAIMS, THE ACT OF ANY PERSON OR PERSONS WHILE FIGHTING FIRES, PROVIDING RESCUE SERVICES, PROVIDING EMERGENCY SERVICES, TRAVELING TO OR FROM ANY TYPE OF EMERGENCY CALL OR EMERGENCY SCENE, OR IN ANY MANNER FURNISHING SERVICES IN ACCORDANCE WITH THIS AGREEMENT, IS THE ACT OF THE PARTY PERFORMING SUCH ACT. THE PAYMENT OF ANY AND ALL CIVIL OR OTHER LIABILITY, INCLUDING NEGLIGENCE, RESULTING FROM THE FURNISHING OF SERVICES UNDER THIS AGREEMENT IS THE RESPONSIBILITY OF THE INDIVIDUAL PARTY PERFORMING SUCH ACTS. THIS SPECIFICALLY INCLUDES, BUT IS NOT LIMITED TO, THE PAYMENT OF COURT COSTS, EXPENSES, AND ATTORNEYS' FEES RESULTING FROM ANY SUCH CLAIM OR LAWSUIT. THE PARTIES AGREE THAT THE ASSIGNMENT OF LIABILITY DESCRIBED IN THIS SECTION IS INTENDED TO BE DIFFERENT THAN LIABILITY OTHERWISE ASSIGNED UNDER SECTION 791.006(A) OF THE TEXAS GOVERNMENT CODE.

ARTICLE V.

BUDGET; PAYMENTS BY DISTRICT; COMPETITIVE BIDDING; AND TITLE TO AND OWNERSHIP OF ASSETS

Section 5.01 Preparation of Budget

A. Each year during the term of this Agreement, the Department shall submit to the Board a proposed annual budget to be reviewed by the Board. The proposed annual budget is due on May 1 of each year that this Agreement is in place.

B. The proposed annual budget must include all operation, maintenance and capital expenses proposed by the Department.

C. Upon submission to the Board by the Department, the Board has the right to approve, modify or reject in whole or in part the Department's proposed budget. Any portion of

the Department's budget that is rejected or requested to be modified by the Board shall be modified and resubmitted by the Department for consideration by the Board before approval.

D. The portions of the Department's proposed annual budget that are approved by the Board will become the Department's Operating Budget for the fiscal year addressed by the budget.

Section 5.02 Payments to Department

A. The Department shall prepare a financial report each month setting forth the Department's revenues from all sources, including District funding, and all the Department's expenditures. The District shall make payments to the Department, on a quarterly basis, from current revenues on hand in accordance with the approved Operating Budget for the Department for the current fiscal year.

B. The Department shall maintain a separate account for the funds received from the District and for the funds received from other funding sources (such as Department donated or fundraising event funds) so that District can account for how, when, and where all the funds received from the District are expended. Department may not combine District-provided funds with other Department funds.

C. As unexpected or emergency expenditures arise, the Department may submit a proposal itemizing those additional expenses to the Board for the District's review and action. All requests by the Department for additional funds shall be in writing, stating the unexpected or emergency event. The Board may, but is not obligated to, approve or fund unexpected or emergency expenditures.

D. Notwithstanding any other provisions in this Agreement, the District is not obligated to make any payment to Department, except for those payments approved and budgeted by the District for the support of the Department's operations. The Parties agree that District will not be required to provide any additional funding to Department for any reason during the term of this Agreement.

E. The Department's Operating Budget shall be automatically modified and amended if the funds actually received by the District are less than expected or budgeted by the District, or if the District is unable to provide all the funds in accordance with this Agreement. Any adjustment of Department's Operating Budget and related adjustment of services provided made pursuant to this paragraph shall not in and of itself be the basis for a breach of Agreement claim against the District or the Department.

F. The Department must obtain Board approval for any expenditure in excess of \$1,000.00, notwithstanding that the expenditure may have been included in the Operating Budget.

Section 5.03 Competitive Bidding

A. For any expenditure exceeding \$50,000.00 (any portion of which involves funds appropriated by the District) for any one item or service, or for more than one of the same or a similar type of items or services in a calendar year, and upon authorization by the District, the

Department shall request competitive bids on behalf of the District on such items to be purchased or leased or services to be performed. The Department shall comply with all State laws applicable to competitive bidding by an emergency services district, particularly Section 775.084 of the H&S Code.

B. The Department may not prepare restrictive bid specifications.

C. The Department may use cooperative buying agreements approved by the Board for the acquisition of Equipment.

D. The District shall have the sole authority to award or reject any bids, and the District may reject any or all bids.

Section 5.04 Acquisition, Title to and Ownership of Assets

A. The District and the Department agree that title to and ownership of any assets owned by the Department as of the effective date of this Agreement shall remain that of the Department.

B. The Parties agree that all Equipment purchased by the District and/or with District funds, in whole or in part, for use in the provision of the Emergency Services to the Service Area, shall be acquired in the name of the District. The District agrees to make such Equipment fully available to, and to place such Equipment in the possession of, the Department, to be used by the Department in accordance with this Agreement and the protocols adopted by the Department from time to time. Records, receipts, and titles of all Equipment purchased using District funds shall be kept in the District's office.

C. If the District provides less than 100% of the funds required to purchase or lease any Equipment, the District's ownership in that Equipment shall be equal to the proportionate share of the funds provided.

D. The Department may not sell, trade, assign or convey to another person or entity any asset purchased in whole or in part with District funds without prior approval of the Board.

E. The Department may not acquire any asset using District funds without the prior approval of the Board.

**ARTICLE VI.
REPORTS**

Section 6.01 Annual Report

A. The Department shall provide to the Board annually, in the month of October, a written report setting forth the following:

- 1) the year-to-date totals of the number and nature of Emergency Services calls originating from all stations within the Service Area; and

2) the current roster of personnel, including certifications held and position within the Department.

B. The report shall cover the period from October 1 through September 30 of the prior fiscal year.

C. The Department's failure to provide the annual report as outlined in this Agreement is a material breach of this Agreement.

Section 6.02 Monthly Reporting

A. The Department shall deliver a monthly written report to the Board at the beginning of each monthly Board meeting, or such other deadline as designated by Board from time to time, in a form reasonably acceptable to and approved by the Board, setting forth the following:

- 1) the number and nature of Emergency Services calls for the prior month (i.e. a run report), including information regarding all automatic and mutual aid responses received from and provided to third parties;
- 2) the number and types of calls to which the Department did not respond and for which third-party automatic or mutual aid was requested;
- 3) the response time for all calls within the Service Area, including any automatic or mutual aid responses;
- 4) the current status of all Equipment, and a list of all out-of-service Equipment;
- 5) a monthly report of all Department financial activity, including an up-to date balance sheet, profit and loss statement, and detailed report of any Emergency Services billing revenue, billings and receivables for the prior month;
- 6) a list of, and signed certification of timely submission for, all required regulatory/agency reports filed in the prior month;
- 7) a roster of all the Department's personnel (whether paid or volunteer), additionally noting whether each individual on the roster is active or inactive, the respective state certifications held by the personnel, and the percentage or number of call types that each member responded to in that month; and
- 8) a monthly report detailing the information required in Sections 3.02 E and 3.02 F above, including a description of all personnel training by course subject or title.

B. The Department's failure to provide the monthly reports to the Board as outlined in this Agreement shall constitute a material breach of this Agreement.

Section 6.03 Other Information

The Department shall furnish or cause to be furnished to the District and to any agent designated by the District, such reports or information concerning the Department as the District may reasonably request. Such reports may include, at the District's discretion, response times for the various calls made by the Department, calls and response times broken down by zone, and types of calls, financial records and any other information reasonably requested by the District, subject to applicable law, including but not limited to, the Texas Public Information Act, Chapter 552, Texas Government Code; the Texas Emergency Health Care Act, Chapter 773, Texas Health & Safety Code; and the Health Insurance Procurement and Portability Act. It is understood by the District and Department that the Department may not be able to provide certain information that is otherwise confidential or privileged by applicable law. However, the Department shall enter into any other agreements that may be required in order to share confidential information with the District.

Section 6.04 Regulatory Reports

The Department shall comply with the reporting requirements of all local, state, and Federal regulatory entities on a timely basis. All reports shall be entered before the final day of the month the reported incident occurred. The Department's failure to comply with such reporting requirements shall be a material breach of this Agreement.

Section 6.05 Obligation to County Fire Marshal or Emergency Management Coordinators

The Department shall promptly furnish reports or information concerning the Department that the Henderson County Fire Marshal or Emergency Management Coordinators, if any, may reasonably request, subject to applicable law.

ARTICLE VII.

YEAR-END FINANCIAL STATEMENTS AND AUDITS

Section 7.01 Year-End Financial Statement

The Department shall provide to the Board a fiscal year-end financial statement approved by the Department's board no later than five business days after the completion of the Department's independent audit.

Section 7.02 Department Audit

A. The Department shall annually submit its financial records for an independent audit, including an audit opinion and audited financial statements related to the Department's records.

B. The audit shall be performed no later than 60 days after the end of the Department's fiscal year. The audit shall be conducted by an independent certified public accountant or firm of certified public accountants licensed in Texas and approved in advance by the District.

C. The District shall pay for the Department's audit if the audit expense is included in the Department's Operating Budget.

Section 7.03 Department Financial Documents

The Department shall make all monthly financial statements and financial review documents available to the District.

Section 7.04 Department to Correct Deficiencies

A. Any deficiencies, exceptions, or concerns noted by the Board or an independent certified public accountant or firm of certified public accountants undertaking the Department's audit shall be described in writing and provided to the Department. The Department shall, beginning on the next business day, take action to correct any issues related to financial deficiencies, exceptions, or auditor's notes, and provide documentation of this effort to the District.

B. The Department's failure to take action to correct issues related to financial deficiencies, exceptions, or auditor's notes within 60 days after notice of same shall be a material breach of this Agreement.

**ARTICLE VIII.
ASSIGNMENT AND MODIFICATION**

This Agreement may not be assigned by the Department, in whole or in part, without the prior written consent of the District. Further, this Agreement may be modified only with the prior written consent of all Parties. Any modifications to this Agreement must be in writing and signed by both the District and the Department.

**ARTICLE IX.
MISCELLANEOUS**

Section 9.01 Term of Agreement

This Agreement shall be for the initial period of October 1, 2024, through September 30, 2025. Thereafter, this Agreement shall automatically renew for successive one-year terms unless terminated as provided below. All payments to the Department after September 30, 2025, are subject to appropriation by the District.

Section 9.02 Termination of Agreement

A. This Agreement may be terminated by either Party hereto without cause upon providing at least 90 days' prior written notice. The date of the postmark on the termination letter shall begin the notice period.

B. This Agreement may be terminated by the District with seven days' written notice in the event of a material breach by the Department. The date of the postmark on the termination letter shall begin the notice period.

C. All termination notices shall be sent by US certified mail, return receipt requested, and shall be sent to the address for the non-terminating Party listed in this Agreement.

Section 9.03 Treatment of Assets Upon Termination of Agreement or Dissolution of Entity

A. **Termination** - Upon termination of this Agreement, title to all property and assets owned by the Department prior to the effective date of this Agreement shall remain with the Department. All Equipment and other assets purchased wholly with District funds shall be automatically and within 24 hours of termination, conveyed and transferred to the District. All budgeted funds provided by the District to the Department and then in Department bank or investment accounts at termination shall be returned to the District within 24 hours of termination. All Equipment and other assets purchased in part with District funds shall be liquidated and the District shall be reimbursed for its proportionate share in the purchase of that Equipment or other asset.

B. **Dissolution** - Upon dissolution of the Department, all Equipment and other assets purchased wholly with District funds shall be automatically and, within 24 hours of dissolution, conveyed to the District. All budgeted funds provided by the District to the Department and then in Department bank or investment accounts at dissolution shall, within 24 hours of dissolution, be returned to the District. All Equipment and other assets purchased in part with District funds shall be liquidated at fair market value, and sale proceeds will be distributed to the District and the Department according to the Party's percentage of contribution. The District shall have the right of first refusal to purchase the Department's interest in any Equipment or assets for which the District and the Department both participated financially in the purchase. All assets and property owned wholly by the Department prior to the effective date of this Agreement, shall be transferred as required by Chapter 22 of the Texas Business Organizations Code.

C. The Department will amend its by-laws to ensure compliance with this section within 90 days of the Department's signing this Agreement.

Section 9.04 Notices

All notices, certificates or other communications hereunder shall be sufficiently given or shall be deemed given when postmarked, and mailed by US certified mail, return receipt requested, and addressed as follows:

If to District, at: President
 Henderson County Emergency Services District No. 8
 P.O. Box 637
 Murchison, Texas 75778

With a copy to: Kelli Carlton
 The Carlton Law Firm, P.L.L.C.
 4301 Westbank Drive, Suite B-130
 Austin, Texas 78746
 Facsimile: (512) 900-2855

If to Department, at: President, Board of Directors

District 8 Fire Rescue
P.O. Box 151
Murchison, Texas 75778

The District or Department may, by notice and in writing, designate any further or different address to which subsequent notices, certificates or other communications shall be sent.

Section 9.05 Binding Effect

This Agreement shall inure to the benefit of and shall be binding upon the District and Department.

Section 9.06 Severability

If any part or provision of this Agreement is declared fully or partially invalid, unlawful, or unenforceable by a court of competent jurisdiction, the remainder of the part or provision and the Agreement will remain in full force and effect, and the fundamental terms and conditions of this Agreement remain valid, binding, and enforceable.

Section 9.07 Execution and Counterparts

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.08 Captions

The captions or headings in this Agreement are for convenience only and in no way define, limit, or otherwise describe the scope or intent of any provision or section of this Agreement.

Section 9.09 Attorney's Fees

In an action to enforce any provision of this Agreement, the prevailing Party may recover its attorney's fees, costs and expenses from the non-prevailing Party. This section shall survive the termination of this Agreement.

Section 9.10 Legal Representation

The District's legal representation is by and through The Carlton Law Firm, P.L.L.C. The Carlton Law Firm does not represent the Department, and the Department hereby acknowledges this fact. The District recommends that the Department have an attorney review this Agreement prior to signing.

Section 9.11 Entire Agreement

The terms and provisions of this Agreement contain the entire agreement between the Parties and supersede all previous communications, representations, or agreements, either oral or written, with respect to the matters addressed herein. In case of conflict between this Agreement

and any other agreement or contract now existing or later entered into by either of the Parties hereto with other entities, this Agreement shall prevail.

Section 9.12 Governing Law

The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

Section 9.13 Venue

This Agreement is fully performable and enforceable in Henderson County, Texas. Venue shall lie in Henderson County, Texas.

[remainder of page intentionally blank]

IN WITNESS WHEREOF, the authorized officers of the District and Department have executed this Agreement in their respective names.

Signed this 3 day of September, 2024.

ATTEST: HENDERSON COUNTY EMERGENCY SERVICES DISTRICT NO. 8

By: Jay Gravens
Jay Gravens, Secretary
Board of Commissioners

By: Phil Elery
Phil Elery, President
Board of Commissioners

ATTEST: DISTRICT 8 FIRE RESCUE

By: Brandon Irby
Brandon Irby, Chief

APPROVED

EXHIBIT A

DISTRICT AND DEPARTMENT SERVICE AREA MAP

(attached)

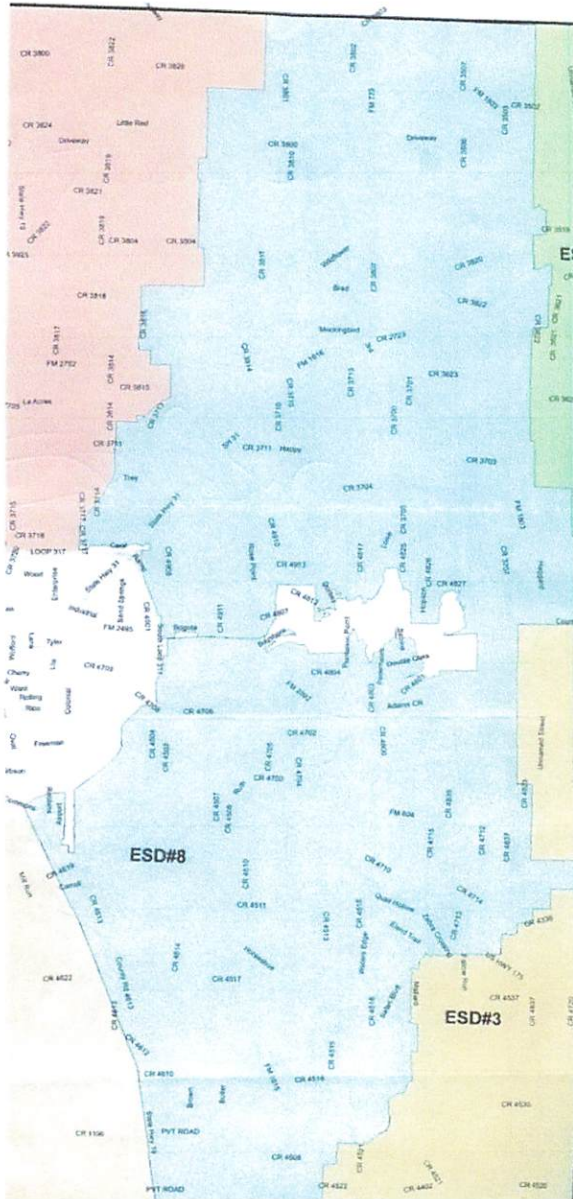


EXHIBIT B

CHAIN OF COMMAND

Chief – Brandon Irby
Assistant Chief – Ricky Harris
Assistant Chief – Tim Wheeler
Captain 1 – Cade Roberts
Captain 2 – Bryan McAteer
Captain 3 – Lance West

While personnel may change, the structure of the positions in the Department and its leadership are as named above.