

**INTERLOCAL AGREEMENT
BETWEEN
THE CITY OF MURPHY, TEXAS
AND
TEXOMA AREA PARATRANSIT SYSTEM, INC.
FOR
DEMAND-RESPONSE TRANSIT SERVICES**

The City of Murphy, Texas ("City"), a home rule municipality and local governmental entity, and Texoma Area Paratransit System, Inc. ("TAPS"), a rural transit district and political subdivision of the State of Texas, hereby enter into this Interlocal Agreement as of the Effective Date for the provision of demand-response transit services. City and TAPS may be referred to jointly herein as the "Parties," and individually as a "Party."

RECITALS

WHEREAS, City is a home rule municipality and local governmental entity located within Collin County, Texas; and

WHEREAS, TAPS is a rural transit district established pursuant to the authority of Chapter 458, Texas Transportation Code, as amended, that provides transit services within the State of Texas in the counties of Clay, Collin, Cooke, Fannin, Grayson, Montague, and Wise; and

WHEREAS, City seeks to provide demand-response transit services between for eligible citizens who reside within the City's incorporated limits; and

WHEREAS, City has requested transit services from TAPS, and TAPS agrees to provide the requested demand-response transit services pursuant to this Agreement; and

WHEREAS, the Parties acknowledge and find that it will increase the efficiency and effectiveness of their respective entities by entering into an interlocal cooperation agreement pursuant to Chapter 791 of the Texas Government Code, as amended (also known as the "Interlocal Cooperation Act" ("the Act")); and

WHEREAS, the Parties acknowledge and find that it will be in their best interests and in the interest of the public to cooperate in the provision of demand-response transit services as set forth in this Agreement.

NOW, THEREFORE, the Parties hereby make and enter into this Agreement for and in mutual consideration of the covenants and agreements set forth herein.

Article 1.

1.1 Purpose: Pursuant to Section 791.011 of the Act, City and TAPS are local governmental entities and enter into the Agreement for the purpose of providing services in which the Parties are mutually interested and with each Party performing services it would be authorized to perform individually.

1.2 Consideration: City and TAPS agree there is good and valuable consideration for entering into this Agreement, the receipt and sufficiency of which is acknowledged.

1.3 TAPS Responsibilities: TAPS shall provide services related to the administration and operation of demand-response transit services (the "Transit Services"), as follows.

a. Approved Services, Dates and Times of Service: TAPS agrees to provide Transit Services for eligible citizens who reside within the City's incorporated limits. The Transit Services shall be curb-to-curb. "Eligible citizens" shall mean individuals (over 60 years of age) and/or disabled individuals who reside within Murphy's incorporated limits and who are eligible to receive and utilize the Transit Services. An individual's eligibility to receive and utilize these transit services will be determined by TAPS. TAPS shall provide these transit services on every weekday (Monday through Friday) for the term set forth in Section 2.1 of this Agreement, excluding those weekdays on which New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Friday after Thanksgiving Day, and Christmas Day fall.

b. Administrative and Operational Services: TAPS shall provide all administrative and operational services associated with the Transit Services including, but not limited to, employment and management of necessary and sufficient personnel, and management of dispatch and call center operations reasonable and necessary to provide the Transit Services.

c. Vehicles: TAPS shall provide the number of vehicles as may be necessary to provide the Transit Services.

d. Americans with Disabilities Act: TAPS acknowledges and understands that it is responsible for compliance with, and agrees to comply with, the requirements of the Americans with Disabilities Act, as amended, in providing the Transit Services.

e. Implementing Regulations: To the extent applicable, City and TAPS acknowledge that TAPS is a governmental entity of the State of Texas and that, upon the inability of TAPS to obtain or appropriate finances to meet its obligations under this Agreement, TAPS shall have the right to terminate this Agreement as of the effective date of such lack of fiscal funding. TAPS shall give notice to City as to any such failure of funding at the earliest possible time, but in any case not later than five (5) business days after TAPS becomes knowledgeable of said lack of funding.

1.4 City Responsibilities: City agrees to reasonably cooperate with TAPS so that TAPS may effectuate and fulfill the terms of this Agreement. City's responsibilities in this regard shall include:

a. Payment for Services: City agrees to pay TAPS for the Transit Services a sum not to exceed Six Thousand Two Hundred and 00 /100 Dollars (\$6200.00). Total payment for services shall be for reasonable and customary expenses related to providing the Transit Services including, but not necessarily limited to, associated administrative and operational services.

b. Current Revenues: To the extent applicable, City and TAPS acknowledge that City will make payment of the aforementioned sums from current revenues. City further agrees to make all appropriations reasonable and necessary to effectuate the terms of, and its responsibilities under, this Agreement. However, the Parties recognize that the continuation of this Agreement after the close of any given fiscal year of City, which closes on September 30th of each calendar year, shall be subject to approval by the City Council. This Agreement cannot be an unfunded liability of City in violation of the Texas Constitution's unfunded debt prohibition applicable to home-rule cities. The Parties agree that this Agreement may be terminated by City, without any penalty or liability to City, except for monies owed TAPS for services it has provided pursuant to this Agreement, in the event the City Council fails to approve or appropriate funds for any continuation period of this Agreement.

1.5 Terms of Payment for Services:

a. TAPS: Not later than ten (10) days after the end of each calendar month of the term of this Agreement, TAPS will submit to City an invoice for services provided. Each invoice shall identify the period for which the payment is being requested and the services performed during that period. At City's written request, TAPS shall provide City with all supporting receipts or other supporting documentation in connection with one or more specific invoices.

b. City: City shall pay TAPS within thirty (30) days of receipt of each monthly invoice, unless supporting receipts or other supporting documentation have been requested by City, in which case City shall pay the invoice as soon after receiving the supporting receipts or documentation as is reasonable; or unless a dispute arises as to any charge(s) contained in the invoice, in which case City shall pay the undisputed amount of the invoice within thirty (30) days of receipt and shall pay the remaining amount, if any, of the invoice after resolution of the dispute as soon after resolution as is reasonable. City shall otherwise ensure that TAPS receives payment as set forth herein; otherwise, TAPS may suspend service until it receives payment of an overdue sum.

Article 2.

2.1 Term: This Agreement shall be for a period of thirty-six (36) months beginning on August 5, 2014 ("the Effective Date") and terminating on August 5, 2017 ("the Termination Date"), unless terminated earlier by either City or TAPS in accordance with the terms of this

Agreement.

2.2 Termination:

a. This Agreement may be terminated prior to the Termination Date as follows:

(1) The Parties may terminate this Agreement by a written agreement signed by both Parties setting forth the agreed termination date;

(2) Either Party may terminate this Agreement with or without cause by providing written notice to the other Party not less than sixty (60) days prior to the desired termination date; or

(3) Either Party may terminate this Agreement on the thirty-first (31st) day after providing written notice to the other Party that the other Party is in breach of its obligations under this Agreement, which notice shall describe the alleged breach with reasonable particularity, and the Party receiving the notice has failed to cure the alleged breach. TAPS expressly reserves its rights to seek payment for any services that it may provide prior to the effective date of a termination under this Section 2.2.a.

b. Section 2.2.a does not alter Section 1.3.e or Section 2.3 of this Agreement.

2.3 Regulatory Change: If there is a change in state or federal regulation(s) that affects or impairs either Party's ability to perform this Agreement, the Parties may renegotiate the terms of this Agreement so the affected Party can comply with the change. The affected Party shall provide the other Party with written notice of the applicable regulatory change within five (5) days after the affected Party determines the change will affect or impair its ability to perform this Agreement. Should a Party choose not to renegotiate, or should the regulatory change make it impossible for the affected Party to perform this Agreement, that Party may terminate this Agreement by providing fourteen (14) days' written notice to the other Party. Termination shall be effective on the fourteenth (14th) day after the day on which the notice is provided. TAPS expressly reserves its rights to seek payment for any services that it may provide prior to the effective date of a termination under this Section 2.3.

2.4 Rescinding Termination: A Party that provides written notice of termination pursuant to Section 2.2.a(2), Section 2.2.a(3), or Section 2.3 may rescind same by providing written notice to the other Party on or prior to the effective date of the termination, in which event this Agreement shall remain in full force and effect as if the notice of termination had never been given. A written agreement of termination pursuant to Section 2.2.a(1) may be rescinded by written agreement signed by both Parties prior to the effective date of the termination, in which event this Agreement shall remain in full force and effect.

Article 3.

3.1 Force Majeure: Neither City nor TAPS shall be deemed in violation of this Agreement if either is prevented from performing any of the obligations hereunder by reason of, for or through strikes, act of terror, stoppage of labor, riot, fire, flood, storm, invasion, insurrection, accident, order of court, judge or civil authority, an act of God, or any cause reasonably beyond the Party's control and not attributable to its neglect. In the event of such an occurrence, the time for

performance of such obligations or duty shall be suspended until such time that such inability to perform, for which the Party is not responsible, or circumstance beyond its control, shall be removed. The Party claiming the suspension shall give notice of such impediment or delay in performance to the other Party within two (2) days of the knowledge of such occurrence. Each Party shall make all reasonable efforts to mitigate the effects of any suspension.

3.2 Special and Consequential Damages: In no event, whether as a result of breach of contract, warranty, tort (including negligence or infringement), strict liability or otherwise, shall either Party be liable to the other Party for any special, consequential, incidental, indirect or exemplary damages including, but not limited to, loss of profits or revenues, cost of capital, cost of substitute goods, facilities, services or downtime costs.

Article 4.

4.1 Entire Agreement: This Agreement contains all representations, understandings, contracts and agreements between the Parties regarding the subject matter of this Agreement. This Agreement supersedes all oral or written previous and contemporaneous agreements, writings, understandings, representations, or contracts between the Parties regarding the subject matter of this Agreement. This Agreement in no way modifies or supersedes any document executed by the Parties prior to this Agreement which does not regard the subject matter of this Agreement.

4.2 Parties Bound: This Agreement shall be binding upon, and inure to the benefit of, the Parties to this Agreement and their respective successors and assigns.

4.3 Relationship: It is understood and agreed that the relationship between the Parties described in this Agreement is contractual in nature between independent Parties and does not constitute, and shall not be construed, as creating a partnership or joint venture relationship between or among the Parties. By entering into this Agreement, the Parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in any individual or entity that is not a signatory hereto.

4.4 Amendment: The Parties may revise, amend or modify this Agreement only by written agreement signed by both Parties.

4.5 Severability: The provisions in this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held by a court of competent jurisdiction to be contrary to law or contrary to any rule or regulation having the force and effect of the law, the remaining portions of the Agreement shall be enforced as if the invalid provision had never been included.

Article 5.

5.1 Notice: All notices, authorizations and requests in connection with this Agreement shall be deemed provided on the day they are (i) deposited in the mail, postage prepaid, certified or registered, return receipt requested; (ii) delivered by courier; or (iii) sent by facsimile as indicated by a fax confirmation sheet; and sent to the address or facsimile number of each party's agent as follows:

If to City:

City of Murphy, Texas
Attn: City Manager
206 North Murphy Road
Murphy, Texas 75094
(972) 468-4008 (facsimile)

If to TAPS:

Texoma Area Paratransit System, Inc.
Attention: Executive Director
6104 Texoma Parkway
Sherman, Texas 75090
(903) 893-4766 (facsimile)

With copy to:

Darrell G-M Noga
Cantey Hanger, LLP
1999 Bryan Street, Suite 3300
Dallas, Texas 75201

5.2 Recordkeeping and Right to Inspect Records: City and TAPS shall have mutual access to and the right to examine all books, documents, papers, and other records of the other party involving transactions relating to this Agreement. City and TAPS shall have access during normal working hours to all necessary facilities and shall be provided adequate and appropriate work space in order to conduct audits in compliance with the provisions of this article. City and TAPS shall give the other Party advanced notice of at least forty-eight (48) business hours of intended audits.

Article 6.

6.1 Governing Law: The laws of the State of Texas shall govern the interpretation, validity, performance, and enforcement of this Agreement.

6.2 Place of Performance and Venue: This Agreement is performable in Grayson County and Collin County, Texas. Any legal action between the Parties based on this Agreement shall be brought in Grayson County or Collin County, Texas.

6.3 Remedies: No right or remedy granted herein or reserved to the Parties is exclusive of any other right or remedy herein by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder. No covenant or condition of this Agreement may be waived without written consent of the Parties. Forbearance or indulgence by either Party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Agreement.

6.4 Non-Waiver: One or more instances of forbearance by City or TAPS in the exercise of its rights herein shall in no way constitute a waiver thereof.

6.5 Immunity: In the execution of this Agreement, the Parties do not waive, and neither Party shall be deemed to have waived, any immunity or defense that would otherwise be available to each Party as a local governmental entity and/or political subdivision of the State of Texas.

6.6 Assignment: This Agreement is not assignable except with the advanced written consent

of the non-assigning party.

6.7 No Third Party Beneficiary: For purposes of this Agreement, including its intended operation and effect: (1) the Agreement only affects matters or disputes between the Parties, and is in no way intended by the Parties to benefit or otherwise affect any third person or entity, notwithstanding that such third person or entity may be in contractual relationship with City or TAPS or both; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owed by them to either City or TAPS.

6.8 Counterparts: This Agreement may be signed in counterparts, and each executed copy shall be deemed a counterpart original, with full force and effect and enforceable against the Parties executing same.

Article 7.

7.1 Each Party represents and warrants to the other that it has the full power and authority to enter into and fulfill the obligations of this Agreement. The respective signatories to this Agreement, by affixing their signatures hereto, warrant and represent that they have the authority to bind their respective parties as duly authorized representatives thereof.

(Signatures on Following Page)

