

**FIRST AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT
FOR FIRE PROTECTION SERVICES**

This First Amendment to Interlocal Cooperation Agreement for Fire Protection Services ("First Amendment") is made and entered into by and among THE CITY OF SHENANDOAH, TEXAS (the "City"), a Type A municipality operating under the general laws of the State of Texas, and acting herein by and through its City Council and pursuant to a resolution duly passed by its City Council, and pursuant to the authority contained in Chapter 791, Texas Government Code (the "Act") and THE WOODLANDS TOWNSHIP (the "Township"), a political subdivision of the State of Texas and successor by name change to Town Center Improvement District of Montgomery County, Texas, created and operating pursuant to Chapter 289, Acts of the 73rd Texas Legislature, Regular Session, 1993, as amended, and acting herein by and through its Board of Directors and successor in interest to THE WOODLANDS FIRE DEPARTMENT ("WFD"), previously, a Texas non-profit corporation prior to its merger with the Township in 2010.

RECITALS

WHEREAS, the City and the Township originally entered into an Interlocal Agreement, effective as of August 1, 2011, and a First Amended Interlocal Agreement related to police services, patrol services, and fire protection services effective from January 2021 to December 2021 (collectively referred to as the "Original ILA"); and

WHEREAS, the Original ILA expired on December 31, 2021; and

WHEREAS, the City and the Township then entered into an Interlocal Cooperation Agreement providing for fire-fighting services for the benefit of residents and owners, effective on or about March 24, 2022, and expiring on December 31, 2026 (the "Fire Protection ILA"); and

WHEREAS, the City and the Township desire to amend the Fire Protection ILA to account for a more predictable and transparent funding model for both the City and Township, extend the term, and for WFD to establish a funding methodology for fire protection services that uses the City's preceding year certified tax roll and applies a fixed funding rate;

NOW, THEREFORE, for and in consideration of the mutual covenants, benefits and agreements hereinafter set forth, the City, the Township contract and agree as follows:

AGREEMENT

1. **Recitals Incorporated.** The above recitals are incorporated for all purposes.
2. **Term.** Section 2.1 is hereby deleted in its entirety and replaced with the following:

“Unless sooner terminated in accordance with this Agreement, this Agreement shall be for a term commencing on October 1, 2026 (the “Effective Date”) and ending September 30, 2036 (said period being “the Term”). Upon expiration of the Term, this Agreement shall automatically renew for successive one (1) year periods (each a “Renewal Term”), unless otherwise terminated in accordance with the terms of this Agreement; provided however, that the Agreement shall not renew for more than five (5) Renewal Terms unless agreed to otherwise in writing between the parties.”

3. **Compensation.** Section 5.1 is modified to read, in relevant part as follows:

“In consideration of the Township's undertaking to provide such firefighting services to the City, the City agrees to pay to the Township, on the terms and conditions hereinafter set forth, a base annual sum, all as adjusted using the following methodology:

i. The initial base annual sum for purposes of this Agreement shall be deemed to be the amount reflected on the City's preceding year tax roll and by applying a fixed funding rate of \$0.10 per \$100 of Net Appraised Value. For example, the 2026-2027 funding calculation would be based on the City's 2025 certified tax roll reflecting a Net Appraised Value of \$2,340,283,669.00 and applying the fixed funding rate mentioned above to equal a proposed 2026-2027 fire protection funding amount of \$2,340,284.00.

ii. To provide for long-term funding and stability, a fixed baseline amount for absolute exemptions shall be established, which under this Agreement shall equal \$378,157,010.00. This shall serve as the maximum amount of absolute exemptions recognized in the fire protection funding calculation throughout the Term. The first year in which the exemption cap shall affect the funding calculation will be 2027-2028, when the payment is based on the 2026 certified tax roll. Any future increase in absolute exemptions shall be agreed upon in writing between the parties.

4. **Agreement to Remain in Effect.** All terms and provisions of the Fire Protection ILA, except as amended hereby, shall remain in full force and effect and shall apply to this First Amendment. All initially capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Fire Protection ILA.

5. **Merger; Conflict.** The Fire Protection ILA, together with this First Amendment, shall constitute the entire agreement between the parties hereto relating to the subject matter hereof and all prior agreements, proposals, negotiations, understandings and correspondence between the parties, whether written or oral regarding these specific matters, are superseded and merged herewith. In the event of a conflict between the Fire Protection ILA and the First Amendment, this First Amendment shall prevail.
6. **Effective Date:** This First Amendment is effective as of the date fully executed.

[signature page to follow]

Signed and agreed to be effective as of the Effective Date.

THE WOODLANDS TOWNSHIP

By: _____
Name: Monique Sharp
Title: President / CEO
Date: _____

CITY OF SHENANDOAH

By: _____
Name: _____
Title: _____
Date: _____

THE WOODLANDS FIRE DEPARTMENT, INC.

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AS TO FORM:

The Strong Firm P.C.

By: _____
Name: Bret L. Strong, Managing Shareholder
Title: The Woodlands Township Attorney