

INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") is made and entered into, by and between the CITY OF MABANK Texas (hereinafter called "CITY OF MABANK"), and the CITY OF BOERNE, Texas (hereinafter called "CITY OF BOERNE"), each acting by and through its duly authorized officials:

WHEREAS, CITY OF MABANK and CITY OF BOERNE are both governmental entities engaged in the purchase of goods and services, which is a recognized governmental function;

WHEREAS, CITY OF MABANK and CITY OF BOERNE wish to enter into this Agreement pursuant to Chapter 791 of the Texas Government Code (hereinafter "Interlocal Cooperation Act") to set forth the terms and conditions upon which CITY OF MABANK and CITY OF BOERNE may purchase various goods and services commonly utilized by each party;

WHEREAS, participation in an interlocal agreement will be highly beneficial to the taxpayers of CITY OF MABANK and CITY OF BOERNE through the anticipated savings to be realized and is of mutual concern to the contracting parties;

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and obligations as set forth herein; CITY OF MABANK and CITY OF BOERNE agree as follows:

1. The purpose of this Agreement is to provide CITY OF MABANK and CITY OF BOERNE with additional purchasing options by satisfying the provisions of Section 271.102 of the Local Government Code. CITY OF MABANK and CITY OF BOERNE may cooperate in the purchase of various goods and services commonly utilized by the participants, where available and applicable, and may purchase goods and services from vendors under present and future contracts.

CITY OF MABANK and CITY OF BOERNE agree that each of the parties shall respectively designate a person to act under the direction of, and on behalf of, the designating party (the "Designated Representative"). At the request of the other party, a party that enters into a contract with a vendor for goods or services (the "First Purchasing Party") shall attempt to obtain the vendor's agreement to offer those goods and services to the other party (the "Second Purchasing Party") for the same price and on the same terms and conditions as have been offered to the First Purchasing Party. If the vendor so agrees, and if the Second Purchasing Party is agreeable to such terms and conditions, the Second Purchasing Party may enter into its own separate contract with the vendor for the purchase of such goods or services.

Unless otherwise agreed between the Designated Representatives, payments for a purchase made by the Second Purchasing Party shall be paid directly to the vendor and not to the First Purchasing Party. The Second Purchasing Party shall have the

responsibility of determining whether the vendor has complied with any provisions in its contract with the vendor, including but not limited to those relating to the quality of items and terms of delivery, and shall be responsible for enforcement of its contract against the vendor, including all cost of enforcement. This Agreement will be subject to all applicable federal, state and local laws, ordinances, rules and regulations.

2. CITY OF MABANK and CITY OF BOERNE shall each be individually responsible for payments directly to the vendor and for the vendor's compliance with all conditions of delivery and quality of purchased items under such contracts. CITY OF MABANK and CITY OF BOERNE shall each make their respective payments from current revenues available to the paying party.

3. Notwithstanding anything herein to the contrary, participation in this Agreement may be terminated by any party upon thirty (30) days written notice to the other participating party(ies).

4. The undersigned officer and/or agents of the party(ies) hereto are duly authorized officials and possess the requisite authority to execute this Agreement on behalf of the parties hereto.

5. This Agreement may be executed separately by the participating entities, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

6. This Agreement shall become effective on the day and year first written above (the "Effective Date"). The primary term of this Agreement shall be for one (1) year, commencing on the Effective Date, and shall thereafter automatically renew for successive one-year terms, unless terminated according to the terms set forth in Paragraph 3.

7. Reserved.

8 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement.

9. The provisions of 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.

10. This Agreement embodies the entire agreement between the parties and may only be modified in writing executed by both parties.

11. This Agreement shall be binding upon the parties hereto, their successors, heirs, personal representatives and assigns. Neither party will assign or transfer an interest in this Agreement without the written consent of the other party.

12. It is expressly understood and agreed that, in the execution of this Agreement, neither party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. 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 parties not signatories hereto.

13. The declarations, determinations and findings declared, made and found in the preamble to this Agreement are hereby adopted, restated and made part of the operative provisions hereof.

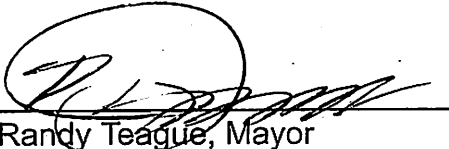
14. Pursuant to Chapter 791 and other authority, the following findings and representations are made by the parties:

- each party is a local government as defined by Chapter 791;
- each party is mutually interested in the governmental functions and services described in this Agreement;
- this Agreement describes and provides a governmental function or service that each party to the Agreement is authorized to perform individually;
- this Agreement is authorized by the governing body of each party, by and through a recorded, public vote conducted pursuant to Chapter 551 of the Texas Government Code (the Texas Open Meetings Act), and other authority;
- this Agreement states the purpose, terms, rights, and duties of the parties;
- this Agreement specifies that in paying for the performance of governmental functions or in performing such governmental functions under this Agreement, each party shall make such payments only from current revenues legally available to each party.

[signature page follows]

EXECUTED hereto on the day and year first above written.

CITY OF MABANK


By: Randy Teague, Mayor

CITY OF BOERNE

By: Benjamin E. Thatcher,
City Manager