INTERLOCAL COOPERATION AGREEMENT BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND
DENTON INDEPENDENT SCHOOL DISTRICT
FOR
AN EXCHANGE OF TRACTS OF LAND AT SOUTH LAKES PARK AND OLD CALHOUN MIDDLE SCHOOL

This Interlocal Cooperation Agreement ("Agreement") is made and entered into by and between the City of Denton, Texas, a home-rule municipality located in Denton County, Texas (hereinafter "City") and Denton Independent School District, an independent school district and a duly organized political subdivision of the State of Texas, (hereinafter "DISD"), and is effective on the date last written hereinbelow (the "Effective Date"). City and DISD are hereinafter collectively referred to herein as "Parties" or individually as "Party."

Recitals

WHEREAS, V.T.C.A. Government Code Chapter 791, the Interlocal Cooperation Act ("Act"), provides authorization for a local government to contract or agree with another local government to perform governmental functions and services under the terms of the Act; and

WHEREAS the City and DISD are political subdivisions within the State of Texas and engage in the provision of governmental services for the benefit of their citizens; and

WHEREAS the City is the owner of 9.4 acres of land situated at the Northwest portion of South Lakes Park, located at 556 Hobson Lane, Denton, Texas 76205,, the legal description of which is set forth in Exhibit "A" to the Interlocal Agreement hereto attached (the "City Tract"); and

WHEREAS, the City Tract currently operates as the site for a track and field for McMath Middle School, which is operated as a public land for park and recreational area uses and is protected land under Chapter 26 of the Texas Park and Wildlife Code; and

WHEREAS, DISD is the owner of approximately 2.273 acres situated at Congress Street, Denton, Denton County, Texas, Calhoun Middle School BLK A Lot 2, with Denton County Appraisal District Property ID 468756, the legal description of which is set forth in Exhibit "B" to the Interlocal Agreement hereto attached (the "DISD Tract One)"; and

WHEREAS, DISD Tract One currently operates as a track and field and parking lot for DISD and the Old Calhoun Campus; and

WHEREAS, DISD is the owner of approximately 1.16 acres situated at Mounts Avenue, Denton, Denton County, Texas, Calhoun Addition BLK A Lot 1R, with Denton County Appraisal District Property ID 682858, the legal description of which is set forth in Exhibit "C" to the Interlocal Agreement hereto attached (the "DISD Tract Two)"; and

WHEREAS, DISD Tract Two currently operates as DISD property and includes four tennis courts and a small parking lot; and

WHEREAS, in connection with future development, DISD desires to contract with the City for the exchange of the City Tract for DISD Tract One and DISD Tract Two (collectively, the "DISD Tract"), together with all rights, privileges, appurtenances thereto (the "Exchange"); and

WHEREAS, the City is willing to agree to the Exchange subject to those certain terms and conditions set forth in the City of Denton Exchange Agreement ("Exchange Agreement"), attached hereto as Exhibit "D" to the Interlocal Agreement, as it will benefit the public interest; and,

WHEREAS, the Exchange is a legally permissible exchange of municipal land under Local Government Code Chapter 272, is exempt from Local Government Code Chapter 272 notice and bidding requirements for the sale of land owned by a municipality in that it is a sale to another political subdivision and will be in compliance with Chapter 272.001(b)(5); and

WHEREAS, the exchange of property complies with Local Government Code Chapter 272 fair market value requirements for the exchange of land owned by a municipality in that the City may exchange the property for less than fair market value because the Exchange is to DISD which is a governmental entity with power of eminent domain; and

WHEREAS, the City and DISD both agree that to any appraised value of the DISD Tract that is greater than the City Tract shall be considered a donation of surplus property under Section 11.1514 of the Texas Education Code.

WHEREAS, City and DISD both agree that the Exchange triggers public hearing requirements of Chapter 26 of the Texas Parks and Wildlife Code; and

WHEREAS, City conducted public hearings on October 21, 2025, regarding the Exchange as provided in Exhibit "E" to the Interlocal Agreement attached hereto; and

WHEREAS, DISD conducted a public hearing on October 21, 2025, regarding the Exchange as provided in Exhibit "F" to the Interlocal Agreement attached hereto; and

NOW, THEREFORE, and in consideration of the mutual consideration, terms, and provisions contained herein, City and DISD hereby enter into this Agreement, which as a matter of mutual agreement shall survive the Contract of Exchange described herein and operate as a binding Interlocal contract between the parties.

ARTICLE I. DEFINITIONS

For purposes of this Agreement, the following terms shall have the meanings set forth below:

1.01 **"City Exchange Property"** shall mean that that certain parcel of land 9.4 acres of the Northwest portion of South Lakes Park on which the McMath Middle School track and field are located (which is owned in fee simple by the City of Denton) together with all rights, privileges, and appurtenances thereto as it exists to date and/or as it may be changed as permitted by law.

1.02 **"DISD Exchange Property"** shall mean two parcels of land totaling approximately 3.433 acres (the "Tracts") consisting of "DISD Tract One," that certain parcel of land approximately 2.5 acres situated at Congress Street, Denton, Denton County, Texas, Calhoun Middle School BLK A Lot 2, with Denton County Appraisal District Property ID 468756; AND "DISD Tract Two," that certain parcel of land approximately 1.25 acres located at Mounts Avenue, Denton, Denton County, Texas, Calhoun Addition BLK A Lot 1R, with Denton County Appraisal District Property ID 682858 (both owned in fee simple by DISD); together with all the rights, privileges, and appurtenances thereto as it exists to date and/or as it may be changed as permitted by law.

1.03 **"Contract"** shall mean the Contract for Exchange of property attached hereto as Exhibit D.

1.04 **"Exchange Properties"** shall collectively mean the City Exchange Property and DISD Exchange Property.

ARTICLE II. EFFECTIVE DATE

2.01 **"Effective Date"** of this Agreement shall be upon execution.

ARTICLE III. EXCHANGE TRANSACTION

3.01 **Property Exchange.**

A. **City of Denton**. City agrees to convey the City Exchange Property to DISD in exchange and in consideration for DISD conveyance to City of the DISD Exchange Property and the other consideration described herein and in accordance with and subject to the terms and conditions set forth in the Contract attached hereto as Exhibit D and incorporated in its entirety for the purposes set forth herein.

B. **Denton Independent School District.** DISD agrees to convey the DISD Exchange Property to City in exchange and in consideration for City's conveyance to DISD of the City Exchange Property and the other consideration described herein and in accordance with and subject to the terms and conditions set forth in the Contract attached hereto as Exhibit D and incorporated in its entirety for the purposes set forth herein.

3.02 **Contract of Exchange Terms**:

City and DISD shall exchange and convey the Exchange Properties in accordance with and subject to the terms and conditions set forth in the Contract attached hereto as Exhibit D and incorporated in its entirety for the purposes set forth herein, and which provides in pertinent part as follows:

A. Exchange Consideration. The parties stipulate and agree that the parties' respective Exchange Properties have similar value, and that the City Exchange Property is of greater size than the DISD Exchange Property, but that there will be no monetary consideration paid by DISD for the City Exchange Property. The parties recognize and agree that to any appraised value of the DISD Exchange Property that is greater than the City Exchange Property shall be considered a donation of surplus property under Section 11.1514 of the Texas Education Code.

B. Closing. The consummation of the exchange and conveyance of the Exchange Properties in accordance with this Contract ("Closing") shall take place at the offices of the Title Company on the date that is five (5) days following the Absolute Review Period as defined in the Contract (the "Closing Date").

C. City Deliverables. On the Closing Date, and as a condition to DISD's obligations hereunder, City shall deliver or cause to be delivered to DISD or the Title Company each of the following items, as set forth in the Contract but briefly described herein for purposes of listing:

   (i) A Special Warranty Deed conveying fee simple interest to Denton Independent School District (the "DISD Deed"); and

   (ii) Such evidence or documents as may be reasonably required by the Title Company evidencing the status and capacity of City and the authority of the person or persons who are executing the various documents on behalf of the City in connection with the exchange of the City Exchange Property.

D. DISD Deliverables. On the Closing Date, and as a condition to City's obligations hereunder, DISD shall deliver to City or the Title Company each of the following items:

   (i) A Special Warranty Deed conveying fee simple interest to City of Denton (the "City Deed")

   (ii) Such evidence or documents as may reasonably be required by the Title Company evidencing the status and capacity of DISD and the authority of the person or persons who are executing the various documents on behalf of the DISD in connection with the acquisition of the DISD Exchange Property.

ARTICLE IV.

City and DISD agree and acknowledge that this Agreement does not create a joint venture, partnership, or joint enterprise, and that each party is not an agent of the other. City and DISD each agree to be responsible for their own respective negligent acts or omissions in the course of performance of this Agreement, without waving any sovereign or governmental immunity available to each party under Texas law and without waiving any other defenses of either party under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and are not intended to create or grant any rights, contractual or otherwise, to any person or entity.

ARTICLE V.

City and DISD agree to consult with each other, on a regularly scheduled basis, as it relates to the types of development criteria which will be permitted on the Exchange Properties. The

consultation shall be for the express purpose of providing clear communication through bi-weekly meetings until the needed on the Exchange Properties and coordinating uniformity in development criteria.

ARTICLE VI.

All Parties agree to provide a vigorous defense of this Agreement in the event of litigation by a third party to challenge the validity or enforceability of this Agreement. The cost of such defense shall be borne by the Party incurring same. In the event of any adverse judicial decision or any other reason the anticipated park use is not allowed, the parties agree to use their best efforts and cooperate with each other to enter into alternative arrangements to establish a park purpose contemplated herein.

ARTICLE VII.

This Agreement and the rights and obligations set forth herein shall not be assigned or delegated to another person or entity by either Party without the prior express written consent of the other Party.

ARTICLE VIII.

This Agreement and any of its terms or provisions, as well as the rights and duties of the Parties hereto, shall be governed by the law of the State of Texas. Exclusive venue shall be in Denton County, Texas.

ARTICLE IX.

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and in lieu of each provision of this Agreement that is illegal, invalid, or unenforceable, there shall be added a new provision to this Agreement as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and yet be legal, valid and enforceable, by means of good faith negotiation by the Parties to this Agreement.

ARTICLE X.

This Agreement shall be perpetual and may be terminated only by the mutual written agreement of all the parties hereto.

ARTICLE XI.

Notwithstanding any provisions contained herein, the obligations of the City and DISD under this Agreement are expressly contingent upon the availability of funding for each item and obligation contained herein for the term of the Agreement. The Parties shall have no right of action against each other in the event the Parties are unable to fulfill their obligations under this Agreement as a result of lack of sufficient funding for any item or obligation from any source utilized to fund this Agreement or failure to budget or authorize funding for this Agreement during

the current or future fiscal years. In the event that the Parties are unable to fulfill their obligations under this Agreement as a result of lack of sufficient funding, or if funds become unavailable, the City and DISD, at their sole discretion, may provide funds from a separate source or may terminate this Agreement by written notice at the earliest possible time prior to the end of its fiscal year.

ARTICLE XII.

This Agreement shall become effective between the Parties hereto on the day of its approval by the City of Denton City Council and the Denton Independent School District Board and shall continue in effect until it has been terminated according to this Agreement.

ARTICLE XIII.

This Agreement may be amended or modified only by the mutual agreement of all the Parties hereto, in writing, to be attached to and incorporated into this Agreement.

ARTICLE XIV.

This Agreement contains all commitments and agreements of all the Parties, and oral or written commitments not contained herein shall have no force or effect to alter any term or condition of this Agreement.

ARTICLE XV.

This Agreement shall be executed by the duly authorized official(s) of the Parties as expressed in the approving ordinances or orders of the governing bodies of each such Party, copy of which are attached hereto.

EXECUTED and effective as of the __ day of _____ 2025, by City, signing by and through its City Manager, authorized to execute same by City Council Ordinance No. ___-_____, approved by City Council on _____ , 2025 and by DISD, _____, duly authorized by Denton Independent School District Board by _____ No. _____ dated _____, 2025

THE CITY OF DENTON, TEXAS
Sara Hensley,
City Manager

By: _____

APPROVED AS TO LEGAL FORM:
Mack Reinwand,
City Attorney

By: _____

Date:_____

DENTON INDEPENDENT SCHOOL DISTRICT

By: _____

Name: Title:

Date:

ATTEST:
Denton Independent School District

By: _____

EXHIBIT A
To
Interlocal Cooperation Agreement
City Exchange Property-556 Hobson Road, Denton, TX 76205
(SEE ATTACHED)

EXHIBIT B
To
Interlocal Cooperation Agreement
DISD TRACT ONE - Exchange Property
Calhoun Middle School located on Congress Street
(SEE ATTACHED)

EXHIBIT C
To
Interlocal Cooperation Agreement
DISD TRACT TWO - Exchange Property
Calhoun Middle School located on Mounts Ave.
(SEE ATTACHED)

EXHIBIT D
To
Interlocal Cooperation Agreement
Exchange Agreement
(SEE ATTACHED)

EXHIBIT E
To
Interlocal Cooperation Agreement
CITY PUBLIC HEARINGS
(SEE ATTACHED)

EXHIBIT F
To
Interlocal Cooperation Agreement
DISD PUBLIC HEARINGS
(SEE ATTACHED)