

**INTERLOCAL AGREEMENT  
FOR THE ACQUISITION AND DEVELOPMENT OF PROPERTY FOR THE  
CONSTRUCTION OF A HIGH SCHOOL AND CAREER TECHNICAL EDUCATION  
CENTER**

**THE STATE OF TEXAS**                   §  
  §                   **KNOW ALL BY THESE PRESENTS:**  
**COUNTY DENTON**                    §

This **Interlocal Agreement** (the “Agreement”) dated this \_\_\_\_ day of \_\_\_\_\_, **2024**, (“Effective Date”), is made and entered into by and between the **Town of Cross Roads, Texas**, hereinafter referred to as “**Cross Roads**,” and the **Denton Independent School District**, hereinafter referred to as “**DISD**”, each referred to separately as a “Party” and collectively as the “Parties.”

**RECITALS:**

**WHEREAS**, the Texas State Legislature has authorized the formulation of interlocal cooperation agreements between and among governmental entities; and

**WHEREAS**, Cross Roads relies heavily on sales tax revenue as the primary basis for generating funds to operate and maintain a family-oriented, safe town environment while preserving its small-town country living, and making the community a better place to do business, live and work; and

**WHEREAS**, DISD relies entirely on ad-valorem property taxes to generate funds to build and construct new facilities, and a combination of state and local funds to maintain and operate schools within DISD and the Cross Roads; and

**WHEREAS**, Cross Roads has developed and adopted the Cross Roads Vision 2035 Final Vision and Next Steps Plan regarding the Cross Roads vision for the future of Cross Roads (the “Plan”); and

**WHEREAS**, US 380 is a crucial commercial corridor for economic development, specifically including sales tax-generating businesses for the Cross Roads that does not have an Ad Valorem property tax, and for property tax generating businesses for DISD that does have an Ad Valorem property tax; and

**WHEREAS**, Cross Roads previously worked with the owner of an approximately 32-acre parcel of land generally located at the southeast corner of US 380 and Naylor Road (the “Cross Roads Property” depicted in Exhibit “A”) to enter a Development Agreement(s) which obligated the owner of the Cross Roads Property to make significant financial contributions, real estate dedications, and improvements to Cross Roads (the “Encumbrances”); and

- WHEREAS,** DISD has purchased the Cross Roads Property and has also acquired approximately 113 acres of land immediately South of the Cross Roads Property which were previously owned by Bloomfield Homes (the “High School No. 5 Property” depicted in Exhibit “B”); and
- WHEREAS,** DISD has plans to develop and construct an elite public high school on the High School No. 5 Property; and
- WHEREAS,** DISD also has plans to develop and construct a Career Technical Education Center (the “CTE”) on the same site as High School No. 5; and
- WHEREAS,** Cross Roads currently owns 5 acres of real estate adjacent to the High School No. 5 Property (the “Exchange Parcel” depicted in Exhibit “C”); and
- WHEREAS,** the proposed high school DISD intends to develop on the High School No. 5 Property will create a need for public services in Cross Roads, including police and fire protection, along with the construction, operation, and maintenance of roadway and traffic light infrastructure; and
- WHEREAS,** DISD is committed to contributing towards and participating in solutions to the additional public needs arising from the development and operation of the proposed high school on the High School No. 5 Property for services directly related to the new High School; and
- WHEREAS,** DISD has also purchased approximately 80-acre tract of land that fronts a future East/West connector in Cross Roads for possible development by DISD (the “Connector Parcel” depicted in Exhibit “D”); and
- WHEREAS,** the Connector Parcel and the Cross Roads Property represent significant opportunities for future retail, commercial, and sales tax-generating development in both Cross Roads and DISD as well as significant opportunities for future educational facilities to enhance student learning; and
- WHEREAS,** DISD does not have definitive plans for its future use of the Connector Parcel; and
- WHEREAS,** DISD does not have definitive plans for its future use of the Cross Roads Property; and
- WHEREAS,** Cross Roads is committed to achieving the approximate net benefits of the Encumbrances for Cross Roads; and
- WHEREAS,** Cross Roads and DISD are mutually willing to partner in a constructive manner to assist both entities with providing services to their constituents so Cross Roads does not assume any additional costs or responsibilities related to DISD developments, and DISD does not assume any additional costs as it relates to future economic development; and

**WHEREAS**, Cross Roads and DISD recognize further that the transactions contemplated under this Agreement will benefit Cross Roads’ and DISD’s long-term interests by promoting economic development and job creation in Cross Roads and DISD, and fostering the future development of DISD schools and facilities, both to the betterment of Cross Roads and DISD (collectively the “Parties”); and

**WHEREAS**, this Interlocal Agreement is made under the authority granted by and pursuant to Chapter 791 of the Texas Government Code which authorizes Cross Roads and DISD to enter into this Agreement for purposes of achieving mutual governmental functions; and

**WHEREAS**, Cross Roads and DISD desire to enter into this Agreement to further their public purposes through the acquisition and development of certain parcels of land that will enable DISD to build a new high school and a new Technical Education Center and enable CROSS ROADS to acquire real property for future development, all to better serve the students of DISD and the citizens of Cross Roads; and

**WHEREAS**, the governing bodies of Cross Roads and DISD further find that the performance of this Agreement is in the common interest of both parties.

**NOW THEREFORE, IN CONSIDERATION of the mutual promises and agreements contained herein, the Parties do hereby agree as follows:**

I.  
PURPOSE/SCOPE

The recitals set forth above are true and correct and hereby incorporated as a part of this Agreement. The purpose of this Agreement is to execute the intentions of DISD and Cross Roads as expressed in the Memorandum of Understanding dated December 15, 2023. The shared goal for Cross Roads and DISD is that the Cross Roads Property be developed into a master planned, community-based concept, that maximizes the generation of sales tax revenue, ad valorem revenue, and learning opportunities for Texas students. The Parties further acknowledge the importance of Cross Roads not being forced to bear any additional financial burdens as a result of DISD’s development and operation of DISD facilities in Cross Roads, and DISD not being forced to bear any additional financial burdens for Cross Roads’ growth outside the DISD development and operation of DISD facilities in Cross Roads. The Parties agree to work cooperatively to achieve these mutual goals.

II.  
DISD’S DUTIES

DISD agrees to undertake each of the following obligations in a timely manner.

2.1 DISD will invite and involve Cross Roads representatives to work with DISD’s architects as time allows through the charette process to bring major themes of the Plan into development, including land use plans for High School No. 5, the Connector Tract, and the Cross Roads property.

## 2.2 High School No. 5

- A. In naming High School No. 5, DISD will endeavor to include recognition of the geographic location of High School No. 5 being within Cross Roads.
- B. The grounds of the High School No. 5 Property will be designed to include walking and biking trails throughout the High School No. 5 Property and open spaces to include outdoor spaces which may include performance areas and playfields. DISD will comply with applicable landscaping codes for Cross Roads, including the tree preservation ordinance.
- C. DISD will make High School No. 5 and the CTE available for public use on an as-available basis, including but not limited to the following: indoor walking for senior citizens, joint library use, after-hours and weekend use for the public, community play on the tennis courts and community use of the theatre and fine arts facilities, in the same manner as all other DISD facilities. The Parties agree to enter into future agreements for DISD facility use which will be at least as favorable as any other entity with similar arrangements with DISD.
- D. DISD will work cooperatively with Cross Roads regarding the payment of Building Permit fees for High School No. 5 and the CTE. This may include the front payment of an estimated amount of such fees. Except as otherwise provided for herein, the Parties agree and understand that Denton ISD has no duty under law to pay for any fees aside from normal permitting fees and those fees defined in the “Pre-Development and Professional Services Agreement” authorized by the DISD Board of Trustees.
- E. DISD will allow Cross Roads to utilize the outdoor spaces on DISD property, including High School No. 5 and the CTE, for community events, including but not limited to Founders Day under separate use agreements, so long as such use does not interfere with DISD educational operations. Such agreement(s) will be on terms at least as favorable as any other entity with similar arrangements with DISD.
- F. High School No. 5 will be zoned to reduce or eliminate the need for students of High School No. 5 to utilize U.S. Highway 380 to commute to school. It is anticipated that the attendance zone for High School No. 5 will be generally consistent with the zones for Rodriguez and Strickland Middle Schools. The Parties understand nothing contained herein limits the ability of DISD to rezone schools.
- G. DISD will be solely responsible for student resource officers and equipment in the same manner as with other DISD facilities. These resources will be on the same or equivalent terms as provided to other municipalities within DISD’s boundaries Cross Roads and DISD will work together to budget for these costs annually, which will be paid in advance and settled at the end of each fiscal year.
- H. DISD will be collaborate with Cross Roads to address the costs to construct any required public infrastructure to serve High School No. 5, including but not limited to all roadway, drainage, and traffic light improvements so that Cross Roads does not assume any additional financial responsibilities. DISD will pay any fees required under Texas law, and

the Parties may enter into additional agreements for impact, permit and other development fees.

### 2.3 Cross Roads Property

- A. DISD will convey a 2.5-acre portion of the Cross Roads Property to Cross Roads in fee simple within the later of sixty (60) days of the Effective Date or the date of Cross Roads' choosing. The exact location of such property shall be subject to the mutual agreement of Cross Roads and DISD.
- B. DISD will also convey a fifty-percent (50%) undivided ownership interest in the remainder of the Cross Roads Property to Cross Roads pursuant to a Tenants in Common Agreement being executed simultaneously herewith (the "TIC Agreement"). The remainder of the Cross Roads Property will be jointly owned by the Parties pursuant to the TIC Agreement. The Parties will enter into the TIC Agreement establishing mutual ownership and control. Development, management, and lease arrangements of the remainder of the Cross Road Property will be the responsibility Cross Roads, and DISD will have 50% interest in the net proceeds. Similarly, all revenue from the sale, lease, or conveyance of any right to the Cross Roads Property shall be shared equally. Any sale, lease, or conveyance of any portion of the Cross Roads Property shall require the approval of the Parties.

### 2.4 Miscellaneous

- A. DISD will work to bring internet service to DISD schools built in Cross Roads and the CTE. If there is additional capacity available in the DISD's fiber conduit, DISD agrees to work with Cross Roads to make such capacity available to Cross Roads, subject to mutually agreeable terms.
- B. DISD currently has no plans to construct more than the High School No. 5 Campus and CTE facility within Cross Roads. In the event DISD pursues the development of additional campuses or facilities within Cross Roads, then the Parties agree to work cooperatively on agreeable terms, location, and impact associated with such new campuses.
- C. The Parties may develop a mutually beneficial specific agreement for the CTE to include capacity for Cross Roads Town Hall facilities, including but not limited to meeting space, offices, conference rooms, and associated facilities subject to and conditioned upon mutually agreeable terms and conditions.
- D. DISD will develop a specific agreement to develop a community garden at Star Ranch for possible use when students are not present.
- E. DISD will not locate a bus barn or bus storage facility within Cross Roads; however, this shall not prohibit the day-time or overnight parking of school buses on DISD property.
- F. DISD agrees to execute documents necessary to affect the terms of this Agreement. DISD shall pay for the performance of any governmental functions or services in connection with this Agreement from current available revenues.

III.  
CROSS ROADS'S DUTIES

Cross Roads agrees to undertake each of the following obligations in a timely manner.

- 3.1 Cross Roads will convey the Exchange Parcel to DISD in fee simple within the latter of sixty (60) days of the Effective Date or the date of DISD's choosing.
- 3.2 Cross Roads will jointly develop and manage the remainder of the Cross Roads Property with DISD.
- 3.3 Cross Roads agrees to work cooperatively with DISD representatives in the development planning for the High School Property, the Connector Parcel, and the Cross Roads Property.
- 3.4 Cross Roads will engage in pre-development meetings with DISD staff, representatives, and contractors so long as the terms of this Agreement are being met. Cross Roads shall not be obligated to issue any Building Permit or Certificate of Occupancy for High School No. 5 or the CTE in the event of an outstanding default under this Agreement by DISD.
- 3.5 Cross Roads agrees to execute documents necessary to affect the terms of this Agreement.
- 3.6 Cross Roads shall pay for the performance of any governmental functions or services in connection with this Agreement from current available revenues.
- 3.7 Upon DISD's completion of its responsibilities under this Agreement, CROSS ROADS will relieve the Encumbrances on the Cross Roads Property as to DISD but not as to any other future owner(s), and such Relief of Encumbrances document shall be filed with the Denton County Clerk.
- 3.8 Cross Roads agrees to execute documents necessary to affect the terms of this Agreement. Cross Roads shall pay for the performance of any governmental functions or services in connection with this Agreement from current available revenues.

IV.  
DEFAULT, TERM, AND TERMINATION

4.1 DISD Default.

If at any time DISD shall (i) fail to timely perform any of its obligations hereunder, (ii) fail to pay Cross Roads after receipt of an invoice or statement for costs hereunder for a period of more than thirty (30) days, or (iii) commit any other material breach of this Agreement which remains uncured for a period of thirty (30) days after receipt of written notice from Cross Roads specifying in reasonable detail the nature of the breach and the action required to cure; provided, however, that if such matter cannot be cured within such thirty (30) day period, DISD shall not be in default if DISD shall commence the cure within such thirty (30) days and thereafter diligently pursue the cure thereof, or (iv) make a general assignment for the benefit of creditors, and shall fail to correct any of the foregoing within seventy-two (72) hours after written notice thereof by Cross Roads,

then Cross Roads, may upon thirty (30) days' written notice to DISD, either: 1) withhold permits as provided for in Section 3.4 above; 2) require specific performance of DISD's obligations hereunder, or recover such actual damages (and not consequential damages) as to which Cross Roads may be entitled, whether under the terms of this Agreement or otherwise; or 3) exercise any other right or remedy at law or in equity. Any failure of Cross Roads to exercise any right or remedy as provided in this Agreement shall not be deemed a waiver by Cross Roads of any claim for damages it may have by reason of DISD Default under the terms of this Agreement.

#### 4.2 Cross Roads Default.

If at any time Cross Roads shall (i) fail to timely perform any of its obligations hereunder, (ii) or commit any other material breach of this Agreement which remains uncured for a period of thirty (30) days after receipt of written notice from DISD specifying in reasonable detail the nature of the breach and the action required to cure; provided, however, that if such matter cannot be cured within such thirty (30) day period, Cross Roads shall not be in default if Cross Roads shall commence the cure within such thirty (30) days and thereafter diligently pursue the cure thereof, or (v) make a general assignment for the benefit of creditors or if bankruptcy, reorganization, and shall fail to any of the foregoing within seventy-two (72) hours after written notice thereof by DISD, then DISD, may upon thirty (30) days' written notice to Cross Roads, either require specific performance of Cross Roads' obligations hereunder, or recover such actual damages (and not consequential damages) as to which DISD may be entitled, whether under the terms of this Agreement or otherwise, or exercise any other right or remedy at law or in equity. Any failure of DISD to exercise any right or remedy as provided in this Agreement shall not be deemed a waiver by DISD of any claim for damages it may have by reason of Cross Road Default under the terms of this Agreement.

4.3 Term. This Agreement shall be in full force and effect as of the date entered above. Unless terminated by either party as provided for herein, this Agreement shall continue until the closing of the transactions and obligations contemplated by this Agreement. Prior to those closings, the Parties may terminate this Agreement upon mutual written consent of both Parties.

### V. IMMUNITY

This Agreement is a "contract" pursuant to Sections 271.151-271.160 of the Local Government Code. It is expressly understood and agreed that in the execution of this Agreement, no party waives nor shall be deemed hereby to waive any other immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions save and except for Subchapter I and Sections 271.151-271.160 of the Local Government Code.

### VI. NO SUCCESSORS AND ASSIGNS

Neither Cross Roads nor DISD shall assign, sublet, subcontract, or transfer any interest in this Agreement without the written consent of the other party. No assignment, delegation of duties or subcontract under this Agreement will be effective without the written consent of the other party. This Agreement is solely for the benefit of the Parties hereto.

VII.  
APPLICABLE LAW AND VENUE

This Agreement is entered into subject to the Interlocal Cooperation Act, the governing charters and/or ordinances of Cross Roads and DISD, as they may be amended from time to time, and is subject to and is to be construed, governed, and enforced under all applicable Texas and Federal laws. The Parties agree that the execution and performance of this Agreement shall be in Denton County, Texas, and that if legal action is necessary to enforce this Agreement, exclusive venue will lie in the state courts located in Denton County, Texas.

VIII.  
DISPUTE RESOLUTION

As a prerequisite to all Disputes except those relating to equitable remedies, which are not resolved within thirty (30) days after same have arisen shall be submitted for, or determined by, non-binding mediation. Prior to mediation, the Parties shall participate in at least one in-person meeting of the principal representative(s) for each Party. Following such meeting, mediation of any Dispute shall be initiated by either Party by making a binding written demand therefore to the other Party. With respect to such mediation, the Parties shall, within ten (10) days after delivery of such written demand for mediation, appoint a mediator who is (a) a reputable person actively engaged in the commercial real estate industry for a continuous period of not less than ten (10) years, and (b) is in no way affiliated, or has had material business dealings, with either Party. Such mediation shall occur within thirty (30) days after the mediator has been appointed and shall occur at a mutually acceptable location in Denton County, Texas. The costs of such mediation services shall be shared equally (but each party shall bear the cost of their own travel and attorneys' fees).

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. Each right or remedy 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.

IX.  
SEVERABILITY

If any of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, conditions, or any other part of this Agreement are for any reason held to be invalid, void, or unenforceable, the remainder of the terms, sections, subsections, sentences, clauses, phrases, provisions, covenants, and conditions or any other part of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

X.  
ENTIRE AGREEMENT

This Agreement embodies the complete agreement of the Parties hereto superseding all oral or written previous and contemporary agreements between the Parties relating to matters herein; and except as otherwise provided herein, cannot be modified without written agreement of the Parties.



XI.  
AUTHORIZATION

The undersigned officers and/or agents are properly authorized to execute this Agreement on behalf of the Parties hereto and each party hereby certifies to the other that any necessary resolutions or actions extending such authority have been duly passed and are now in full force and effect.

XII.  
RELATIONSHIP OF THE PARTIES

Nothing herein shall be construed as creating a partnership or joint venture between Cross Roads and DISD, or their agents, employees, and subcontractors.

XIII.  
NOTICES

Notices required pursuant to the provisions of this Agreement shall be conclusively determined to have been delivered when (1) hand-delivered to the other party, its agents, employees, or representatives, (2) delivered by overnight courier service such as FedEx or UPS with written confirmation of receipt, or (3) received by the other party by United States Mail, registered, return receipt requested, addressed as follows:

CROSS ROADS

Kristi Gilbert, Town Administrator  
3201 US Hwy 380, Suite 105  
Cross Roads, Texas 76227  
Email- [k.gilbert@crossroadstx.gov](mailto:k.gilbert@crossroadstx.gov)

With a copy to:

Matthew C. G. Boyle, Town Attorney  
BOYLE & LOWRY, LLP  
4201 Wingren, Suite 108  
Irving, Texas 75062  
Email- [mboyle@boyle-lowry.com](mailto:mboyle@boyle-lowry.com)

DENTON INDEPENDENT SCHOOL DISTRICT

Dr. Susannah Holbert-O'Bara, Superintendent  
1307 N. Locust  
Denton, Texas 76201  
Email- [sobara@dentonisd.org](mailto:sobara@dentonisd.org)

With a copy to:

Dr. Deron Robinson, General Counsel  
1307 N. Locust  
Denton, Texas 76201  
Email- drobinson@dentonisd.org

XIV.  
FORCE MAJEURE

Cross Roads and DISD shall exercise their best efforts to meet their respective duties and obligations as set forth in this Agreement, but shall not be held liable for any delay or omission in performance due to force majeure or other causes beyond their reasonable control (force majeure), including, but not limited to, compliance with any government law, ordinance or regulation, acts of God, acts of the public enemy, fires, strikes, lockouts, natural disasters, wars, riots, material or labor restrictions by any governmental authority, transportation problems, pandemics, and/or any other similar causes.

XV.  
PUBLIC PURPOSE

The Parties acknowledge and agree that the donation and exchange of property under this Agreement has been deemed a public purpose by the governing body of each party pursuant to Section 272.001(l) of the Texas Local Government Code. Any documents evidencing title and right to possession of, or transferring interest in, the parcels of land that are the subject of this agreement shall include a provision that title to each Parcel will revert to the donating party if the acquiring party ceases to use the land in carrying out the public purposes as stated in this Agreement.

**ACCEPTED AND AGREED:**

**Town of Cross Roads**

By: \_\_\_\_\_

Mayor T. Lynn Tompkins, Jr.

Date: \_\_\_\_\_

**Approved as to Form:**

By: \_\_\_\_\_

Matthew C. G. Boyle, Attorney for Cross Roads

**Attest:**

By: \_\_\_\_\_

Donna Butler, Town Secretary

**Denton Independent School District:**

By: \_\_\_\_\_

Dr. Susannah Holbert-O'Bara, Superintendent

Date: \_\_\_\_\_

**Attest:**

By: \_\_\_\_\_

Dr. Jeremy Thompson, Deputy Supt.

**Approved as to Form:**

By: \_\_\_\_\_

Dr. Deron Robinson, Attorney for DISD