

AMENDMENT NO. 3 TO INTERLOCAL AGREEMENT

THIS AGREEMENT is entered into as of the 4th day of October, 2010, by and between the City of Whitefish, a municipal corporation ("Whitefish"), and the Whitefish Fire Service Area, a fire service area created by the Flathead County Board of Commissioners pursuant to Section 7-33-2401, et seq., MCA ("WFSA"), with respect to the following facts:

A. The parties entered into an Interlocal Agreement dated December 31, 2006, pursuant to which Whitefish agreed to provide fire and other emergency service to the WFSA, for a term of three years, ending on December 31, 2009 ("the Agreement").

B. The Interlocal Agreement provided that it would be automatically extended for additional one-year terms unless either party provided written notice of the intent to terminate the Agreement at least twelve (12) months before the expiration of the current term.

C. Whitefish delivered to the WFSA a notice of its intent to terminate the Agreement on December 30, 2008, one year before the termination of its original three-year term.

D. The parties wish to execute this amendment as a Memorandum of Understanding to continue services and payments provided in the agreement and as modified herein.

THEREFORE, the parties agree as follows:

1. The Agreement is a Restatement and Amendment to the Interlocal Agreement dated December 31, 2006 and amendments which shall be titled and referred to as an Agreement for Services (hereinafter Agreement) where the Whitefish Fire Department performs as an independent contractor to WFSA.

2. The term of the Agreement is hereby extended through December 31, 2015. The Agreement will terminate at the end of the day on December 31, 2015, unless further extended in writing by the parties.

3. Section 3, Annual Compensation, of the original agreement shall be modified as follows:

- a. WFSA agrees to provide \$225,603 per fiscal year for City Fire and Rescue operations funding in FY 11 – FY15 (Tax Year 2010 – 2015) as increased or decreased by the full amount of the increase or decrease in the WFSA Tax Roll due to growth/annexation as provided in Section 4 of the Agreement. Such payments shall be payable in half during the first week of July and first week of January each fiscal year.
- b. WFSA agrees to provide a one time cash reserve payment of \$300,000 during August – October, 2010 from accumulated reserves to Whitefish and Whitefish agrees to use said reserve funds only for Fire and Rescue costs.

Such costs include, but are not limited to personnel, operations and maintenance costs, repair costs for equipment, and purchase of new or used Fire and Rescue equipment, vehicles, or apparatus.

- c. WFSA agrees to maintain a continuing capital account ("WFD/WFSA Capital Account") of approximately \$33,537 each year during the five year term of this amendment to be called the WFD/WFSA reserve. The use of these funds shall be by joint agreement between the WFSA and Whitefish. Such agreement shall be in writing and signed by the WFSA Chairman, the Whitefish Fire Chief, and the Whitefish City Manager.

4. Whitefish agrees to continue to provide 24/7/365 Fire and Rescue services as outlined in the Agreement through the term of this agreement.

5. WFSA agrees to pursue obtaining the legal ability to have tiered assessment rates for their assessments on property within the WFSA as provided by law. Whitefish agrees to work with WFSA in this endeavor and support the WFSA efforts. The tiered assessments will be based primarily on ISO improvements and distance from fire station(s).

6. WFSA and Whitefish agree to establish a basis for calculating WFSA owner assessments to result in a fair and equitable fee for service agreement.

7. WFSA agrees to request Flathead County Commissioners' approval for the county to assess and collect fees for undeveloped land according to §7-33-2404 MCA. WFSA will ask the County to request that the Montana Legislature increase the fees to account for inflation of wildfire response and containment since the time that Fire Service Areas were authorized. Any monies collected will be added to the account specified by Whitefish.

8. Except as amended herein, the Interlocal Agreement shall remain in full force and effect through December 31, 2015.

CITY OF WHITEFISH,
a municipal corporation

WHITEFISH FIRE SERVICE AREA

By: Charles C. Stearns
Charles C. Stearns, City Manager

William Beck
William Beck, WFSA Chairman

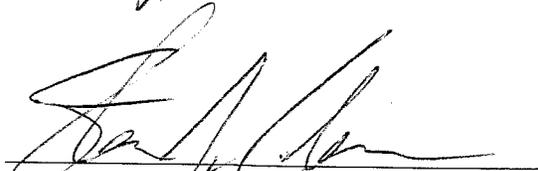
WHITEFISH FIRE DEPARTMENT

By: J. Thomas Kennelly
J. Thomas Kennelly, Fire Chief

M. D. Mahler
M. D. Mahler, Treasurer



William J. LaBrie, Secretary



Steve Carlson, Board Member

Ed Lieser, Board Member