

**DONATION AGREEMENT BETWEEN
THE CITY OF MCKINNEY, TEXAS AND
BAYLOR SCOTT & WHITE THE HEART HOSPITAL – PLANO
FOR THE NEIGHBORHOOD HEROES PROGRAM**

THIS DONATION AGREEMENT (the “Agreement”) is made and entered into this 19th day of May, 2026, (the “Effective Date”) by and between the CITY OF MCKINNEY, TEXAS (the “City”) and TEXAS HEART HOSPITAL OF THE SOUTHWEST, LLC doing business as BAYLOR SCOTT & WHITE THE HEART HOSPITAL – PLANO, a Texas for-profit corporation, desiring to support the Neighborhood Heroes Program, hereinafter referred to as “Donor.”

WITNESSETH:

WHEREAS, the City of McKinney is committed to the health, safety, and well-being of its residents; and

WHEREAS, the McKinney Fire Department, a department of the City of McKinney, Texas, has been actively promoting the establishment of the Neighborhood Heroes Program as a program that strategically places life-saving Automated External Defibrillators (“AEDs”) into the hands of CPR-trained and AED-trained citizen volunteers residing within the corporate limits of the City (each a “Neighborhood Hero”) to create a robust and connected network of lifesavers across the City in an effort to make the City of McKinney a “4-Minute City”; and

WHEREAS, the Neighborhood Heroes Program, as conceived and planned and used in other communities, integrates technology with community action by alerting trained Neighborhood Heroes through cellular and WiFi-enabled AEDs during cardiac emergencies, effectively augmenting the City’s 911 response system; and

WHEREAS, the Neighborhood Heroes Program also seeks to increase the availability of AEDs throughout public and private locations in the City, while delivering hands-only CPR training, AED training, and stop the bleed training (collectively “Training”) to hundreds of Neighborhood Heroes; and

WHEREAS, the Neighborhood Heroes Program, as conceived and planned and used in other communities, is powered by public-private partnerships and generous community contributions to provide AEDs, integrate emergency response technology, and deliver Training to Neighborhood Heroes; and

WHEREAS, Donor desires to donate Four Hundred Fifty Thousand Dollars (\$450,000.00) (the “Donation”) to be recognized as the Platinum Sponsor of the Neighborhood Heroes Program to the City, which Donation will enable the City and the McKinney Fire Department to purchase and maintain up to a total of 190 AEDs for the Neighborhood Heroes Program and provide Training to Neighborhood Heroes over an initial period of five years; and

WHEREAS, the Donor's Donation will help the City move toward the current goal of placing more than 400 AEDs in the hands of Neighborhood Heroes across the City and ultimately become a 4-Minute City; and

WHEREAS, the AEDs proposed for use are capable of collecting and recording specific medical data regarding the cardiac condition of a person to whom an AED is connected for the period of time the person is connected to the AED; and

WHEREAS, Donor desires to collect and study the cardiac centered data collected on the AEDs funded by the Donation for medical research purposes; and

WHEREAS, City and Donor are mutually desirous of entering into this Agreement for the benefit of the public; and

WHEREAS, the goal of this donation is to support the shared goals and missions of the Donor and the City related to the delivery of emergency cardiac services (including, but not limited to, the provision and availability of life-saving equipment) for the benefit of the residents of McKinney, Texas, in a manner consistent with all applicable laws and regulations including the physician self-referral law at 42 U.S.C. § 1395nn ("Stark Law") and the Medicare/Medicaid Fraud and Abuse Anti-Kickback Statute at 42 U.S.C. § 1320a-7b(b) ("AKS"); and

WHEREAS, the Donor makes the Donation to the City in the amount and upon the terms and conditions set forth in this Agreement in accordance with the provisions of the Neighborhood Heroes Program, as the City's Neighborhood Heroes Program is presently conceived and planned with the understanding that the concepts and structure behind the Neighborhood Heroes Program may be modified from time to time to fit the needs of the City;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and Donor covenant and agree as follows:

1. The Recitals above shall be incorporated herein as if fully set forth below.
2. Simultaneous with the execution hereof, Donor hereby donates and tenders funds in the amount of Four Hundred Fifty Thousand Dollars (\$450,000.00) to the City of McKinney, Texas, to be expended by the City for the purchase and maintenance of up to 190 AEDs together with the medical, technological, and communication software supporting said AEDs (each a "Sponsored AED") and providing Training to Neighborhood Heroes.
3. It is specifically understood and agreed by City and Donor that the Donation shall be used for the purchase and maintenance of up to 190 AEDs together with the medical, technological, and communication software supporting said AEDs

planned to be used with the City's Neighborhood Heroes Program in addition to providing Training to Neighborhood Heroes (collectively the "Donation Expenses"). City recognizes and agrees that the Donation will contribute meaningfully to City's ability to increase the number and availability of AEDs within the City, and enhance the quality of services available to its residents. City shall deposit the Donation into the Fire Donations Fund together with donations from other donors to the Neighborhood Heroes Program, and will track the Donation Expenses against the Donation. By execution hereof, Donor gives its express consent and authorization to the City to expend the Donation in accordance with this Agreement.

4. As funding dictates and Neighborhood Heroes are identified and AEDs become available the City will provide Training to Neighborhood Heroes. The City will also develop a plan for the distribution of AEDs to Trained Neighborhood Heroes located in different areas throughout and across the area that comprises the City in an effort to become a 4-Minute City.

5. For a period of five (5) years beginning on the Effective Date listed on Page 1, above, (the "Term") the City will provide Donor with recognition as a "Platinum Sponsor" of the Neighborhood Heroes Program unless the Neighborhood Heroes Program is earlier terminated in the City's reasonable discretion. The current types and levels of recognition currently planned for each identified donor level are set out on Exhibit A to this Agreement. Notwithstanding anything else herein to the contrary, this donation is a non-exclusive arrangement, and the ability of the City to solicit and receive donations from other providers of health care services, including but not limited to, donations for the acquisition of AEDs or other cardiovascular-related equipment or supplies, or from recognizing such donors within the Neighborhood Heroes Program shall not be prohibited.

6. The Donor and the City understand and agree that the levels and types of recognition set out in Exhibit A reflect the incentives and recognition that the McKinney Fire Department currently believes will promote and generate broad support for and promote public interest in supporting and working in and with the City's Neighborhood Heroes Program. However, the Donor and the City also understand and specifically agree that the levels and types of recognition set out in Exhibit A may be changed or terminated during the Term without also terminating this Agreement or voiding, repealing, or rescinding Donor's Donation because:

a. the Neighborhood Heroes Program is a new program promoted by the City for the benefit of the public health, safety, and welfare of the City's residents and visitors;

b. Donor is the first donor providing a donation to support the Neighborhood Heroes Program;

c. the Neighborhood Heroes Program is not yet fully supported and staffed by needed citizen volunteers;

d. changes may be required to the structure of the Neighborhood Heroes Program including, but not limited to,

- (1) the concepts and structure of and the plans for the start-up and operation of the Neighborhood Heroes Program;
- (2) the types and levels of sponsorships; and
- (3) the types of recognition afforded to donors and sponsors of varying levels.

Donor specifically agrees that City retains the right and ability to change the concepts and structure of the Neighborhood Heroes Program and may pause or halt or even terminate the operation of the Neighborhood Heroes Program in the City's reasonable discretion without liability hereunder and without violating or breaching this Agreement.

7. Please note that the inclusion of the Donor's name and any logos, pictures, or images published on any website, video, program, signage, or other material will require confirmation of Donor's right to control the display and distribution of the same and the authority to allow the City to so publish the same. Donor also agrees and understands that City may in the best interest of the City and the Neighborhood Heroes Program cease and terminate the recognition offered to Donor by and through this Agreement without liability hereunder when in City's reasonable opinion such cessation or termination is in the best interest of City.

8. City will provide Donor with semi-annual reports over the Term regarding the purchase and set-up and maintenance of the up to 190 AEDs funded by the Donation.

9. The McKinney Fire Department will work with Donor at times convenient to the City and the participating Neighborhood Hero responsible for a Sponsored AED that has been used in response to a cardiac event to provide the cardiac centered data collected on a Sponsored AED, only, to Donor for Donor's medical research purposes. It is specifically understood and agreed that such information shall not include any separate reports or data collected by the City regarding any such cardiac event. It is also specifically understood and agreed that should the cardiac centered data collected on the Sponsored AED contain any information that is considered to be personally identifiable information or sensitive patient health information it shall be Donor's responsibility to protect such cardiac centered data from disclosure as required by the Health Insurance Portability and Accountability Act ("HIPAA") and any applicable Texas and United States laws, rules, and regulations.

10. Donor does hereby release and hold harmless the City from and against any and all claims regarding the use of or expenditure of the Donation. Donor hereby declares that any Donation paid to City and received by City under

this Agreement shall be irrevocable upon City's receipt. Donor further releases and holds harmless the City from and against any and all claims regarding the City's provision or failure or refusal to provide Donor with any amount or level of appreciation, recognition, thanks, or benefit identified in this Agreement or arising out of or in any way related to the Donation.

11. The Donation, and all documents executed by the parties to effectuate and memorialize the Donation, including but not limited to this Agreement, are expressly not conditioned on the volume or value of Federal health care program referrals or any other business generated between the parties. The parties acknowledge and agree that: i) neither the City, the McKinney Fire Department nor any of their affiliated health care service providers or professionals (including, but not limited to, any emergency medical service transport provider) are required to refer patients to Donor or any Donor affiliated professional or facility as a condition of receiving the Donation; and ii) neither the City, the McKinney Fire Department nor any of their affiliated health care service providers or professionals (including, but not limited to, any emergency medical service transport provider) are restricted from referring patients to any other individual or entity.

12. The parties believe that this Agreement complies with all relevant laws and regulations, specifically including but not limited to the federal AKS, Stark Law, and the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). Notwithstanding Section 10 above, if at any time this Agreement is found to violate any law or regulation; or if either party has a reasonable belief that this Agreement creates a material risk of violating any law or regulation, then such party shall provide written notice to the other party along with an opinion of counsel. If within ninety (90) days from a party first providing written notice to the other party of the need to amend the Agreement, the parties, acting in good faith, are: i) unable to mutually agree upon and make amendments or alterations to the Agreement to meet the requirements in question; or ii) alternatively, the parties determine in good faith that amendments or alterations to the requirements are not feasible, then either party may terminate the Agreement upon thirty (30) days prior written notice.

13. The City of McKinney is a governmental unit; it is not subject to Federal income tax under the provisions of Section 115(1) of the Internal Revenue Code, which states in part:

"Gross income does not include income derived from ... the exercise of any essential governmental function and accruing to a State or any political subdivision thereof ..."

Because the City is a governmental unit, its income is not taxable as explained above. Accordingly, donations to the City used exclusively for public purposes are tax deductible to the extent allowed by law including under Section 170(c) (1) of the Internal Revenue Code. The Donor affirms its intent to make a voluntary donation for general public purposes and uses, as described in this Agreement. The Donor further acknowledges and agrees that Donor shall not, has not, and will not receive anything

from the City (goods, services, etc.) in consideration of the Donation. The City makes no representation or warranty regarding tax treatment of the Donation. The City will provide Donor a Confirmation of Donation letter, upon Donor's written request.

14. This Agreement is being executed and delivered, and shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Collin County, Texas. Venue for any action arising under this Agreement shall lie exclusively in Collin County, Texas.

15. The City Manager of the City of McKinney has the authorization to execute this Agreement on behalf of the City. Donor represents that Donor's signatory has authority to bind the Donor under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this document to be executed as of the date first above written.

THE CITY OF MCKINNEY, TEXAS

PAUL G. GRIMES
City Manager

ATTEST:

EMPRESS DRANE
City Secretary
TENITRUS PARCHMAN
Deputy City Secretary

**TEXAS HEART HOSPITAL OF THE
SOUTHWEST, LLC doing business as
BAYLOR SCOTT & WHITE THE HEART
HOSPITAL – PLANO, a Texas for-profit
corporation**

By: 

Printed Name: Mark Valentine

Title: Regional President

EXHIBIT A

Sponsorship Levels

