

**AMENDMENT**  
**TO**  
**INTERLOCAL AGREEMENT**  
**AMONG**  
**THE CITY OF PENITAS, TEXAS,**  
**HIDALGO COUNTY, TEXAS,**  
**AND**  
**REINVESTMENT ZONE NUMBER ONE, CITY OF PENITAS, TEXAS**

This amendment (the "Amendment") is made by and among the **CITY OF PENITAS, TEXAS** ("City"), a municipal corporation and home-rule city of the State of Texas principally situated in Hidalgo County, Texas, acting by and through its governing body, the City Commission; **HIDALGO COUNTY, TEXAS**, a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Hidalgo County Commissioners Court ("County"); and **REINVESTMENT ZONE NUMBER ONE, CITY OF PENITAS, TEXAS** (the "Zone"), a reinvestment zone created by the City pursuant to Chapter 311 of the Texas Tax Code, acting by and through its Board of Directors) and amends that certain Interlocal Agreement among the City, the County and the Zone (the "Agreement").

**WITNESSETH:**

**WHEREAS**, on November 3, 2004, the City created the Zone by adoption of City Ordinance No. 2004-05, for the purposes of development and redevelopment of the property within the Zone pursuant to the Project Plan; and

**WHEREAS**, on February 14, 2005, the County originally determined to enter into the Interlocal Agreement but such Interlocal Agreement was not entered into and on October 14, 2008, the County determined to enter into the Interlocal Agreement subject to completion of certain legal and audit review of the Interlocal Agreement; and,

**WHEREAS**, such review raised concerns about the interaction of Article III and certain other parts of the Interlocal Agreement particularly with respect to the applicable rate of participation by the County ; and

**WHEREAS**, following such review and discussions of concerns about the effect of Article III of the Interlocal Agreement, on March 3, 2009, the County entered into the Interlocal Agreement with the acknowledgment from the City and the Zone that Article III of the Interlocal Agreement controls any provisions to the contrary, whether in the Interlocal Agreement's exhibits or otherwise, concerning any higher rate of participation by the County; and

**WHEREAS**, it is in the best interests of the parties to clarify the Interlocal Agreement to confirm the applicable rate of participation by the County.

**NOW, THEREFORE**, the City, the County and the Zone, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged do hereby contract, covenant and agree as follows:

1. **Definitions.** All terms defined in the Interlocal Agreement and used herein shall have the meaning set forth therein unless otherwise defined herein.
2. **Tax Increment Participation by County.** Notwithstanding any provision to the contrary in the Interlocal Agreement, including the Project Plan and other exhibits thereto, or any other document or agreement, the parties agree that for the purpose of calculating the County's contribution into the Tax Increment Fund, Article III of the Interlocal Agreement shall control over any higher tax rate or calculation.
3. **Commissioners Court Authorization.** This Amendment was authorized by Order of the Commissioners Court dated the 3<sup>rd</sup> day of March, 2009, authorizing the County Judge to execute this Amendment on behalf of the County.
4. **Severability.** In the event any term, covenant or condition herein contained is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained. In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on the County's contributions or participation, then neither the County, nor any other party, shall have any liability for any incremental or other payments as may otherwise be provided for in the Interlocal Agreement as amended hereby.
5. **Applicable Law.** This Amendment shall be construed under the laws of the State of Texas and is performable in Hidalgo County, Texas.

6. **Ratification of Interlocal Agreement.** The Interlocal Agreement, as amended hereby, is ratified and confirmed.

EXECUTED IN DUPLICATE ORIGINALS and made effective as of this 3<sup>rd</sup> day of March, 2009.

**CITY OF PENITAS, TEXAS**

\_\_\_\_\_  
Mayor  
City of Peñitas, Texas  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Secretary  
City of Peñitas, Texas  
Date: \_\_\_\_\_

**COUNTERSIGNED:**

\_\_\_\_\_  
City Attorney  
Date: \_\_\_\_\_  
\_\_\_\_\_

**HIDALGO COUNTY, TEXAS**

By: \_\_\_\_\_  
Name: J.D. Salinas III  
Title: County Judge  
Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Arturo Guajardo, Jr.  
County Clerk  
Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

Atlas & Hall L.L.P.

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

Name: Stephen L. Crain

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

**REINVESTMENT ZONE NUMBER ONE,  
CITY OF PENITAS, TEXAS**

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

Name: \_\_\_\_\_

Title: Chairman, Board of Directors

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

**ATTEST/SEAL:**

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

Name: \_\_\_\_\_

Title: Secretary, Board of Directors

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