**ORDER APPROVING FIRST AMENDMENT TO INTERLOCAL AGREEMENT BETWEEN HIDALGO COUNTY AND TAX INCREMENT REINVESTMENT ZONE NUMBER ONE, CITY OF DONNA**

***WHEREAS***, the **CITY OF DONNA, TEXAS** (the "***City***") has advised **HIDALGO COUNTY, TEXAS** (the "***County***") that **REINVESTMENT ZONE NUMBER ONE, CITY OF DONNA, TEXAS** (the "***Zone***"), created by the City in 2006, was prevented from performing according to original projections due to the economic conditions that occurred in 2008;

***WHEREAS,*** the board of the Zone and the City extended the term of the Zone and revised the project plan and the finance plan (as so revised (the "***Amended Plan"***) in order to allow for the economic development originally planned for the ZONE to now occur,

***WHEREAS,*** the City, the Zone, Grande Valley Homes, LLC (inadvertently referenced as Garden Valley Homes, LLC) d/b/a Casa Linda Homes (the "***CLH"***) and the County had entered into that certain Interlocal Agreement (the "***Original Interlocal Agreement***") dated 2008, concerning the County's participation in the Zone;

***WHEREAS,*** the City and the Zone have advised the County that CLH's rights under the Original Interlocal Agreement were assigned to **CITY OF DONNA ECONOMIC DEVELOPMENT CORPORATION** (hereinafter "***DEDC***");

**WHEREAS,** a dispute had arisen among the parties as to whether the conditions were met for a payment to be due from the County in part because of a purported dissolution of the Zone and in part due to interpretation of the Original Interlocal Agreement concerning whether evidence of compliance with the project plan needed to be delivered to the County prior to such payment; and

**WHEREAS,** the City has confirmed that the conditions for dissolution of the ZONE had not been met and that the Zone has continued, and the parties have agreed to amend the Original Interlocal Agreement to remove the source of dispute, and provide for agreed terms the payment to be made;

***WHEREAS,*** based on the benefits for economic development that will be generated through the continued participation by the County in, the proposed project in the Zone, the parties now deem it necessary and appropriate to enter into an amendment to the Original Interlocal Agreement for the purposes of establishing their obligations with respect to the payment of tax increment revenues generated from certain ad valorem taxes levied within the Zone for an extended period and to resolve the dispute, all as set forth in that certain *First Amendment to Interlocal Agreement between Hidalgo County and Reinvestment Zone Number One, City of Donna, Texas, which is* among the City, the County, the DDEC and the Zone relating to the Zone (the "***1st Amendment***"); and

***WHEREAS***, the final draft of the 1st Amendment,, which is attached hereto as Exhibit "I", has been presented by the City to, and reviewed by, the staff and the Commissioners Court of the County, and the Commissioners Court of the County has determined that it is necessary

and appropriate to assist with financing the project, and will be beneficial to the Zone, by approving the 1st Amendment to accomplish the purposes set forth therein;

**NOW THEREFORE**:

***BE IT ORDERED BY THE COMMISSIONERS COURT OF HIDALGO COUNTY TEXAS:***

**SECTION 1. APPROVAL OF 1ST AMENDMENT.** The 1st Amendment is hereby approved in the form attached hereto as Exhibit "I", and each Commissioner or the County is authorized to execute, and the County Clerk of the County is authorized to attest, the 1st Amendment on behalf of the County and deliver same, and when executed and delivered by all of the parties thereto, the 1st Amendment shall become a valid and binding obligation of the County in accordance with its terms.

**SECTION 2. ENFORCEABILITY OF ORDER.** If any section, paragraph, clause, or provision of this Order shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Order. In case any obligation of the County authorized or established by this Order or the Interlocal Agreement is held to be in violation of law as applied to any person or any circumstance, such obligation shall be deemed to be the obligation of the County to the fullest extent permitted by law.

**SECTION 3. INCORPORATION OF RECITALS**. The Commissioners Court hereby finds that the statements set forth in the recitals of this Order are true and correct, and the Commissioners Court hereby incorporates such recitals as a part of this Order.

**SECTION 4. EFFECTIVE DATE**. This Order shall become effective immediately on the date of its passage by the Commissioners Court.

**PASSED, APPROVED and ADOPTED this 17th day of October, 2017.**

**HIDALGO COUNTY, TEXAS**

By:_____

ATTEST:

_____

Arturo Guajardo, Jr.
Hidalgo County Clerk

**EXHIBIT I TO COUNTY ORDER**

**FIRST AMENDMENT TO**
**INTERLOCAL AGREEMENT BETWEEN HIDALGO COUNTY**
**AND**
**REINVESTMENT ZONE NUMBER ONE, CITY OF DONNA, TEXAS**