

**FIRST ADDENDUM TO INTERLOCAL AGREEMENT:  
MCALLEN TAX INCREMENT REINVESTMENT ZONE NUMBER 2A**

The City of McAllen, Texas (“City”) and the County of Hidalgo (“County”), jointly referred to as “Parties,” hereby amend the **Interlocal Agreement** between the Parties regarding **Tax Reinvestment Zone Number 2A**, approved by the City on December 12, 2016 and approved by the County on October 3, 2017.

Article V, Section E entitled “Implementation of Project Plan” shall be corrected to read as follows:

“The CITY and ZONE agree to implement the Project & Finance Plan in accordance with the terms thereof, without any Material Change. The CITY and ZONE agree that the annual documentation provided to the COUNTY prior to any payment being due will include a detailed status update with documentation of the progress made with respect to the implementation of the Project & Finance Plan. In the event design or construction of the improvements set forth in the Project & Finance Plan is not commenced by 2022, or the CITY and the ZONE thereafter fail to diligently pursue completion of the Project & Finance Plan, the COUNTY may (i) withhold payments until thirty (30) days following notice to the COUNTY from the ZONE, with documentation satisfactory to the COUNTY, that such failure has been remedied and (ii) if not promptly remedied following notice from the COUNTY, terminate its participation in the ZONE. For the avoidance of doubt, the Parties expressly agree that no such action by the COUNTY will result in a COUNTY Tax Increment Payment being delinquent ( and, accordingly, neither interest nor penalties could be due from the COUNTY), because the COUNTY's exercise of its rights hereunder would prevent any Tax Increment Payment from being due hereunder from the COUNTY.”

The Parties agree that this addendum is made part of the Interlocal Agreement and that the correction herein supersedes the language contained in the original agreement. All other provisions of the agreement remain valid and in full effect absent a written agreement between the parties.

**IN WITNESS WHEREOF**, the parties hereto have executed this First Addendum.

**CITY OF McALLEN:**

By: \_\_\_\_\_  
Isaac J. Tawil  
City Manager

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

**HIDALGO COUNTY:**

By: \_\_\_\_\_  
Hon. Richard F. Cortez  
County Judge

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

**APPROVED AS TO FORM ONLY:**

\_\_\_\_\_  
Austin W. Stevenson  
Interim City Attorney

\_\_\_\_\_  
[INSERT NAME]  
[INSERT TITLE]