

THE STATE OF TEXAS
COUNTY OF HIDALGO

AGREEMENT

I. PARTIES

(439)
5808650

A. Address

THIS AGREEMENT ("Agreement") is made by and between the CITY OF MISSION, TEXAS ("City"), a municipal corporation and home-rule city of the State of Texas principally situated in the County of Hidalgo, acting by and through its governing body, the City Council; HIDALGO COUNTY ("County"), located at 100 E. Cano, Edinburg Texas 78539; and the REINVESTMENT ZONE NUMBER ONE, CITY OF MISSION, TEXAS (the "Reinvestment Zone"), a reinvestment zone created by the City of Mission pursuant to Chapter 311 of the Texas Tax Code, acting by and through its Board of Directors. This Agreement is made pursuant to Section 311.013 of the Texas Tax Code, which Section permits a taxing unit to enter into agreements to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone.

The initial addresses of the parties, which one party may change by giving written notice of its changed address to the other parties, are as follows:

<u>City</u>	<u>County</u>	<u>The Reinvestment Zone</u>
City Manager or Designee City of Mission, Texas 900 Doherty Mission, Texas 78752	Hidalgo County Attention County Judge 100 E. Cano, 2 nd Floor Edinburg, Texas 78539	Reinvestment Zone Number One, City of Mission, Texas Attention: Chairman c/o Mission Economic Development Authority PO Box 968 Mission, Texas 78573-0968

201
E. 8th Street
Mission TX 79701

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B. Index

The City, the County and the Reinvestment Zone hereby agree to the terms and conditions of this Agreement. This Agreement consists of the following sections:

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Exhibit "A" - City of Mission Ordinance No. 2683

Exhibit "B" - City of Mission Resolution No. 1022

C. Parts Incorporated

All of the above described sections and documents are hereby incorporated into this Agreement by this reference for all purposes.

IN WITNESS HEREOF, the City, the County and the Reinvestment Zone have made and executed this Agreement in multiple copies, each of which is an original.

CITY OF MISSION, TEXAS.
a home rule municipality

HIDALGO COUNTY

[Signature] 4/8/02
City Mayor Date

[Signature]
County Judge Date

ATTEST:

[Signature] 3/19/02
Commissioner Date

[Signature] 4-9-02
City Secretary Date

[Signature] 3/19/02
Commissioner Date

(SEAL)

COUNTERSIGNED:

[Signature] 3-26-2002
Commissioner Date

[Signature] 4/8/02
City Manager Date

[Signature]
Commissioner Date

APPROVED AS TO FORM:

[Signature] 4/8/02
City Attorney Date

APPROVED AS TO FORM:

[Signature]
Attorney Date 3-26-02

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REINVESTMENT ZONE NUMBER ONE.
CITY OF MISSION, TEXAS

By: [Signature]
Title: Chairman, Board of Directors, Date

ATTEST/SEAL:

By: [Signature]
Title: Secretary, Board of Directors, Date

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II. DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out below.

"Administrative Costs" means the costs of organizing the Reinvestment Zone, the costs of operating the Reinvestment Zone and the imputed administrative costs associated with the Reinvestment Zone incurred by the City in connection with the implementation of the project plan.

"Agreement" means this agreement between the City, the County and the Reinvestment Zone.

"Agreement Term" is defined in Section VI.

"Captured Appraised Value" means the captured appraised value of the Reinvestment Zone as defined by Chapter 311, Texas Tax Code.

"City" is defined in Section I of this Agreement and includes its successors and assigns.

"Countersignature Date" means that date shown as the date countersigned by the City Manager on the signature page of this Agreement.

The "County" is defined in Section I of this Agreement and includes its successors and assigns.

The "County Tax Increment Participation" means the amount of the County tax levy on the Captured Appraised Value which the County agrees to contribute to the Reinvestment Zone pursuant to Subsections A and B of Section IV of this Agreement.

"Project Plan" means the project plan and reinvestment zone financing plan for the Reinvestment Zone adopted by the board of directors of the Reinvestment Zone and approved by the City Council of the City.

"Reinvestment Zone" means Reinvestment Zone Number One, City of Mission, Texas created by the City on September 24, 2001, by Ordinance No. 2683, attached as Exhibit A" and as enlarged by the City on December 10, 2001, by Resolution No. 1022, attached as Exhibit "B" and includes its successors and assigns.

"Tax Increment Fund" means the tax increment fund created by the City in the City Treasury for the Reinvestment Zone.

Otherwise, the terms used herein shall have the meanings ascribed to them in Chapter 311, Texas Tax Code, as applicable.

III. BACKGROUND

The City created and enlarged the Reinvestment Zone by Ordinance No. 2683, adopted September 24, 2001 and by Resolution No. 1022, adopted December 10, 2001, for the purposes of development and redevelopment in the area of the Reinvestment Zone. The City will deposit tax increments produced in the Reinvestment Zone in the Tax Increment Fund. The County desires to participate in the Reinvestment Zone in consideration for the agreements set forth below.

The County received written notice from the City of the City's intent to establish the Reinvestment Zone. Such notice was not received more than sixty (60) days before the public hearing on the creation of the Reinvestment Zone, however, the County has agreed to waive this requirement as provided for in 311.003(e) of the Texas Tax Code.

IV. OBLIGATIONS OF THE COUNTY

A. Tax Increment Participation by the County

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, the County agrees to participate in the Reinvestment Zone by contributing the below listed amounts of the tax increment produced in the Reinvestment Zone attributable to the County to the Tax Increment Fund during the term of this Agreement (the "County Tax Increment Participation").

The amount in the years 2002 through 2030 is the amount of taxes collected by the County in each of such years at a County tax rate of \$0.5095100 per \$100 valuation on the Captured Appraised Value. If the County tax rate is less than \$0.5095 during such period, then the County Tax Increment Participation is the total amount of taxes collected by the County at the actual tax rate of the County on

the Captured Appraised Value. Taxes collected during such period by result of a County tax levy at a tax rate greater than \$0.5095 shall be retained by the County.

The County's Tax Increment Participation and obligation to participate in the Reinvestment Zone shall be restricted to its tax increment collected on the Captured Appraised Value in the Reinvestment Zone in the amount shown above. The County shall not be obligated to pay its County Tax Increment Participation from other County taxes or revenues or until the County Tax Increment Participation in the Reinvestment Zone is actually collected. The obligation to pay the County Tax Increment Participation shall accrue as taxes representing the County tax increment are collected and payment shall be due on the first day of each calendar quarter.

As provided for in '311.013(d), the County is not required to pay a tax increment into the tax increment fund of the Reinvestment Zone after September 24, 2004 unless the following conditions exist or have been met prior to September 24, 2004:

- (1) bonds have been issued for the Reinvestment Zone under '311.015 of the Texas Tax Code;
- (2) the City has acquired property in the Reinvestment Zone pursuant to the project plan; or
- (3) construction of improvements pursuant to the project plan has begun in the Reinvestment Zone.

B. Expansion of the Investment Zone

The obligation of the County to participate in the Reinvestment Zone is limited to the area described in Exhibit "A" and Exhibit "B" attached hereto. The County's participation shall not extend to the tax increment on any additional property added to the Reinvestment Zone by the City unless the County approves the participation.

C. Board of Directors

The County has the right to appoint one (1) member on the Reinvestment Zone Board of

Directors:

V. OBLIGATIONS OF CITY AND THE REINVESTMENT ZONE

A copy of the Reinvestment Zone Project Plan and any amendments thereto shall be provided to the County before any such plan is finally approved by the Reinvestment Zone.

VI. TERM AND TERMINATION

A. Agreement Term

This Agreement shall become effective as of the date of the final signature hereto, and shall remain in effect until December 31, 2030. The first payment of the County Tax Increment Participation shall be for those taxes levied by the County in the year 2002 and the last payment by the County under this Agreement is for those taxes levied by the County in the year 2030.

B. Early Termination

The City shall not adopt an ordinance terminating the Reinvestment Zone earlier than the duration of the Zone established in Ordinance No. 2683, without the prior consent of the County, provided that the Reinvestment Zone may otherwise terminate by operation of law.

C. Disposition of Tax Increments

Upon termination of the Reinvestment Zone, if all public improvements in the Project Plan have been constructed and financed and if all Reinvestment Zone debt is paid in full, the City and the Reinvestment Zone shall pay to the County all monies remaining in the Tax Increment Fund that are attributable to the County Tax Increment Participation.

VII. MISCELLANEOUS

A. Severability

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In the event any term, covenant or condition herein contained shall be held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant or condition herein contained, provided that such invalidity does not materially prejudice either the County, the City or the Reinvestment Zone in their respective rights and obligations contained in the valid terms, covenants or conditions hereof.

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 this Agreement shall be void as to the County and the County shall have no liability for any incremental or other payments as may otherwise be provided for in this Agreement.

B. Entire Agreement

This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (express or implied) or other terms with respect to the covenants, whether written or verbal, antecedent or contemporaneous, with the execution hereof.

C. Written Amendment

Unless otherwise provided herein, this Agreement may be amended only by written instrument duly executed on behalf of each party.

D. Notices

All notices required or permitted hereunder shall be in writing and shall be deemed delivered when actually received or, if earlier, on the third (3rd) day following deposit in a United States Postal Service post office or receptacle with proper postage affixed (certified mail, return receipt requested) addressed to the respective other party at the address prescribed in Section I of this Agreement or at such other address as the receiving party may have theretofore prescribed by notice to the sending party.

E. Non-Waiver

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Failure of any party hereto to insist on the strict performance of any of the agreements herein or to exercise any rights or remedies accruing hereunder upon default or failure of performance shall not be considered a waiver of the right to insist on, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.

F. Assignment -

No party shall assign this Agreement at law or otherwise without the prior written consent of the other parties.

No party shall delegate any portion of its performance under this Agreement without the written consent of the other parties.

G. Successors

This Agreement shall bind and benefit the parties and their legal successors. This Agreement does not create any personal liability on the part of any officer or agent of the City or of any trustee, officer, agent or employee of the County.

H. No Waiver of Immunity

No party hereto waives or relinquishes any immunity or defense on behalf of itself, its trustees, officers, employees, and agents as a result of its execution of this Agreement and performance of the covenants contained herein.

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