



**FIRST AMENDMENT TO  
INTERLOCAL AGREEMENT BETWEEN HIDALGO COUNTY, THE CITY OF  
DONNA, TEXAS, RHODES ENTERPRISES, INC. AND  
REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS**

This First Amendment to Interlocal Agreement (the “First Amendment”) is hereby made to that certain Interlocal Agreement (“Original Interlocal Agreement”), executed and effective as of November 12, 2008, by and among (i) the CITY OF DONNA, TEXAS (“CITY”); (ii) RHODES ENTERPRISES, INC., a Texas corporation, or assigns (hereinafter “DEVELOPER”); (iii) REINVESTMENT ZONE NUMBER TWO, CITY OF DONNA, TEXAS, a tax increment reinvestment zone created pursuant to Texas Tax Code Chapter 311 (hereinafter “ZONE”), by and through its duly authorized Board of Directors (hereinafter “ZONE BOARD”); and (iv) HIDALGO COUNTY, a political subdivision of the State of Texas (hereinafter “COUNTY”); (hereinafter collectively the “Parties” or in the singular a “Party”) for the purpose of reconfirming the Original Interlocal Agreement, and making amendments thereto set forth below (the Original Interlocal Agreement, as so amended, the “Agreement”):

**RECITALS**

**WHEREAS**, on May 29, 2008, the City Council of the CITY passed, approved, and adopted Ordinance No. P-2008-05-64 which created the ZONE, authorized the Tax Increment Fund, and established a termination date for the ZONE of May 29, 2038 (the “Original Termination Date”); and

**WHEREAS**, the CITY approved the original Project Plan and the original Financing Plan (as each such term is defined in the Original Interlocal Agreement) on July 22, 2008, which provided for participation by the COUNTY and the CITY through the Original Termination Date of the ZONE; and

**WHEREAS**, on November 12, 2008, the CITY, the COUNTY, the ZONE, and the DEVELOPER executed the Original Interlocal Agreement (the “Agreement”) in which the COUNTY agreed to participate in the ZONE pursuant to the Financing Plan through the Original Termination Date by contributing to the ZONE with a maximum contribution not to exceed \$33,818,213.00 (the “COUNTY’s Maximum Contribution”); and

**WHEREAS**, the projections contained in the original Financing Plan for the ZONE were based on past market conditions, and did not foresee the collapse of the economy that occurred in 2008, which triggered a financial crisis that prevented the ZONE from performing according to the original projections, and which caused a need to extend the term of the ZONE to allow for the economic development originally planned for the ZONE to now occur; and

**WHEREAS**, the Board of Directors for the Zone, first on October 4, 2016, and second on April 25, 2018, amended both the Financing Plan and Project Plan by approving an amended project and financing plan (as finally amended, the “Amended Project and Finance Plan”), which is attached hereto as Exhibit A, to extend the term of the ZONE for an additional 10 years from its original termination date of May 29, 2038 to a termination date of May 29, 2048 (the term of the ZONE as so amended, the “Extended Term”);

**WHEREAS**, on October 18, 2016, the CITY passed Ordinance No. 2016-27, which extended the termination date of the ZONE until May 29, 2048 (such date, the “Extended Termination Date”), and pledged the CITY’s participation in the ZONE at 100% of its tax increment through such date; and

**WHEREAS**, on June 15, 2021, after conducting a properly noticed public hearing that satisfied the procedural requirements of 311 of the Texas Tax Code, the CITY passed and approved Ordinance No. 2021-08 to confirm the Extended Term, to reaffirm the CITY’s participation in the ZONE at 100% of its tax increment through such date, and to approve the Amended Project and Finance Plan, and upon second and final reading on July 6, 2021 passed, approved and adopted Ordinance No. 2021-08, which approved the Amended Project and Finance Plan;

**WHEREAS**, on June 15, 2021, the CITY passed and approved, and upon second and final reading on June 6, 2021, passed, approved and adopted Ordinance No. 2021-08 approving and authorizing the execution of the First Amendment to Interlocal Agreement between Hidalgo County, the City of Donna, Texas, Rhodes Enterprises, Inc., and Reinvestment Zone Number Two, City of Donna, Texas (the “Amended Interlocal Agreement”), and approved and authorized the execution of the First Amendment to Development Agreement Between the City of Donna, Texas, Rhodes Enterprises, Inc., and Reinvestment Zone Number Two, City of Donna, Texas; and;

**WHEREAS**, the CITY has requested the COUNTY continue to participate in the ZONE through the Extended Term by agreeing to amend the Original Interlocal Agreement as set forth below to provide that the COUNTY will continue to contribute 50% of its Available Tax Increment in the ZONE up to, but not exceeding, the COUNTY’s Maximum Contribution through the Extended Term, and execute the said First Amendment to Interlocal Agreement as agreed to by the Commissioners Court of the COUNTY on December 6, 2016; and

**WHEREAS**, the COUNTY policy on participation in reinvestment zones allows for the COUNTY to agree to extended participation in the ZONE through the Extended Term, provided certain conditions are met, including that the extended participation will not exceed the COUNTY’s Maximum Contribution;

**NOW THEREFORE**, the Parties agree as follows:

## **I. AGREEMENT**

**1.0** Entire Agreement. This First Amendment is made to modify the Original Interlocal Agreement between the Parties, and it is the express intent of the Parties that the Original Interlocal Agreement, as amended hereby, shall remain in full force and effect and binding on the Parties without interruption in accordance with its terms.

**1.1** Definitions. All defined terms used in this First Amendment that are not otherwise defined in this First Amendment shall have the meanings assigned to such terms in the Original Interlocal Agreement.

**1.2** Purpose and Overview of First Amendment. This First Amendment extends the termination date of the ZONE from May 29, 2038, to May 29, 2048, extends participation by the CITY through such date, and extends participation by the COUNTY through such date up to, but not exceeding,

the amount of the COUNTY's Maximum Contribution. This First Amendment and the Amended Project and Finance Plan outline the changes to the project and the changes to the financing of the project. As further described in the Amended Project and Finance Plan, until the Extended Termination Date, the CITY will contribute 100% of its Available Tax Increment and as set forth in this Agreement the COUNTY will contribute 50% of its Available Tax Increment up to the COUNTY's Maximum Contribution.

## II. AMENDMENT

**2.0** Sections 9, 10, 15 and 16 of Article II of the Original Interlocal Agreement are deleted and replaced with the following:

9. *"Development Agreement" means the agreement among the DEVELOPER, the ZONE and the CITY as amended and attached hereto as Exhibit "C".*

10. *"Financing Plan" means the final financing plan for ZONE as adopted by the ZONE BOARD on June 5, 2008, and approved by City Council of CITY (sometimes referred to herein as the "CITY Council" or "City Council") on July 22, 2008, and as amended by the ZONE BOARD on October 4, 2016, further amended by the ZONE BOARD on April 25, 2018, and approved by the City Council through the July 2021 Ordinance, which amended Financing Plan is attached hereto as part of Exhibit "A".*

15. *"Project Plan" means the final project plan for the ZONE as adopted by the ZONE BOARD and as approved and amended by the City Council of the CITY (to reflect the Extended Term) at the same time as the adoption and approval of the Financing Plan. The Project Plan is attached hereto as part of Exhibit "A".*

16. *"Tax Increment" for a Participating Taxing Entity means the total amount of ad valorem taxes levied and collected each year by that Participating Taxing Entity each year on the Captured Appraised Value of taxable real property in the ZONE. Further, with respect to the COUNTY, this term shall be further limited to the total amount of ad valorem taxes levied and collected only on behalf of the COUNTY each year from the COUNTY's M&O Tax Rate.*

**2.1** Article II of the Original Interlocal Agreement is further amended by inserting the following new definitions in the respective order:

3A. *"Amended Plan" means the Project Plan and Financing Plan, which is attached hereto as Exhibit "A".*

7A. *"COUNTY M&O Tax Rate" means that portion of the ad valorem tax rate used by the COUNTY for maintenance and operation. The COUNTY M&O Tax Rate is subject to change by the COUNTY in accordance with applicable law.*

7B. *"COUNTY's Applicable M&O Tax Rate" for any given year means the lesser of (i) the Base Year M&O Tax Rate and (ii) the County M&O Tax Rate for the given year. The Base Year M&O Tax Rate was \$0.5191 per \$100 dollars of valuation.*

7C. *“COUNTY’s Maximum Contribution” is the lesser of (i) thirty-three million, eight hundred eighteen thousand, two hundred thirteen dollars (\$33,818,213.00) and (ii) the CITY’s aggregate contribution to the Tax Increment Fund.*

9A. *“Extended Term” means the original term of the ZONE, commencing on the creation of the Zone, as extended for an additional ten years such that, instead of May 29, 2038, the termination date is May 29, 2048.*

9B. *“Extended Termination Date” has the meaning set forth in Section III.A. below.*

10A. *“First Amendment” means that certain amendment to this Agreement effective as of the last date of execution by the Parties hereto, entered into by the Parties to amend the termination date of the Zone to the Extended Termination Date, among other changes.*

10B. *“July 2021 Ordinance” has the meaning set forth in Section III.B.1. below.*

**2.2** Sections A and B of Article III of the Original Interlocal Agreement are deleted and replaced with the following:

*A. Resolution of Intent No. 2007-11-02, passed and approved by the City Council of the CITY on November 5, 2007, expressed the CITY’s intent to create a tax increment financing reinvestment zone to support revitalization and development activities for the ZONE, commonly known as the River Crossing Development Project, pursuant to Chapter 311, Texas Tax Code. On May 29, 2008, the City Council of the CITY passed, approved, and adopted Ordinance No. P-2008-05-64, which created the ZONE and, on June 19, 2008, passed, approved, and adopted Ordinance No. 2008-06-05 by which the CITY authorized and directed execution of this Agreement, all pursuant to Section 311.013 of the Texas Tax Code. The Project is located in the southernmost sector of the CITY. The Project generally is located along Business Highway 281 between the United States - Mexico border and the City Limit of Donna as it existed prior to the annexation of the Zone. The total Project Costs are estimated to be \$97,231,095.00 (ninety-seven million two-hundred thirty-one thousand, ninety-five dollars), which includes: Total infrastructure and soft costs totaling \$66,842,000.00; Affordable housing and infrastructure totaling \$20,000,000.00; Interest and finance costs totaling \$9,989,095.00; the City’s Administrative Costs totaling \$200,000.00; and the County’s Administrative costs totaling \$200,000.00 The DEVELOPER has been working to develop the Project since the creation of the ZONE, but the economic collapse that occurred in 2008 and from which the CITY is still recovering has hampered the development of the Project. In order to allow the full economic benefit to occur within the Project, as set forth in the original project plan and the original financing plan (which have now been amended as referenced in Section II above), the ZONE needed to be extended for an additional 10 years beyond its original termination date of May 29, 2038. The Parties have agreed to the extension of the ZONE until May 29, 2048 (the “Extended Termination Date”), and the ZONE is now projected to terminate on May 29, 2048, unless earlier termination occurs under this Agreement. Accordingly, as used in this Agreement, the “term of the ZONE” means the period commencing on the creation of the ZONE and terminating on the Extended Termination Date, unless earlier terminating as set forth herein.*

**B.** 1. *The ZONE BOARD adopted the original project plan on June 5, 2008. The CITY approved the original project plan and project financing plan on July 22, 2008. Due to the economic challenges referenced above, the original project plan and financing plan were revised, first by Resolution TIRZ #2 R: 2016-01 passed and approved by the ZONE BOARD on October 4, 2016, then by Resolution TIRZ #2 R: 2018-1 passed and approved by the ZONE BOARD on April 25, 2018. By Ordinance 2021-08, passed and approved on June 15, 2021, and passed, approved, and adopted upon second and final reading on July 6, 2021 (the "July 2021 Ordinance"), the City Council approved the Amended Plan previously adopted by the ZONE BOARD, which revised the original project and financing plan.*

2. *The CITY and the COUNTY agree to participate in the ZONE and to deposit their respective Tax Increment Payments to the Tax Increment Fund, in accordance with the terms, and in consideration for the agreements, set forth herein. The Tax Increment Fund was authorized by Ordinance No. PL-2008-05-65, attached hereto as Exhibit "B."*

3. *The COUNTY hereby acknowledges receipt of notice of the initial creation of the ZONE. The CITY represents and warrants that it complied with all legal requirements and notice requirements in the creation of the ZONE.*

**2.3** Sections A of Article IV of the Agreement is deleted and replaced with the following:

1. *Subject to the limitations set out in this Agreement, the COUNTY agrees to participate in the ZONE by contributing to the Tax Increment Fund an amount equal fifty percent (50%) of the revenue generated from the COUNTY's Applicable M&O Tax Rate as assessed and collected on the Captured Appraised Value for each respective tax year during the term of the ZONE. For the purpose of this Agreement the COUNTY M&O Tax Rate shall be calculated as set forth in Section IV(B) of this Agreement. In no event shall the COUNTY contribution to the Tax Increment Fund be greater than the COUNTY's Maximum Contribution over the term of the ZONE beginning with the 2009 tax year.*

2. *The Parties hereto agree that (a) calculation of the COUNTY's Tax Increment is based only upon tax revenue generated from fifty percent (50%) of the COUNTY's Applicable M&O Tax Rate (subject to such other conditions and limitations as contained herein) and (b) funds contributed by the COUNTY shall be used to fund Project Costs including construction of public infrastructure improvements to support the development and revitalization efforts in the ZONE. The COUNTY's contributions to the Tax Increment Fund shall end when it has contributed the COUNTY's Maximum Contribution, or when it has made contributions of all Tax Increment Payments, as specified in the Project Plan, attributable to all periods through the end of the COUNTY's fiscal year 2048 (ending on December 31, 2048), whichever occurs first. The COUNTY's continued contribution to the Tax Increment Fund is conditioned upon the DEVELOPER's continuing and full compliance with the Development Agreement and the existence of the ZONE and in the event the DEVELOPER is not in compliance with the Development Agreement, the COUNTY may withhold its contributions without incurring penalty or interest.*

**2.4** Sections B.1, B.2, B.4, B.6, B.8 and B.9 of Article IV of the Original Interlocal Agreement are deleted and replaced with the following:

1. a. *The COUNTY's obligation to contribute its Tax Increment Payment to the Tax Increment Fund, as provided in Section IV.A of this Agreement, shall accrue as the COUNTY collects its Available Tax Increment. The Parties hereto agree that all ad valorem property taxes collected each year by the COUNTY that are attributable to real property in the ZONE shall first constitute taxes on the Tax Increment Base and after the total amount of taxes on the Tax Increment Base have been collected, then the remaining ad valorem taxes collected shall constitute the Tax Increment.*

b. *The Parties acknowledge that the COUNTY has contributed its Tax Increment to the Tax Increment Fund through tax year 2014 prior to execution of the First Amendment.*

c. *The COUNTY agrees to deposit its next Tax Increment Payment to the Tax Increment Fund for tax years 2015 through 2020 by the later to occur of:*

- (i) October 1, 2021;*
- (ii) thirty (30) days after collection reports having been provided to the Hidalgo County Auditor's Office;*
- (iii) thirty (30) days after the information required under Section 311.016 of the Tax Code having been provided to the County; and*
- (iv) thirty (30) days after the full execution and delivery of the First Amendment by all Parties.*

*For the avoidance of doubt, the amount of the next Tax Increment Payment pursuant to this Agreement shall be based on the Tax Increments that were received on or before January 31, 2021, but which have not been previously deposited in the Tax Increment Fund, for 2014 and prior years preceding each deposit date.*

d. *For subsequent payments, the COUNTY agrees to contribute its yearly Tax Increment Payment to the Tax Increment Fund annually not later than the later of:*

- (i) the 90<sup>th</sup> day after the delinquency date for the COUNTY's property taxes (or the first business day thereafter) following the end of each tax year.*
- (ii) thirty (30) days after collection reports and any other information required under this Agreement have been provided to the Hidalgo County Auditor's Office and/or the County; and*
- (iii) thirty (30) days after the information required under Section 311.016 of the Tax Code having been provided to the County.*

*The amount of each Tax Increment Payment shall be based on the Tax Increments that are received up to January 31<sup>st</sup> following the end of the tax year, but which have not been previously deposited in the Tax Increment Fund, during the annual periods preceding each deposit date.*

*e. Under no circumstances shall the COUNTY be required to participate in the ZONE with taxes attributable to periods after 2048.*

*f. The County's Administrative Costs incurred but not previously reimbursed will be reimbursed to the County by deduction from the annual payment made to the Tax Increment Fund.*

*g. The City shall request collection reports from the Hidalgo County Tax Assessor Collector and provide a copy of these reports along with a payment request detailing the payment calculation as illustrated in the chart in Subsection h. below to the County one month prior to a payment required to be made under this Agreement.*

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f. The chart below is an example of the calculation of the County's Tax Increment Payment.

Assuming for the purpose of this example, the tax value of the ZONE is \$100,000.00, the base value is \$10,000.00, the Administrative Costs are \$10.00 per year, the applicable COUNTY's Applicable M&O Tax Rate is .51/100, and the overall COUNTY tax rate is \$.0059.

<b>Tax Increment Reinvestment Zone (TIRZ) Payment Calculation</b>	<b>EXAMPLE</b>
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 100,000.00
(Multiplied by) Hidalgo County Current (GHD) Tax Rate (.59/100)	0.0059
<b>GHD Actual Tax Levy for all real property tax accounts located within the TIRZ</b>	<b>\$ 590.00</b>
TIRZ Real Property Certified Taxable Value as of January 31 (Provided by Hidalgo County Appraisal District (HCAD))	\$ 100,000.00
(Less) Base Year Real Property Certified Appraised Value for Tax Accounts located within the TIRZ (Provided by HCAD)	\$ 10,000.00
<b>Captured Appraised Value</b>	<b>\$ 90,000.00</b>
Captured Appraised Value	\$ 90,000.00
(multiplied by) 50% of COUNTY's Applicable M&O Tax Rate (The lesser of actual tax year M&O rate or rate specified on agreement) (.005191*.50)	0.0025955
<b>Tax Levy Due to TIRZ</b>	<b>\$ 233.60</b>
TIRZ Collections (for February 1 through January 31) as per Collections Reports provided by Hidalgo County Tax Office	\$ 300.00
(divided) GHD Actual Tax Levy for all Real Property tax accounts located within the TIRZ	\$ 590.00
<b>Percent Collected of Actual Levy</b>	<b>50.85%</b>
Tax Levy Due to TIRZ	\$ 233.60
(Multiplied by) Percent Collected of Actual Levy	50.85%
<b>Proposed Payment Amount</b>	<b>\$ 118.78</b>
(LESS) Administrative Cost (as per Agreement)	<b>\$ 10.00</b>
<b>TAX INCREMENT PAYMENT AMOUNT DUE TO TAX INCREMENT FUND</b>	<b>\$ 108.78</b>

2. One month prior to a payment required under Section IV.B. of this Agreement, the CITY shall provide to the COUNTY the ZONE's annual audit report as approved by the ZONE BOARD, an updated fact sheet that includes detail as to what portion of the Project has been completed to date, a schedule of what portion of the Project is to be completed in the following year and a current roster of the ZONE's board members, including the term of each board member, the entity that appointed the board member, the date for the next annual meeting and a formal request for payment. In addition to and as part of the CITY's fact sheet, the CITY shall supply the COUNTY with all information as required under section 311.016 of the Texas Tax Code on or before the 90<sup>th</sup> day following the end of the fiscal year of the CITY.

4. Any delinquent deposit by the COUNTY of a Tax Increment Payment under this Agreement shall be administered as provided in Section 311.013(c) and (c-1) of the Texas Tax Code, which state as follows:

(c) Notwithstanding any termination of the reinvestment zone under Section 311.017(a) and unless otherwise specified by an agreement between the taxing unit and the municipality or county that created the zone, a taxing unit shall make a payment required by the Subsection (b) [Tax Increment Payment], not later than the 90<sup>th</sup> day after the later of:

(1) the delinquency date for the unit's property taxes or

(2) the date the municipality or county that created the zone submits to the taxing unit an invoice specifying the tax increment produced by the taxing unit and the amount the taxing unit is required to pay into the tax increment fund for the zone.

(c-1) A delinquent payment incurs a penalty of five percent of the amount delinquent and accrues interest at an annual rate of 10 percent.

The Parties expressly agree that the COUNTY shall not owe any penalty or interest on Tax Increments attributable to taxes that have been levied, but not received by the COUNTY. Further, the COUNTY shall not be liable for the payment of any penalties or interest if the report required to be filed by the CITY under section 311.016 of the Texas Tax Code is not filed timely; or if the fact sheet, the ZONE's annual audit report, and/or payment request are not provided to the County timely, or under any other situation in which the CITY does not pay interest or penalties.

6. If the CITY, the DEVELOPER or the ZONE BOARD materially breaches this Agreement, then the COUNTY may provide written notice to the CITY, the DEVELOPER and the ZONE (with a copy to any other Participating Taxing Entity still contributing Tax Increment Payments) demanding that all breaches must be resolved within ninety (90) days. If the objections and/or concerns, as set out in the notice, are not resolved within ninety (90) days from the date of such notice, then the COUNTY may discontinue its Tax Increment Payments and terminate its participation in the ZONE.

8. Notwithstanding anything herein to the contrary, the County's total Tax Increment Payment to the Tax Increment Fund over the term of the Zone shall not exceed the COUNTY's Maximum Contribution, plus any applicable penalty, and/or interest allowed in Section 311.013 of the Tax Code, subject to the limitations in Section IV.B.4.

9. a. General Provisions. The COUNTY agrees to participate at fifty percent (50%) of the COUNTY's Applicable M&O Tax Rate (50% of the COUNTY's Applicable M&O Tax Rate as of 2008 equaling \$0.25955 per \$100 valuation on the Captured Appraised Value) for real property in the ZONE.

b. Greater COUNTY M&O Tax Rate. If the COUNTY M&O Tax Rate for any given year is greater than the COUNTY's Applicable M&O Tax Rate during any year during the

*term of the ZONE, the COUNTY shall retain all taxes collected in excess of 50% of the COUNTY's Applicable M&O Tax Rate per \$100 valuation on the Captured Appraised Value and to the extent any such excess has been contributed into the Tax Increment Fund, such excess shall be promptly refunded to the COUNTY. (The Parties acknowledge, for example, that in 2016 the COUNTY M&O Tax Rate is \$0.59000 per \$100 valuation, which is higher than the COUNTY's Applicable M&O Tax Rate.)*

**2.5** Section B of Article IV of the Original Interlocal Agreement is further amended by adding the following new section B.10 at the end thereof:

*10. County taxes that are delinquent for more than five years will be considered uncollectible and shall not be included in the Tax Increment Payment.*

**2.6** Section A of Article V of the Original Interlocal Agreement is deleted and replaced with the following:

**A. Tax Increment Participation by the CITY**

*Subject to the terms of this Agreement and the Development Agreement, the CITY agrees to participate in the ZONE by contributing to the Tax Increment Fund one hundred percent (100%) of its Tax Increment each year during the Agreement Term, beginning with the 2008 tax year. The CITY's contributions to the Tax Increment Fund shall end when the CITY has contributed the maximum total contribution provided for herein or when it has contributed all Tax Increments attributable to periods before the ZONE termination date in 2048, whichever occurs first. Notwithstanding anything herein to the contrary, the total CITY Tax Increment Payments over the term of the ZONE shall not exceed the total Project Costs as set forth in Exhibit "A".*

**2.7** Section A. of Article VII the Original Interlocal Agreement is deleted and replaced with the following:

**A. Agreement Term and Termination**

*This Agreement shall become effective as of the last date of execution by the Parties hereto, and shall remain in effect until May 29, 2048, unless earlier terminated as provided herein (the "Agreement Term"). Subject to the terms of this Agreement, the COUNTY agrees to participate under this Agreement, beginning with the 2008 tax year and ending in accordance with the terms provided herein. Notwithstanding anything to the contrary contained in this Agreement, the Parties agree and understand that the COUNTY's Tax Increment Payments will not be made after May 29, 2048.*

**2.8** Section A. of Article VIII of the Original Interlocal Agreement is deleted and replaced with the following:

**A. Understanding**

*Any and all costs incurred by the DEVELOPER are not, and shall never become, general obligations or debt of any Participating Taxing Entity. With respect to the DEVELOPER's costs, only eligible Project Costs and other allowable expenses under applicable law, if any, incurred by the DEVELOPER shall be payable from the Tax Increment Fund in the manner and priority provided in this Agreement and only to the extent that funds become available in the Tax Increment Fund. The Parties agree and understand that under no circumstance shall the eligible costs exceed the maximum specified in the Amended Project and Finance Plan approved by the CITY in 2021, and attached hereto as part of Exhibit "A". The CITY and the COUNTY are not obligated above and beyond what is actually collected as tax increment funds. There shall also be no recourse against any Participating Taxing Entity, public official, ZONE, or ZONE BOARD if all or part of the DEVELOPER contributions or costs are not reimbursed due to insufficient tax revenue generated by the ZONE.*

**2.9** As of the effective date hereof, Exhibit "A" to the Original Interlocal Agreement is deleted and replaced with the Amended Project and Finance Plan attached hereto as Exhibit "A", and, unless the context otherwise requires, references to the Project Plan or to the Financing Plan in the Agreement shall be deemed to be to the respective portions of the Amended Project and Finance Plan.

**2.10** Exhibit "B" to the Original Interlocal Agreement, which contained blanks, is deleted and replaced with the complete version of Ordinance No. P-2008-05-64, which is attached to this First Amendment as Exhibit "B".

**2.11** The development agreement for the ZONE among the CITY, ZONE BOARD and the DEVELOPER was revised by the first amendment thereto (as so revised, the "Amended Development Agreement"). As of the effective date hereof, Exhibit "C" to the Original Interlocal Agreement is deleted and replaced with the Amended Development Agreement, which is attached hereto as Exhibit "C", and, unless the context otherwise requires, references to the Development Agreement in the Agreement shall be deemed to be to the respective portions of the Amended Development Agreement.

**2.12** The initial addresses for the Parties set forth in Section I.A.2 of the Agreement are updated as follows:

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**a. If to the CITY, to:**

City of Donna  
307 S. 12<sup>th</sup> St.  
Donna, TX 78537  
Attention: City Manager  
Phone: (956) 464-3314  
Fax: (956) 464-9923

**With a copy to:**

City of Donna  
307 S. 12<sup>th</sup> St.  
Donna, TX 78537  
Attention: Mayor  
Phone: (956) 464-3314  
Fax: (956) 464-9923

**b. If to the COUNTY, to:**

Hidalgo County  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, TX 78539  
Re: Donna TIRZ #2 (River  
Crossing)  
Attention: County Judge  
Phone: (956) 318-2600  
Fax: (956) 318-2699

**With a copy to:**

Jones, Galligan, Key & Lozano,  
L.L.P.  
2300 West Pike Blvd., Ste. 300  
Weslaco, TX 78599-1247  
Re: Donna TIRZ #2 (River  
Crossing)  
Attn: Eugene R. Vaughan, III  
Phone: (956) 973-1138  
Fax: (956) 968-6089

**And to:**

Hidalgo County Auditor  
2808 South Business Hwy 281  
Edinburg, Texas 78539  
RE: Donna TIRZ #2  
Attention: County Auditor  
Phone: (956) 318-2511  
Fax: (956) 318-2577

**c. If to the ZONE or the ZONE BOARD, to:**

Reinvestment Zone Number Two,  
City of Donna, Texas  
200 S. 10<sup>th</sup> St., Ste. 1700  
McAllen, TX 78501  
Attention: Mike Rhodes,  
Presiding Officer  
Phone: (956) 287-2800  
Fax: (956) 287-2804

**With a copy to:**

Earl & Associates, P.C.  
c/o David & Megan Earl  
10007 Huebner Rd.,  
Unit 303  
San Antonio, TX 78240  
Phone: (210) 317-9457  
or (210) 854-0883

**d. If to the DEVELOPER, to:**

Rhodes Enterprises, Inc.  
200 S. 10<sup>th</sup> Street, Ste. 1700  
McAllen, TX 78501  
Attention: Nick Rhodes  
Phone: (956) 287-2800  
Fax: (956) 287-2804

**III. RATIFICATION**

As amended and supplemented hereby, the Agreement is ratified and shall remain in full force and effect. In the event of a conflict between this First Amendment and the Original Interlocal Agreement, this First Amendment shall control. The parties agree that a facsimile copy or electronic copy (including PDF copy) of the signature of the person executing this First Amendment on any party's behalf shall be effective as an original signature and shall cause the facsimile copy or electronic copy (including PDF copy) of this First Amendment to be legally binding and effective as an execution counterpart hereof.

**THIS FIRST AMENDMENT IS EXECUTED AND EFFECTIVE ON THIS \_\_\_\_ DAY OF JULY 2021.**

**CITY OF DONNA**

By:   
Carlos Yereña, City Manager

**ATTEST/SEAL:**

Norma Yanez  
Norma Yanez, City Secretary

**RHODES ENTERPRISES, INC.**

By: [Signature]  
Nick Rhodes, President

**TAX REINVESTMENT ZONE NUMBER TWO,  
CITY OF DONNA, TEXAS**

By: [Signature]  
Mike Rhodes, Presiding Officer

**HIDALGO COUNTY**

By: [Signature]  
Honorable Richard F. Cortez  
County Judge

**ATTEST/SEAL:**

[Signature]  
Arturo Guajardo, Jr.  
County Clerk



**APPROVED AS TO FORM FOR HIDALGO COUNTY:**

Jones, Galligan, Key & Lozano, L.L.P.

By: [Signature]  
Eugene Vaughn ERV

**ATTEST/SEAL:**

\_\_\_\_\_  
Norma Yanez, City Secretary

**RHODES ENTERPRISES, INC.**

By: \_\_\_\_\_  
Nick Rhodes, President

**TAX REINVESTMENT ZONE NUMBER TWO,  
CITY OF DONNA, TEXAS**

By: \_\_\_\_\_  
Mike Rhodes, Presiding Officer

**HIDALGO COUNTY**

By: \_\_\_\_\_  
Valde Guerra  
County Executive Officer

**ATTEST/SEAL:**

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



**APPROVED AS TO FORM FOR HIDALGO COUNTY:**

Jones, Galligan, Key & Lozano, L.L.P.

By: \_\_\_\_\_  
Eugene Vaughn

APPROVED BY  
COMMISSIONERS COURT  
ON: 12/6/2016 grs

**Exhibit A**  
Amended Project and Finance Plan

**Exhibit B**  
Ordinance P-2008-05-64

**Exhibit C**  
Amended Development Agreement