



**Lake Houston Zone**

Lake Houston Reinvestment Zone  
c/o Hawes, Hill & Patterson  
P.O. Box 22167  
Houston, Texas 77277-2167  
Attention: David Hawes

**B. Index**

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

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**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, Harris County and the Lake Houston Zone have made

and executed this Agreement in multiple copies, each of which is an original.

CITY OF HOUSTON Lee P. Brown  
Date 2/25/00

ATTEST/SEAL: [Signature]  
City Secretary Date 2/25/00

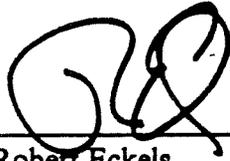
COUNTERSIGNED: [Signature]  
City Controller Date 03.07.00

APPROVED AS TO FORM: [Signature]  
Senior Assistant City Attorney  
L. D. File No. 61-97067-06

APPROVED: [Signature]  
Director Date  
Planning and Development Department

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**HARRIS COUNTY**



Robert Eckels  
County Judge

JUN 29 1999

Date

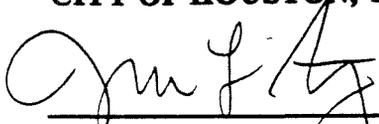
**APPROVED AS TO FORM:**

Michael P. Fleming  
County Attorney

By \_\_\_\_\_  
Nicholas J. Lykos                      Date  
Assistant County Attorney

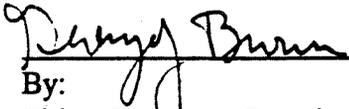
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**REINVESTMENT ZONE NUMBER TEN,  
CITY OF HOUSTON, TEXAS (Lake Houston Zone)**

  
\_\_\_\_\_

By: \_\_\_\_\_ Date \_\_\_\_\_  
Title: Chairman, Board of Directors

**ATTEST/SEAL:**

  
\_\_\_\_\_

By: \_\_\_\_\_ Date \_\_\_\_\_  
Title: Secretary, Board of Directors

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## II. DEFINITIONS

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

“Agreement” means this agreement between the City, Harris County and the Lake Houston Zone.

“Agreement Term” is defined in Section VI.

“Captured Appraised Value” means the captured appraised value of the Lake Houston 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 Controller on the signature page of this Agreement.

“Harris County” is defined in Section I of this Agreement and includes Harris County and its successors and assigns.

“Harris County Tax Increment Participation” means the amount of the Harris County tax levy on the Captured Appraised Value which Harris County agrees to contribute to the Lake Houston Zone pursuant to Subsections A and B of Section IV of this Agreement.

“Lake Houston Area” shall mean the Lake Houston area of the City and neighboring areas, as more particularly described in City of Houston Ordinance No. 97-1589.

“Lake Houston Zone” means Reinvestment Zone Number Ten, City of Houston, Texas, created by the City on December 17, 1997, by Ordinance No. 97-1589, attached to this Agreement as Exhibit "1," and includes its successors and assigns.

“Project Plan” means the project plan and reinvestment zone financing plan for the Lake Houston Zone adopted by the board of directors of the Lake Houston Zone and approved by the City

Council of the City on April 21, 1999 by City of Houston Ordinance No. 1999-387, attached hereto as Exhibit "2."

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

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

### **III. BACKGROUND**

On December 17, 1997, the City created the Lake Houston Zone, by adoption of City of Houston Ordinance No. 97-1589, for the purposes of development and redevelopment in the Lake Houston Area. The Board of Directors of the Lake Houston Zone initially adopted a project plan and reinvestment zone financing plan, which was approved by the City on April 21, 1999 by City of Houston Ordinance No. 1999-389. The City has agreed to participate in the Lake Houston Zone by contributing tax increments produced in the Lake Houston Zone to the Tax Increment Fund. Harris County desires to participate in the Lake Houston Zone in consideration for the agreements set forth below. The Lake Houston Zone Project Plan is attached to this Agreement as Exhibit "2" and is incorporated herein for all purposes by this reference.

### **IV. OBLIGATIONS OF HARRIS COUNTY**

#### **A. Tax Increment Participation by Harris County**

For and in consideration of the agreements of the parties set forth herein, and subject to the remaining subsections of this section, Harris County agrees to participate in the Lake Houston Zone to the extent described in this Agreement, by contributing, to the extent authorized by law, to the Tax

Increment Fund during the term of this Agreement fifty percent (50%) of the tax increment attributed to the Captured Appraised Value in the Lake Houston Zone attributable to Harris County, and zero percent (0%) of the tax increment attributed to the Captured Appraised Value in the Lake Houston Zone attributable to the Port of Houston Authority of Harris County, Texas, the Harris County Flood Control District, the Harris County Hospital District, the Harris County Department of Education, and any other taxing entity for whom Harris County imposes taxes, either now or in the future.

**B. Tax Increment Limitation**

Harris County is not obligated to pay its Harris County Tax Increment Participation from any source other than taxes collected on the Captured Appraised Value. Furthermore, Harris County has no duty or obligation to pay the Harris County Tax Increment Participation from any other Harris County taxes or revenues, or until the Harris County Tax Increment Participation in the Lake Houston Zone is actually collected. Any portion of the taxes representing the Harris County Tax Increment Participation that are paid to Harris County and subsequently refunded pursuant to the provisions of the Texas Tax Code shall be offset against future payments to the Tax Increment Fund. The obligation to pay the Harris County Tax Increment Participation accrues as taxes representing the Harris County Tax Increment Participation are collected by Harris County and payment shall be due as provided in section 311.013(c) of the Texas Tax Code. No interest or penalty will be charged to Harris County for any late payment received from Harris County; provided, however, that penalty and interest received by Harris County on any delinquent taxes from the Harris County Tax Increment Participation shall be paid to the Tax Increment Fund in the amounts required by section 311.013(c) of the Texas Tax Code.

**C. Expansion of Lake Houston Zone**

The obligation of Harris County to participate in the Lake Houston Zone is limited to the area described in Exhibit B of City of Houston Ordinance No. 97-1589, which ordinance is attached to this Agreement as Exhibit "1." Harris County's participation does not extend to the tax increment on any additional property added to the Lake Houston Zone by the City or any amendment to the Project Plan by the Lake Houston Zone and the City that would increase the total amount of project costs unless Harris County specifically agrees to participate in the additional area or amendment to the Project Plan. In addition, Harris County's participation does not extend to any dedication of revenue from the Tax Increment Fund by the Lake Houston Zone for projects outside the Lake Houston Zone, unless Harris County agrees to participate in the dedication.

**D. Board of Directors**

Notwithstanding anything to the contrary in City of Houston Ordinance No. 97-1589, which created the Lake Houston Zone, pursuant to the provisions of Section 311.009(a), Texas Tax Code, Harris County shall have the unequivocal right to appoint and thereafter at all times maintain one (1) member on the Lake Houston Zone Board of Directors. Failure of Harris County to appoint a person to the Board of Directors of the Lake Houston Zone by January 1, 1999, shall not be deemed a waiver of Harris County's right to make an appointment at a later date. Harris County may also appoint and maintain as many non-voting ex officio members on the Lake Houston Zone Board of Directors as Harris County may desire.

## **V. OBLIGATIONS OF CITY AND LAKE HOUSTON ZONE**

### **A. Project Plan**

Any member of the Harris County Commissioners Court may review and comment upon any amendment to the Project Plan before any amendments thereto are submitted to the City Council for City approval. The City agrees to provide Harris County with a copy of any proposed amendments at least 14 days prior to their submission to the City Council for approval.

### **B. Disposition of Tax Increments**

Upon termination of the Lake Houston Zone, and if all bonded indebtedness of the Lake Houston Zone has been paid, the City and the Lake Houston Zone shall pay to Harris County, within sixty (60) days of said termination, all monies remaining in the Tax Increment Fund that are attributable to the Harris County Tax Increment Participation paid by Harris County into the Tax Increment Fund.

## **VI. TERM AND TERMINATION**

### **A. Agreement Term**

This Agreement becomes effective as of the date of the final signature hereto. The term of this Agreement shall commence with the tax year beginning on January 1, 1998. This Agreement shall terminate on December 31, 2006, unless earlier terminated by the parties hereto. It is the intent of the parties that Harris County's participation in the Lake Houston Zone, or any expansion thereof, is limited to the term stated herein. Nothing in this Agreement, however, limits the authority of the Harris County Commissioners Court to extend the term of this Agreement or increase the amount

of the Harris County Tax Increment Participation in the Lake Houston Zone, as set forth in Section IV of this Agreement.

**B. Early Termination**

The Lake Houston Zone may terminate pursuant to the provisions of Texas Tax Code Section 311.017.

**VII. MISCELLANEOUS**

**A. 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 Harris County's, or any other party's, contributions or participation, then neither Harris County, nor any other party, shall have any 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**

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 other 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, agent or employee of the City, the Lake Houston Zone or Harris County.

**H. No Waiver of Immunity**

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