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**AGREEMENT BY AND BETWEEN THE  
CITY OF HOUSTON, TEXAS,  
REINVESTMENT ZONE NUMBER FOURTEEN, CITY OF HOUSTON, TEXAS,  
AND THE  
FOURTH WARD REDEVELOPMENT AUTHORITY**

THE STATE OF TEXAS                    §            KNOW ALL PERSONS BY THESE PRESENTS:  
COUNTY OF HARRIS                   §

THIS AGREEMENT ("Agreement") is made by and between the City of Houston, Texas, a municipal corporation and a home-rule city in the State of Texas (the "City"); Reinvestment Zone Number Fourteen, City of Houston, Texas, a reinvestment zone created by the City pursuant to Chapter 311, Texas Tax Code (the "Zone"); and the Fourth Ward Redevelopment Authority, a not-for-profit local government corporation organized and existing under the laws of the State of Texas (the "Authority").

**W-I-T-N-E-S-S-E-T-H:**

WHEREAS, by Resolution No. 1999-69 of the City Council of the City adopted on December 21, 1999, the City authorized the creation of the Authority to aid, assist and act on behalf of the City in the performance of the City's governmental and proprietary functions with respect to the common good and general welfare of the Fourth Ward and neighboring areas as described in City Ordinance No. 1999-565; and

WHEREAS, by City Ordinance No. 1999-565, the City created the Zone pursuant to Chapter 311, Texas Tax Code (the "TIRZ Act") pursuant to a preliminary Reinvestment Zone Financing Plan for the Zone; and

WHEREAS, the Board of Directors for the Zone (the "Zone Board") adopted a Project Plan and a Reinvestment Zone Financing Plan for the Zone and by City Ordinance No. 1999-818, adopted July 28, 1999, the City approved the Project Plan and the Reinvestment Zone Financing Plan; and

WHEREAS, City Resolution No. 1999-69, which authorized the creation of the Authority, also provided for the creation for a Board of Directors of the Authority (the "Authority Board") which is to be comprised of the same persons who serve on the Zone Board. Among other things, the Authority Board and the Authority are to aid, assist and act on behalf of the City and the Zone Board:

- A. In the preparation and implementation of a Project Plan and a Reinvestment Zone Financing Plan for the Zone and amendments thereto;
- B. In the development of a policy to finance development and redevelopment of residential and commercial properties in the Fourth Ward Area;
- C. In the development and implementation of a redevelopment policy for the Fourth Ward Area, including the acquisition of land for redevelopment purposes; and
- D. In the development and implementation of a policy for improving vehicular and pedestrian circulation in the Fourth Ward Area including, where appropriate, the acquisition of street rights-of-way; and

WHEREAS, the City created the Zone pursuant to the TIRZ Act with a duration from June 9, 1999 (1) until December 31, 2029, or earlier time designated by subsequent

for the Zone, providing the services and improvements, and otherwise performing the functions set forth in this Agreement; and

WHEREAS, the City and the Zone desire to contract with the Authority to provide the assistance described in this Agreement during the term of the Zone; and

WHEREAS, the Authority was created in part to aid and assist the City and the Zone in the manner set forth above, and the Authority Board is willing to enter into a contract with the City and the Zone setting forth the duties and responsibilities of the Authority, the City and the Zone;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, it is agreed as follows:

I.

**DEFINITIONS**

"Affordable Housing Component" means one-third of the Tax Increment, which is required to be dedicated to the provision of affordable housing pursuant to the TIRZ Act.

"Agreement" shall mean this Agreement and all attachments hereto between the City, the Zone and the Authority.

"Appraisal District" shall mean the Harris County Appraisal District.

"Authority Board" is defined in the recitals hereto.

"Authority Obligations" shall mean the notes or other contractual obligations that the Authority may incur from time to time with a Developer/Builder pursuant to Article III hereof and includes without limitation Development Agreements.

"Director of Affirmative Action" shall mean the Director of the Affirmative Action Division of the City (or the successor equivalent position), or such person as he or she shall designate.

"Disadvantaged Business" as used in Section 311.0101 of the TIRZ Act and this Agreement shall, for the purposes of the Zone and any Project Plan or Financing Plan related thereto, have the same meaning as Minority Business Enterprise or Women-Owned Business Enterprise as set out in Chapter 15 of the Code and certified by the City's Affirmative Action office.

"Financing Plan" shall mean the reinvestment zone financing plan for the Zone as amended from time to time pursuant to the TIRZ Act, as adopted by the Zone Board and approved by the City Council.

"Fourth Ward Area" shall mean the area comprising the Zone, as it may be enlarged from time to time, and neighboring areas.

"Generally Accepted Accounting Principles" shall mean such accepted accounting practice as, in the opinion of the Authority's accountant, conforms at the time to a body of generally accepted accounting principles.

"Housing Director" shall mean the Director of the Housing and Community Development Department of the City (or such other department as the Mayor may designate) or such person as he or she shall designate.

"School District" shall mean the Houston Independent School District.

"School District Educational Facilities Costs" shall mean the money to be paid annually to the School District for educational facilities project costs pursuant to the Interlocal Agreement.

"Surplus Fund" shall mean the fund established by the Authority into which excess funds from the Authority's Revenue Fund are deposited.

"Tax Increment" shall mean the amount of property taxes collected each year by the City and each Taxing Unit participating in the Zone (to the extent of their participation) on the Captured Appraised Value.

"Tax Increment Base" shall mean the total appraised value of all real property taxable by the City and located in the Zone, as of January 1, 1999, the year in which the Zone was designated as a reinvestment zone, plus the total appraised value of all real property taxable by the City and the other Taxing Units participating in the Zone and annexed to the Zone determined as of January 1 of the year in which the area was annexed to the Zone.

"Tax Increment Fund" shall mean the Tax Increment Fund created by the City for the Zone including any subaccount therein into which all Tax Increments shall be deposited by the City.

"Taxing Unit" shall mean the County, the School District and any other Taxing Unit that participates in the Zone.

"TIRZ Act" is defined in the recitals hereto.

4. Provide office space for the Zone's administrative and management personnel and an operation center for the Authority's employees and equipment, if necessary;

5. Subject to the terms of this Agreement, recruit, hire, pay and supervise the consultants and any work force that the Authority will utilize to furnish services required for the development or redevelopment of the Fourth Ward Area;

6. Provide staff to participate in meetings concerning the administration of the Zone in all its capacities, including the services to the Zone Board when managing the Zone;

7. Provide liaison and coordination between the Zone, the City, the County, the School District, METRO, other Taxing Units, Zone property owners, and other persons and groups interested in the redevelopment activities of the Zone;

8. Supervise and monitor the performance of consultants and subcontractors who are employed by the Authority;

9. Provide assistance to and coordination with the Planning and Development Department concerning the use of the Zone and its Land Use Controls, if any, to complement the Fourth Ward Area planning process;

10. Assist in briefing Developers/Builders, property owners and other persons concerning proposed activities and developments that would complement public and private development activities in the Zone;

implementation of any amendments thereto. Any amendments to the Project Plan and Financing Plan shall be prepared in accordance with this subparagraph and in accordance with the requirements of the TIRZ Act. The Authority will complete the Project Plan and the Financing Plan in accordance with this subparagraph and in accordance with the requirements of the TIRZ Act. The Authority will engage such consultants and subcontractors as it deems necessary to complete the Project Plan and the Financing Plan and will make them available to the Zone Board and the City at all reasonable times. The Project Plan and the Financing Plan and any amendments thereto will include at a minimum those matters required by Section 311.011(b) and (c) of the TIRZ Act;

2. The Authority will meet with and receive input from property owners, the public, lenders, the School District, the County, the City, the Zone Board, and other public and private entities with respect to the preparation of any amendments to the Project Plan and the Financing Plan and will take such other actions and will aid and assist in the conduct of such hearings as may be required to complete the amendments for presentation to the City for approval;

3. The Authority will prepare such copies of the Project Plan and the Financing Plan and any amendments thereto that may be requested by the Zone Board and distribute them as required by the Zone Board; and

4. The Authority will review areas for addition to the Zone as requested by the Zone Board and will provide information with respect to any proposed enlargement that may be required by the Zone Board including, if requested, the information required

D. Public Safety Program. The Authority will assist the Zone Board in establishing a program to increase the level of safety within the Zone. If requested by the Zone Board, the Authority will:

1. Communicate the public safety concerns among the Police Department, METRO Transit Police, and private interests;

2. Communicate needs for additional waste management and cleaning services to METRO and the City;

3. Work to establish a public safety network, including private property owners, METRO Transit Police, and the Police Department, that will provide a mechanism by which private security directors, Fourth Ward Area businesses, and merchants will exchange information to impact crime; and

4. Work to establish a program of crime prevention and safety literature, conduct and hold seminars, and convene meetings with Fourth Ward Area business and residential interests to increase public safety awareness.

E. Fourth Ward Area Planning, Design and Infrastructure Improvements. The Authority will assist the Zone Board in preparing a development plan and provide technical assistance to encourage public and private property owners to make improvements or provide services:

1. To increase residential, business, retail, restaurant, and entertainment establishments for the Fourth Ward Area;

G. Land Acquisition, Development and Redevelopment. Subject to the availability of funds, the Authority will provide appraisals, surveys, and title policies for any properties that need to be acquired pursuant to the Project Plan and Financing Plan. The Authority may acquire any property or land that is permitted to be acquired pursuant to the Project Plan and the Financing Plan with the proceeds of its Bonds, Notes or other obligations or with Tax Increments paid to the Authority by the City and the Zone pursuant to this Agreement. The Authority may lease, sell or otherwise dispose of and deal in any land or property that it acquires. At the request of the City, the Authority will provide legal counsel and other consultants and advisors for land or improvements that may be required by the Project Plan and the Financing Plan as directed by the Zone Board, including those required to acquire property pursuant to the exercise of eminent domain by the City for implementation of the Project Plan.

H. Subcontractors. The Authority may provide the services required by this Agreement through staff, subcontractors, and/or consultants, subject to the conditions of this Agreement.

### III.

#### CONTRACTUAL OBLIGATIONS OF THE AUTHORITY

A. General Statement. The parties have agreed that the Authority has the authority to issue Bonds or Notes, or enter into other Authority Obligations with Developers/Builders and enter into contracts with consultants to be repaid from moneys to be paid by the City and the Zone to the Authority from Tax Increments pursuant to this

terms and conditions of City contracts of substantially the same or similar scope for similar services, and shall provide that (i) the Authority will not pay any consultant for services that are determined to be an ineligible Project Cost under the TIRZ Act with funds received by the Authority pursuant to this Agreement and (ii) the consultant shall repay the Authority for any payment made by the Authority to the consultant with funds received by the Authority pursuant to this Agreement that is determined to be an ineligible Project Cost.

C. Approval of Authority Obligations. No Authority Obligation shall be issued or incurred by the Authority that cannot be paid from funds budgeted for expenditures in the Authority's current Budget unless the Authority Obligation is approved by the Zone Board and the Planning Director.

D. Approval of Bonds, Notes and Other Obligations. The Authority may issue Bonds and Notes secured by payments made pursuant to this Agreement with the approval of City Council. To secure funds to begin providing the services required by this Agreement, the City Council hereby approves the Authority's issuance of its Notes in an amount not to exceed \$3,000,000 outstanding at any time that will be repaid by the Authority from payments made by the City and the Zone pursuant to this Agreement. The Authority may not have Notes outstanding in a principal amount in excess of \$3,000,000 without further approval of the Zone Board and the City Council.

E. Use of Tax Increments. The Authority shall use the moneys in the Revenue Fund as follows: first, to pay all principal, all interest, and all paying agent/registrar charges on the Bonds and Notes of the Authority at the respective times and in the

#### IV.

### DUTIES AND RESPONSIBILITIES OF THE CITY AND THE ZONE

A. Duties of the City. The City agrees to maintain the existing level of services that the City currently provides in the Fourth Ward Area subject to the provision of funds for these services in the City budget. The City agrees to consider the promulgation of ordinances or resolutions pertaining to policies relating to the development of the Fourth Ward Area after receiving the Authority's advice and assistance.

B. Tax Increment Fund. The City has established and will maintain a separate fund, including subaccounts if necessary, in the City treasury into which Tax Increments shall be deposited. During the term of this Agreement, the City shall pay Tax Increments to the Authority as herein provided.

C. Limitation of Source of Payment. The City and the Zone shall have no financial obligation to the Authority other than as provided in this Agreement or in other agreements between the City, the Zone and the Authority. The obligation of the City and the Zone to the Authority under this Agreement is limited to the Tax Increments that are collected by the City. This Agreement shall create no obligation on the City or the Zone that is payable from taxes or other moneys of the City other than the Tax Increments that are collected by the City. The obligation of the City and the Zone to the Authority under this Agreement shall be subject to the rights of any of the holders of bonds, notes or other obligations that have been heretofore or are hereafter issued by the City, the County, the School District and any other Taxing Units that are payable from or secured by a general

without counterclaim or offset, but minus any expenses incurred by the City in connection with the collection of the Tax Increments and minus any amount retained pursuant to the provisions set forth in Article V below.

F. Obligations of City and the Zone to be Absolute. The obligation of the City and the Zone to make the payments set forth in this Agreement from Tax Increments shall be absolute and unconditional, and until such time as this Agreement, Bonds or Notes and the contractual obligations of the Authority incurred pursuant to this Agreement have been fully paid or provision for payment thereof shall have been made in accordance with their terms or the date of expiration of the Zone, whichever comes first, the City and the Zone will not suspend or discontinue any payments provided for in this Agreement and will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, the failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, except as provided in Article XXIV. Nothing contained in this section shall be construed to release the Authority from performance of any of the agreements on its part contained in this Agreement, and in the event the Authority shall fail to perform any such agreement on its part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as this action does not abrogate the obligations of the City and the Zone to make the payments set forth in this Agreement to pay the Bonds and Notes of the Authority or to meet its Authority Obligations to Developers/Builders.

or its other contractual obligations, all in accordance with an approved Budget. Notwithstanding the foregoing, however, in the event that the budget has not been approved in accordance with Article VI of this Agreement by the thirtieth (30th) day before the date of a principal or interest payment on the Authority's Bonds or Notes, and upon request by the Authority, the City shall pay to the Authority the amount of available monies in the Tax Increment Fund otherwise payable to the Authority under this Agreement in at least the amount necessary for the payment of principal and interest due to the holders of the Authority's outstanding Bonds or Notes next due, and the obligation to make these payments shall survive a termination of this Agreement as provided by Article XXIV hereof.

A quarterly accounting of expenditures and revenues of the Authority, including its operating statements and balance sheets, shall be submitted to the Planning Director by the thirtieth (30th) day of the quarter following such expenditure or receipt of revenue (the "Accounting"). The City's review of the Accounting shall be limited to determining whether the expenditures are (i) authorized by the Budget and (ii) consistent with the terms of the contract pursuant to which they were incurred, and not a review to determine whether the Authority Board properly exercised its discretion in making the expenditure.

## VI.

### BUDGET, ACCOUNTING, AND AUDITS

A. Budget, Books, and Records. During the term of this Agreement, the Authority will prepare and submit to the City and the Zone Board, by January 1 of each year during the term of this Agreement, its annual Budget setting forth the Authority's

B. Accounts, Records, and Accounting Reports. The Authority will maintain books of records and accounts in which full, true, and proper entries will be made on all dealings, transactions, business, and matters that in any way affect or pertain to the operation of the Zone, and the allocation and application of the Tax Increments. All such records shall be maintained in accordance with Generally Accepted Accounting Principles and shall be clearly identified and readily accessible. The Authority shall provide free access to the books and records at all times to the City and the Zone or their representatives and shall permit them to examine and audit the same and make copies thereof. The Authority shall further allow the City and the Zone and their representatives to make inspections of all work data, documents, proceedings, and activities related to this Agreement. Such right of access and audit shall continue for a period of three (3) years from the date of final payment under this Agreement. The Authority will operate on the basis of a fiscal year which begins July 1.

C. Audit. At the end of each fiscal year (beginning with the fiscal year or fraction thereof during which this Agreement is executed), the Authority will have at its own expense an audit prepared by an independent Certified Public Accountant for that fiscal year that shall be submitted to the Authority, the Zone and the City within one hundred twenty (120) days after the end of the fiscal year. The Authority shall furnish copies of the audit without cost to the Planning Director and the Zone Board.

D. Construction Audit. At the end of each fiscal year (beginning with the fiscal year or fraction thereof during which this Agreement is executed), the Authority will have

## VII.

### PUBLIC CONVENIENCE AND SAFETY

A. Observance of City Ordinances. The Authority shall observe City ordinances relating to obstructing streets, keeping alleys or other rights-of-way open and protecting same, and shall obey all laws and City ordinances controlling or limiting those engaged in the work.

B. Performance of Duties. The Authority shall perform its duties in a manner that will cause the least inconvenience and annoyance to the general public and the property owners, and will exercise every necessary precaution for the safety of the property and the protection of any and all persons and property located adjacent to or making passage through said property.

## VIII.

### RIGHT OF OWNERSHIP

All permanent public facilities and equipment owned by the City within the Zone shall remain property of the City, and such property shall not be disposed of by the Authority. All property and improvements purchased by the Authority shall be the property of the Authority and shall be maintained by the Authority throughout the term of this Agreement and the Authority may lease, sell or otherwise dispose of such property upon such terms and conditions as the Authority deems desirable, or if the TIRZ Project is integrated in and used as part of the City's infrastructure, it may be conveyed to the City at the time of such integration, at the City's discretion; however, all utilities, drainage

percentage of the value of contracts, pursuant to this Agreement, to Disadvantaged Businesses at the same rate as set forth in the City's Affirmative Action Program, as it may be in effect from time to time. While it is not a requirement of this Agreement that the Authority, in fact, meet or exceed these goals, it is a requirement that the Authority objectively demonstrate to the City that it has exerted Good Faith Efforts to meet these goals. To this end, the Authority shall maintain records showing (i) its subcontracts, supply agreements and support with and to Disadvantaged Business enterprises, (ii) subcontracts, supply agreements, and support with and to Disadvantaged Business enterprises, and (iii) specific efforts to identify and award subcontracts, supply agreements, and support with and to minority and women-owned business enterprises. The Authority shall submit quarterly reports of its Good Faith Efforts under this Article to the Director of Affirmative Action in such form and manner as the Director of Affirmative Action may prescribe.

## **XI.**

### **PERSONAL LIABILITY OF PUBLIC OFFICIALS**

To the extent permitted by State law, no director of the Authority, nor any employee or agent of the Authority, no director of the Zone, nor any employee or agent of the Zone, and no employee of the City, nor any agent of the City, shall be personally responsible for any liability arising under or growing out of the Agreement, or operations of the Authority under the terms of this Agreement.

LETTERED PARAGRAPHS 1-3, "AUTHORITY'S") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

2. THE INDEMNIFIED PERSONS' AND THE AUTHORITY'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER THE AUTHORITY IS IMMUNE FROM LIABILITY OR NOT; AND

3. THE INDEMNIFIED PERSONS' AND THE AUTHORITY'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER THE AUTHORITY IS IMMUNE FROM LIABILITY OR NOT.

THE AUTHORITY SHALL DEFEND, INDEMNIFY, AND HOLD THE INDEMNIFIED PERSONS HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. THE AUTHORITY'S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. THE AUTHORITY SHALL NOT INDEMNIFY THE INDEMNIFIED PERSONS FOR THE INDEMNIFIED PERSONS' SOLE NEGLIGENCE.

B. INDEMNITY TO CITY PROPERTY. AUTHORITY SHALL LIKEWISE INDEMNIFY AND HOLD HARMLESS THE CITY FOR ANY AND ALL INJURY OR DAMAGE TO CITY PROPERTY ARISING OUT OF OR IN CONNECTION WITH ANY AND ALL ACTS OR OMISSION OF AUTHORITY, ITS OFFICERS, AGENTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, LICENSEES, OR INVITEES.

C. RELEASE. THE AUTHORITY AGREES TO AND SHALL RELEASE THE INDEMNIFIED PERSONS FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR

the 10 day period, they do not waive any right to indemnification except to the extent that the Authority is prejudiced, suffers loss, or incurs expense because of the delay.

2. Defense of Claims.

a. Assumption of Defense. The Authority may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the Indemnified Persons. The Authority shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, the Authority must advise the Indemnified Persons as to whether or not it will defend the claim. If the Authority does not assume the defense, the Indemnified Persons shall assume and control the defense, and all defense expenses constitute an indemnification loss.

b. Continued Participation. If the Authority elects to defend the claim, the Indemnified Persons may retain separate counsel at their own expense to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations. The Authority may settle the claim without the consent or agreement of the Indemnified Persons, unless the settlement (i) would result in injunctive relief or other equitable remedies or otherwise require the Indemnified Persons to comply with restrictions or limitations that adversely affect the Indemnified Persons; (ii) would require the Indemnified Persons to pay amounts that the Authority does not fund in full; or (iii) would not result in the Indemnified Persons' full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

City or the Zone and the Authority, its officers, agents, employees, contractors, and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between the City or the Zone and the Authority. No person performing any of the work and services described hereunder shall be considered an officer, agent, servant, or employee of the City or the Zone.

**XV.**

**INSURANCE**

The Authority shall obtain and maintain insurance coverage continuously during the term of this Agreement, and the Authority shall contract with each contractor engaged by it hereunder to maintain (and to cause each of its subcontractors to maintain) insurance coverage during the term of its contract, in each case in accordance with the terms of this Article through any combination of primary and excess coverage and, in the case of "claims made" coverage, for an additional two years thereafter.

A. Risks and Limits of Liability. The insurance required by this Article shall insure against the following risks in at least the following amounts:

<u>Coverage</u>	<u>Limit of Liability</u>
Workers' Compensation	Statutory
Employer's Liability	Bodily Injury by Accident \$100,000 (each accident) Bodily Injury by Disease \$500,000 (policy limit) Bodily Injury by Disease \$100,000 (each employee)
Commercial General Liability: Including Broad Form Coverage, Contractual Liability, Bodily and Personal Injury, and Completed Operations (for a period of one year after completion of work)	Bodily Injury and Property Damage, Combined Limits of \$500,000 each Occurrence and \$1,000,000 Aggregate

E. Deductibles. The Authority shall be responsible for and bear (or shall contract with each applicable contractor to bear and assume) any claims or losses to the extent of any deductible amounts and waives (and shall contract with each contractor to waive) any claim it may have for the same against the City, its officers, agents, or employees.

F. Cancellation. Each policy must state that it may not be canceled, materially modified, or nonrenewed unless the insurance company gives the Planning Director 30 days' advance written notice. The Authority shall (and shall contract with each contractor to) give written notice to the Planning Director within five days of the date on which total claims by any party against such person reduce the aggregate amount of coverage below the amounts required by this Agreement. In the alternative, the policy may contain an endorsement establishing a policy aggregate for the particular project or location subject to this Agreement.

G. Subrogation. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.

H. Primary Insurance Endorsement. Each policy, except Workers' Compensation and Professional Liability (if any), must contain an endorsement that the policy is primary to any other insurance available to the additional insured with respect to claims arising under this Agreement.

of the premiums from amounts due to the Authority under this Agreement. The City shall never waive or be estopped to assert its right to terminate this Agreement pursuant to Article XXIV hereof because of its acts or omissions regarding its review of insurance documents.

L. Other Insurance. If requested by the Planning Director, the Authority shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to the Authority's operations under this Agreement.

#### **XVI.**

#### **LAW TO BE OBSERVED**

The Authority at all times shall observe and comply with all federal and state laws, local laws, ordinances, orders, and regulations of the federal, state, county, or city governments. The federal, state and local laws, ordinances, and regulations that affect those engaged or employed in the work, or the equipment used in the work, or that in any way affects the conduct of the work, shall be at all times in effect, and no pleas of misunderstanding shall be considered on account of ignorance thereof.

#### **XVII.**

#### **PERMITS**

Before proceeding with the work hereunder, the Authority shall obtain and pay for any necessary permits and licenses, whether issued by the state, county, or City, and upon the request of the Planning Director, furnish proof thereof.

Fourth Ward Redevelopment Authority  
c/o Burney & Foreman  
5445 Almeda, Suite 400  
Houston, Texas 77074  
Attn.: Zinetta Burney

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the City at the following address:

Director  
Department of Planning and Development  
City of Houston  
P.O. Box 1562  
Houston, Texas 77251

Any and all notices and communication under this Agreement shall be mailed by first-class mail, or delivered, to the Zone at the following address:

Reinvestment Zone Number Fourteen, City of Houston, Texas  
c/o Burney & Foreman  
5445 Almeda, Suite 400  
Houston, Texas 77074  
Attn.: Zinetta Burney

## **XXI.**

### **APPLICABLE LAWS**

This Agreement is made subject to the Constitution and laws of the State of Texas and the Charter of the City.

## **XXII.**

### **CAPTIONS**

The captions at the beginning of the Articles of this Agreement are guides and labels to assist in locating and reading such Articles and, therefore, will be given no effect

termination shall be ineffective if within said 30-day period the defaulting party cures the default or (ii) such termination may be stayed, at the sole option of the party against whom the default has occurred, pending cure of the default. No termination of this Agreement will affect the obligation of the City and the Zone to pay from Tax Increments an amount that will permit the Authority to pay its Bonds, Notes, or Authority Obligations issued or incurred pursuant to and consistent with this Agreement prior to termination.

C. Dissolution of Authority. The City agrees not to dissolve the Authority or the Zone unless it makes satisfactory arrangements to provide for the payment of the Authority's Bonds, Notes, or other Authority Obligations incurred prior to the Authority's dissolution.

## XXV.

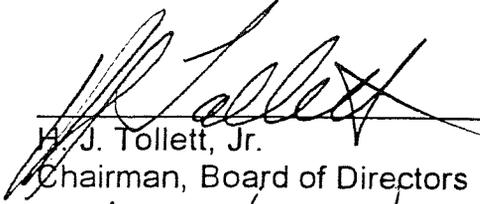
### AMENDMENT OR MODIFICATIONS

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only by the mutual written consent of the parties hereto.

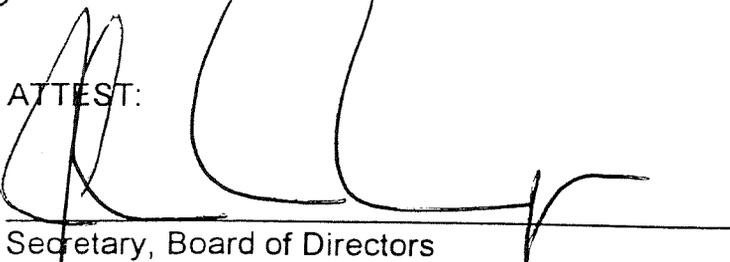
IN TESTIMONY OF WHICH this instrument has been executed on behalf of the Authority, the Zone and the City in duplicate originals which shall be considered of equal force and effect.

DATED this 1st day of December, 2000.

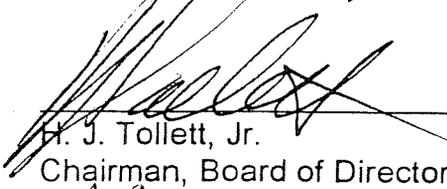
**FOURTH WARD REDEVELOPMENT  
AUTHORITY**

  
\_\_\_\_\_  
H. J. Tollett, Jr.  
Chairman, Board of Directors

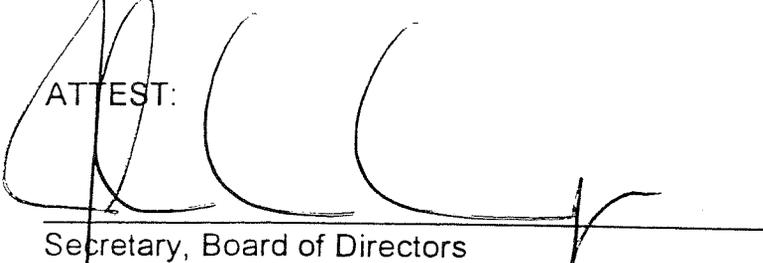
ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors

**REINVESTMENT ZONE NUMBER FOURTEEN,  
CITY OF HOUSTON, TEXAS**

  
\_\_\_\_\_  
H. J. Tollett, Jr.  
Chairman, Board of Directors

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Directors