

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

Harris County
Harris County
Harris County Administration Building
1001 Preston Avenue, Ninth Floor
Houston, Texas 77002
Attention: Director, Department of Management
Services

Greenspoint Zone
Neal Rackleff
V.P. & General Counsel
Reinvestment Zone Number Eleven,
City of Houston, Texas
16825 Northchase Dr. Ste., 720
Houston, Texas 77060

Redevelopment Authority
Neal Rackleff
V.P. & General Counsel
Greater Greenspoint Redevelopment Authority
16825 Northchase Dr. Ste., 720
Houston, Texas 77060

B. Index

The City, Harris County, the Greenspoint Zone and the Redevelopment Authority 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 WHEREOF, the City, Harris County, the Greenspoint Zone and the
Redevelopment Authority have made and executed this Agreement in multiple copies, each of which
is an original.

CITY OF HOUSTON

Lee P. Brown
Mayor Date 2/8/02

ATTEST/SEAL:

Carla Russell
City Secretary Date 2/8/02

COUNTERSIGNED:

Sylvia M. Garcia 2/18/02
City Controller Date

APPROVED AS TO FORM:

Clara Horton Ford
Assistant City Attorney
L. D. File No. 0619800038013

APPROVED:

[Signature]
Director Date
Planning and Development Department

APPROVED AS TO FORM:

HARRIS COUNTY

MICHAEL A. STAFFORD
County Attorney

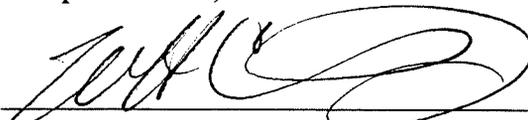
By 
NICHOLAS J. LYKOS
Senior Assistant County Attorney

By 
ROBERT ECKELS
County Judge

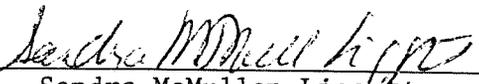
Date Signed: DEC 18 2001

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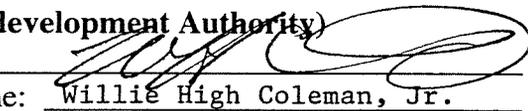
**REINVESTMENT ZONE NUMBER
ELEVEN, CITY OF HOUSTON, TEXAS
(Greenspoint Zone)**

By 
Name: Willie High Coleman, Jr.
Title: Chairman, Board of Directors
Date Signed: 1-10-02

ATTEST/SEAL:

By 
Name: Sandra McMullan Liggett
Title: Secretary, Board of Directors
Date Signed: 1/10/02

**GREENSPPOINT
REDEVELOPMENT AUTHORITY
(Redevelopment Authority)**

By 
Name: Willie High Coleman, Jr.
Title: Chairman, Board of Directors
Date Signed: 1-10-02

ATTEST/SEAL:

By 
Name: Sandra McMullan Liggett
Title: Secretary, Board of Directors
Date Signed: 1/10/02

[Remainder of page intentionally left blank]

II. DEFINITIONS

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

"Agreement" means this agreement by and among the City, Harris County, the Greenspoint Zone and the Redevelopment Authority.

"Agreement Term" is defined in Section VI.

"Available Revenue" means, on an annual basis, any revenues of the Redevelopment Authority available to be spent for any lawful purpose that are not otherwise pledged, hypothecated or assigned in any manner to bonds, notes or other obligations of the Redevelopment Authority, whether before or after the execution of this Agreement.

"Captured Appraised Value" means the captured appraised value of the Greenspoint 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 that this Agreement is 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 Greenspoint Zone pursuant to Section IV and Section VI of this Agreement.

"Greenspoint Area" means the Greenspoint area of the City and neighboring areas, as more particularly described in City of Houston Ordinance No. 98-713.

"Greenspoint Zone" means Reinvestment Zone Number Eleven, City of Houston, Texas, created by the City on August 26, 1998 by Ordinance No. 98-713, and includes its successors and assigns.

"Project Plan" means the project plan and reinvestment zone financing plan for the Greenspoint Zone adopted by the board of directors of the Greenspoint Zone and approved by the City Council of the City on August 3, 1999 by City of Houston Ordinance No. 99-793, as amended by the board of Directors of the Greenspoint Zone and approved by the City Council on August 11, 1999 by Ordinance No. 99-826.

"Redevelopment Authority" means the Greater Greenspoint Redevelopment Authority, a not-for-profit local government corporation acting on behalf of the City created pursuant to City of Houston Ordinance No. 1999-40.

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

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

III. BACKGROUND

On August 26, 1998, the City created the Greenspoint Zone by adoption of City of Houston Ordinance No. 98-713 for the purposes of development and redevelopment in the Greenspoint Area. The Board of Directors of the Greenspoint Zone initially adopted a project plan and reinvestment zone financing plan, which was approved by the City on August 11, 1999 by City of Houston Ordinance No. 99-793, and amended on August 11, 1999 by City of Houston Ordinance No. 99-826. The City has agreed to participate in the Greenspoint Zone by contributing tax increments produced in the Greenspoint Zone to the Tax Increment Fund. Harris County desires to participate in the Greenspoint Zone in consideration for the agreements set forth below. The parties now desire to enter into an interlocal agreement pursuant to TEX. TAX CODE ANN. § 311.013(f).

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 terms of this Agreement, the parties agree that Harris County's participation in the Greenspoint

Zone is a contribution, to the extent authorized by law, to the Tax Increment Fund during the term of this Agreement of fifty percent (50%) of the tax increment attributed to the Captured Appraised Value in the Greenspoint Zone attributed to Harris County for the period January 1, 2001, through December 31, 2028, and that the contributions of the Harris County Flood Control District, the Port of Houston Authority of Harris County, Texas, the Harris County Hospital District and the Harris County Department of Education and any other taxing entity for whom Harris County imposes taxes, either now or in the future, shall be zero percent (0%) of the tax increment attributed to the Captured Appraised Value in the Greenspoint Zone attributable to the Harris County Flood Control District, the Port of Houston Authority of Harris County, Texas, 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. It is further agreed that should for any reason the City, the Greenspoint Zone or the Redevelopment Authority receive funds due to tax increments attributable to any of the entities named in this paragraph in excess of the contribution as agreed in this paragraph, the City, the Greenspoint Zone or the Redevelopment Authority shall return, within 30 days of written notification by Harris County, the amount determined to be in excess from such entity; and such funds will be deemed not to have been deposited in the Tax Increment Fund. It is agreed that the Harris County Flood Control District, the Port of Houston Authority of Harris County, Texas, the Harris County Hospital District and the Harris County Department of Education and all other taxing entities for whom Harris County imposes taxes, either now or in the future, are third party beneficiaries of this Agreement and shall be able to enforce its terms.

In the event that the City, the Greenspoint Zone or the Redevelopment Authority expends funds inconsistent with the Project Plan or this Agreement, then Harris County shall notify the City, the Greenspoint Zone and the Redevelopment Authority of the breach, and the defaulting party shall have sixty days from the date of notification to cure the breach. In the event the breach is not cured within the sixty-day period, Harris County shall have the right to suspend all tax increment payments until the breach is cured.

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 to pay until the Harris County Tax Increment Participation in the Greenspoint 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.

B. Expenditure of Funds for Certain Projects

The Greenspoint Zone and the Redevelopment Authority shall spend Available Revenues in an amount equal to the amount of the Harris County Tax Increment Participation, over the term of this Agreement, on various projects that fall under one or more of the following Project Items listed in the Project Plan: Street Projects (only the non-thoroughfare components), Sidewalks, Lighting and Landscaping, Greens Bayou Flood Control/Bank Stabilization, Parks and Recreation Facilities, and Off-street Hike & Bike trails ("County Projects"). Harris County hereby agrees that the County Projects represent projects on which Available Revenue may be expended, and that the County Projects may be implemented and funded by the Greenspoint Zone and the Redevelopment Authority over the term of this Agreement. Notwithstanding the foregoing, any funds spent from sources other than Available Revenues shall count towards the obligation to spend an amount equal to the Harris County Tax Increment Participation on County Projects. It is mutually agreed by the parties, that no administrative fees shall be paid to the City of Houston from the Harris County Tax Increment Participation.

C. Expansion of Greenspoint Zone

The obligation of Harris County to participate in the Greenspoint Zone is limited to the area described in City of Houston Ordinance No. 98-713. Harris County's participation does not extend

to the tax increment on any additional property added to the Greenspoint Zone by the City or any amendment to the Project Plan by the Greenspoint 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 Greenspoint Zone for projects outside the Greenspoint Zone, as shown in Ordinance No. 98-713, unless Harris County agrees to participate in such dedication.

D. Board of Directors

Pursuant to the provisions of Section 311.009(b), Texas Tax Code, the Harris County Commissioners Court shall have the unequivocal right to appoint and thereafter at all times maintain one (1) member on the Board of Directors of the Greenspoint Zone. Harris County may also appoint and maintain as many non-voting ex officio members on the Board of Directors of the Greenspoint Zone as Harris County may desire.

V. OBLIGATIONS OF CITY, GREENSPPOINT ZONE AND REDEVELOPMENT AUTHORITY

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. Harris County's participation in the Greenspoint Zone does not extend to any amendment to the Project Plan subsequent to the date of the order of Commissioners Court authorizing approval of this Agreement unless Harris County agrees to further participate and amends its order accordingly.

B. Disposition of Tax Increments

Upon termination of the Greenspoint Zone, and after all bonded indebtedness of the Greenspoint Zone has been paid, the City and the Greenspoint 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.

C. Audits

The City shall provide to Harris County a copy of each of the audits that are submitted to the City pursuant to the agreement by and between the City, the Greenspoint Zone and the Redevelopment Authority, approved by City of Houston Ordinance No. 99-1381, as it may be amended from time to time, within thirty (30) days of receipt of each audit. In addition, the City or the Redevelopment Authority shall provide to Harris County a copy of all reports, studies and analyses prepared by the City, the Redevelopment Authority or others on their behalf that concern the expenditure of Tax Increment Funds of the Greenspoint Zone. Harris County shall have the right to audit the City's Tax Increment Fund, the books and records of the Redevelopment Authority and the Greenspoint Zone upon 30 days written notice to the City, the Redevelopment Authority or the Greenspoint Zone. Any such audit shall be at Harris County's expense.

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, 2001. This Agreement shall terminate on December 31, 2028, or when the total tax increments contributed by Harris County equal \$15,000,000, unless earlier terminated by the parties hereto. It is the intent of the parties that Harris County's participation in the Greenspoint 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 Greenspoint Zone, as set forth in Section IV of this Agreement. Upon termination of this Agreement, the obligation of Harris County to

contribute to the Tax Increment Fund for the Greenspoint Zone shall end. However, any refund obligations of the City, the Greenspoint Zone or the Redevelopment Authority shall survive such termination.

B. Early Termination

The Greenspoint 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, except as stated in the next paragraph.

In the event any term, covenant or condition shall be held invalid and affects in any manner the limitations on any 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 approved and 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, Harris County, the Greenspoint Zone or the Redevelopment Authority.

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.

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

The Commissioners Court of Harris County, convened at a meeting of said Court at the Harris County Administration Building in the City of Houston, Texas, on the 18th day of December , 2001, with the following members present, to-wit:

Robert Eckels	County Judge
El Franco Lee	Commissioner, Precinct No. 1
James Fonteno	Commissioner, Precinct No. 2
Steve Radack	Commissioner, Precinct No. 3
Jerry Eversole	Commissioner, Precinct No. 4

and the following members absent, to-wit: None, constituting a quorum, when among other business, the following was transacted:

ORDER APPROVING TAX INCREMENT CONTRIBUTION AND AUTHORIZING EXECUTION OF INTERLOCAL AGREEMENT AMONG HARRIS COUNTY, CITY OF HOUSTON, REINVESTMENT ZONE NUMBER ELEVEN, CITY OF HOUSTON, TEXAS AND GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY

Commissioner Eversole introduced an order and made a motion that the same be adopted. Commissioner Lee seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Vote of the Court:	Yes	No	Abstain
AYES:	Judge Eckels	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NAYS:	Comm. Lee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ABSTENTIONS:	Comm. Fonteno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Comm. Radack	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Comm. Eversole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The County Judge thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted follows:

RECITALS:

On or about August 26, 1998, the City Council of the City of Houston, Texas, pursuant to chapter 311 of the Texas Tax Code, adopted Ordinance No. 98-713 designating the Greenspoint Area within the City as Reinvestment Zone Number Eleven, City of Houston, Texas ("Greenspoint Zone") and describing the boundaries of the Greenspoint Zone; and

The Commissioners Court of Harris County, pursuant to TEX. TAX CODE ANN. § 311.013(f), makes the determination on behalf of Harris County only and not on behalf of any other political subdivision within Harris County, to retain fifty percent (50%) of the

Presented to Commissioner's Court

DEC 18 2001

APPROVE _____

Recorded Vol _____ Page _____

tax increment produced from the collection of ad valorem taxes on real property located in the Greenspoint Zone, as its boundaries exist on August 26, 1998, and agrees to contribute the remaining fifty percent (50%) of the tax increment attributable to Harris County, not to exceed \$15,000,000, effective January 1, 2001, through and including the tax year 2028; and

The Commissioners Court of Harris County desires to approve Harris County entering into an interlocal agreement with the City of Houston, Texas, Reinvestment Zone Number Eleven, City of Houston, Texas and the Greater Greenspoint Redevelopment Authority based upon the aforesaid representations. **NOW, THEREFORE,**

BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS THAT:

Section 1: The recitals set forth in this order are true and correct.

Section 2: The Interlocal Agreement is approved and the County Judge of Harris County or his designee is authorized to execute an Interlocal Agreement with the City of Houston, Texas, Reinvestment Zone Number Eleven, City of Houston, Texas and the Greater Greenspoint Redevelopment Authority. The Agreement is attached hereto and made a part hereof for all purposes.

Section 3: The Clerk of Commissioners Court shall transmit forthwith a copy of this Order to the Harris County Appraisal District, the Assessor and Collector of Taxes for Harris County, the Mayor and City Council of the City of Houston, Texas, the Board of Directors of Reinvestment Zone Number Eleven, City of Houston, Texas and the Board of Directors of the Greater Greenspoint Redevelopment Authority.

AMENDMENT NO. 1

TO

**AGREEMENT BY AND BETWEEN
THE GREATER GREENSPPOINT MANAGEMENT DISTRICT AND
THE GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY**

This Amendment No. 1 ("Amendment No. 1") to the agreement dated March 7, 2000 (the "Agreement") entered into by and between the Greater Greenspoint Management District (the "District"), and Greater Greenspoint Redevelopment Authority, (the "Authority"), acting on behalf of Reinvestment Zone Number Eleven, City of Houston, Texas (the "Zone") is made and entered into on the _____ day of February, 2001.

WITNESSETH:

WHEREAS, on March 7, 2000, the District and the Authority entered into the Agreement wherein the District would provide certain administrative and management services to the Zone and the Authority.

WHEREAS, the Authority and the District desire to amend the Agreement to revise the starting and ending dates of the automatically renewing one year terms. As per the Agreement, said terms commenced on July 1st and expired on June 30th of the following year. Said terms shall be revised to coincide with the District's fiscal year and shall commence on November 1st and expire on October 31st of the following year.

WHEREAS, the Authority and the District acknowledged in the Agreement that the Annual Fee was based on projections and each party to the Agreement agreed to review the terms and conditions of the Agreement on the request of the other party.

WHEREAS, on the request of the District, the parties to the Agreement have reviewed the Annual Fee and determined that said amount should be increased to accommodate increased costs incurred by the District for increasing the level of service

provided to the Authority through the hiring of additional personnell and devotion of additional resources to the Authority. The Authority and the District are in mutual agreement that said increased costs were necessary to ensure the District's ability to provide the services required under the Agreement.

WHEREAS, the Authority and the District desire to amend the Agreement to increase the Annual Fee from \$170,000.00 per year to \$300,000.00 per year.

WHEREAS, the Authority has paid the District \$170,000.00 for the term of the Agreement which began on July 1, 2000, and was to expire on June 30, 2001.

WHEREAS, the Authority shall pay the District the difference between \$170,000.00 and \$300,000.00 which equals \$130,000.00 and represents the balance of the new Annual Fee for the new term of the Agreement which began on November 1, 2000, and shall expire on October 31, 2001.

WHEREAS, in addition to the \$130,000.00 the Authority shall pay to the District, the Authority shall also pay the District \$43,333.00 to compensate the District for increased costs incurred between July 1, 2000, and October 31, 2000.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and benefits herein contained, the District and the Authority agree to amend the Agreement as follows:

1. Notwithstanding anything in the Agreement to the contrary, Article III of the Agreement shall be revised and amended to change the Annual Fee from \$170,000.00 to \$300,000.00. Additionally, the Authority shall be required to pay a fee of \$43,333.00 to compensate the District for increased costs incurred between July 1, 2000, and October 31, 2000.
2. Notwithstanding anything in the Agreement to the contrary, Article IX of the Agreement shall be revised and amended to change the commencement and expiration dates of the one year automatic renewal terms from commencement on July 1st and expiration on June 30th of the following year

to commencement on November 1st and expiration on October 31st of the following year.

3. The Authority and the District agree and acknowledge that the Authority has paid the District \$170,000.00 of the \$300,000.00 due for the period of November 1, 2000, through October 31, 2001. Additionally, the Authority and District agree and acknowledge that \$130,000.00 remains due and payable from the Authority to the District for the period of November 1, 2000 through October 31, 2001. Furthermore, the Authority and District agree and acknowledge that the amount of \$43,333.00 to compensate the District for increased costs incurred between July 1, 2000, and October 31, 2000 remains due and payable from the Authority to the District.
4. Notwithstanding anything to the contrary herein or in the Agreement, the District shall only be required to provide services to the Authority which are in accordance with the Project and Financing Plan. The Authority will not pay the District for any services that are determined to be an ineligible Project Cost under Chapter 311 of the Texas Tax Code and the District shall repay the Authority for any payment made by the Authority to the District that is determined to be an ineligible Project Cost.
5. Defined terms referenced but not defined herein shall have the meanings ascribed to them in the Agreement.
6. Except as amended hereby, the terms and conditions of the Agreement, as previously amended, shall remain in full force and effect. Any conflicts shall be resolved in favor of this Amendment No. 1.

The Parties have executed this Amendment No. 1 in multiple copies, each of which is an original.

GREATER GREENSPPOINT REDEVELOPMENT AUTHORITY



Chairman of the Board



Secretary

GREATER GREENSPPOINT MANAGEMENT DISTRICT

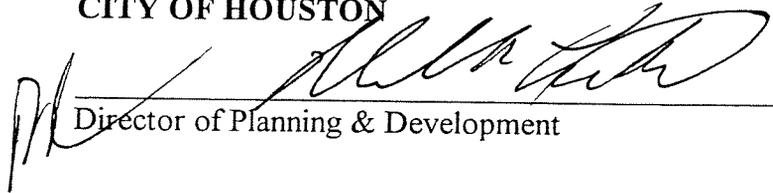


Chairman of the Board



Secretary

**APPROVED:
DIRECTOR OF PLANNING AND DEVELOPMENT
CITY OF HOUSTON**



Director of Planning & Development