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Execution Version

2025-0640 C82905

FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT BETWEEN HARRIS COUNTY, CITY OF HOUSTON, REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS, AND DOWNTOWN REDEVELOPMENT AUTHORITY

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

This FIRST AMENDED AND RESTATED INTERLOCAL AGREEMENT (this "Agreement") is made and entered into pursuant to Chapter 791 of the Texas Government Code and Chapter 311 of the Texas Tax Code, as amended (the "TIRZ Act"), by and between the CITY OF HOUSTON, TEXAS (the "City"), a municipal corporation and home-rule city of the State of Texas, acting by and through its governing body, the City Council of the City ("City Council"), HARRIS COUNTY, TEXAS (the "County"), a body corporate and politic under the laws of the State of Texas, acting by and through its governing body, the Harris County Commissioners Court (the "Commissioners Court") and DOWNTOWN REDEVELOPMENT AUTHORITY (the "Authority"), a local government corporation created by the City, acting by and through its Board of Directors (the "Authority Board") acting on behalf of REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS (the "TIRZ" or "Zone"), a tax increment reinvestment zone created by the City, acting by and through its Board of Directors (the "TIRZ Board"). The City, the County, the Authority and the TIRZ are referred to individually herein as a "Party" and together, the "Parties."

WHEREAS, by Ordinance No. 1995-1323, adopted by the City Council on December 13, 1995, the City created the Zone pursuant to the Act and appointed the Zone Board pursuant to the TIRZ Act;

WHEREAS, by Resolution No. 99-39, adopted by City Council on June 30, 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 area covered by the Zone;

WHEREAS, by Ordinance Nos. 1998-1204, 2005-1049, 2007-1422, 2011-988, 2019-983, and 2022-1002 adopted by City Council on December 16, 1998, December 14, 2005, December 12, 2007, November 16, 2011, December 4, 2019, and December 14, 2022, respectively, the City approved the annexation of additional property into the boundaries of the Zone;

WHEREAS, the Zone Board adopted and submitted to City Council for approval a Project Plan and Reinvestment Zone Financing Plan for the Zone (the "Original Project Plan"), and by Ordinance No. 96-911, adopted by City Council on September 11, 1996, the City approved the Original Project Plan. The City approved subsequent amendments to the Original Project Plan by Ordinance No. 98-1205, adopted by City Council on December 16, 1998, Ordinance No. 1999-828, adopted by City Council on August 11, 1999, by Ordinance No. 2005-1050, adopted by City Council on September 14, 2005, Ordinance No. 2007-1423, adopted by City Council on December 12, 2007, Ordinance No. 2011-989, adopted by City Council on November 16, 2011, by Ordinance No. 2019-984, adopted by City Council on December 4, 2019, and by Ordinance No. 2022-1003,

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adopted by City Council on December 14, 2022 (the Original Project Plan, together with all subsequent amendments thereto, the "Project Plan");

WHEREAS, the TIRZ Act provides that the TIRZ may enter into agreements as the TIRZ Board considers necessary or convenient to implement the Project Plan and achieve its purposes;

WHEREAS, the City, the TIRZ, and the Authority entered into an Amended Agreement by and between the City of Houston, Texas, the Zone and the Authority, dated April 4, 2000 (the "Tri-Party Agreement"), under which the Authority has complete authority and power to administer the TIRZ, make recommendations to the TIRZ Board and the City with respect to the development and redevelopment of the TIRZ, perform and engage in activities relating to the acquisition and development of land and other properties in the TIRZ, engage in development and redevelopment activities and construct and improve infrastructure in the TIRZ, enter into development agreements with developers/builders in the TIRZ, and, subject to City approval, issue, sell or deliver its bonds or notes, and perform the other activities described in the Tri-Party Agreement;

WHEREAS, the Parties have determined that it is in their collective best interest to amend and restate the Prior County Participation Agreement to provide for the County's continued participation in the TIRZ to increase the efficient and effective implementation of certain aspects of the Project Plan; and

WHEREAS, the City, the County, the TIRZ and the Authority wish to provide for the participation of the County in the TIRZ in furtherance of the Project Plan, as more fully described in this Agreement;

NOW, THEREFORE, the Parties hereto agree as follows:

I. PARTIES

The initial addresses of the Parties to this Agreement, which a Party may change by giving written notice of its changed address to the other Parties, are as follows:

CITY
City of Houston
901 Bagby Street, 4th Floor
Houston, Texas 77002
Attention: Gwendolyn Tillotson-Bell
Chief Economic Development Officer

COUNTY
Harris County
1019 Congress, 15th Floor
Houston, Texas 77002
Attention: Paige Abernathy, Assistant County Attorney

Cc: Harris County Precinct 1
Commissioner
1330 Preston Street, Suite 950
Houston, Texas 77002

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TIRZ & AUTHORITY

Downtown Redevelopment Authority
1221 McKinney Street, suite 4250
Houston, Texas 77010
Attention: Allen Douglas

II. DEFINITIONS

Capitalized terms used in this Agreement shall have the meanings provided in the preamble and Recitals and in this Article II set out below:

a. **"Base Year"** means tax year 1995 for the original boundaries of the Zone and tax years 1998, 2005, 2007, 2011, 2019, and 2022 for the annexation enlarging the boundaries of the Zone pursuant to City Ordinance Nos. 1998-1204, 2005-1049, 2007-1422, 2011-988, 2019-983, and 2022-1002, respectively.

b. **"Base Value"** means the total taxable value of all real property taxable by the County and located within the boundaries of the TIRZ for the applicable Base Year, as established by HCAD.

c. **"Captured Appraised Value"** means the total taxable value of all real property taxable by the County and located within the boundaries of the TIRZ for a year, as established by HCAD, less the applicable Base Value, as defined by the TIRZ Act.

d. **"County Revenue Fund Account"** means an account of the Authority into which excess County Tax Increment Participation funds from the Revenue Fund are deposited, including any interest inured thereto.

e. **"County Tax Increment"** means, for each year, the amount of property taxes levied and assessed by the County within the Zone on the Captured Assessed Value (less the portion of the County's tax rate levied for debt service, and not including any taxes levied by the County on behalf of the Harris County Flood Control District, Harris County Hospital District, Port of Houston Authority, or similar entities), a portion of which will be deposited into the Tax Increment Fund as the County Tax Increment Participation.

f. **"County Tax Increment Participation"** means an amount equal to one hundred percent (100%) of the County Tax Increment, which shall be deposited to the Tax Increment Fund, as described in Article IV, Section A.

g. **"Effective Date"** means the date this Agreement is countersigned by the City Controller.

h. **"HCAD"** means the Harris Central Appraisal District.

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i. **"Homeless Housing Funding Account"** means an account created by the City into which deposits are made pursuant to Article V, Section G.

j. **"Indenture"** means an Indenture of Trust to secure bonds issued by the Authority.

k. **"Maintenance and Operation Increment"** is defined in Article V, Section I.

l. **"Precinct 1"** means Precinct 1 of the County as its boundaries exist as of the Effective Date of this Agreement; provided, further, that in the event of a subsequent change to the boundaries of Precinct 1, any reference to "Precinct 1" in this Agreement shall be deemed a reference to the County precinct in which a majority of the property within the TIRZ is located.

m. **"Precinct 1 Designee"** means the Chief of Staff for Harris County Precinct 1 or other person as designated in writing by the Commissioner of Harris County Precinct 1; provided, further, that in the event of a subsequent change to the boundaries of Precinct 1, any reference to "Precinct 1 Designee" in this Agreement shall be deemed a reference to the Chief of Staff or other person designated in writing by the Commissioner for the County precinct in which a majority of the property within the TIRZ is located.

n. **"Project Fund"** means the fund established by Precinct 1 to deposit the monies received from the Surplus Fund Draw Request for expenditures authorized in the Project Plan.

o. **"Prior County Participation Agreement"** means the Interlocal Agreement between the City, the Zone, the Authority, and the County approved by Ordinance No. 200-0301, passed and adopted by City Council on April 4, 2001, and made effective April 26, 2001, relating to the County's participation in the Zone, as amended by that certain First Amendment to Interlocal Agreement approved by Ordinance No. 2005-1052, passed and adopted by City Council on September 14, 2005.

p. **"Revenue Fund"** means the fund established by the Authority into which payments from the Tax Increment Fund are deposited.

q. **"Surplus Fund"** is defined in Article V, Section G.

r. **"Surplus Fund Draw Request"** is defined in Article V, Section G.

s. **"Tax Increment Fund"** means the fund or account created by the City in the City Treasury for accumulating tax increment revenues in connection with the TIRZ.

t. **"Term"** is defined in Article III.

Otherwise, the terms used herein have the meanings ascribed in the TIRZ Act.

III. EFFECTIVE DATE, TERMINATION DATE

This Agreement shall commence on the Effective Date and shall terminate December 31, 2043, unless sooner terminated or extended pursuant to Article VI (the "Term").

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Upon termination of this Agreement, the obligation of the County to contribute the County Tax Increment Participation shall end, subject to the provisions of Article IV, Section B hereof with respect to disbursement of the annual County Tax Increment Participation for the final tax year of the Agreement; however, the obligations of the City and the Authority to refund any overpayment by the County shall survive such termination.

IV. COUNTY OBLIGATIONS AND PROJECT DESCRIPTION & COSTS

A. County Tax Increment Participation

For and in consideration of the agreement of the Parties set forth herein, the Parties agree that the County shall participate in the TIRZ through annual tax increment payments, to the extent authorized by law, by remitting to the Tax Increment Fund one hundred percent (100%) of the funds actually collected with respect to the Captured Appraised Value from the County's total ad valorem tax rate (less the portion of the County's tax rate levied for debt service, and not including any taxes levied by the County on behalf of the Harris County Flood Control District, Harris County Hospital District, Port of Houston Authority, or similar entities) (the "County Tax Increment Participation"), for the tax years 2025 through tax year 2042, inclusive (unless the Term is modified as provided in Article VI, Section B), for the area of the TIRZ that is located within Precinct 1.

B. Payment Date & Limitations of County Tax Increment

The County shall disburse annual County Tax Increment Participation payments to the Tax Increment Fund on or before August 31 with respect to the prior year's tax levy, subject to the provisions of Article V, Sections F and G. (For example, the County Tax Increment Participation payment for tax year 2025 shall be disbursed by August 31, 2026, and the County Tax Increment Participation payment for tax year 2042 shall be disbursed by August 31, 2043.) The County has no duty or obligation to pay the County Tax Increment Participation from any other County taxes or revenues. Any portion of the taxes representing the County Tax Increment Participation that are collected by the County and subsequently refunded to a taxpayer, 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 County Tax Increment Participation accrues as taxes representing the County Tax Increment Participation are collected by the County. No interest or penalties shall be charged to the County for any late payments from the County to the City or Authority, regardless of any statutory provision that may permit assessment of late payment penalties. The County's obligation to disburse the annual County Tax Increment Participation payment for the final tax year of the Agreement shall survive the termination or expiration of this Agreement and shall terminate upon the County's disbursement of the annual County Tax Increment Participation payment for such final tax year. The County Tax Increment Participation is limited only to the areas within the boundaries of the TIRZ that are located within the boundaries of Precinct 1 as of the Effective Date and does not extend to the County tax increment produced from any additional area annexed into the TIRZ by the City or subject to the terms of this Agreement any amendment to the Project Plan by the TIRZ and the City that would increase the total amount of project costs unless, subject to the terms of this Agreement, the Commissioners Court specifically grants its prior approval to participate in such annexation or the Commissioner of Precinct 1 or the Precinct 1 Designee approves the amendment to the Project Plan. Any County property tax revenue in excess of the

County Tax Increment shall be retained by the County and shall not be remitted to the Tax Increment Fund.

C. Pledge of County Tax Increment

The County hereby consents to any assignment and pledge of all or part of the County Tax Increment Participation to the owners and holders of bonds and notes of the Authority in accordance with the Indenture, provided however, the Authority shall not issue additional bonds that rely on the County Tax Increment Participation for payment of debt service (*i.e.*, additional bond issuances shall be sized solely to be paid from the City's tax increment contributed to the Zone) without first obtaining the approval of the Commissioner of Precinct 1 or the Precinct 1 Designee. In addition, the County's participation in the Zone does not extend to any dedication of revenue from the Tax Increment Fund for projects other than those County projects that are included in the Project Plan unless the County specifically agrees to participate in the dedication.

V. CITY, TIRZ, AND AUTHORITY OBLIGATIONS

A. Future Amendments to Project Plan and Boundary Enlargements

Any member of Commissioners Court may review and comment upon any future amendment to the Project Plan, prior to City Council approval. The City agrees to give the County written notice of any proposed amendment to the Project Plan or boundary enlargement of the TIRZ at least 60 days prior to City Council consideration thereof, if the County will be asked to participate in such an amendment or boundary enlargement. The County must provide written approval or disapproval within 45 days of the notice provided in this Section; the County's failure to respond to the TIRZ's notice of any proposed amendment to the Project Plan or boundary enlargement shall serve as the County's disapproval of the amendment to the Project Plan or boundary enlargement; provided however that nothing in this Section shall prevent the City from moving forward with a Project Plan amendment or boundary enlargement that does not utilize any County Tax Increment.

The Authority shall be responsible for drafting any future amendments to the Project Plan or other agreements deemed necessary by the TIRZ Board or the Authority Board. In the event the County will be asked to participate, the County will be given at least 30 days to review, comment, and/or approve the agreement prior to City Council consideration; provided that no future agreement shall include County participation without written approval by the County.

B. Disposition of Tax Increment Upon Termination

Within 60 days following (i) the termination of this Agreement and (ii) application of all County Tax Increment Participation payments hereunder, the City and the Authority shall refund to the County all monies remaining in the Tax Increment Fund, Revenue Fund, County Revenue Fund Account, or Surplus Fund that are attributable to the County Tax Increment Participation.

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C. Annual Audited Financial Statements and Other Reports of the TIRZ

Each year the Authority shall furnish to the County a complete copy of the audit required by the Tri-Party Agreement, within 90 days of approval of such audit by the Authority Board. In addition, upon the County's written request, the City shall provide to the County a copy of all reports, studies and analyses prepared by the City, the Authority or others concerning expenditure of County Tax Increment Participation funds, to the extent same are in the possession of the City.

D. Party Audit Rights

Any Party to this Agreement shall have the right to audit the Tax Increment Fund, Revenue Fund, Project Fund, County Revenue Fund Account, Homeless Housing Funding Account, the Surplus Fund and the accounting and financial records related to the Project Plan of another Party upon 30 days' written notice to the applicable Party. Any such audit shall be performed by the requesting Party's auditor at the requesting Party's expense.

E. Annual County Approval

The TIRZ agrees to give the County written notice of the proposed annual budget for the TIRZ, with a copy attached thereto, at least 60 days prior to the Authority Board's consideration thereof. Within 30 days after receipt of the proposed annual budget, the County may provide written notice to the Authority designating any project or projects in such proposed annual budget for which the County Tax Increment Participation may be used; for the avoidance of doubt, no County Tax Increment Participation can be used on a budget line item without written approval of the Commissioner of Precinct 1 or the Precinct 1 Designee. The County may not exercise its right under the prior sentence if such project or projects were included on a previous proposed annual budget and approved by the County; provided, however, that this limitation does not apply if the project has changed materially from the time of its prior approval. The County's failure to respond to the TIRZ's timely notice of a proposed annual budget shall serve as the County's rejection of the use of the County Tax Increment Participation for the projects included in the proposed annual budget. As of the Effective Date, the County has approved the use of County Tax Increment Participation for the projects set forth on **Exhibit A**.

Subject to approval of the annual budget by the TIRZ Board and/or the City, as applicable, the Authority shall include all items in the annual budget designated by the Precinct 1 Designee as County projects; provided that such County project may not require use of funds in the County Revenue Fund Account or the Surplus Fund in an amount exceeding the value of the County Tax Increment Participation, unless otherwise agreed to by the Authority.

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F. County Budget Items

The Authority agrees to include items in the annual budget that are requested by the Precinct 1 Designee, provided that such budget item may not require use of funds other than the County Tax Increment Participation, subject to Article VII, Section D.

G. Flow of County Tax Increment Participation

After the Authority receives the County's annual County Tax Increment Participation payment into the Revenue Fund, such funds shall be applied pursuant to its Indenture. Following the application of such funds pursuant to its Indenture, the Authority shall then transfer any such excess amount of the annual County Tax Increment Participation payment into a separately designated County Revenue Fund Account, including any interest inured thereto, with the exception of ten percent (10%) of the annual County Tax Increment Participation payment, which shall not be transferred to the County Revenue Fund Account and shall instead be made available by the Authority to the City for deposit in a "Homeless Housing Funding Account" at the City for purposes of the City's homeless housing programs that demonstrably benefit the TIRZ and are allowable project costs under the TIRZ Act; provided however that, in the event that the Authority and the City determine that (i) such portion of the County Tax Increment Participation payment is partially or wholly unneeded for such homeless housing programs, or (ii) any portion of the County Tax Increment Participation payment deposited into the Homeless Housing Funding Account for such homeless housing programs has not been utilized at the end of each fiscal year, the City shall remit to the Authority such unneeded and/or unused amounts within 90 days of such determination, which the Authority shall transfer to the County Revenue Fund Account.

From the County Revenue Fund Account, the Maintenance and Operation Increment and all unencumbered County Tax Increment shall be transferred into a surplus fund established by the Authority (the "Surplus Fund"). The County may submit a surplus draw request to the Authority requesting disbursements from the Surplus Fund ("Surplus Fund Draw Request") in substantially the same form as attached hereto as **Exhibit B**. Upon receipt of a Surplus Fund Draw Request and subject to availability of funding, the Authority shall remit payment to the County within 30 days of receipt of such draw request. The Authority shall maintain an accounting of the disbursements from the Surplus Fund to the County of the County Tax Increment Participation on a monthly basis as part of the regular bookkeeping report or financial reporting. The Authority's books will be available for inspection by a County representative upon reasonable notice.

The funds within the Surplus Fund will only be applied to expenditures authorized by the County pursuant to this Agreement and the Project Plan. The County will deposit the funds received from the Surplus Fund into a separate Project Fund for the expenditures related to planning, design and construction of County projects set forth in the annual budget, affordable housing as set forth in Article V, Section H and maintenance and operations as set forth in Article VI and described in a Surplus Fund Draw Request. The County will provide an accounting of the use of funds, and the balance of the Project Fund at the completion of any County project. Any remaining balance, other than those Surplus Draw Requests for affordable housing or Maintenance and Operation Increment will be remitted to the Authority for deposit into the Surplus Fund.

The funds and accounts established pursuant to the terms of this Agreement containing

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County Tax Increment Participation shall at all times be segregated accounts and funds, separate and identifiable from all other funds and accounts held by the Authority.

H. Affordable Housing

The County intends for thirty-three percent (33%) of the County Tax Increment Participation to be used to provide affordable housing related to the Project Plan during the Term, pursuant to the TIRZ Act, which is inclusive of the ten percent (10%) of the annual County Tax Increment Participation payment authorized to be utilized by the Authority or City for homeless housing assistance programs. The remaining County Tax Increment Participation (assumed to be 23%) will be in the Surplus Fund and accessible for the County's use through a Surplus Fund Draw Request.

I. Maintenance and Operation

An amount of up to ten percent (10%) of the County Tax Increment Participation (or a lesser amount approved by the County in an annual budget) shall be allocated to fund maintenance and operation costs (the "Maintenance and Operation Increment") for projects constructed that are related to the Project Plan. Such Maintenance and Operation Increment shall be paid from the County Revenue Fund Account at the request of the Precinct 1 Designee to the County for maintenance and operation of public parks, infrastructure, improvements, or other facilities related to the Project Plan within the boundaries of Precinct 1. The County, through Precinct 1, will provide a quarterly written report to the TIRZ and Authority regarding the use of the Maintenance and Operation Increment in a form reasonably acceptable to the Parties. The City may not receive any type of fee, whether administrative, overhead or otherwise, from the County Tax Increment Participation.

J. Bond Issuances for County Projects

In the event the County desires to use County Tax Increment Participation in the County Revenue Fund Account to fund the principal and interest of bonds issued by the Authority for the purposes of County projects, the Parties agree to negotiate an agreement in good faith at that time, including the manner in which such bond proceeds would be held by the Authority and the method by which the County could draw down such bond proceeds for purposes of implementing such projects.

VI. EARLY TERMINATION; BREACH; EXTENSION OF TERM

A. Default

Events of default by the County include, but are not limited to, failure to timely remit the annual County Tax Increment Participation payments to the Tax Increment Fund in accordance with Article IV. Events of default by the City or the Authority include, but are not limited to, the expenditure of County Tax Increment Participation funds by the City or the Authority in a manner inconsistent with the Project Plan or this Agreement.

In the event of a material default, the defaulting Party shall be notified of the default, and shall have 60 days to cure the default. If the default is not cured within 60 days following receipt

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of such notice, a non-defaulting Party may elect to terminate this Agreement. If such default is of such a nature as to be incapable of cure within such period, the defaulting Party shall commence action to cure said default within 60 days and thereafter diligently and continuously pursue such to action to complete such cure promptly.

B. Mutual Agreement

The Term may be modified by written agreement of the Parties. In the event the term of the TIRZ is extended beyond December 31, 2043, subject to the preceding sentence, by written notice to the other Parties not more than 90 days following receipt of written notice from the City that it has approved an ordinance extending the term of the TIRZ beyond December 31, 2043, the County may, but shall not be required to, opt to extend the Term to provide for the participation of the County throughout the extended TIRZ term.

The TIRZ may terminate pursuant to the provisions of the TIRZ Act.

C. Prior County Participation Agreement

Except as otherwise provided with respect to Article VI, Section A of the Prior County Participation Agreement, the Prior County Participation Agreement is hereby terminated and superseded in all respects by this Agreement. Article VI, Section A of the Prior County Participation Agreement shall survive the termination of the Prior County Participation Agreement until the earlier of (i) December 31, 2025, or (ii) the date when an aggregate of $17M has been paid into the Tax Increment Fund by the County-wide Entities (as that term is defined in the Prior County Participation Agreement), at which time Article VI, Section A of the Prior County Participation Agreement shall also terminate and be of no further force and effect.

VII. ADMINISTRATION

A. Cooperation of the Parties

The Parties shall cooperate in good faith to implement the objectives of the Agreement any shall not take any action that unreasonably delays or impedes any other Party's ability to exercise its rights and responsibilities hereunder, nor shall any Party take any action, including withholding any necessary administrative action, that unreasonably delays or impedes the ability of another Party to deploy the County Tax Increment Participation.

B. Reconciliation of Accounts

The payment calculations for County Tax Increment Participation shall include appropriate retroactive adjustments for any prior year subsequent tax collections or other necessary adjustments caused by errors or late tax payments.

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After the reconciliation of any year of County Tax Increment Participation, if the reconciled payment is determined to have been within ten percent of the amount actually paid, the over/under amount will be added or subtracted from the next annual payment, as applicable. Upon the County's written request, discrepancies greater than ten percent will be paid to the applicable Party within 60 days of receipt thereof.

C. Board of Directors

Pursuant to the TIRZ Act, the County may appoint a director to position seven on the Zone Board, without action by the City so long as the County is a participating taxing unit in the Zone. The City shall have the right to appoint positions one through five and positions 8 and 9 on the Zone Board. The Parties acknowledge that the Houston Independent School District is currently a participating taxing unit in the Zone and appoints a director to position six on the Zone Board. If more than two taxing units that levy taxes on real property in the Zone and have approved the payment of all or part of the tax increment produced by the taxing unit into the Tax Increment Fund appoint a director, the number of directors on the Zone Board shall be increased by two for each taxing unit above two that appoints a director to the Zone Board, provided further that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than two taxing units appointing directors. If a change in law results in a change in the number of directors on the TIRZ Board, the Parties agree to work in good faith to ensure proportional representation for the County on the TIRZ Board will be maintained.

D. Compliance with Law

The Parties covenant that all actions and projects undertaken with the adoption of this Agreement and projects funded under a Project Plan undertaken throughout the life of the TIRZ and the Authority, will be reviewed by the Party's legal counsel, and ascertained to be within the authority granted to such Party by State and local laws. Should any project or action undertaken be determined to be a violation of State and local laws, the violating Party shall be responsible for restitution of ineligible costs, whether project costs, operations and maintenance Costs, or other related costs.

E. Severability

If 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.

F. Entire Agreement

Upon the Effective Date, except as otherwise expressly provided in Article VI, Section A of the Prior County Participation Agreement, this Agreement completely amends, releases and replaces and supersedes in all respects all prior agreements, understandings, negotiations, and discussions, oral or written, between the Parties related to the subject matter of this Agreement.

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G. Written Amendment

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

H. 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 business day following deposit in a United States Postal Service post office or receptacle with proper postage affixed, via certified mail with return receipt requested, and addressed to the respective other Party at the address prescribed in the Section entitled "**PARTIES**" in this Agreement, or at such other address as the receiving party may have theretofore prescribed by notice to the sending Party.

I. Non-Waiver

Failure of any Party hereto to insist on the strict performance of any of the covenants herein or to exercise any rights or remedies 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.

J. 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.

K. 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 City Council, the TIRZ, the TIRZ Board, the Authority, the Authority Board, the County, or the Commissioners Court.

L. 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.

M. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

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Docusign Envelope ID: F064DA53-DF21-4853-A1B8-DFC962651091

N. Third Party Beneficiary

This Agreement shall not bestow any rights upon any third party, but rather shall bind and benefit only the Parties hereto.

[*signature page to follow*]

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IN WITNESS WHEREOF, the City, the County, the TIRZ and the Authority have made and executed this Agreement in multiple copies, each of which is an original.

HARRIS COUNTY

DocuSigned by:
By: _____
Name: County Judge Lina Hidalgo

Signed by:
ATTEST: Teneshia Hudspeth
By: County Clerk Teneshia Hudspeth
Date Signed: July 10, 2025

APPROVED AS TO FORM:

By: Christian D. Menefee, County Attorney

By: Paige H. Abernathy
Paige Abernathy, Assistant County Attorney
CACI: 25PUB0289

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DS

ATTEST/SEAL:

Signed by:
By: Troy D. Lemon
50EA7451720D4B5...

Troy Lemon, Interim City Secretary

Signed by:
CITY OF HOU

By:

DocuSigned by:
Cynthia Wilson
E372923F937B434...

John Whitmire, Mayor

DS

COUNTERSIGNED:

By:

DocuSigned by:
Emad Talvir
C7034DC62F544DF...

Chris Hollins, Controller

DATE OF COUNTERSIGNATURE:

8/12/2025

APPROVED:

Signed by:
By: Gwendolyn Tillotson-Bell
16A3955188AE240E...

Gwen Tillotson-Bell, Chief Economic Development Officer

APPROVED AS TO FORM:

By:
Sr. Assistant City Attorney
LD-RE- 0P000003811

REINVESTMENT ZONE NUMBER THREE, CITY OF HOUSTON, TEXAS

By: _____
Chair, Board of Directors
Curtis Flowers

Date Signed: August 12, 2025

ATTEST/SEAL

By: _____
Secretary, Board of Directors
Barry Mandel

Date Signed: August 12, 2025

DOWNTOWN REDEVELOPMENT AUTHORITY

By: _____
Chair, Board of Directors
Curtis Flowers

Date Signed: August 12, 2025

ATTEST/SEAL

By: _____
Secretary, Board of Directors
Barry Mandel

Date Signed: August 12, 2025

Docusign Envelope ID: 23403456-31AE-4581-B9CC-1FBF0F0A570B
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EXHIBIT A

LIST OF COUNTY PROJECTS

REMEMBRANCE PARK – LOCATED IN HARRIS COUNTY APPRAISAL DISTRICT CBD BLOCKS 4, 13, AND 22.

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Exhibit B

Form of Surplus Fund Draw Request

SURPLUS FUND DRAW REQUEST
Requisition No. _____

RE: Surplus Fund Draw Request – [Project Name and Year]

Ladies and Gentlemen:

Reference is hereby made to the First Amended and Restated Interlocal Agreement (the "Agreement") by and among by and among by and among the Downtown Redevelopment Authority (the "Authority"), Reinvestment Zone Number Three, City of Houston, Texas (the "TIRZ"), Harris County, Texas (the "County"), and the City of Houston, Texas (the "City"). Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the Agreement.

Pursuant to the Agreement, the Precinct 1 Designee hereby submits a Surplus Fund Draw Request, to be made in accordance with the Agreement and pursuant to the terms hereof:

1. Amount Requested: _____

2. Source of Funds: _____

3. Purpose of Funds: _____

4. Supporting Documentation (including bid documents, design documents, project plans or City permit information) (attached)

5. Remaining amount of County Tax Increment Participation in Surplus Fund: $_____

6. Withdrawals from Surplus Fund: $_____

Total $_____

7. Instructions to Make Payments. The Precinct 1 Designee hereby instructs the Authority to make the above-referenced withdrawals and payments in accordance with the terms of the Agreement.

8. Certification

The Precinct 1 Designee on behalf of the County hereby certifies the following:

a. The Draw Request will be used for a County project which is included in the Project Plan and approved annual budget.

b. The Draw Request amount reflects costs that are (i) allocable to County Tax Increment Participation dollars; (ii) eligible costs under the TIRZ Act and the Project Plan; and (iii) not previously reimbursed or financed from other sources available to the County therefor.

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c. The Draw Request amount will be deposited into a separate account under control of the County and will be expended in accordance with and subject to the terms and conditions of the Project Plan, the Agreement, the TIRZ Act and all applicable law.

/Date of Requisition:
_____

HARRIS COUNTY

By:_____
Name: _____
Title: _____