

**Horizon Regional Municipal Utility District
Agreement Regarding Participation, Cost Allocation and
Reimbursement for Reinvestment Zone Number One
Town of Horizon City**

This Interlocal Agreement (“**Agreement**”) is made and entered into by and between the **Horizon Regional Municipal Utility District (“HRMUD”)** and **Reinvestment Zone Number One Town of Horizon City (“Zone”)** on the ____ day of _____, 2024 to memorialize the manner in which the HRMUD will participate in projects within the Zone and contribute financially, and in kind.

WHEREAS, the Town of Horizon City, Texas (“**City**”) pursuant to Ordinance No. 0264 adopted, created, designated, and established the Zone;

WHEREAS, the City has committed to constructing a Transit Oriented Development/ Town Center and to site municipal facilities within the boundaries of the Zone;

WHEREAS, the City has agreed to contribute one hundred percent (100%) of the property tax increment for the City generated within the Zone to the Tax Increment Reinvestment Fund (“**TIRZ Fund**”);

WHEREAS, the County of El Paso has also agreed to contribute one-hundred percent (100%) of the property tax increment for the County generated within the Zone to the TIRZ Fund;

WHEREAS, the City has committed to making in-kind contributions to advance the purposes of the Zone;

WHEREAS, the City has expended specific funds for the creation and administration of the Zone;

WHEREAS, the City will continue to contribute specific costs for the development of the Transit Oriented Development/Town Center and other Zone projects and will be reimbursed with Tax Increment Funds;

WHEREAS, the HRMUD has agreed to contribute sixty-percent (60%) of the tax increment generated for the HRMUD within the Zone to the TIRZ Fund;

WHEREAS, the HRMUD and its taxpayers will both benefit from the development and improvements that will be paid for by the Tax Increment funds;

WHEREAS, the HRMUD shall not be obligated to contribute additional funds to the Zone Projects other than those specifically designated by the HRMUD Board of Directors;

WHEREAS, the parties desire to provide a framework for the expenditure of funds dedicated to the TIRZ projects by each Party;

NOW, THEREFORE, the HRMUD and the TIRZ, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

**ARTICLE I.
TERM OF AGREEMENT**

2.1 Term. The term of this Agreement (“**Term**”) shall commence on the date approved by the TIRZ Board and will expire on December 31, 2051. This Agreement may be extended for up to twenty years by Agreement of all Parties.

2.2 Annual Review. Parties hereby agree to annually revisit and review this Agreement by July 1st of each year to reaffirm Parties’ goals and commitments and to consider amendments that reflect altered circumstances.

**ARTICLE II.
DEFINITIONS**

2.3 In addition to any terms defined in the body of this Agreement, the following terms shall have the definitions ascribed to them as follows:

Tax Increment. Tax Increment means the amount of property taxes levied and collected by the HRMUD on the Captured Appraised Value of real property taxable by the HRMUD and located in the Zone.

Captured Appraised Value. Captured Appraised Value in a given year means the total appraised value, less any applicable exemptions, of all TIRZ real property taxable by the HRMUD for that tax year less the Tax Increment Base.

HRMUD Tax Increment will be that amount paid by the HRMUD into the Tax Increment Fund.

Creation Cost. Costs the City incurred creating the TIRZ.

Act means the Tax Increment Financing Act, as amended, and as codified as Chapter 311 of the Texas Tax Code.

Project Management and Coordination Costs are costs incurred in management of the TIRZ projects as a whole or to multiple projects within the TIRZ, but not readily attributable to a single project.

Project Plan means the project plan for the TIRZ as adopted by the TIRZ Board and the Town of Horizon City along with amendments to this plan that are adopted by the Board of Directors of TIRZ Number One and approved by the City Council of the Town of Horizon City from time to time. The Project Plan includes maps of all property in the Zone.

Reimbursable Costs are costs incurred by the City in furtherance of the TIRZ projects. Reimbursable Costs do not include Creation Costs as defined above. Reimbursable Costs only relate to direct costs incurred by the parties in relation to the planning and assessment phase of any project, to include attorney's fees incurred in the drafting and revising said agreements, together with the allocable share of Project Management and Coordination costs, and do not include the reimbursement of actual construction and/or implementation costs of any project beyond the planning and assessment phase unless agreed to in a separate Interlocal Agreement.

Tax Increment Fund (TIF) means that fund created by the City pursuant to Section 311.014 of the Act and the Ordinance, which will be maintained by the City, and into which all revenues of the TIRZs will be deposited, including deposits of Tax Increment by the City and by such other taxing units with jurisdiction over real property in the TIRZs that may enter into agreements for such contributions.

TIRZ Board means the governing board of directors of the TIRZs appointed in accordance with Section 311.009 of the Act, the Ordinance, and this Agreement.

TIRZ means the Tax Increment Reinvestment Zone Number One approved by the Town of Horizon City pursuant to Ordinance No. 0264.

2.4 Terms other than those defined above shall: (1) have their meanings as given in Chapter 311, Texas Tax Code; or (2) if not so defined, their usual and ordinary meanings.

2.5 References to state statutes shall include amendments to those statutes that are duly enacted from time to time.

**ARTICLE III.
OBLIGATIONS OF THE TIRZ BOARD**

3.1 The TIRZ Board agrees to keep an accurate accounting of expenditures on each project concerning the Parties and to accurately report those expenditures to the Parties.

3.2 The TIRZ Board agrees to provide access to any accounting of the TIRZ to the other parties to this Agreement.

3.3 The TIRZ Board agrees to keep an accurate accounting of Project Management Coordination Costs and related costs associated with all projects concerning the Parties.

3.4 The TIRZ Board agrees to keep an accurate accounting of tax increments paid by Parties into the Tax Increment Fund or paid for specific costs.

3.5 The TIRZ Board agrees to consider the provisions of this Agreement when expending funds dedicated to the TIRZ projects and when requesting additional funding, if any, from any Party.

3.6 If requested by the City, the TIRZ Board will reimburse the City for Creation Expenses as funds become available in the Tax Increment Fund. The TIRZ Board may, at its discretion reimburse the City in one lump sum or defer payment until such time as there are sufficient funds to make reimbursement and continue operation of the Zone.

3.7 The TIRZ Board has engaged the City to act as fiscal agent for the TIRZ and will, if requested by the City, reimburse the City for the services. Otherwise, the services will be considered in-kind contributions to the TIRZ.

3.8 The TIRZ Board will reimburse the City for Reimbursable Costs as that term is defined in Article 2.1 of this Agreement.

ARTICLE IV. ARTICLE IV OBLIGATIONS OF THE HRMUD

4.1 The HRMUD agrees to contribute 60% of the HRMUD Tax Increment to the TIRZ Fund upon receipt and to allow those funds to be used for any TIRZ Projects identified in the Project Plan.

4.2 In the event the HRMUD, advances Project Management and Coordination Costs, at least once annually the HRMUD will submit a statement of the Project Management and Coordination Costs it has incurred in connection with the management and operation of the Zone to receive reimbursement. The HRMUD shall be reimbursed the full amount of the expenses incurred as an administrative fee.

4.3 Prior to incurring any expenses that the HRMUD would like reimbursed, the HRMUD shall seek the preapproval of the TIRZ Board. Failure to obtain approval prior to incurring the expense may, at the discretion of the TIRZ Board disqualify the HRMUD for reimbursement.

ARTICLE V. DEFAULT, REMEDIES, TERMINATION

5.1 Defaults, Generally. A default shall occur (“**Default**”) if either Party shall fail or refuse to perform any of its respective obligations under this Agreement and such Default shall continue for thirty (30) days after written notice from the non-defaulting parties to the defaulting party designating such Default (or for such longer period as may be reasonably required to cure such Default in the exercise of all due diligence but not in excess of ninety (90) days).

5.2 Remedies after Default. If a Default occurs, the non-defaulting party shall have all the remedies available to the non-defaulting party at law or in equity, including the right to bring an action for specific performance against the defaulting party.

5.3 Notice of Default; Opportunity to Cure. If this Agreement is breached, the party alleging the default or breach shall give the breaching party not less than thirty (30) days’ written notice, measured from the date of certified mailing, specifying the nature of the alleged default, and when appropriate, the manner in which the alleged default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably

be cured within the thirty (30) day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within the period.

5.4 Notice of Intent to Terminate. At any time following the thirty-day cure period, the complaining party may institute legal proceedings and/or give written notice of intent to terminate the Agreement by certified mail. The written notice of intent to terminate shall specify the nature of the alleged grounds for termination.

5.5 Termination of Agreement. Each party shall be able to terminate this Agreement by giving a thirty (30) day written notice to each other Party for any reason; provided however, if the TIRZ has incurred debt or any other obligations secured by the increment provided by the HRMUD, the HRMUD shall be obligated to continue to provide the Increment until such time as the debt is paid off or the financial obligation is otherwise secured.

5.6 Cancellation of Agreement. Except as otherwise permitted herein, this Agreement may be cancelled, in whole or in part, only by mutual written consent of the Parties.

5.7 Time of Essence to Agreement. The Parties agree that time is of the essence to this Agreement.

ARTICLE VI. GENERAL PROVISIONS

6.1 Notice. Any notice or statement required or permitted to be delivered by one of the Parties to this Agreement to the other shall be deemed delivered by depositing same in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the address shown below, or at such other address (or addressees) provided by the parties to each other:

TIRZ BOARD

Chairperson of the Board
14999 Darrington Rd.
Horizon City, Texas 79928
ATTN: _____

With copy to:

City Attorney
14999 Darrington Rd.
Horizon City, Texas 79928
ATTN: _____

HRMUD:

Horizon Regional Municipal Utility District
14100 Horizon Blvd.,
Horizon City, Texas 79928
ATTN: Carlos McGinnis, General Manager

With copy to:

Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, Texas 77019
ATTN: Alan P. Petrov
Attorney for the District

6.2 No Joint Venture; No Third-Party Beneficiaries. It is acknowledged and agreed to by the Parties to this Agreement that the terms hereof are not intended to and shall not constitute a partnership or joint venture between the parties. The Parties, their officials, officers, and agents, do not assume any responsibility or liability to any third parties in connection with the design, construction, operation or maintenance of any structures or improvements associated with the TIRZ,

6.3 Applicable Law and Venue. This Agreement is made and shall be construed and interpreted under the laws of the State of Texas, and venue to enforce or interpret any aspect of this Agreement shall lie in El Paso County, Texas.

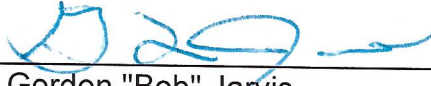
6.4 Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transaction contemplated herein, and this instrument supersedes any prior agreements or understandings between the parties. Nothing in this Agreement shall supersede or preempt other agreements related to funding of the TIRZ projects between the Parties but shall instead govern when other agreements related to funding of the TIRZ projects are silent or vague.

6.5 Savings Clause. If any portion of this Agreement is deemed to be invalid or unenforceable, the remaining terms and condition remain in full force and the Agreement shall be unaffected.

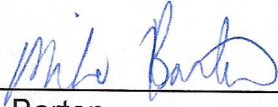
[SIGNATURE PAGES FOLLOW]

EXECUTED on this the _____ day of _____, 2024 (“Effective Date”).

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

By: 
Gordon "Bob" Jarvis
President of the Board

ATTEST:

By: 
Mike Barton
Secretary of the Board

**REINVESTMENT ZONE NUMBER ONE
TOWN OF HORIZON CITY – BOARD**

By: _____
**(Printed name),
Chairperson**