

A RESOLUTION OF HOPKINS COUNTY AUTHORIZING THE HOPKINS COUNTY JUDGE TO EXECUTE AN AGREEMENT BETWEEN HOPKINS COUNTY AND THE CITY OF SULPHUR SPRINGS, SETTING THE TERMS BY WHICH HOPKINS COUNTY WILL PARTICIPATE IN THE CITY OF SULPHUR SPRINGS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO, AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Sulphur Springs, Texas, intends to adopt Ordinance No. 2853, (the "Ordinance"), to create Tax Increment Reinvestment Zone #2, City of Sulphur Springs (the "Zone"); and

WHEREAS, in accordance with the Tax Increment Financing Act, Chapter 311, Texas Tax Code, as amended (the "Act"), all taxing units that levy property tax on real property within the Zone are authorized to enter into an agreement with the City of Sulphur Springs; and

WHEREAS, Hopkins County levies property taxes on the real property expected to be included within the boundaries of the proposed Zone; and

WHEREAS, Hopkins County desires to participate by paying 75% of the tax increment within the Zone into the Tax Increment Fund.

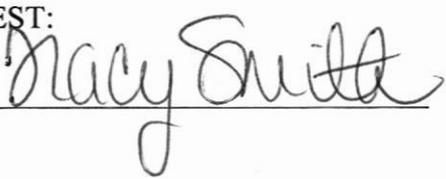
NOW THEREFORE BE IT RESOLVED BY HOPKINS COUNTY:

Section 1. Hopkins County Judge, Robert Newsom, is directed to execute the agreement with the City of Sulphur Springs as it is attached to this Resolution as Exhibit A.

Section 2. This resolution shall become effective from and after the date of its passage.

PASSED AND APPROVED THIS 11 DAY OF MARCH 2024.


Robert Newsom
Hopkins County Judge

ATTEST:


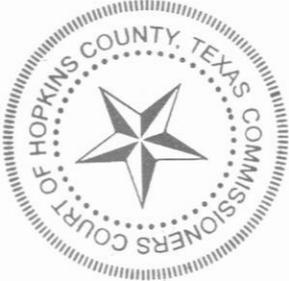


EXHIBIT A
HOPKINS COUNTY, TEXAS
AGREEMENT TO PARTICIPATE IN THE SULPHUR SPRINGS
TAX INCREMENT REINVESTMENT ZONE NUMBER TWO

THIS AGREEMENT TO PARTICIPATE IN THE CITY OF SULPHUR SPRINGS TAX INCREMENT REINVESTMENT ZONE NUMBER TWO (the "Agreement") is made and entered into by and between the City of Sulphur Springs ("City"), a municipal corporation, and Hopkins County, Texas ("Hopkins County").

WHEREAS, in accordance with the provisions of the Tax Increment Financing Act, V.T.C.A., Tax Code, Chapter 311, (the "Act"), the City created Reinvestment Zone Number Two, City of Sulphur Springs, Texas (the "Reinvestment Zone"), in the area described on Exhibit A attached hereto, to promote the development or redevelopment of the property within the Reinvestment Zone; and

WHEREAS, the Act provides that each taxing unit levying taxes on real property in a reinvestment zone is not required to pay into a tax increment fund (the "Tax Increment Fund") any of its tax increment produced from property located in the reinvestment zone unless such taxing unit enters into an agreement to do so with the governing body of the municipality that created the reinvestment zone; and

WHEREAS, a tax increment agreement under the Act may be entered into any time before or after the reinvestment zone is created, and such agreement must include any conditions for payment of the tax increment into the Tax Increment and must specify the portion of the tax increment to be paid into the Tax Increment Fund and the years for which the tax increment is to be paid into the Tax Increment Fund; and

WHEREAS, the City and Hopkins County desire to enter into this Agreement.

NOW THEREFORE, the City and Hopkins County, in consideration of the terms, conditions, and covenants contained herein, hereby agree as follows:

Section 1. Hopkins County Participation. Hopkins County agrees to pay into the Tax Increment Fund, from the taxes levied and collected against the captured appraised value of real property as determined in Section 311.012 of the Act in the Reinvestment Zone for each fiscal year 2025 through 2055, inclusive, a percentage of said taxes that will produce an amount equal to the sum of 75 % of the taxes levied and collected against the captured appraised value of real property in the Reinvestment Zone, subject to the following terms and conditions:

- a. The Board of Directors of the Reinvestment Zone will be composed of five (5) members, which shall include one member from each taxing unit that levies taxes on real property in the Reinvestment Zone (but not to exceed the maximum allowable as determined in Section 311.009 of the Act); provided that if a taxing unit elects not to appoint a member of the

EXHIBIT A

Board of Directors, the City shall appoint a person for that position on the Board of Directors.

- b. A tax increment fund shall be established to be used for projects set forth in the tax increment project and financing plans to be adopted by the board of directors of the Reinvestment Zone and approved by the City Council of the City.
- c. The boundaries of the Reinvestment Zone are and shall be those boundaries described in the Ordinance or any amendment thereto revising the boundary as duly approved by the board of directors of the Reinvestment Zone, and the City Council of the City.
- d. The land within the boundaries of the Reinvestment Zone will be appraised by the central appraisal district as of January 1, 2024, for ad valorem tax purposes and for establishing the tax increment base referenced in Section 311.012 of the Act.
- e. All amounts paid into the Tax Increment Fund will be used solely to pay project costs as identified in the financing plan and project plan for the Zone, as amended from time to time, which may include debt service of bonds, certificates of obligation, notes or other evidence of indebtedness issued to finance such project costs, and to pay direct costs properly chargeable under the Act and generally accepted accounting principles to the administration of the Reinvestment Zone; however, in no event will any of the amounts paid into the Tax Increment Fund be used to pay any overhead or administrative costs of City employees or officials for time spent or service rendered with respect to the Reinvestment Zone.

Section 2. Term.

- a. This Agreement shall terminate on: (i) the last day of Hopkins County's 2055 fiscal year, or (ii) an earlier date designated by the City Council in the event the City determines that the Reinvestment Zone should be terminated due to insufficient private investment, accelerated private investment or other good cause, or at such time as all project costs and tax increment bonds, if any and the interest thereon, have been paid in full.
- b. Notwithstanding the foregoing, Hopkins County's obligation to deposit taxes into the Tax Increment Fund as provided in Section 1 shall remain in full force and effect regardless of a termination of this Agreement pursuant to Section 2(a)(i).

Section 3. Expenditures. The City and Hopkins County agree that funds will not be expended from the Tax Increment Fund until a final project plan and financing plan has been prepared and adopted by the board of directors of the Reinvestment Zone and approved by the City Council.

Section 4. Liability. The City and Hopkins County shall each be responsible for the sole negligent acts of their officers, agents, employees, or separate contractors. In the event of joint and concurrent negligence of City and Hopkins County, responsibility, if any, shall be apportioned

EXHIBIT A

comparatively in accordance with the laws of the State of Texas, without, however, waiving any governmental immunity available to City and Hopkins County under Texas law and without waiving any defenses of the parties under Texas law.

Section 5. Administration. This agreement shall be administered by the City Manager or his designees.

Section 6. Notice. Whenever this Agreement requires or permits any consent, approval, notice, request, proposal, or demand from one party to another, the consent, approval, notice, request, proposal, or demand must be in writing to be effective and shall be delivered to the party intended to receive it at the addresses shown below:

If intended for City, to:

City Manager
125 S. Davis. St.
Sulphur Springs, Texas 75482

If intended for Hopkins County, to:

County Judge
Hopkins County Courthouse
118 Church St.
Sulphur Springs, Texas 75482

or to other addresses as parties may request, in writing, from time to time.

Section 7. Assigns. This Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors, and assigns. Notwithstanding the foregoing, neither the City nor Hopkins County may assign this Agreement without the prior written consent of the other, which consent may be granted or withheld by such party in its sole and absolute discretion.

Section 8. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hopkins County, Texas.

Section 9. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns. No third party shall have any rights herein.

Section 10. Execution. This Agreement shall become a binding obligation on the parties upon execution by all parties. Each party hereto warrants and represents that the individual

EXHIBIT A

executing this Agreement on behalf of such party has full authority to execute this Agreement and bind such party to the same. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one in the same instrument.

Section 11. Adoption. The City shall adopt a resolution approving this Agreement and authorizing the execution of this Agreement. Hopkins County shall adopt a resolution or order approving this Agreement and authorizing Hopkins County to execute this Agreement and provide the City an executed original of the same.

Section 12. Venue. This Agreement is made subject to the provisions of the Charter and ordinances of the City, as amended; the Texas Constitution, codes, and statutes; and all other applicable state and federal laws, regulations, and requirements, as amended. The venue shall be exclusively in Hopkins County, Texas.

Section 13. Entire Agreement. This Agreement embodies the complete understanding of City and Hopkins County superseding all oral and written previous and contemporary agreements between the parties relating to matters herein. The Agreement may be amended, modified, or supplemented only by an instrument in writing executed by the City and Hopkins County. Any alterations, additions, or deletions to the terms of this Agreement required by changes in federal, state, or local law or regulations will be automatically incorporated into this Agreement without written amendment and shall become effective on the date designated by such law or regulation.

Section 14. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

(Execution Page Follows)

EXHIBIT A

EXECUTED this the _____ day of _____, _____, by the City, signing by and through its _____, duly authorized by Resolution Number _____ approved on _____, _____, and by Hopkins County, signing by and through its _____, duly authorized by Resolution/Order Number _____ approved on _____, _____.

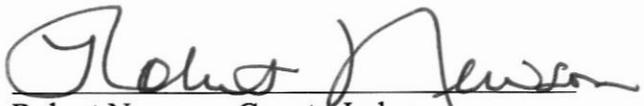
CITY OF SULPHUR SPRINGS

Marc Maxwell, City Manager

ATTEST:

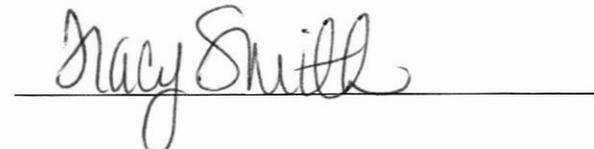
City Secretary

HOPKINS COUNTY, TEXAS


Robert Newsom, County Judge



ATTEST:



Nancy Smith

**EXHIBIT A
EXHIBIT A – TAX INCREMENT REINVESTMENT ZONE #2**



PROPERTY WITHIN ZONE

Property ID	GEO ID	LEGAL	SITUS	PTL ACRES
R000021637	40.0613.000.001.00	BLK: 613, LOT: 1	FM 1870 WS	2,289.003
R000030757	40.0613.000.001.11	BLK: 613, LOT: 1-11	FM 1870 WS	1,218.000
R000030755	40.0613.000.003.00	BLK: 613, LOT: 3	FM 1870 SS	426.082
R000030758	40.0613.000.001.10	BLK: 613, LOT: 1-10 (AKA 1R-1)	FM 1870 WS INSIDE	50.000
R000030759	40.0613.000.001.20	BLK: 613, LOT: 1-20 (AKA 1R-2)	FM 1870 WS INSIDE	180.000
R000030761	40.0613.000.001.21	BLK: 613, LOT: 1-21 (AKA 1R-2)	FM 1870 WS INSIDE	20.000
R000030760	40.0613.000.001.30	BLK: 613, LOT: 1-30 (AKA 1R-3)	FM 1870 WS INSIDE	68.000
R000030762	40.0613.000.001.31	BLK: 613, LOT: 1-31 (AKA 1R-3)	FM 1870 WS INSIDE	<u>82.000</u>
			Total Acres	4,333.085