

**TIRZ DEBT ADMINISTRATION AGREEMENT
BETWEEN THE CITY OF PFLUGERVILLE, TEXAS AND
REINVESTMENT ZONE NUMBER ONE, CITY OF PFLUGERVILLE, TEXAS**

STATE OF TEXAS §

COUNTY OF TRAVIS §

THIS AGREEMENT (“Agreement”) is made by and between the City of Pflugerville, Texas (the “City”) and Reinvestment Zone Number One, City of Pflugerville, Texas (the “TIRZ”) to memorialize the parties’ agreement and to provide for the payment of debt obligations issued by the City on behalf of the TIRZ.

RECITALS

WHEREAS, by Ordinance No. 1063-10-12-14 adopted on December 14, 2010 (the “Creation Ordinance”), the City created the TIRZ pursuant to the provisions of Chapter 311, Texas Tax Code (the “Act”); and

WHEREAS, in accordance with the requirements of the Act, the TIRZ and the City have adopted a project plan and a reinvestment zone financing plan setting forth the project costs to be financed by the TIRZ, including the capital costs, financing costs and other costs permitted by the Act, for the improvements to benefit the area within the TIRZ (collectively, the “TIRZ Project Costs”); and

WHEREAS, in order to reduce costs, the parties participated in a TIRZ project funding plan wherein the City acquired debt obligations on behalf of the TIRZ for the purpose of funding the construction of certain TIRZ Project Costs; and,

WHEREAS, the TIRZ will utilize tax increments collected within the TIRZ pursuant to the Act (“Tax Increments”) to pay the City for the TIRZ's share of the debt service on such debt obligations of the City; and

WHEREAS, pursuant to this Agreement, the City will service such debt issued in its name on behalf of the TIRZ and will be reimbursed by the TIRZ as set forth herein, until paid in full and the debt is retired; and,

WHEREAS, in furtherance of this agreement the City issued Certificates of Obligation in the amount of \$7,505,000 on June 28, 2016; and,

WHEREAS, the parties desire to approve this agreement to memorialize the fiscal management of public monies to serve the TIRZ Project Costs and the debt issuance by the City.

AGREEMENT

NOW, THEREFORE, the City and the TIRZ, in consideration of the mutual covenants and agreements herein contained, do hereby mutually agree as follows:

ARTICLE I TERMS

- A. The City is responsible for the preparation of all debt related instruments for debt issued in the name of the City on behalf of the TIRZ to finance the construction of TIRZ Project Costs ("Project Debt").
- B. The City will transfer the proceeds of Project Debt to the TIRZ upon receipt thereof, or, upon the direction of the TIRZ, the City may utilize such proceeds to pay for TIRZ Project Costs on behalf of the TIRZ. By accepting such proceeds or directing the City to apply the proceeds to TIRZ Project Costs, the TIRZ accepts its obligation to make all payments necessary to service such Project Debt.
- C. The TIRZ hereby pledges the Tax Increments to the City to the extent necessary for the City to make debt service payments on Project Debt.
- D. City hereby agrees to make all debt service payments on Project Debt when due as required by the bond covenants applicable to such debt.
- E. During the term of this Agreement, the TIRZ will remit to the City on an annual basis all monies then available from Tax Increments and any interest thereon as necessary to provide the City with the aggregate amount of the annual scheduled debt service payment due on any then outstanding Project Debt, including any debt administration expenses incurred by the City with respect to such Project Debt, and any then unpaid amounts with respect to any such prior payments. The City will make available to the TIRZ a payment schedule showing all such amounts owed by the City on Project Debt and when such amounts are due.
- F. The Recitals provided above are hereby approved and included as essential terms of this Agreement.
- G. This Agreement shall be in effect until all outstanding Project Debt has been repaid; provided that this Agreement shall expire on the termination date of the TIRZ as set forth in the Creation Ordinance, including any amendments thereto, or when all debt issued in the name of the City on behalf of the TIRZ to finance Project Debt is retired.
- H. All documents with respect to Project Debt will remain the property of the City and be available for review upon request. Release of information to the public shall be in conformance with the Texas Public Information Act.
- I. The TIRZ agrees, to the extent permitted by law, to save harmless the City and its officers and employees from all claims and liability due to activities of itself, its agents, or employees, performed under this Agreement and which are caused by or result from error, omission, or negligent act of the TIRZ or of any person employed by the TIRZ. The TIRZ shall also save harmless the City from any and all expense, including, but not limited to, attorney fees which may be incurred by the City in litigation or otherwise resisting said claim or liabilities which may be imposed on the City as a result of such activities by the TIRZ, its agents, or employees. This indemnity shall not include claims based upon or

arising out of the willful misconduct of City, its officers or employees. Further, this indemnity shall not require payment of a claim by City or its officers or employees as a condition precedent to City's recovery under this provision.

- J. The City agrees, to the extent permitted by law without an obligation to establish a cost and sinking fund, to save harmless the TIRZ from all claims and liability due to activities of itself, its agents, or employees, performed under this Agreement and which are caused by or result from error, omission, or negligent act of the City or of any person employed by the City. The City shall also save harmless the TIRZ from any and all expense, including, but not limited to, attorney fees which may be incurred by the TIRZ in litigation or otherwise resisting said claim or liabilities which may be imposed on the TIRZ as a result of such activities by the City, its agents, or employees. This indemnity shall not include claims based upon or arising out of the willful misconduct of the TIRZ, its officers or employees. Further, this indemnity shall not require payment of a claim by the TIRZ or its officers or employees as a condition precedent to the TIRZ's recovery under this provision.
- K. In the event 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 provision thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The undersigned signatory or signatories for the parties hereby represent and warrant that the signatory is an officer of the organization for which he or she has executed this Agreement and that he or she has full and complete authority to enter into this Agreement on behalf of such party. The above-stated representations and warranties are made for the purpose of inducing the other party to enter into this Agreement.
- L. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.
- M. All notices to either party by the other required under this Agreement shall be personally delivered by email to such party at the following respective addresses:

For City: City Manager
 City of Pflugerville, Texas
 citymanager@pflugervilletx.gov

For TIRZ: TIRZ Board President
 Reinvestment Zone Number One
 City of Pflugerville, Texas
 citysecretary@pflugervilletx.gov

IN WITNESS HEREOF, the City and the TIRZ have executed this Agreement on this the _____ day of _____, 2016.

REINVESTMENT ZONE NUMBER ONE, CITY OF PFLUGERVILLE, TEXAS

By: _____
Mike Marsh, President, Board of Directors

STATE OF TEXAS §
COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared **Mike Marsh, Board of Directors President of the Reinvestment Zone Number One, City of Pflugerville, Texas**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the _____ day of _____ A.D., 2016.

Notary Public in and for the State of Texas
My Commission Expires: _____
Print Name: _____

CITY OF PFLUGERVILLE, TEXAS

By: _____
Jeff Coleman, Mayor

ATTEST:

By: _____
Karen Thompson, City Secretary