

new or expanded business enterprises. Further, there are many other streets within the City that if repaired, would promote the development of new or expanded business enterprises in the areas repaired and benefit the citizens and constituents of each of the Parties (hereinafter the "Projects"). The Parties enter into this Agreement for those purposes.

Specifically, City agrees to assume project responsibility, including, but not limited to, planning, contracting, engineering and construction, and all administrative functions, to complete the Projects and issue \$6,000,000.00 in debt for those specific purposes. BCCDC has agreed to pay one-half (1/2) of the debt service on the Projects as described below.

ARTICLE II. - AUTHORITY

This Agreement is entered into by the parties hereto pursuant to the Texas Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. This Agreement shall be governed by and subject to the laws of the State of Texas. Any of the terms and conditions of this Agreement are subject to and shall be construed in accordance with the construction of the Texas Interlocal Cooperation Act recited hereinabove.

BCCDC's participation is based on promoting or developing new or expanded business enterprises.

ARTICLE III. - TERMS

It is the intent of the parties that the following shall be the obligations of each party to this Agreement:

1. City assumes responsibility, including, but not limited to, planning, contracting, engineering and construction, to complete the Projects and issue

approximately \$6,000,000.00 in financing (the “Debt”) by the appropriate method as allowed by law and at the City’s discretion. The City shall endeavor to arrange financing in the most favorable way to benefit the Parties. The City shall exchange information with BCCDC regarding the process of financing and shall seek its input.

2. Because the City is acting as a conduit to complete the Project that BCCDC desires to accomplish, but that it would not otherwise undertake, BCCDC shall have the obligation to pay one-half (1/2) of the Debt associated with the Projects, said one-half (1/2) being in the amount of \$3,000,000.00, including the financial obligation associated with the same. Other than being the applicant for the debt and assuming all legal responsibility for the Project, including if BCCDC would default or otherwise not pay their share of the Debt, City shall not be responsible for the annual Debt service payment. The Debt service for BCCDC’s one-half (1/2 share) is estimated to be approximately \$240,000.00 per year for a fifteen (15) year term and BCCDC agrees to pay this amount beginning at least thirty (30) days prior to the date when each payment becomes due. The final numbers shall be communicated to BCCDC in writing as soon as they become available to the City.

3. The Parties agree that the Nile Valley Road project is the first priority and if all funds contemplated in this Agreement are expended on the Nile Valley Road project, there shall be no further obligation of BCCDC as to the financing of any other projects contemplated. However, if excess funds exist following the completion of the Nile Valley Road project, the City may propose to repair and/or construct one or more designated roads within the City of Bay City upon consultation with BCCDC and a finding by BCCDC that repair or construction of such roads is undertaken to attract and promote existing and future

businesses and the expansion of the same. Once the excess funds project is approved by BCCDC, the roads to be improved or developed within the project shall be at the sole discretion of City.

4. Should there be cost overruns as to the Projects, the City shall assume any further financial responsibility for the costs associated with the Projects contemplated by this Agreement.

5. The term of this Agreement shall commence on the date of execution hereof and shall terminate when the project contemplated by this Agreement is fully completed and the portion of the debt service obligated to be paid by BCCDC is paid in full by BCCDC.

ARTICLE IV. - MISCELLANEOUS PROVISIONS

This Agreement constitutes the entire agreement between BCCDC and City and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Agreement.

No amendment, modifications, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

This Agreement shall be binding upon and inure to the benefits of the parties hereto, their respective successors and assigns.

EXECUTED IN MULTIPLE ORIGINALS, retained by each party hereto, effective on the latest date shown below.

CITY OF BAY CITY, TEXAS

BAY CITY COMMUNITY
DEVELOPMENT CORPORATION

By: _____
Robert K. Nelson, Mayor

By: _____
Julie Estlinbaum, President

Date of Meeting Approved: _____

Date of Meeting Approved: _____

ATTEST:

ATTEST:

By: _____
David Holubec, City Secretary

By: _____
Becca Sitz, Secretary