

## REIMBURSEMENT AGREEMENT

This Reimbursement Agreement (the "Agreement"), effective as of \_\_\_\_\_, 2026, is made by and among **MISSION REDEVELOPMENT AUTHORITY, a local government corporation created under the provisions of the Texas Transportation Corporation Act, Chapter 431 of the Texas Transportation Code, and authorized and approved by the City of Mission, Texas, pursuant to Resolution No. 1021 adopted on November 26, 2001** (the "Authority"), **acting by and through its governing body, the Board of Directors** (the "Authority Board"), **REINVESTMENT ZONE NUMBER ONE, CITY OF MISSION, TEXAS, a tax increment reinvestment zone created by the City of Mission, Texas, pursuant to Chapter 311 of the Texas Tax Code, as amended** (the "TIRZ"), **acting by and through its governing body, the Board of Directors** (the "TIRZ Board"), and **THE CITY OF MISSION, TEXAS, a Texas home-rule city** (the "City").

### RECITALS

WHEREAS, by Ordinance No. 2683, the City Council of the City (the "City Council") created the TIRZ and appointed the TIRZ Board; and

WHEREAS, the TIRZ Board adopted a Project Plan and Reinvestment Zone Financing Plan (the "Project and Financing Plan"), which Project and Financing Plan was submitted to the City Council for approval; and

WHEREAS, pursuant to Ordinance No. 2758, the City Council approved the Project and Financing Plan; and

WHEREAS, the City authorized the creation of the Authority to aid, assist with, 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 City and its neighboring areas; and

WHEREAS, the City, the TIRZ, and the Authority entered into that certain agreement dated August 12, 2003, which was approved by the City pursuant to Ordinance No. 2768 (the "Mission Agreement"), pursuant to which the City and the TIRZ contracted with the Authority to administer the TIRZ and granted the Authority the power to engage in activities related to the acquisition and development of land, to construct and improve infrastructure in the City, to enter into development agreements with developers of land, to construct and improve infrastructure in the City, and to issue, sell, or deliver bonds, notes, or other obligations in accordance with the terms of the Mission Agreement; and

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

WHEREAS, the Authority Board and the TIRZ Board have determined that it is in the best interests of the TIRZ to contract with the City, in its capacity as a developer, to provide for the efficient and effective implementation of certain aspects of the Project and Financing Plan; and

WHEREAS, the City has determined that it will carry out and fund the Bryan Road Project, which is located partially within the TIRZ and also adjacent to the TIRZ, more particularly described in this Agreement, for the benefit of the TIRZ; and

WHEREAS, the Authority intends, at the earliest feasible date, to exercise its authority under the Tax Increment Financing Act, Chapter 311 of the Texas Tax Code, as amended (the "Act"), and in accordance with applicable Texas and in accordance with the Mission Agreement, to issue bonds or notes, the proceeds of which will be used to reimburse the City for costs advanced on behalf of the Authority and the TIRZ pursuant to this Agreement.

## **AGREEMENT**

For and in consideration of the mutual promises, covenants, obligations, and benefits contained herein, the Authority, the TIRZ, and the City hereby agree as follows:

### **ARTICLE 1** **GENERAL TERMS**

1.01 Definitions. The terms "Act", "Agreement", "Authority", "Authority Board", "City", "City Council", "TIRZ", "TIRZ Board", "Project and Financing Plan", and "Mission Agreement" have the meanings assigned in the Recitals, and the following terms have the following meanings:

"Available Tax Increment" shall mean the funds in the Tax Increment Revenue Fund.

"City Tax Increment" means the Available Tax Increment generated from the TIRZ that is not now otherwise committed to the reimbursement of a developer (other than the City).

"County" means Hidalgo County, Texas.

"City Advances" means any funds advanced by the City pursuant to Section 6.01 of this Agreement, expressly including, but not limited to, out-of-pocket expenses.

"Party" or "Parties" means one or more of the Authority, the TIRZ, and the City, the parties to this Agreement.

"Project Costs" means all costs relating to the planning, design, engineering, construction, and installation of the Public Improvements.

"Public Improvements" means, collectively, the projects described in Section 3.01 below.

"State" means the State of Texas.

"Tax Increment Revenue Fund" means the special fund established by the Authority and funded with payments made by the City and any other participating Taxing Units, pursuant to the Mission Agreement (which payments are attributable to increased ad valorem property taxes paid on the property within the boundaries of the TIRZ over the base year of 2001).

"Taxing Unit" means, individually and collectively, the City, the County, and any other taxing units that participate in the TIRZ.

1.02 Singular and Plural. Words used herein in the singular, where the context so permits, also include the plural and vice versa. The definitions of words in the singular herein also apply to such words when used in the plural where the context so permits and vice versa.

## **ARTICLE 2** **REPRESENTATIONS**

2.01 Representations of the Authority. The Authority hereby represents to the City that:

A. The Authority is duly-authorized, created and exists in good standing under the laws of the State and is duly-qualified and authorized to carry out the governmental functions and operations contemplated by this Agreement.

B. The Authority has the power, authority, and legal right to enter into and perform this Agreement and the execution, delivery, and performance hereof (1) have been duly authorized; (2) to the best of the Authority's knowledge, will not violate any applicable judgment, order, law, or regulation; and (3) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance, or security interest upon any assets of the Authority under any agreement or instrument to which the Authority is a party or by which the Authority or its assets may be bound or affected.

C. The Public Improvements and the Project Costs are components of, or are consistent with, the Project and Financing Pla, and the Project Costs are eligible for reimbursement in accordance with the Act.

D. This Agreement has been duly-authorized, executed, and delivered by the Authority and constitutes a legal, valid, and binding obligation of the Authority, enforceable in accordance with its terms, except to the extent that (1) the enforceability of such instrument may be limited by bankruptcy, reorganization insolvency, moratorium, or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights; and (2) certain equitable remedies, including specific performance may be unavailable.

E. The execution, delivery, and performance of this Agreement by the Authority do not require the consent or approval of any person that has not been obtained.

F. The Authority has an exemption from the payment of sales and use taxes pursuant to the statute under which the Authority was created.

G. The Mission Agreement remains in full force and effect and has not been amended or supplemented since the date of its adoption and, to the best of the Authority's knowledge, no amendment of or supplement to Ordinance No. 2768 is contemplated by the Authority or the City.

2.02 Representations of the City. The City hereby represents to the Authority that:

A. The City is duly-authorized, created, and validly existing under the laws of the State.

B. The City has the power, authority, and legal right to enter into and perform the obligations set forth in this Agreement, and the execution, delivery, and performance

hereof (1) have been duly-authorized; (2) will not, to the best of the City's knowledge, violate any judgment, order law, or regulation applicable to the City or any provision of the City's organizational documents; and (3) do not constitute a default under, or result in the creation of, any lien, charge, encumbrance, or security interest upon any assets of the City under any agreement or instrument to which the City is a party or by which the City or its assets may be bound or affected.

C. The City will have sufficient capital to perform its obligations under this Agreement at the time it needs to have sufficient capital.

D. This Agreement has been duly-authorized, executed, and delivered and constitutes a legal, valid, and binding obligation of the City, enforceable in accordance with its terms, except to the extent that (1) the enforceability of such instruments may be limited by bankruptcy, reorganization, insolvency, moratorium, or other similar laws of general application in effect from time to time relating to or affecting the enforcement of creditors' rights; and (2) certain equitable remedies, including specific performance, may be unavailable.

### **ARTICLE 3** **THE PUBLIC IMPROVEMENTS**

3.01 Public Improvements. The Public Improvements consist of the Bryan Road Reconstruction and Drainage Improvements Project, more particularly described on **Exhibit "A"**. The Parties acknowledge that the Public Improvements will be financed and designed, and all necessary right-of-way will be acquired by the City and consistent with the terms of this Agreement.

3.02 Project Costs. The Project Costs eligible for reimbursement under this Agreement shall be the City's actual design, engineering, construction management, material testing, and utility improvements that are eligible for financing by the Authority under the Project and Financing Plan shall not exceed \$6,500,000.00 and shall not include interest.

### **ARTICLE 4** **DUTIES AND RESPONSIBILITIES OF THE CITY**

4.01 Design, Engineering and Right-of-Way Acquisition. The City shall cause the design of the Public Improvements and acquire all necessary rights-of-way, securing all necessary permits and approvals therefor, and comply with all applicable competitive bidding laws. As applicable, the City will provide bid tabs and other information reasonably requested by the Authority to document the scope of the Public Improvements, and the costs thereof. Once the City has completed design of the Public Improvements, the City shall provide the Authority with a final cost summary of all costs associated with such Public Improvements, certificates of completion, and evidence that all amounts owing to contractors and subcontractors have been paid in full, as evidenced by customary affidavits executed by such contractors. The City will document the extent of the Public Improvements to the Authority as soon as practicable following completion thereof.

4.02 Cooperation. The City agrees that it will cooperate with the Authority and will provide all necessary information to the Authority and its consultants in order to assist the Authority in complying with the Mission Agreement, including, without limitation, the completion of a reimbursement audit and construction audit required therein.

4.03 Sales Taxes. The Authority has an exemption from the payment of sales and use taxes pursuant to the statute under which the Authority was created. The Parties shall use reasonable efforts to ensure that the Public Improvements shall have the benefit of such exemption, and the Authority shall provide the City with such certificates or other documents within its control as the City may require to qualify for such exemption under applicable laws.

## **ARTICLE 5**

### **DUTIES AND RESPONSIBILITIES OF THE AUTHORITY**

5.01 Authority Contributions. The Authority shall reimburse to the City the Project Costs, without interest, in the amount of the actual eligible costs of the Public Improvements. The total, actual Project Costs for which the Authority shall be responsible under the terms of this Agreement shall not exceed \$6,205,710.00. The Project Costs shall be financed and funded in accordance with Article 6 of this Agreement. In the event that any portion of the Public Improvements is determined by the Texas Attorney General or other authority with jurisdiction to be ineligible under the Act, the Project Costs shall be reduced by the cost of such ineligible Public Improvements. If the Authority has already reimbursed the City for such ineligible Public Improvements, the Parties agree that (1) the amount paid by the Authority for such ineligible Public Improvements shall be offset against future reimbursements to the City by the Authority; or (2) in the event there are not future reimbursements to be made by the Authority, the City shall reimburse the Authority for such ineligible reimbursement within 30 days following receipt of an invoice from the Authority.

5.02 Project Costs. The Authority shall reimburse the Project Costs in accordance with this Agreement.

## **ARTICLE 6**

### **PUBLIC IMPROVEMENTS FINANCING AND FUNDING**

6.01 City Advances.

A. The City will advance sufficient funds for all costs comprising the Project Costs, including, without limitation, all costs of design and engineering that arose or will arise in connection with the Public Improvements, including all payments arising under any contracts entered into by the City pursuant to this Agreement, all costs incurred in connection with obtaining governmental approvals, certificates, or permits (including any building permit fees) required as a part of any contracts entered into in accordance with this Agreement, all related legal fees and out-of-pocket expenses incurred in connection therewith.

B. Following the completion of the Public Improvements (or as various stages of the Public Improvements are completed), the Authority shall begin reimbursing the City for the City Advances and shall continue such reimbursement until the eligible Project Costs are paid in full, on the earliest date that funds are available from the City Tax Increment.

C. The Authority's obligation to reimburse the City for Project Costs is limited to the City Tax Increment generated by the TIRZ. The City Tax Increment shall be accounted for separately by the Authority and shall be used solely for the reimbursement of the City, subject to the terms of this Agreement. The rights of the City in and to the City Tax Increment granted herein are subject only to (1) the rights of any holders of bonds,

notes, or other obligations that have been heretofore or are hereafter issued by the City or any other participating Taxing Unit that are payable from and secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City or any other participating Taxing Unit; (2) the rights of any holders of bonds and notes, including refunding bonds and notes, that are hereafter issued or incurred by the Authority and which are secured by a pledge of the Tax Increment Revenue Fund the proceeds of which are used to pay or to refund bonds or notes issued to pay Project Costs, including City Advances; and (3) the rights of any holders of notes that are hereafter issued or incurred by the Authority which are secured by a pledge of all or a part of the Tax Increment Revenue Fund, the proceeds of which are used solely to fund the annual operating and administration budget of the Authority Board and the City Council.

Subject to the availability of City Tax Increment generated by the TIRZ and further by the terms hereof, the obligation of the Authority to reimburse the City Advances as set forth herein from the City Tax Increment shall be absolute and unconditional until such time as the City Advances incurred pursuant to this Agreement have been fully repaid or provision for payment thereon to the City shall have been made in accordance with the terms of this Agreement. The City Advances constitute a special obligation of the Authority payable solely from the City Tax Increment as and to the extent provided credit or taxing powers of the Authority, the City, or the County, or any other Taxing Unit and is not payable except as provided herein. The City, its successor and assigns, shall not have the right to demand payment thereof out of any funds of the Authority other than the City Tax Increment.

D. The Authority shall provide to the City, upon written request of the City, and on the earliest date such information is available after the date of such request, certified copies of all statements of revenue and the source of such revenue of the TIRZ and of the Authority, the intended use of which is to verify the availability of funds for payment of the Project Costs or City Advances, if applicable, under this Section, and the extent of the City Tax Increment.

E. The Authority shall use its best efforts to cause each Taxing Unit to collect all ad valorem taxes due on property located within the TIRZ and shall use its best efforts to cause such Taxing Units to deposit all tax increments due with the City for transfer to the Tax Increment Revenue Fund pursuant to the Mission Agreement.

## **ARTICLE 7** **DEFAULT**

### 7.01 Default.

A. If the Authority does not perform its obligations hereunder in compliance with the terms hereof in all material respects, in addition to the other rights given the City under this Agreement, the City may enforce specific performance of this Agreement or seek actual damages incurred by the City for any such default if such default is not cured within 30 days after receipt by the Authority of a written notice of default (or such longer period as is reasonably necessary; provided that actions reasonably calculated to cure the default are being diligently pursued to completion).

B. In the event the City completes the Public Improvements but does not otherwise perform its obligations hereunder in all material respects in substantial



1201 East 8<sup>th</sup> Street  
Mission, Texas 78572

*If to the Authority:* Executive Director  
Mission Redevelopment Authority  
801 North Bryan Road  
Mission, Texas 78572

Each Party may change its address by supplying written notice to the other Party in accordance with this Section. Any communication addressed and mailed in accordance with this Section shall be deemed to be given when so mailed, and any notice sent by facsimile transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication delivered in person shall be deemed to be given when actually received by the Authority or the City, as the case may be.

8.04 Amendments and Waivers. Any provision of this Agreement may be amended or waived if such amendment or waiver is in writing and is signed by the Authority and the City. No course of dealing on the part of the City or the Authority, nor any failure or delay by the City or Authority with respect to exercising any right, power, or privilege of the City or the Authority under this Agreement shall operate as a waiver thereof, except as otherwise provided in this Section 8.04.

8.05 Invalidity. In the event that any of the provisions of this Agreement shall be held unenforceable in any respect, such unenforceability shall not affect any other provision of this Agreement.

8.06 Successors and Assigns. All covenants and agreements made herein by or on behalf of the Authority shall bind its successors and assigns and shall inure to benefit of the Parties' successor and assigns. The Authority may assign its rights and obligations under this Agreement or any interest herein, with the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned, or delayed.

8.07 Exhibits; Titles of Articles, Sections and Subsections. The exhibits attached hereto are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail. All titles or headings in this Agreement are included only for the convenience of the Parties and shall not be construed to have any effect or meaning as to the agreement between the Parties. Any reference herein to a Section or Subsection shall be considered a reference to such Section or Subsection of this Agreement unless otherwise stated. Any reference herein to an exhibit shall be considered a reference to the applicable exhibit attached hereto unless otherwise stated.

8.08 Construction. This Agreement is a contract made under, and shall be construed in accordance with and governed by, the laws of the United States of America and the State of Texas, as such laws are now in effect.

8.09 Entire Agreement. THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

8.10 Term. This Agreement shall be in force and effect from the date of execution hereof for a term expiring on the date the eligible City Advances have been reimbursed in full, but in no event later than the expiration of the TIRZ. If the Authority is dissolved prior to the expiration of the TIRZ, the Mission Agreement requires the City to make satisfactory arrangements to provide for the payment of the Authority's obligations to the City hereunder.

8.11 Approval by the Parties. Whenever this Agreement requires or permits approval or consent to be hereafter given by any of the Parties, the Parties agree that such approval or consent shall not be unreasonably withheld or delayed.

8.12 Additional Actions. The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications as may be necessary or appropriate, from time to time, to carry out the terms, provisions, and intent of this Agreement, and to aid and assist each other in carrying out such terms, provisions, and intent.

**[SIGNATURE PAGE FOLLOWS.]**

IN WITNESS WHEREOF, the Parties hereto have caused this Reimbursement Agreement to be duly-executed as of the \_\_\_\_ day of \_\_\_\_\_, 2026.

AUTHORITY:

**MISSION REDEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
**MARTIN GARZA, Chairman**

ATTEST:

\_\_\_\_\_  
**AISSA I. GARZA, Secretary**

TIRZ:

**REINVESTMENT ZONE NUMBER ONE, CITY OF MISSION, TEXAS**

By: \_\_\_\_\_  
**MARTIN GARZA, Chairman**

ATTEST:

\_\_\_\_\_  
**AISSA I. GARZA, Secretary**

CITY:

**CITY OF MISSION, TEXAS**

By: \_\_\_\_\_  
**NORIE GONZALEZ GARZA, Mayor**

ATTEST:

\_\_\_\_\_  
**ANNA CARRILLO, City Secretary**

**Exhibit "A"**  
**The Public Improvements**

**[Copy of the Contract for Bryan Road Reconstruction  
and Drainage Improvements follows.]**