

**AMENDED AND RESTATED CONTRACT FOR EXPENDITURE OF INDUSTRIAL
DEVELOPMENT CORPORATION TAX PROCEEDS**

THE STATE OF TEXAS
COUNTY OF GALVESTON

 $\mathcal{S}$

This Amended and Restated Contract for Expenditure of Industrial Development Corporation Tax Proceeds (this “Amended & Restated Contract”) is made by and between the City of League City, Texas (the “City”) and the City of League City Section 4B Industrial Development Corporation (the “4B Corporation”) and is dated and effective as of the date of execution herein.

RECITALS

WHEREAS, City Ordinance No. 94-54 authorized the creation of an industrial development corporation under Section 4B of the Development Corporation Act of 1979, Article 5190.6, Tex.Rev.Civ.Stat.Ann., as amended, and codified in Chapter 501 and Chapter 505 of the Texas Local Government Code, as amended (the “Act”); and

WHEREAS, the 4B Corporation was chartered as a Texas Non-Profit Corporation to act on behalf of the City to, among other things, undertake, finance, construct, and maintain certain projects, including the development of amateur sports facilities and other park facilities, and the expenditure of all sales tax revenues received from the City as levied and collected under the authority of the Act (the “4B Funds”); and

WHEREAS, the City owns and operates certain amateur sports facilities, including but not limited to the Chester L. Davis Sportsplex Park, Hometown Heroes Park and such other related facilities (the “Original Facilities”), which facilities were undertaken, financed, constructed, maintained and operated through the expenditure of 4B Funds levied and collected under the authority of the Act; and

WHEREAS, to promote the viability of the Original Facilities and to ensure the public benefit to the citizens of the City, the 4B Corporation entered into a Contract for Expenditure of Industrial Development Corporation Tax Proceeds effective March 16, 2011 (the “Original Contract”) with the City for the expenditure of 4B Funds for the specific purpose of defraying, in whole or in part, the maintenance and operation costs of the Original Facilities; and

WHEREAS, to promote the financing, design and construction of the Original Facilities for the public benefit of the citizens of the City, the 4B Corporation agreed in the Contract to fund the design, construction, and equipping of the Original Facilities through the issuance, from time to time, of certain certificates of obligations, and to commit 4B Funds to reimburse the City for debt service payments arising from the City's issuance of such certificates of obligation, as further described herein; and

WHEREAS, since the inception of the Original Contract, the City and the 4B Corporation have published notices of and held public hearings to consider the use of 4B Funds

to fund the undertaking, financing, construction, maintenance and operation of the Original Facilities and the Additional Facilities (as defined herein) as set forth in Schedule I attached hereto. Each such notice was published in a newspaper of general circulation; additionally, sixty (60) days elapsed following each publication listed in Schedule I and the City did not receive a petition from more than 10 percent of the registered voters of the municipality requesting that an election be held regarding any of the purposes considered; and

WHEREAS, having satisfied the foregoing public notice and hearing requirements, the City and the 4B Corporation entered into that certain First Addendum to the Original Contract effective November 19, 2013 (the "First Addendum") and that certain Second Addendum to the Original Contract effective as of October 7, 2015 (the "Second Addendum" and together with the First Addendum, the "Addenda"); and

WHEREAS, the City and the 4B Corporation now desire to amend and restate the Original Contract to incorporate all prior addenda and to add facilities, including the 4B Hike and Bike Trails System, Pat Hallisey Park, Lobit Park and related infrastructure and appurtenances (the "Additional Facilities" together with the "Original Facilities," the "Facilities") and certain obligations relating to such Additional Facilities, provided that any right, obligation, or covenant previously established shall be maintained between the City and the 4B Corporation, except as expressly set forth herein; and

WHEREAS, the City and the 4B Corporation now seek to advance the financing, design, and construction of the Additional Facilities; and

WHEREAS, having satisfied the aforementioned public notice and hearing requirements, in consideration of the City's agreement to issue certificates of obligation in a principal amount not to exceed \$49,500,000, to fund the design, construction, improvement and equipment of the Additional Facilities, the 4B Corporation desires to commit 4B Funds to reimburse the City for that portion of the debt service obligations arising from such issuance, on the terms and conditions set forth in this Amended and Restated Contract; and

WHEREAS, in order to clarify, update, and conform the duties, obligations and commitments of each party to the Original Agreement and Addenda, the City and the 4B Corporation believe it is their best interest to enter this Amended and Restated Contract; and

NOW, THEREFORE, in consideration of the mutual benefits and promises contained in this Amended and Restated Contract and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Authorization. The City and 4B Corporation have resolved that they are authorized to enter into this Amended and Restated Contract pursuant to the Act and the Bylaws of the 4B Corporation.

2. Representations and Warranties.

(a) Representations and Warranties of the City.

(i) The City hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the 4B Funds upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(ii) The City agrees to take and pursue all action permissible under applicable law to cause the 4B Funds to be collected and remitted and deposited with the 4B Corporation as required by the Act, at the earliest and most frequent times permitted by applicable law.

(iii) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Amended and Restated Contract.

(b) Representations and Warranties of the 4B Corporation.

(i) The 4B Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to make the payments to the City in the manner and to the extent provided in this Amended and Restated Contract.

(ii) The 4B Corporation represents and warrants that the proposed projects related to the Facilities are authorized projects of the 4B Corporation under the Act, and that the 4B Corporation has taken all action and obtained all approvals required by law and the 4B Corporation's bylaws in order to proceed with the proposed projects and to undertake its obligations under this Agreement.

(iii) The 4B Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the 4B Corporation under this Amended and Restated Contract.

(iv) The 4B Corporation represents and warrants that this Amended and Restated Contract constitutes a valid, legal and binding obligation of the 4B Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Amended and Restated Contract will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the 4B Corporation is a party.

3. Agreement for Maintenance and Operation Costs. Solely for this fiscal year and pursuant to the Original Contract, the 4B Corporation shall commit twenty-five percent (25%) of 4B Funds accrued to a segregated special fund established by the City to be utilized for maintenance and operation costs associated with the Facilities (the "M&O Fund"). Thereafter and pursuant to this Amended and Restated Contract, the 4B Corporation shall commit thirty-five percent (35%) of 4B Funds accrued to the M&O Fund, which shall constitute the maintenance and operation commitment of the 4B Corporation (the "M&O Commitment"), which is in addition to the amounts required to fulfill its obligations under Section 4, 5, and 6 of this Amended and Restated Contract. The M&O Commitment will be determined by the City through an annual projection based on the annual budget of the City; however, such projection shall not be less than thirty-five percent (35%) of 4B Funds accrued. The projection of the M&O Commitment will be based on an amount sufficient to pay the maintenance and operations of the Facilities, and to maintain a positive 4B Fund ending fund balance, as determined in the discretion of the City. The City will present a projected M&O Commitment to the 4B Corporation's board of directors (the "Board") prior to September 30 each fiscal year to consider as part of its annual budget adoption. If the Board does not approve the projected M&O Commitment, the M&O Commitment of thirty-five percent (35%) will be transferred to the M&O Fund beginning October 1st of that fiscal year, as 4B Funds accrue. Upon the City's monthly receipt from the Texas Comptroller of Public Accounts of 4B Funds, the City shall account for and deliver to the 4B Corporation all sales and use taxes to which it shall be entitled by law, after deduction of such sums as are payable to the City for M&O Commitment associated with the Facilities.

4. Agreement for Reimbursement for Administrative Services. The 4B Corporation hereby commits that in exchange for its discharge of powers and duties under the Act, it agrees to compensate the City of League City for administrative services provided by the City to the corporation including, but not limited to, operational and financial management. The City will provide the 4B Corporation with an annual cost for inclusion in the annual budget with payment due on October 1.

5. Agreement for Debt Service Relating to Series 2011 Certificates of Obligation. In consideration of the City's agreement to issue certificates of obligation in the principal sum of \$8,935,000 in 2011 (as refinanced by the City's General Obligation Refunding and Improvement Bonds, Series 2019, hereinafter the "Series 2011 Certificates") to fund the design, construction, improvement and equipping of the Original Facilities, the 4B Corporation hereby commits that 4B Funds shall be payable to the City in such amounts and at such intervals as are required to reimburse the City for that portion of the debt service incurred by the City to fund the design, construction, improvement and equipping of such Original Facilities. Any and all such indebtedness shall be subject to the prior review and approval of the 4B Corporation. The City will provide the 4B Corporation with a final schedule of the principal and interest payments due on the related series of certificates issued upon the pricing of such Series 2011 Certificates. The parties mutually agree that upon the City's monthly receipt from the Texas Comptroller of Public Accounts of 4B Funds accrued from and after the creation of such indebtedness, the City shall account for and deliver to the 4B Corporation all sales and use taxes to which it shall be entitled by law, after deduction of an amount equivalent to one-twelfth (1/12th) of the respective annual obligation required of the City for reimbursement of the above-referenced debt service. Concurrent with its undertakings herein, the 4B Corporation agrees that it shall, during the term

of this Agreement, adopt and implement a budget program which shall ensure that an accumulated reserve fund of not less than \$650,000.00 shall be maintained upon the close of each fiscal year.

6. Agreement for Debt Service Relating to Series 2026 Certificates of Obligation. In consideration of the City's agreement to issue certificates of obligation in a principal sum not to exceed \$49,500,000 to fund the design, construction, improvement and equipping of the Additional Facilities, the 4B Corporation hereby commits that 4B Funds shall be payable to the City in such amounts and at such intervals as are required to reimburse the City for that portion of the debt service incurred by the City to fund the design, construction, improvement and equipping of such Additional Facilities. Any and all such indebtedness shall be subject to the prior review and approval of the 4B Corporation. The City will provide the 4B Corporation with a final schedule of the principal and interest payments due on the Series 2026 Certificates issued upon the pricing of such series of certificates. The parties mutually agree that upon the City's monthly receipt from the Texas Comptroller of Public Accounts of 4B Funds accrued from and after the creation of such indebtedness, the City shall account for and deliver to the 4B Corporation all sales and use taxes to which it shall be entitled by law, after deduction of an amount equivalent to one-twelfth (1/12th) of the respective annual obligation required of the City for reimbursement of the above-referenced debt service. Concurrent with its undertakings herein, the 4B Corporation agrees that it shall, during the term of this Agreement, adopt and implement a budget program which shall ensure that an accumulated reserve fund of not less than \$650,000.00 shall be maintained upon the close of each fiscal year.

7. Term. This Amended and Restated Contract shall be effective upon approval of the respective governing bodies of the City and 4B Corporation and shall continue until dissolution of the 4B Corporation or until otherwise amended by agreement of the parties. The parties stipulate and agree that any reduction or increase in the sales tax rate imposed by the City under the authority of the Act may necessitate an amendment of the Amended and Restated Contract.

8. Amendment. This Amended and Restated Contract may only be amended, altered or revoked by written instrument signed by the City and 4B Corporation.

9. Statutes and Ordinances. Nothing in this Amended and Restated Contract shall alter the City and 4B Corporation's obligations to comply with all state statutes, local ordinances, rules and regulations.

10. Severability. If for any reason any provision of this Agreement is held to be invalid by a court of competent jurisdiction, such holding shall not affect, impair or invalidate the remainder of the Agreement but shall be confined in its operation to the specific provision of this Agreement held invalid, and the invalidity of any provision of this Agreement in any one or more instances shall not affect or prejudice in any way the validity of this Agreement in any other instance.

[END OF AGREEMENT]

SIGNED this _____ day of _____, 2026.

CITY OF LEAGUE CITY, TEXAS

By: _____
City Manager

ATTEST:

By: _____
City Secretary

CITY OF LEAGUE CITY 4B INDUSTRIAL
DEVELOPMENT CORPORATION

By: _____
President, Board of Directors

Schedule I

Public Hearings Conducted

Date of Initial Public Hearing Notice Publication	Purpose	Date of Public Hearing
April 18, 2007	To consider the development of the Eastern Regional Park (now known as Hometown Heroes Park), outdoor competitive swimming pool and community center that was proposed on City parkland located in the Tuscan Lakes Planned Unit Development, and the proposed allocation and pledge of tax proceeds for the development of such projects.	May 7, 2007
October 24, 2008	To consider the Hike & Bike Trails System that is proposed within City limits, and the proposed allocation and pledge of tax proceeds for the development of such project.	November 3, 2008
October 1, 2010	To consider the proposed use of tax proceeds to pay the maintenance and operating costs of the Facilities and intention to enter into a contract with the City for expenditure of sales tax proceeds.	October 11, 2010
August 9, 2013	To consider the proposed use of an additional portion of tax proceeds to pay the maintenance and operating costs of the Facilities and the forthcoming Phase 2 expansion of Hometown Heroes Park.	September 9, 2013
August 11, 2019	To consider the proposed use of tax proceeds to fund the development of Phase 1 of Bay Colony Park (now known as Pat Hallisey Park), the	September 9, 2019

	Obstacle Course at Hometown Heroes Park, and the Canoe/Kayak Launch Sites (Boat Ramp at FM 270, Kansas Street, Landing Boulevard at Myrtle Park) and to reimburse the City for the debt service obligations arising from the City's issuance of certificates of obligation to fund such projects.	
September 3, 2024	To consider the proposed Lobit Park (1901 FM 646) within the City limits, and the proposed allocation and pledge of tax proceeds for the development of such project.	September 16, 2024