

THE STATE OF TEXAS §

COUNTY OF WEBB §

**INTERLOCAL AGREEMENT BETWEEN THE WEBB COUNTY-CITY OF LAREDO
REGIONAL MOBILITY
AUTHORITY AND THE COUNTY OF WEBB, TEXAS RELATING TO OPTIONAL
VEHICLE REGISTRATION FEES**

THIS INTERLOCAL AGREEMENT (the "Agreement") is entered into effective as of the 17th day of August, 2015, by and between **WEBB COUNTY, TEXAS** (the "County"), and the **WEBB COUNTY-CITY OF LAREDO REGIONAL MOBILITY AUTHORITY** (the "Authority"), political subdivisions of the State of Texas (collectively, the "Parties").

RECITALS

WHEREAS, the County is a county and a political subdivision of the State of Texas; and

WHEREAS, the Authority is a Regional Mobility Authority created pursuant to the joint request of the County of Webb and the City of Laredo and operating pursuant to Chapter 370 of the Texas Transportation Code (the "RMA Act") and 43 TEX. ADMIN. CODE §§ 26.1 *et seq.* (the "RMA" Rules"), and is a body politic and corporate and political subdivision of the State; and

WHEREAS, Chapter 791 of the Texas Government Code provides that any one or more public agencies may contract with each other for the performance of governmental functions or services in which the contracting parties are mutually interested; and

WHEREAS, the 83rd Texas Legislature enacted HB 1198, which amends Section 502.402 of the Texas Transportation Code (the "Code") and authorizes certain counties, including the County of Webb, to impose an additional fee, not to exceed \$10.00, for vehicles registered in the county (the "Optional Vehicle Registration Fee", as further defined in Article I) to be used for long-term transportation projects; and

WHEREAS, on August 30, 2013, the Commissioners Court of the County considered and adopted an Optional Vehicle Registration Fee for vehicles registered in the County of \$10.00 pursuant to and in accordance with Section 502.402 of the Code as amended, as evidenced in the attached **Attachment "A"** (the "Order"); and

WHEREAS, Section 502.402 of the Code requires that, if adopted, the County remit the revenue from the Optional Vehicle Registration Fee to a regional mobility authority located in the County to fund long-term transportation projects; and

WHEREAS, the Parties desire the Authority to pursue development of potential long-term transportation projects in the County, as identified herein and as subsequently determined at a later date through one or more Project Agreements (as defined in Article I) which can benefit from the Optional Vehicle Registration Fee; and

WHEREAS, the Projects will benefit the County and its residents through improved mobility, increased safety, enhanced economic development, and expansion of the tax base which will result in increased revenues to support the County and the provision of services to its residents; and

WHEREAS, in order to further advance the Projects, the Authority may issue debt to obtain funding necessary to support the Projects; and

WHEREAS, in the event the Authority issues the RMA Debt (as defined in Article I), it may pledge the Optional Vehicle Registration Fee revenue in accordance with a Project Agreement with the County to secure the payment or repayment of the RMA Debt; and

WHEREAS, it is the intent and desire of the County and the Authority through this Agreement to provide a means by which the County may provide input on the Authority's use of the Optional Vehicle Registration Fees and provide oversight in accordance with agreements between the County and the Authority; and

WHEREAS, it is anticipated that the RMA Debt, if issued, will be a limited obligation of the Authority, payable solely from Optional Vehicle Registration Fee revenues and, at the Authority's option, other sources of revenue available to the Authority, and that absent an agreement otherwise by the County, the RMA Debt shall not be an obligation or payable from taxes or any other revenues of the County.

NOW, THEREFORE, in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the undersigned Parties agree as follows:

ARTICLE I. DEFINITIONS

A. **Definitions.** Throughout this Agreement, including the preceding recitals, the following terms and expressions shall have the meanings set forth below, unless the context clearly indicates otherwise:

"Debt Resolution" shall mean the resolution authorizing the issuance of the RMA Debt pursuant to a Project agreement for the development of one or more of the Projects.

"Optional Vehicle Registration Fee" shall mean the additional fee collected by the County of Webb on a vehicle pursuant to Texas Transportation Code Section 502.402. It shall not include any fees collected pursuant to Transportation Code Section 502.401.

“Vehicle Fee Revenues” shall mean the funds collected by the County and the State of Texas from the levy of the Optional Vehicle Registration Fee, pursuant to applicable law, without deduction, offset, or credit for any administrative charges or expenses incurred by the County or the Authority in connection with the levy and collection of the Optional Vehicle Registration Fee.

“Project or Projects” shall mean the design and/or construction of: (1) Loop 20 south of International Boulevard to US 59; (2) Vallecillo Road, from Mines Road to IH 35; (3) Loop 20 east and westbound mainlanes over IH 35; (4) the projects identified in the Amended Petition for Authorization to Form a Regional Mobility Authority dated January 27, 2014; and (5) any additional potential long-term transportation projects in the County as determined at a later date through a Project Agreement.

“Project Agreement” shall mean a written agreement between the County and the Authority detailing the specific terms and conditions under which one or more Projects shall be designed, engineered, financed and/or managed, the allocation and pledging of funds including the authorization to pledge funds to secure debt issued to support Project costs, and the respective duties and obligations of the Authority and the County with respect to the Project(s).

“RMA Debt” shall mean one or more series of bonds or other debt instruments issued by the Authority pursuant to this Agreement and a Project Agreement for the development of one or more of the Projects.

B. Interpretations. All terms defined and all pronouns used in this Agreement shall be deemed to apply equally to singular and plural and to all gender. The titles and headings of articles and sections of this Agreement have been inserted for convenience and shall not in any way modify or restrict any of the terms and provisions. This Agreement and all the terms and provisions shall be liberally construed to effectuate the purposes set forth in this Agreement.

ARTICLE II. OBLIGATIONS OF THE AUTHORITY

A. Authority to Hold and Utilize Funds. The Authority shall receive and hold the Optional Vehicle Registration Fees to be used solely for long-term transportation projects. The Authority shall maintain the funds in the same manner as it holds other funds, in a segregated account(s) and subject to review and audit by the County. Interest on the account(s) shall be retained in the account for use for the same purposes as the principal funds in the account. Funds encumbered or pledged to support RMA Debt may be segregated and held pursuant to a trust indenture as required under the terms of the debt issuance; unencumbered funds will be held on behalf of the Authority and will remain available for use for other long-range transportation projects.

B. Issuance of RMA Debts. The Authority agrees to sell bonds or issue such other debt to fund the design and construction of one or more of the Projects, using the Optional

Vehicle Fee Revenues as all or a portion of the repayment source for such RMA Debt. The Authority agrees to use all or a portion of the proceeds of RMA Debt to finance the costs of one or more of the Projects, to pay the costs associated with issuing the RMA Debt, and to pay Authority costs and expenses to the extent permitted by law. The Debt Resolution shall provide that the RMA Debt issuance may be secured by a pledge of the Optional Vehicle Fee Revenues and any interest earned.

C. Project Development. The Authority shall in good faith and in coordination with the County develop a separate "Project Agreement" for each proposed Project other than those Projects specifically identified in Article I above. Project Agreements shall include the terms and conditions under which the Authority provides for the design, engineering and/or construction of a Project.

D. Construction of the Projects. The Authority agrees, directly or through an agreement with TxDOT, to develop the engineering plans, specifications, and/or other requirements necessary for the implementation of one or more Projects. The Authority further agrees to contract, directly or through an agreement with TxDOT, with all individuals or entities necessary to complete one or more Projects in accordance with the engineering plans, specifications and other construction documents developed by or for the Authority.

E. Limitations on Authority Obligations. Notwithstanding the foregoing, the Authority shall not be obligated to pursue or complete development of a Project if the funds available from the RMA Debt are not sufficient to pay all costs associated with the Project and the County fails to provide additional funding to cover the amount of any such deficiency.

ARTICLE III. OBLIGATIONS OF THE COUNTY

A. Imposition, Collection and Remittance of Vehicle Fee. In accordance with Section 502.402 of the Texas Transportation Code and in consideration of the design and construction of the Projects by the Authority, the County covenants and agrees to take all steps necessary and authorized under all applicable laws to continuously impose, collect and remit, on a monthly basis, the Optional Vehicle Registration Fee during the term of this Agreement in the manner and to the extent permitted by applicable law and in accordance with this Agreement. The County also covenants and agrees that it will not cause a reduction, abatement or exemption in the Optional Vehicle Registration Fee or in the amount in which it is authorized to be collected if any proposed reduction, abatement or exemption would violate an existing bond covenant, loan agreement, or other project financing document. The County further covenants and agrees that, during the term of this Agreement, within thirty days of receipt from the County Tax Assessor of the portion of the Optional Vehicle Registration Fee Revenues the County collects, it will pay to the Authority the collected revenues, without demand, notice, counterclaim or offset, including any administrative charges or expenses incurred by the County in connection with the levy and collection of the Optional Vehicle Registration Fee, to be used as authorized under this Agreement.

B. Project Agreements. The County shall in good faith and in coordination with the Authority develop a separate Project Agreement for each proposed Project other than those specifically identified in Article I above. Project Agreements shall include the terms and conditions under which the Authority provides for the design, engineering and/or construction of a Project subject to the requirement to have an agreement in place.

C. Limitations to Rescind or Alter the Optional Vehicle Registration Fee. In the event the Authority shall issue RMA Debt on all or a portion of the Optional Vehicle Fee Revenues, the County shall not rescind the Order except to the extent that the County has otherwise provided for or assumed the debt obligations secured by the pledge of Optional Vehicle Fee Revenues. Nor shall the County modify the Order in any way that would adversely affect, the Authority's pledge of the Optional Vehicle Registration Fee revenues for a given Project or the holders of any associated RMA Debt, or adopt any other Order to take any other action to remove or rescind the Optional Vehicle Registration Fee, until the latest of: (1) the date on which all principal of, premium, if any, and interest on any RMA Debt is paid in full and the RMA Debt is no longer outstanding; (2) the date on which the RMA Debt matures, all principal of, premium, if any, and interest on the RMA Debt is paid in full, and all RMA Debt is no longer outstanding; or (3) December 31, 2023, but only if no RMA Debt secured by the Optional Vehicle Registration Fee revenues has been issued by that date or no other contractual commitment of all or a part of the Optional Vehicle Registration Fee revenues to advance a Project has been made. To the extent requested in connection with the issuance of RMA Debt or otherwise in relation to RMA Debt, the County shall affirm in writing that the Order remains valid and effective and no actions have been, or will be, taken which undermine or could adversely affect the imposition and collection of the Optional Vehicle Registration Fee.

D. Obligations of the County to be Absolute. The obligation of the County to make the payments set forth in this Agreement shall be absolute and unconditional. Until such time as the RMA Debt and any associated paying agent/registrar's fees, if any, have been fully paid or provision for payment thereof shall have been made in accordance with the Debt Resolution, the County will not suspend or discontinue any payments provided for in this Agreement and will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing: failure of the Authority to implement a Project at the cost estimated or in accordance with the final plans and specifications; any acts or circumstances that might constitute failure of consideration, eviction or constructive eviction; destruction of or damage to a Project; commercial frustration of purpose; or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement or related Agreements. Nothing contained in this section shall be construed to release the Authority from performance of any of the agreements on its part contained in this Agreement or related Agreements, and in the event the Authority shall fail to perform any such Agreement on its part, the County may institute such action against the Authority as the County may deem necessary to perform the acts required of the Authority in this Agreement or related Agreements.

ARTICLE IV. MISCELLANEOUS

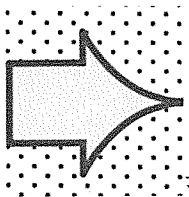
A. Term. This Agreement shall be in full force and effect from the date first written above and may be terminated by the County or the Authority upon 45 calendar days written notice to the other party, but only if all principal of, premium if any, and interest on RMA Debt issued pursuant to the terms of this Agreement is paid in full; any other contractual commitment of all or a portion of the Optional Vehicle Registration Fee revenues has been satisfied or the County has made adequate provision therefore; and further provided that the Agreement may not be terminated prior to December 31, 2023.

B. Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the Parties hereto, but not in such a manner as to impair the rights of the holders of the RMA Debt contemplated herein. No amendment, supplement, or extension to this Agreement shall be of any effect unless evidenced in writing and executed by the Authority and the County.

C. Merger. This Agreement embodies the entire understanding between the Parties hereto and there are no prior effective representations, warranties or agreements between the parties hereto.

D. Severability. The provisions of this Agreement are severable and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons shall not be affected thereby.

E. Venue. Venue shall for any and all disputes arising under this Agreement or a Project Agreement shall be in Webb County, Texas.



Ruben Soto, Jr.
Chair
Laredo Regional Mobility Authority

ATTEST:

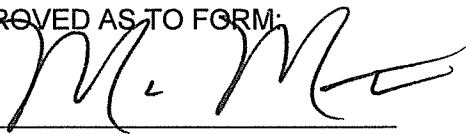
TANO E. TIJERINA
Webb County Judge

Margie Ramirez Ibarra



Webb County Clerk

APPROVED AS TO FORM:



Marco A. Montemayor

Webb County Attorney

***By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).**

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WHEREAS, in the event the Authority issues the RMA Debt (as defined in Article I), it may pledge the Optional Vehicle Registration Fee revenue in accordance with a Project Agreement with the County to secure the payment or repayment of the RMA Debt; and

WHEREAS, it is the intent and desire of the County and the Authority through this Agreement to provide a means by which the County may provide input on the Authority's use of the Optional Vehicle Registration Fees and provide oversight in accordance with agreements between the County and the Authority; and

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E. Limitations on Authority Obligations. Notwithstanding the foregoing, the Authority shall not be obligated to pursue or complete development of a Project if the funds available from the RMA Debt are not sufficient to pay all costs associated with the Project and the County fails to provide additional funding to cover the amount of any such deficiency.

ARTICLE III. OBLIGATIONS OF THE COUNTY

A. Imposition, Collection and Remittance of Vehicle Fee. In accordance with Section 502.402 of the Texas Transportation Code and in consideration of the design and construction of the Projects by the Authority, the County covenants and agrees to take all steps necessary and authorized under all applicable laws to continuously impose, collect and remit, on a monthly basis, the Optional Vehicle Registration Fee during the term of this Agreement in the manner and to the extent permitted by applicable law and in accordance with this Agreement. The County also covenants and agrees that it will not cause a reduction, abatement or exemption in the Optional Vehicle Registration Fee or in the amount in which it is authorized to be collected if any proposed reduction, abatement or exemption would violate an existing bond covenant, loan agreement, or other project financing document. The County further covenants and agrees that, during the term of this Agreement, within thirty days of receipt from the County Tax Assessor of the portion of the Optional Vehicle Registration Fee Revenues the County collects, it will pay to the Authority the collected revenues, without demand, notice, counterclaim or offset, including any administrative charges or expenses incurred by the County in connection with the levy and collection of the Optional Vehicle Registration Fee, to be used as authorized under this Agreement.

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C. Limitations to Rescind or Alter the Optional Vehicle Registration Fee. In the event the Authority shall issue RMA Debt on all or a portion of the Optional Vehicle Fee Revenues, the County shall not rescind the Order except to the extent that the County has otherwise provided for or assumed the debt obligations secured by the pledge of Optional Vehicle Fee Revenues. Nor shall the County modify the Order in any way that would adversely affect, the Authority's pledge of the Optional Vehicle Registration Fee revenues for a given Project or the holders of any associated RMA Debt, or adopt any other Order to take any other action to remove or rescind the Optional Vehicle Registration Fee, until the latest of: (1) the date on which all principal of, premium, if any, and interest on any RMA Debt is paid in full and the RMA Debt is no longer outstanding; (2) the date on which the RMA Debt matures, all principal of, premium, if any, and interest on the RMA Debt is paid in full, and all RMA Debt is no longer outstanding; or (3) December 31, 2023, but only if no RMA Debt secured by the Optional Vehicle Registration Fee revenues has been issued by that date or no other contractual commitment of all or a part of the Optional Vehicle Registration Fee revenues to advance a Project has been made. To the extent requested in connection with the issuance of RMA Debt or otherwise in relation to RMA Debt, the County shall affirm in writing that the Order remains valid and effective and no actions have been, or will be, taken which undermine or could adversely affect the imposition and collection of the Optional Vehicle Registration Fee.

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ARTICLE IV. MISCELLANEOUS


A. Term. This Agreement shall be in full force and effect from the date first written above and may be terminated by the County or the Authority upon 45 calendar days written notice to the other party, but only if all principal of, premium if any, and interest on RMA Debt issued pursuant to the terms of this Agreement is paid in full; any other contractual commitment of all or a portion of the Optional Vehicle Registration Fee revenues has been satisfied or the County has made adequate provision therefore; and further provided that the Agreement may not be terminated prior to December 31, 2023.

B. Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the Parties hereto, but not in such a manner as to impair the rights of the holders of the RMA Debt contemplated herein. No amendment, supplement, or extension to this Agreement shall be of any effect unless evidenced in writing and executed by the Authority and the County.

C. Merger. This Agreement embodies the entire understanding between the Parties hereto and there are no prior effective representations, warranties or agreements between the parties hereto.

D. Severability. The provisions of this Agreement are severable and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons shall not be affected thereby.

E. Venue. Venue shall for any and all disputes arising under this Agreement or a Project Agreement shall be in Webb County, Texas.

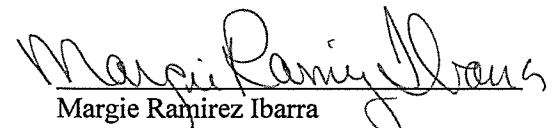


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Laredo Regional Mobility Authority

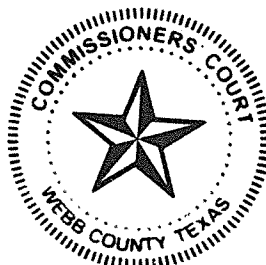
ATTEST:



TANO E. TIJERINA
Webb County Judge



Margie Ramirez Ibarra



Webb County Clerk

APPROVED AS TO FORM:



Marco A. Montemayor

Webb County Attorney

***By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).**