

**SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT BETWEEN  
THE CITY OF LEWISVILLE AND DENTON COUNTY TAX INCREMENT  
REINVESTMENT ZONE, NUMBER ONE, CITY OF LEWISVILLE**

THIS SECOND AMENDMENT TO THE PARTICIPATION AGREEMENT (this “Second Amendment”) is entered into by and between the **CITY OF LEWISVILLE**, a home rule city and municipal corporation principally situated in Denton County, Texas, duly acting by and through its City Manager (the “City”), and **DENTON COUNTY**, a political subdivision of the State of Texas (the “County”) (collectively, the “Parties”).

**W I T N E S S E T H**

**WHEREAS**, by Ordinance Number 2747-12-2001, on December 10, 2001, the City created Tax Increment Reinvestment Zone Number One, City of Lewisville, Texas (hereinafter called the “Reinvestment Zone”); and

**WHEREAS**, on December 17, 2001, the City Council adopted Ordinance Number 2762-12-2001 amending certain minor errors to Ordinance Number 2747-12-2001; and

**WHEREAS**, the Act provides that each taxing unit levying taxes on real property in the Reinvestment Zone is not required to pay into the Tax Increment Fund any of its tax increment produced from property located in the Reinvestment Zone unless such taxing unit enters into an agreement to do so with the governing body of the municipality that created the Reinvestment Zone; and

**WHEREAS**, an agreement to participate in a reinvestment zone created under the Act may be entered into any time before or after the reinvestment zone is created and such agreement may include any conditions for payment of the tax increment into the Tax Increment Fund and must specify the portion of the tax increment to be paid into the Tax Increment Fund and the years for which that tax increment is to be paid into the Tax Increment Fund; and

**WHEREAS**, on December 10, 2001, by the City, and on December 11, 2001, by the County, the Parties entered into the “Agreement to Participate in Tax Increment Reinvestment Zone, Number One, City of Lewisville” (hereinafter referred to as the “Agreement”), authorizing the Parties to jointly participate in the Reinvestment Zone; and

**WHEREAS**, in accordance with the provisions of the Tax Increment Financing Act V.T.C.A. Tax Code Chapter 311 (the “Act”) and after due notice to the County and other taxing units levying real property taxes in the area, the City Council adopted Ordinance Numbers 3438-05-2007, 3441-05-2007, and 3442-05-2007 on May 7, 2007, modifying certain provisions of Ordinance Number 2762-12-2001, as amended; and

**WHEREAS**, on May 7, 2007, by the City, and on April 17, 2007, by the County, the Parties entered into the “First Amendment to the Participation Agreement between the City of Lewisville and Denton County” (hereinafter referred to as the “First Amendment”), to extend the duration of the Reinvestment Zone and increase the bond limit; and

**WHEREAS**, in accordance with the Act and after due notice to the County and other taxing units levying real property taxes in the area, the City Council adopted Ordinance Number 0281-20-ORD on December 7, 2020, modifying certain provisions of Ordinance Number 2747-12-2001, as amended, to enlarge the boundaries and increase the geographic area of the Reinvestment Zone, and to extend the duration of the Reinvestment Zone to December 31, 2038; and

**WHEREAS**, the Agreement, as amended, defines the boundary as “those boundaries described in the Ordinance [Number 2747-12-2001], or an amendment thereto revising the boundaries duly approved by the Reinvestment Zone Board of Directors and the City Council of the City,” eliminating the need to amend the Agreement to provide for the enlargement of the boundaries effectuated by Ordinance Number 0281-20-ORD, as the revised boundaries created by Ordinance Number 0281-20-ORD are automatically included in the Agreement; and

**WHEREAS**, both the City and County find it necessary and convenient to modify certain provisions of the Agreement, as amended, to extend the term of County participation from December 31, 2028 to December 31, 2038 to coincide with the term extension effectuated by Ordinance Number 0281-20-ORD.

**NOW, THEREFORE**, the premises being as stated above, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged to be adequate, and intending to be legally bound hereby, it is hereby mutually agreed by and between the City and the County as follows:

**SECTION 1. Definitions.** Capitalized terms used in this Second Amendment and not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

**SECTION 2. Amendments to the Agreement, as Amended.**

A. Subsections a and b of Section 1 are hereby deleted and replaced with the following:

a. **City of Lewisville.** The City hereby agrees to pay into the tax increment fund (the “Tax Increment Fund”) one-hundred percent (100%) of the ad valorem tax collections on the captured appraised value of real property in the Reinvestment Zone from the date the Zone is established until (i) December 31, 2038, or (ii) December 31 of the year immediately following any outstanding encumbrances of the Tax Increment Fund have been paid in full, whichever is later.

b. **Denton County.** The County hereby agrees to pay into the Tax Increment Fund, a percentage of the ad valorem tax collections on the captured appraised value of real property in the Reinvestment Zone as follows:

<b>Years</b>	<b>Percentage</b>
2002 -2005	100%
2006-2010	90%
2011-2015	85%
2016-2020	80%
2021-expiration of term	75%

Payment by the County will begin the date the Zone is established until (i) December 31, 2038, or (ii) December 31 of the year immediately following any outstanding encumbrances of the Tax Increment Fund have been paid in full, whichever is later. In no event will Denton County be liable for payment of ad valorem tax collections on the captured appraised value of real property in the Reinvestment Zone after December 31, 2038.

**SECTION 3. Amendments and Waivers.** This Second Amendment may be modified or rescinded only by a writing signed by both of the Parties or their duly authorized agents.

**SECTION 4. Severability.** In case any one or more of the provisions contained in this Second Amendment 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 or any other provision of the Agreement, and this Second Amendment shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**SECTION 5. Successors and Assigns.** This Second Amendment shall be binding upon the Parties hereto and their respective permitted successors and assigns and shall inure to the benefit of the Parties hereto and their permitted successors and assigns.

**SECTION 6. Counterparts.** This Second Amendment may be executed in multiple counterparts, each of which shall constitute an original, but all of which in the aggregate shall constitute one agreement.

**SECTION 7. Effect on Agreement; Integration.** Except as specifically amended by this Second Amendment, all other terms and provisions of the Agreement shall remain in full force and effect, and as applicable, shall apply to this Second Amendment. In the event of any conflict or inconsistency between this Second Amendment and the Agreement, the terms and provisions of this Second Amendment shall govern and prevail to the extent necessary to resolve such conflict or inconsistency.

**SECTION 8. Effective Date.** The effective date of this Second Amendment shall be the date of execution of this Second Amendment by both Parties hereto and shall remain in effect until (i) December 31, 2038, (ii) December 31 of the year immediately following any outstanding

encumbrances of the Tax Increment Fund have been paid in full, or (iii) the date on which the Plan has been fully implemented and all project costs, tax increment bonds and all other obligations, contractual or otherwise, payable from the Tax Increment Fund have been paid in full, whichever is later.

**SECTION 9. Authorization.** This Second Amendment was authorized by action of the City Council of the City of Lewisville, authorizing the City Manager to execute the Second Amendment on behalf of the City, and by action of the County Commissioners of the County of Denton, authorizing the County Judge to execute the Second Amendment on behalf of the County.

**[SIGNATURE PAGE FOLLOWS]**

Executed this the \_\_\_\_ day of \_\_\_\_\_, 2024, by the City, signing by and through its City Manager, approved by City Council on \_\_\_\_\_, 2024, and the \_\_\_\_ day of \_\_\_\_\_, 2024, by the County through its duly authorized officials by approval at a duly called and noticed County Commissioners meeting on \_\_\_\_\_, 2024.

**CITY OF LEWISVILLE, TEXAS**

**DENTON COUNTY, TEXAS**

\_\_\_\_\_  
Claire Powell, City Manager

\_\_\_\_\_  
Honorable Andy Eads, County Judge

ATTEST:

ATTEST:

\_\_\_\_\_  
Thomas Harris III, City Secretary

\_\_\_\_\_  
Juli Luke, County Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
Lizbeth Plaster, City Attorney