

**FIRST AMENDMENT TO INTERLOCAL AGREEMENT
BETWEEN GULF COAST PROTECTION DISTRICT
AND
JEFFERSON COUNTY DRAINAGE DISTRICT NO. 7**

This First Amendment (this "First Amendment") to the Interlocal Agreement Between the Gulf Coast Protection District ("GCPD") and Jefferson County Drainage District No. 7 ("DD7") is entered into and made effective as of November 13, 2024 (the "Effective Date"), by and between GCPD and DD7 (collectively referred to as the "Parties," and each individually referred to as a "Party").

RECITALS

WHEREAS, the Parties entered into that certain Interlocal Agreement, dated February 21, 2023 (the "Original Agreement");

WHEREAS, pursuant to the Original Agreement, the Parties agreed, among other things, to utilize funds available pursuant to Section 18.52 of Senate Bill 1, 87th Texas Legislature, Regular Session, 2021 ("SB 1"), upon request by the GCPD to GLO, to meet the Non-Federal cost sharing requirements applicable to S2G, and as defined in the PPA; and

WHEREAS, following execution of the Original Agreement, the GCPD and the GLO entered into that certain Local Cooperation Agreement (GLO Contract No. 22-047-000-D188), effective September 1, 2021, for the allocation of state appropriations provided under SB 1 (as amended from time to time, the "SB 1 LCA") to fund a portion of the non-Federal share of the "construction costs" as defined in the PPA;

WHEREAS, state appropriations provided under Article VI – Natural Resources, General Land Office and Veterans' Land Board, Section 22 (Gulf Coast Protection District (GCPD) of House Bill 1, 88th Texas Legislature, Regular Session, 2023, effective September 1, 2023 ("HB 1"), are available to GLO for partially funding the GCPD to meet the Non-Federal cost sharing requirements applicable to S2G, and as defined in the PPA, with additional state funding subject to Legislative appropriations, potential ad valorem tax receipts and other sources of income;

WHEREAS, the GCPD and the GLO have entered into that certain Local Cooperation Agreement (GLO Contract No. 24-109-000-E394), effective September 17, 2024, for the allocation of state appropriations provided under HB 1 (as amended from time to time, the "HB 1 LCA") to fund a portion of the non-Federal share of the "construction costs" as defined in the PPA;

WHEREAS, the Parties now wish to amend the Original Agreement to provide for additional terms and conditions related to funds allocated to the Project pursuant to the SB 1 LCA and the HB 1 LCA, as set forth in this First Amendment (together with the Original Agreement, the "Agreement"); and

NOW THEREFORE, in consideration of these premises and of the mutual promises, obligations, covenants, and benefits herein contained, the GCPD and DD7 each contract and agree as follows:

AGREEMENT

Section 1. The recitals set forth above are declared true and correct and are hereby incorporated as part of this First Amendment. Unless otherwise defined herein, capitalized terms used herein shall have the same meanings given them in the Original Agreement.

Section 2. Subsection b, Section 1. (DD7's Responsibilities). is hereby deleted in its entirety and replaced with the following:

"b. submit requests for reimbursement and/or advance payments for funds from SB 1 or HB 1, as applicable, to GCPD to fund payments for acquisition of real property interests, placement area improvements, and relocations; to perform in kind contributions approved by the Government; and to provide any additional funds requested by the Government to bring the Non-Federal share to 35 percent of total construction costs for the Project;"

Section 3. Section 1. (DD7's Responsibilities). is amended by adding new subsections g, h, and i as follows:

"g. use its best efforts to comply with standards imposed upon DD7 as a recipient of funds allocated by the SB 1 LCA and the HB 1 LCA, including, without limitation, standards related to travel expenditures;

h. upon request by the GCPD, take further actions or provide supporting documentation, in each case, for any purpose that GCPD may deem reasonably necessary, including, without limitation, to (x) support GCPD's request(s) to GLO for reimbursement or advance payment pursuant to the SB 1 LCA and the HB 1 LCA; (y) comply with GCPD's reporting and audit obligations under the SB 1 LCA and the HB 1 LCA; and (z) confirm proper and timely expenditure of funds allocated by the SB 1 LCA and the HB 1 LCA towards an authorized purpose; and

i. establish a separate account for funds received pursuant to the SB 1 LCA and the HB 1 LCA; provided, further that if such funds are received on a cash advance basis, then DD7 should ensure that all funding received is held in an interest-bearing account. Any interest earned by DD7 from such funding, when spent, must be spent on eligible expenses for which purpose such funding was advanced to DD7 pursuant to the SB 1 LCA or the HB 1 LCA. If feasible, any interest earned must be expended prior to, or in conjunction with, any advance requests submitted by DD7 to the GCPD pursuant to Section 1.b. of this Agreement and reported to the GCPD in the next expenditure report when expended."

Section 4. Section 2. (GCPD Responsibilities). is amended by deleting subsection a. in its entirety and replacing it with the following:

“a. submit requests for reimbursement and/or advance payments from funds from SB 1 or HB 1, as applicable, to the GLO for payments to DD7 for acquisition of real property interests, placement area improvements, and relocations; to perform design, construction, or any other in kind contributions approved by the Government; and to provide any additional funds to the Government required to bring the total Non-Federal share to 35 percent of construction costs for the Project as defined in the PPA, to the extent that such funds are available to the GLO for such purpose;”

Section 5. Except as specifically amended in this First Amendment, the Original Agreement shall remain in full force and effect in accordance with its original terms and conditions.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their authorized officers the day and year first above written.

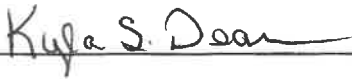
JEFFERSON COUNTY DRAINAGE
DISTRICT NO. 7

By: 
Allen Sims
General Manager

GULF COAST PROTECTION DISTRICT

By: 
Rachael N. Sunstrum
Executive Director

ATTEST:


Kyla S. Dean

ATTEST:


Darcy Baker