

INTERLOCAL AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This Interlocal Agreement, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (Vernon 2005), is by and between the Housing Authority of Harris County, sometimes known as the Harris County Housing Authority (hereinafter "HCHA"), a governmental entity under the Texas Local Government Code, Chapter 392 (Vernon 2005) (hereinafter "Chapter 392") and Harris County, Texas (hereinafter "County").

RECITALS:

1. On March 20, 1975, HCHA was created by Order of the County Commissioners Court. On March 29, 1994, HCHA was merged with the County's Community Development Agency. HCHA funding contracts were subsequently assumed by the County. On July 2, 2002, the Commissioners Court authorized the staffing of a reorganized, independent HCHA by County employees.
2. On March 4, 2003, the County Commissioners Court approved an Interlocal Agreement between the County and HCHA that allowed the County to provide services and facilities to HCHA, with HCHA reimbursing the County for certain services, goods and additional expenses. The March 4, 2003 Interlocal Agreement was modified and extended on August 12, 2003 by the Commissioners Court for an additional twelve (12) month period ending August 31, 2004.
3. On July 16, 2004, the County Commissioners Court approved an Interlocal Agreement between the County and HCHA that allowed the County to provide services and facilities to HCHA, with HCHA reimbursing the County for certain services, goods and additional expenses. The July 16, 2004 Interlocal Agreement was modified and extended for an additional twelve (12) month period, ending on August 31, 2005.
4. The July 16, 2004 Interlocal Agreement further provided that the Parties had an opportunity to extend their Agreement for an additional twelve (12) months. The County and HCHA desired to extend the Agreement for twelve (12) months. It was the intent of the Parties in the extension that the County suffer no loss or detriment as a result of the County offering personnel and other accommodations for HCHA's activities, and that HCHA reimburse the County for the County's full costs for supplying certain services, goods and additional expenses.
5. On July 27, 2004, the County Commissioners Court authorized the continuation of a separate Interlocal Agreement, dated August 12, 2003, which directed "the County Auditor and the Department of Financial Services, to provide HCHA an accurate final accounting of any funds that the County holds that are the property of HCHA" and

authorized the remittance of those funds to HCHA. The July 27, 2004 Interlocal Agreement was modified and extended by the Commissioners Court on August 23, 2005 for an additional twelve (12) month period, ending August 31, 2006.

6. The August 23, 2005 Interlocal Agreement was further modified and extended on August 8, 2006 for an additional eighteen (18) month period, ending on February 28, 2008.
7. The County Commissioners Court finds that the rental of space to HCHA as provided herein supports a public purpose of the County and of HCHA.

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and benefits to the parties herein named, it is agreed as follows:

I.

EXTENSION OF EXISTING CONTRACT, WITH CERTAIN CHANGES

This Agreement extends a certain existing contract for a period of twelve (12) months, with certain modifications set forth in the terms and conditions set out below:

II.

HCHA BOARD

Pursuant to Section 392.051 of the Texas Local Government Code, the powers of HCHA are vested in its Board of Commissioners (hereinafter "Board"), and HCHA may delegate a power or duty to an agent or employee as it considers proper. (Vernon 2005). Pursuant to Section 392.038 of the Texas Local Government Code, the Board may employ a secretary, who shall serve as executive director, and may employ technical experts and other officers, agents, and employees, permanent or temporary, that HCHA considers necessary. HCHA shall determine the qualifications, duties and compensation of the persons employed. (Vernon 2005).

III.

PERSONNEL

- A. The parties agree on an initial Staffing Table Schedule, which is attached as Exhibit "A." Any addition or modification to the Staffing Table Schedule requires the prior approval of both governing bodies.
- B. Personnel identified in the Staffing Table Schedule (hereinafter may also be referred to as "Staff") will administer all aspects of the daily operations of HCHA. It is expressly understood and agreed that the individuals who fill such positions are HCHA employees but shall be subject to all policies, rules and regulations of the County. HCHA shall reimburse the County for the time that the Staff spends on HCHA business, and shall not reimburse the County for such time spent on non-HCHA business. The parties agree that the County's "DTE Payroll Distribution System" shall be the system and method to determine reimbursement.

- C. The County will seek reimbursement from HCHA for all Staff personnel salaries and benefits. Within the first ten (10) days of each month, the Harris County Auditor shall prepare a statement and proper backup showing the actual Staff salary and benefits expenses incurred by the County for the staffing operation of HCHA during the previous calendar month. HCHA, acting through its Board, shall promptly pay the total due upon receipt of a correct and verified statement.
- D. The County will seek reimbursement from HCHA of other incurred staffing charges of other County personnel as may be applicable for the conduct of operations of HCHA. These incurred overhead charges include, by way of example, but not limited to, information systems and payroll services. Within the first ten (10) days of each month, the Harris County Auditor shall prepare a statement showing the incurred staffing overhead charges for the operation of HCHA during the previous calendar month. The County will report incurred overhead staffing charges using an accounting and/or auditing basis that is reasonably acceptable and reliable in government grant accounting practices and applications. HCHA, acting through its Board, shall promptly pay the total upon receipt of a correct and verified statement.
- E. Housing Authority Staff that supervise and conduct the daily operations of HCHA will follow County personnel rules and regulations.
- F. The County is not obligated to provide personnel and other incurred overhead charges in excess of the amount that HCHA agrees to reimburse and does reimburse. The County may terminate this Agreement by providing thirty (30) days notice if, in the County's judgment, reimbursement has been rejected, reduced, suspended or otherwise delayed by HCHA and/or the U.S. Department of Housing and Urban Development (HUD) in any manner; however, HCHA's obligation to reimburse the County shall survive termination.

IV.
LEGAL SERVICES

In accordance with Section 392.040 of the Texas Local Government Code, HCHA shall retain its own counsel. It is understood that the Harris County Attorney's Office (hereinafter "HCAO") represents Harris County, Texas. (Vernon 2005). HCHA hereby states that any representation of HCHA by HCAO in the past shall not disqualify HCAO from the representation of HCHA or of the County. Furthermore, HCHA consents and agrees that HCAO is not disqualified from and is authorized to represent the County against HCHA in any matter, present or future. Future representation of the HCHA Board by HCAO does not constitute a waiver of any matters privileged prior to HCAO's representation of HCHA.

V.
AGREEMENT TO TRANSFER FUNDS

This Interlocal Agreement provides for the transfer of certain funds from the County to the Harris County Housing Authority.

- A. The parties agree that the amount to be transferred is the sum that is being held by the County to cover outstanding checks issued under HUD's Section 8 program, plus associated interest earnings since July 2, 2002.
- B. As of December 31, 2007, the amount held by the County on behalf of HCHA was \$416,829 for outstanding checks, and \$118,010.31 for interest earned on the account. The actual amount to be transferred to HCHA will be increased to reflect additional interest earned as of the date of transfer and decreased for outstanding checks, if any, that clear between December 31, 2007 and the date of transfer.
- C. The County, with the assistance and cooperation of the County Auditor and the County Treasurer, agrees to transfer the sum referenced above, to HCHA, within thirty (30) days of execution of this Agreement.

VI.
TRANSFER OF FUNDS

Within ninety (90) days of the execution and approval of this Agreement by the County Commissioners Court, in cooperation and with the assistance of the County Auditor and the Department of Financial Services, the County shall provide HCHA transfer of all funds held by the County on behalf of HCHA and will provide an accurate final accounting of any funds that the County holds that are the property of HCHA.

VII.
METHOD OF PAYMENT OF MONEYS TO HCHA

Monies that are to be paid to HCHA under Sections V and VI of this Agreement shall be mailed or delivered to the following payee and address:

Housing Authority of Harris County
Attention: Executive Director
8410 Lantern Point Drive
Houston, Texas 77054

VIII.
HOLD HARMLESS

The County will close the bank account where the funds currently are held and will refer all subsequent presentations of negotiable instruments or checks payable by Harris County on behalf of HCHA to HCHA management for resolution. HCHA agrees to assume responsibility

for resolution of such claims and further, to hold harmless the County, its officers, employees, and agents from any liability arising from the presentation subsequent to the transfer of the cash balances of any negotiable instrument or check payable by the County on behalf of HCHA, as determined by the County Auditor.

**IX.
INSURANCE**

The County self-insures in worker's compensation matters. HCHA shall reimburse the County for expenses related to handling of a HCHA Staff worker's compensation claim.

Nothing herein shall prohibit, and HCHA is encouraged to obtain, worker's compensation insurance to cover the claims of HCHA Staff performing work for HCHA. In addition to overhead charges, in the event HCHA does not obtain worker's compensation insurance that sufficiently covers all worker's compensation-related losses and payouts for HCHA Staff, HCHA shall reimburse the County for worker's compensation-related losses and payouts the County incurs for HCHA Staff performing work for HCHA.

HCHA shall obtain and maintain, in effect, insurance on its vehicles as required by the motor vehicle insurance laws of the State of Texas.

**X.
SUBLEASE AGREEMENT**

The County leases the location at 8410 Lantern Point Drive, Houston, Texas 77054, part of which is currently occupied by HCHA. Section 11.2 of the County's lease with Murworth II, LLC, allows the County the right to sublease without the written consent of Murworth II, LLC to any "Occupying Agency or any other political subdivision of the State." The County hereby subleases and sublets to HCHA, and HCHA rents and accepts from the County pursuant to the terms of this Agreement, the space shown in cross-hatch marks in the attached Exhibit "B" (hereinafter the "Premises") located at 8410 Lantern Point Drive (hereinafter the "Building"), Houston, Harris County, Texas. This lease covers no other part of the Building or grounds upon which the same is located, except the nonexclusive rights hereby granted by the County to HCHA, its agents, employees, invitees, guests, and customers to use its public corridors and similar common areas within the Building, and the original parking facilities of the Building not designated for the use of the County or other specified tenants of the Building.

HCHA shall pay ONE (\$1) DOLLAR per month as rent for the Premises, including utilities that have been provided by the County and telecommunications services. HCHA shall pay for any special modifications or alterations that it desires. HCHA shall obtain and maintain, in effect, insurance coverage as may be required by the County's landlord at 8410 Lantern Point Drive, Houston, Texas, 77054.

THE COUNTY SHALL NOT BE LIABLE OR RESPONSIBLE FOR ANY LOSS OR DAMAGE TO ANY PROPERTY OR PERSON OCCASIONED BY THEFT, FIRE, ACT OF GOD, OR OTHER CAUSE OR FOR ANY DAMAGE OR INCONVENIENCE WHICH MAY ARISE THROUGH REPAIR OR ALTERATION OF ANY PART OF THE BUILDING, OR FAILURE TO MAKE ANY SUCH REPAIRS, OR FROM ANY CAUSE WHATEVER, EVEN IF CAUSED BY NEGLIGENCE OF OR ATTRIBUTABLE TO THE COUNTY, AND HCHA SHALL ASSUME ANY SUCH LIABILITY AND HOLD HARMLESS THE COUNTY FROM SUCH.

**XI.
PAYMENT OF MONEYS TO THE COUNTY**

Monies that are to be paid to the County are due and payable at the office of the County Treasurer, 1001 Preston, Suite 652, Houston, Texas, 77002. If the term of this Agreement is termination at any time other than at the end of a contract month, installments or payments for such contract month shall be prorated.

**XII.
NOTICE**

Each party shall have the right from time to time and at any time to change its address by giving at least fifteen (15) days written notice of such change to the other party. All notices and communications for HCHA shall be mailed certified mail, return receipt requested, or delivered to the following address, until changed as herein provided:

Board of Commissioners
Housing Authority of Harris County
Attention: Executive Director
8410 Lantern Point Drive
Houston, Texas 77054

With copy to:

Winstead, Sechrest & Minick P.C.
Attention: Jim Lemond, Attorney at Law
910 Travis Street, Suite 2400
Houston, Texas 77002

All notices and communications for the County shall be mailed certified mail, return receipt requested, or delivered to, the following address, until changed as herein provided:

County Judge of Harris County, Texas
1001 Preston Avenue, 9th Floor
Houston, Texas 77002

With copy to:

Harris County Attorney's Office
Attention: General Counsel Division
1019 Congress, 15th Floor
Houston, Texas 77002

**XIII.
TERM**

This Agreement commences on February 29, 2008 and will terminate on February 28, 2009. Unless terminated as herein provided, this Agreement may be extended in writing by the parties for an additional twelve (12) month period. Either the County or HCHA may terminate this Agreement upon thirty (30) days prior written notice to the other party hereto. In the event of such termination, any reimbursements due pursuant to the terms of this Agreement shall be calculated based on activities performed prior to the date of termination. Obligations to reimburse a party under this Agreement shall survive termination.

**XIV.
COMPLIANCE WITH LAW**

This Agreement and the obligations of the parties hereto are subject to all other applicable rules, regulations and laws of the United States and the State of Texas. If any provision of this Agreement or the application thereof to any person or circumstance shall, at any time or to any extent, be found to be invalid or unenforceable, and the extent of the invalidity or unenforceability does not destroy or render ineffective the basis of the bargain between the parties hereto, the remainder of this Agreement and the application of the provision to the other person or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

**XV.
APPLICABLE LAW AND VENUE**

This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. Exclusive venue for any action shall be in Harris County, Texas. In the event of any suit or action arising out of or relating to this Agreement, the prevailing party in such proceedings shall be entitled to recover reasonable attorney fees and court costs.

**XVI.
RULE OF CONSTRUCTION FOR THIS AGREEMENT**

Ordinary words have their ordinary meaning. If a term in this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it. Where a particular word has a recognized trade meaning, it shall, where possible, be given such meaning and effect, unless such construction increases the costs to the County of this Agreement.

XVII.
CAPTIONS

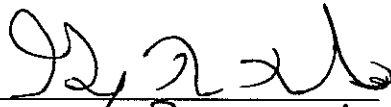
The captions used in this Agreement are for convenience only and shall in no way define, limit or describe the scope or intent of this Agreement or any part thereof.

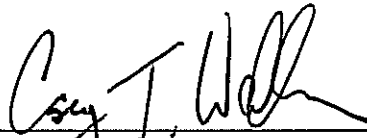
XVIII.
ENTIRE AGREEMENT

This instrument contains the entire Agreement between the parties relating to the rights granted and obligations assumed. Any modifications concerning this instrument shall be of no force and effect, excepting any subsequent modifications in writing signed by all parties hereto. This Agreement has been executed, in duplicate counterparts with each having equal force and effect of an original, on behalf of the parties hereto.

ATTEST:

**HOUSING AUTHORITY OF
HARRIS COUNTY**


By: 
Name: GUY RANKIN III
Secretary of the Board, Housing Authority
of Harris County

By: 
Name: CASEY T. WALLACE
Chairman, Housing Authority of
Harris County

Date Signed: 4/23/08

APPROVED AS TO FORM:

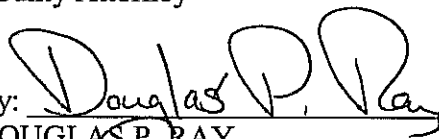
WINSTEAD SECHREST & MINICK, P.C.

By: 
JAMES M. LEMOND
Legal Counsel to the Board

APPROVED AS TO FORM:

MIKE STAFFORD
County Attorney

HARRIS COUNTY

By: 
DOUGLAS P. RAY
Assistant County Attorney

By: 
ED EMMETT
County Judge

Exhibit "A", Staffing Table Schedule

	<u>IFAS</u>	<u>County Title</u>	<u>Name</u>
HOUSING AUTHORITY			
1	2892148001	CEO/Executive Director	Rankin IV, Guy Robert
2	2896118001	Executive Secretary	Alleman, Chantel
3	2896182001	Receptionist	Salazar, Guadalupe
4	2896258002	Community Service Officer VI	OPEN
5	2892344001	Chief Financial Officer	Gunter, David W
6	2892001004	Senior Accountant	OPEN
7	2892001006	Accountant	Dinh-Grachanen, Thanh
8	2892001007	Accountant	OPEN
9	2892113001	Director of Development	Sullivan, Paula Burke
10	2892613001	Housing Analyst	Bertani, Melisa Sue
11	2892148002	Director of HCV	Quijano, Melissa Michelle
12	2892382001	HCV Supervisor	Hinojosa, Anna Mercedes
13	2892088025	Case Manager	Carrizales, Ana Delia
14	2892088026	Case Manager	Hernandez, Adriana P.
15	2892088027	Case Manager	Gardner, Lillian Faye
16	2892088028	Case Manager	Torres, Veronica
17	2892088029	Case Manager	Bobbitt, Joyce Marie
18	2892088030	Case Manager	DeGuerra, Bettina Suzanna
19	2892088031	Case Manager	Polanco, Carline Lamerchie
20	2892088032	Case Manager	Olivares, Elena Lopez
21	2892088033	Case Manager	Escamilla, Katherine
22	2892594002	Quality Control Supervisor	Burroughs, Beverly
23	2893054001	Inspections Manager	Vega, Nereyda
24	2893055001	Inspector	Ebow, Darrell Wayne
25	2893055002	Inspector	Dave, Rohitkumar R
26	2893055003	Inspector	Luna, Manuel
27	2896304001	Relocation/Rent Specialist	Cesar, Sheila Gail

facilities to HCHA, with HCHA reimbursing the County for certain services, goods and additional expenses. The March 4, 2003 Interlocal Agreement was modified and extended on August 12, 2003 by the Commissioners Court for an additional twelve (12) month period ending August 31, 2004;

WHEREAS, On July 16, 2004, the County Commissioners Court approved an Interlocal Agreement between the County and HCHA that allowed the County to provide services and facilities to HCHA, with HCHA reimbursing the County for certain services, goods and additional expenses. The July 16, 2004 Interlocal Agreement was modified and extended for an additional twelve (12) month period, ending on August 31, 2005;

WHEREAS, the July 16, 2004 Interlocal Agreement further provided that the parties had an opportunity to extend their Agreement for an additional twelve (12) months. The County and HCHA desired to extend the Agreement for twelve (12) months. It was the intent of the Parties in the extension that the County suffer no loss or detriment as a result of the County offering personnel and other accommodations for HCHA's activities, and that HCHA reimburse the County for the County's full costs for supplying certain services, goods and additional expenses;

WHEREAS, on July 27, 2004, the County Commissioners Court authorized the continuation of a separate Interlocal Agreement, dated August 12, 2003, which directed "the County Auditor and the Department of Financial Services, to provide HCHA an accurate final accounting of any funds that the County holds that are the property of HCHA" and authorized the remittance of those funds to HCHA. The July 27, 2004 Interlocal Agreement was modified and extended by the Commissioners Court on August 23, 2005 for an additional twelve (12) month period, ending on August 31, 2006.

WHEREAS, on August 8, 2006, the August 23, 2005 Interlocal Agreement was modified and extended the Interlocal Agreement for an additional eighteen (18) month period, ending February 28, 2008.

WHEREAS, Harris County Commissioners Court finds that the rental of space to HCHA as provided herein supports a public purpose of Harris County and of HCHA.

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HARRIS COUNTY, TEXAS THAT:

Section 1: The recitals set forth in this order are true and correct.

Section 2: The Interlocal Agreement is approved and the County Judge of Harris County or his designee is authorized to execute an Interlocal Agreement between Harris County and the Housing Authority of Harris County. The Interlocal Agreement is attached hereto and made a part hereof for all purposes.