

**ORDER APPROVING AN AGREEMENT AMONG HIDALGO COUNTY, SANTANA TEXTILES, L.L.C. AND SANTANA REAL ESTATE, L.L.C., TO AMEND THE TAX ABATEMENT AGREEMENT EFFECTIVE AS OF JULY 6, 2010, BETWEEN HIDALGO COUNTY AND SANTANA TEXTILES, L.L.C.**

**WHEREAS**, the Commissioners Court deemed it to be in the best interest of the County to enter into that certain Tax Abatement Agreement between Hidalgo County and Santana Textiles, L.L.C. effective July 6, 2010 (the "Santana Agreement"), in accordance with the then effective Guidelines and Criteria for Granting Tax Abatements in Hidalgo County, Texas (the "Guidelines and Criteria"), and the County entered into the Santana Agreement concerning the project referenced in the Santana Agreement (the "Project"); and

**WHEREAS**, as set forth in that certain nonbinding Resolution of Support for Changes to Santana Textiles, L.L.C. Tax Abatement Project approved by Commissioners' Court on January 14, 2015 (the "Resolution"), Santana Textiles, L.L.C. ("Textiles") informed the County that it had invested over 27 million dollars in the Project and completed approximately 95% of the related facility, but had been unable to finance the Project as originally planned due to international restrictions on the flow of capital from its Argentina operation, and instead will be finishing the Project through financing that includes the use of the New Market Tax Credit Program, which will necessitate the restructuring of the Project (the "Restructuring"); and

**WHEREAS**, the proposed Restructuring includes the sale to Santana Real Estate, L.L.C. ("SRE"), which is also owned by the owners of Textiles, of a portion of the property covered by the Santana Agreement (such portion, the "SRE Property"), which SRE Property will then be leased back to Textiles for the Project, and such Restructuring will allow the Facility to become operational during 2015; and

**WHEREAS**, Textiles and SRE have informed the County that the proposed Restructuring does not entail any changes to any of the economic development advantages that the County expected when entering into the Santana Agreement, and does not increase the expected value of the tax abatement granted pursuant to the Santana Agreement; and

**WHEREAS**, the proposed Restructuring would add SRE as a party to the Santana Agreement, requiring an agreement amending the Santana Agreement, which could not occur at the time the Resolution was adopted because the Guidelines and Criteria required Textiles to have paid certain taxes before the County approves such agreement, so the County instead approved the Resolution as a nonbinding expression of support for the Restructuring; and

**WHEREAS**, Textiles has provided evidence to the County that it has now paid such taxes, and Textiles and SRE have informed the County that the Restructuring is to be implemented this month; and

**WHEREAS**, the County, Textiles and SRE now need to agree to an amendment to the Santana Agreement to be effective upon the implementation of the Restructuring in order to achieve the goals of the Santana Agreement;

**NOW, THEREFORE IT IS HEREBY ORDERED** that the Commissioners Court of Hidalgo County, Texas, hereby approves and authorizes the Agreement among Hidalgo County, Santana Textiles, L.L.C., and Santana Real Estate, L.L.C, Amending Tax Abatement Agreement Effective July 6, 2010, between Hidalgo County and Santana Textiles, L.L.C., in the form attached hereto as Exhibit A, and the County Judge is hereby authorized to execute such agreement on behalf of Hidalgo County.

**PASSED, APPROVED, ADOPTED AND ORDERED** this the 14<sup>th</sup> day of April, 2015, by the Commissioners Court of Hidalgo County, Texas.

SIGNED AND ENTERED ON THE ABOVE DATE BY THE FOLLOWING MEMBERS OF THE HIDALGO COUNTY COMMISSIONERS COURT

\_\_\_\_\_  
RAMON GARCIA  
County Judge

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A.C. CUELLAR, JR.  
County Commissioner, Pct. 1

\_\_\_\_\_  
EDUARDO "EDDIE" CANTU  
County Commissioner, Pct. 2

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JOE M. FLORES  
County Commissioner, Pct.3

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JOSEPH PALACIOS  
County Commissioner, Pct. 4

Attested to:

APPROVED AS TO FORM:  
ATLAS, HALL AND RODRIGUEZ, LLP

\_\_\_\_\_  
ARTURO GUAJARDO, JR.  
County Clerk

By: \_\_\_\_\_  
Stephen L. Crain

**EXHIBIT A**

**AGREEMENT**

**AMONG HIDALGO COUNTY, SANTANA TEXTILES, L.L.C., AND**

**SANTANA REAL ESTATE, L.L.C,**

**AMENDING**

**TAX ABATEMENT AGREEMENT EFFECTIVE JULY 6, 2010,**

**BETWEEN HIDALGO COUNTY AND SANTANA TEXTILES, L.L.C.**