

TAX ABATEMENT AND INCENTIVE AGREEMENT FOR PROPERTY IN A NEIGHBORHOOD EMPOWERMENT ZONE

This Agreement is made and entered into by and between AGDL Investments, L.L.C. owner of commercial real property located in the City of Laredo's established neighborhood empowerment zone, and Webb County ("County") a political subdivision of the State of Texas pursuant to the authority of Chapter and 378 of the Texas Local Government Code and Chapter 312 of the Tax Code.

RECITALS

WHEREAS, the City of Laredo pursuant to the provisions of Chapters 312 and 378 of the Local Government Code of the State of Texas, known as the "Neighborhood Empowerment Zone" ("NEZ") has designated an area as an empowerment zone, thereby making the area eligible as a reinvestment zone for tax abatement under Section 312.002 of the Tax Code; and other incentives;

WHEREAS, AGDL Investments, L.L.C. is the owner of the land located within said Neighborhood Empowerment Zone and described as 117 -119 S. Mendiola Avenue and being Lots Seven (7), Eight (8) and Nine (9), Block Nine Hundred Fourteen (914) E.D. City of Laredo (Property"); and

WHEREAS, Webb County has adopted and follows the City of Laredo's neighborhood empowerment zone; and

WHEREAS, Webb County desires to promote and encourage the development of the community and the expansion and growth of the Property;

NOW THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, the County and AGDL Investments, L.L.C. have this day entered into the following contract and agreement:

I. TERM

This agreement shall be for a period of ten (10) years becoming effective on January 1st of the year following the year in which a Certificate of Occupancy is issued by the City of Laredo.

II. OWNER COVENANTS

A. Project

AGDL Investments, L.L.C. has undertaken to complete \$1,681,600.00 of new construction located at 117 -119 S Mendiola Avenue and being Lots Seven (7), Eight (8) and Nine (9), Block Nine Hundred Fourteen (914) E.D. City of Laredo, Laredo, TX, 78041 that consists of a commercial real property (\$143,598.00) and improvements (\$1,681,600.00) with an

estimated cumulative value of at least \$1,825,198.00. AGDL Investments, L.L.C. agrees to limit the use of the property described herein for said commercial development use as that term is defined in the Zoning Ordinance of the City of Laredo.

B. Completion Date

AGDL Investments, L.L.C. represents and certifies that the project construction has been will be completed in accordance with all appropriate codes and permits.

C. Use of Property

AGDL Investments, L.L.C. covenants that the project is new construction in a manner that is consistent with the general purposes of encouraging development or redevelopment in the Zone and the Property shall be continuously used as a commercial development.

III. TAX ABATEMENT

Subject to and in accordance with the County of Webb Neighborhood Empowerment Zone (NEZ), Number One, Tax Abatement Policy and Basic Incentives and this Agreement, the County hereby grants to AGDL Investments, L.L.C., a 100% tax abatement on the County imposed ad valorem taxes **on the value of the new construction** for a period of ten (10) years. The total certified Base Value for year 2024 as determined by the Webb County Appraisal District is \$143,598.00 for the land and \$0.00 for the improvements.

IV. RECORDS, AUDITS AND EVALUATION OF REQUIRED IMPROVEMENTS

A. Inspection of Property

Between the execution date of this Agreement and the last day of the Term, at any time during normal office hours throughout the Term and the year following the Term and following reasonable notice to AGDL Investments, L.L.C. the County shall have and shall provide access to the Property in order for the County to inspect the Property and evaluate the required improvements to ensure compliance with the terms and conditions of this Agreement. AGDL Investments, L.L.C. shall cooperate fully with the County during any such inspection and/or evaluation.

B. Certification

AGDL Investments, L.L.C. shall certify annually to the County that it is in compliance with each applicable terms of this Agreement. The County shall have the right to audit the Property; AGDL Investments, L.L.C. shall make all applicable records available to the County following reasonable advance notice by the County and shall otherwise cooperate fully with the County during any audit.

V. DEFAULT AND RECAPTURE

AGDL Investments, L.L.C. shall be in default of this Agreement if AGDL Investments, L.L.C. for any reason fails to substantially comply with the development of the property, discontinues the residential development operations as required by the terms of this Agreement, or if any representation made by AGDL Investments, L.L.C. is false or misleading in any material aspect. Termination of this Agreement may be effected if default is not cured within sixty (60) days after written notice by the County to AGDL Investments, L.L.C., If the County terminates this Agreement as a result of default by AGDL Investments, L.L.C., the tax abatement shall be immediately abolished and the County shall have the right to recapture the taxes previously abated. In the event of termination, a bill for the total amounts due will be sent to AGDL Investments, L.L.C., and AGDL Investments, L.L.C. hereby agrees to pay the total amounts due within sixty (60) days after receipt of the bill. Statutory penalties interest and attorney's fees will accrue if AGDL Investments, L.L.C. fails to timely pay the bill. Nothing in this Agreement shall preclude AGDL Investments, L.L.C. from disputing the bill.

VI. TERMINATION AT WILL

If the County and AGDL Investments, L.L.C. mutually determine that the development or use of the Property is longer appropriate or feasible, or that a better use is preferable, the County and AGDL Investments, L.L.C. may terminate this Agreement in writing signed by both parties. In this event, if the Term has commenced, the Term shall expire as of the effective date of the termination of this Agreement; there shall be no recapture of any taxes previously abated or fees waived; and neither party shall have any further rights or obligations hereunder.

VII. VENUE AND JURISDICTION

This Agreement shall be construed in accordance with the laws of the State of Texas. Venue for any action under this Agreement shall lie in the State District Court of Webb County, Texas. This Agreement is performable in Webb County, Texas.

VIII. SEVERABILITY

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

IX. BINDING EFFECT

This agreement shall insure to the benefit of and be binding upon the County and AGDL Investments, L.L.C. and their affiliated, subsidiaries, successors and assigns.

X. EFFECTIVE DATE

This Agreement becomes effective when signed by the last party whose signing makes the Agreement fully executed.

WEBB COUNTY

Tano E. Tijerina
Webb County Judge

Date: _____

AGDL Investments, L.L.C.

Arturo Garcia
Manager

Date: _____

ATTESTED:

Margie Ramirez-Ibarra
Webb County Clerk

APPROVED AS TO FORM:

Nathan R. Bratton
General Counsel

Webb County Civil Legal Division*

*The General Counsel, Civil Legal Division'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).