

**NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT
CORPORATION MEETING**



**Tuesday, July 12, 2022
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, July 12, 2022 at 5:30 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball Economic Development Corporation reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR JULY 12, 2022, 5:30 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT:

[HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38](https://tomballtx.gov/archive.aspx?amid=38)

A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 831 4445 9040 Passcode: 117611. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

- A. Call to Order
- B. Invocation
- C. Pledges
- D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place*

on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]

E. Reports and Announcements

F. Reports by TEDC Staff:

- [1.](#) Baker Hughes STEM Graduation – May 19, 2022
- [2.](#) Tomball Memorial High School Job Fair – May 20, 2022
- [3.](#) Workforce Solutions Event – May 26, 2022
- [4.](#) Texas Economic Development Council – Workforce Excellence Award
- [5.](#) Summer 2022 Quarterly Newsletter
- [6.](#) 2022 Economic Outlook Save the Date – October 4, 2022 (9:00 a.m. – 1:00 p.m.)

G. Approval of Minutes

- [7.](#) Regular Tomball EDC Meeting of May 10, 2022.
- [8.](#) Special Joint Tomball EDC and Tomball City Council Meeting of July 6, 2022.

H. New Business

- [9.](#) Presentation by Katherine DuBose, Finance Director, regarding the Tomball EDC 2021-2022 Fiscal Year financial statements.
- [10.](#) Consideration and possible action by Tomball EDC to approve a request by Houston Poly Bag I, Ltd. for a one-year extension of time in order to complete the construction of a 41,000 square-foot warehouse facility and make other capital improvements located at 11726 Holderrieth Road, Tomball, Texas 77375.
- [11.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Della Casa Pasta LLC to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 1599 Hicks St. Suite 2, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$6,520.00.

- Public Hearing

12. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Rehab Garage LLC to make direct incentives to, or expenditures for, the promotion of new or expanded business enterprises associated with the expansion of an office/warehouse facility located at 723 South Cherry Street, Tomball, TX. The estimated amount of expenditures for such Project is an amount not to exceed \$18,639.00.

- Public Hearing

13. The Tomball Economic Development Corporation will enter into a Workshop Session to discuss the Fiscal Year 2022-2023 Tomball Economic Development Corporation Budget.

14. Consideration and possible action by Tomball EDC to approve the Tomball Economic Development Corporation Fiscal Year 2022-2023 Budget.

- Public Hearing

15. EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.

- Section 551.087, - Deliberation regarding Economic Development negotiations.

- Section 551.074, - To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: the Executive Director and Staff.

16. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

17. Consideration and possible action by Tomball EDC to ratify approval of a commercial real estate contract – unimproved property between the Corporation as Seller and Newcor Development, LLC and/or assigns as purchaser and authorize the execution of contracts and documentation by the EDC Executive Director relating to approximately 1.7484 gross acres of land identified as Lot 4-1 of the Tomball Business and Technology Park Lot 9 Replat Subdivision.

18. Consideration and possible action by Tomball EDC to approve that one certain commercial real estate contract – unimproved property between the

Corporation as Seller and The Urban Group, LLC and/or assigns as purchaser relating to approximately 18.2846 acres of land, identified as Lot 8 of the Tomball Business and Technology Park Lots 4 and 8 Replat Subdivision.

I. Adjournment

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 8th day of JULY 2022 by 5:30 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Kelly Violette
Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Baker Hughes STEM Graduation – May 19, 2022

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Tomball Memorial High School Job Fair – May 20, 2022

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Workforce Solutions Event – May 26, 2022

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Texas Economic Development Council – Workforce Excellence Award

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Summer 2022 Quarterly Newsletter

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

12th Annual Economic Outlook Luncheon Save the Date – October 4, 2022 (9:00 a.m. – 1:00 p.m.)

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

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Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Regular Tomball EDC Meeting of May 10, 2022

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Approval of the Minutes for the Meeting of May 10, 2022

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

**NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT
CORPORATION MEETING**



**Tuesday, May 10, 2022
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, May 10, 2022 at 5:30 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball Economic Development Corporation reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR MAY 10, 2022, 5:30 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT:

[HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38](https://tomballtx.gov/archive.aspx?amid=38)

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A. Call to Order

Vice President Vaughan called the meeting to order at 5:32 p.m.

PRESENT

Vice-President Steven Vaughan

Secretary Bill Sumner

Treasurer Richard Bruce

Member Clete Jaeger

ABSENT

Member Chad Degges

Member Randy Parr

OTHERS PRESENT

Kelly Violette

Tiffani Wooten

Tori Gleason

Tom Condon

Kyle Bertrand

Ross Winkler

Scott Moore

Tammy Dowd

Luke Morris

Meagan Morris

Katie Barnes

Mike Brockwell

Sharon Brockwell

Brittani Johnson

Britt Heald

Melissa Scott

Sharon Wilson

Larrissa Roberts

Bruce Hillegeist

Michael Pierce

Justin Pruitt

Kaela Olson (Zoom)

B. Invocation

Board Member Sumner led the invocation.

C. Pledges

Kelly Violette led the pledge of allegiance to both flags.

D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]*

The following public comments were received:

Bruce Hillegeist – GTACC, 29201 Quinn Rd. - Expressed his support for the Shop & Stroll events held in Old Town Tomball.

Scott Moore – 404 S. Pine St. – Expressed his support for the Shop & Stroll events held in Old Town Tomball.

Larrissa Roberts – 922 Buster Circle. – Expressed her support for the Shop & Stroll events held in Old Town Tomball.

Michael Pierce – 313 W. Main St. – Expressed his support for the Shop & Stroll events held in Old Town Tomball.

Mike Brockwell – 410 W. Main St. – Expressed his support for the Shop & Stroll events held in Old Town Tomball.

Brittani Johnson – 309 Market St. – Expressed her support for the Shop & Stroll events held in Old Town Tomball.

E. Reports and Announcements

F. Reports by TEDC Staff:

Tiffani Wooten provided an overview of the following:

1. Spring 2022 Quarterly Newsletter
2. Workforce Solutions Forum – May 26, 2022
3. Economic Development Week – May 9, 2022 – May, 13, 2022

G. Approval of Minutes

Motion made by Secretary Sumner, Seconded by Member Jaeger.

Voting Yea: Vice-President Vaughan, Secretary Sumner, Treasurer Bruce, Member Jaeger.

The motion carried unanimously.

4. Regular Tomball EDC Meeting of March 8, 2022

H. New Business

5. Presentation by Katherine DuBose, Finance Director, regarding the Tomball EDC 2021-2022 Fiscal Year financial statements.

Katherine DuBose, Finance Director, provided an overview of the financial statements.

Presentation item only; no Board action required.

6. Presentation by Karla Sandoval, TISD CTE Director, regarding CTE Programs at Tomball Innovation Center.

Item tabled to next Regular TEDC Board Meeting, July 12, 2022.

7. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Sip Hip Hooray to make direct incentives to, or expenditures for, advertising, promotion, and marketing for monthly Shop and Stroll events to be held in Old Town Tomball, as authorized under Section 505.158 of the Texas Local Government Code. The estimated total amount of expenditures is an amount not to exceed \$40,545.00

- Public Hearing

Vice President Vaughan opened the public hearing at 6:29 p.m. No comments were received. Public hearing was closed at 6:30 p.m.

Motion made by Treasurer Bruce, Seconded by Member Jaeger to approve.

Voting Yea: Vice-President Vaughan, Secretary Sumner, Treasurer Bruce, Member Jaeger.

The motion carried unanimously.

8. Consideration and possible action by Tomball EDC to accept the Tomball Economic Development Corporation 2021-2022 Annual Report.

Motion made by Treasurer Bruce, Seconded by Secretary Sumner.

Voting Yea: Vice-President Vaughan, Secretary Sumner, Treasurer Bruce, Member Jaeger.

The motion carried unanimously.

9. Consideration and possible action by Tomball EDC to approve the Tomball Economic Development Corporation 2022-2023 Strategic Work Plan.

Motion made by Member Jaeger, Seconded by Treasurer Bruce.

Voting Yea: Vice-President Vaughan, Secretary Sumner, Treasurer Bruce, Member Jaeger.

The motion carried unanimously.

10. EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551,

Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
- Section 551.087, - Deliberation regarding Economic Development negotiations.

The Tomball Economic Development Corporation Board of Directors recessed at 6:45 p.m.

11. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

The Tomball Economic Development Corporation Board of Directors reconvened at 7:45 p.m.

I. Adjournment

Motion made by Secretary Sumner, Seconded by Treasurer Bruce.

Voting Yea: Vice-President Vaughan, Secretary Sumner, Treasurer Bruce, Member Jaeger.

The motion carried unanimously. Meeting adjourned at 7:46 p.m.

C E R T I F I C A T I O N

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 6th day of MAY 2022 by 5:30 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Kelly Violette
Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

PASSED AND APPROVED this the 12th day of July 2022.

President, Tomball EDC Board

Secretary, Tomball EDC Board

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Special Joint Tomball EDC and Tomball City Council Meeting of July 6, 2022

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Approval of the Minutes for the Meeting of July 6, 2022

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

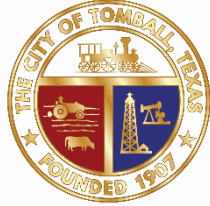
Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

**MINUTES OF SPECIAL JOINT CITY COUNCIL
AND TOMBALL ECONOMIC DEVELOPMENT CORPORATION
MEETING
CITY OF TOMBALL, TEXAS**



**Wednesday, July 6, 2022
6:00 PM**

The City Council of the City of Tomball, Texas, and the Tomball Economic Development Corporation, conducted the meeting scheduled for July 5, 2022, 6:00 PM, at 401 Market Street, Tomball, Texas 77375, via physical attendance only.

A. Mayor Klein Quinn called the meeting of the Tomball City Council to order at 6:03 p.m.

PRESENT

Council 1 John Ford

Council 2 Mark Stoll

Council 3 Chad Degges

Council 5 Randy Parr (counted in TEDC for quorum)

Council 4 Derek Townsend, Sr.

OTHERS PRESENT (CITY):

City Manager – David Esquivel

Assistant City Manager – Jessica Rogers

City Secretary – Doris Speer

City Attorney – Justin Pruitt

TEDC President Fagan called the special meeting of the Tomball Economic Development Corporation to order at 6:00 p.m.

PRESENT:

TEDC President, Fagan

TEDC Board Member Degges

TEDC Board Member Bruce

Council 5/TEDC Board Member Parr

OTHERS PRESENT (TEDC):

Executive Director-TEDC – Kelly Violette

B. Public Comments and Receipt of Petitions:

C. New Business:

1. Executive Session: The City Council and the Tomball Economic Development Corporation recessed at 6:04 p.m. to meet in Executive Session as Authorized by Title 5, Chapter 551, Government Code, the Texas Open Meetings Act, for the Following Purpose(s):

- Sec. 551.071 – Consultation with the City Attorney regarding a matter which the Attorney’s duty requires to be discussed in closed session
- Sec. 551.087 – Deliberation regarding Economic Development negotiations.

Upon reconvening at 7:09 p.m., no action was taken.

- D. There being no further business for consideration, President Fagan adjourned the Tomball Economic Development Corporation meeting and Mayor Klein Quinn adjourned the Council meeting at 7:09 p.m.

Meeting adjourned.

PASSED AND APPROVED this the 12th day of July 2022.

President, Tomball EDC Board

Secretary, Tomball EDC Board

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Presentation by Katherine DuBose, Finance Director, regarding the Tomball EDC 2021-2022 Fiscal Year financial statements.

Background:

- Sales Tax Memo
- Profit & Loss vs Actual
- Comparison Profit & Loss
- Standard Balance Sheet
- Comparison Balance Sheet
- Active Project Grants
- Quarterly Investment Report
- Business Improvement Grants Overview
- Old Town Façade Improvement Grants Overview

Origination: Katherine DuBose, Finance Director

Recommendation: Presentation item only.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Item 9.

TO: TEDC Board of Directors

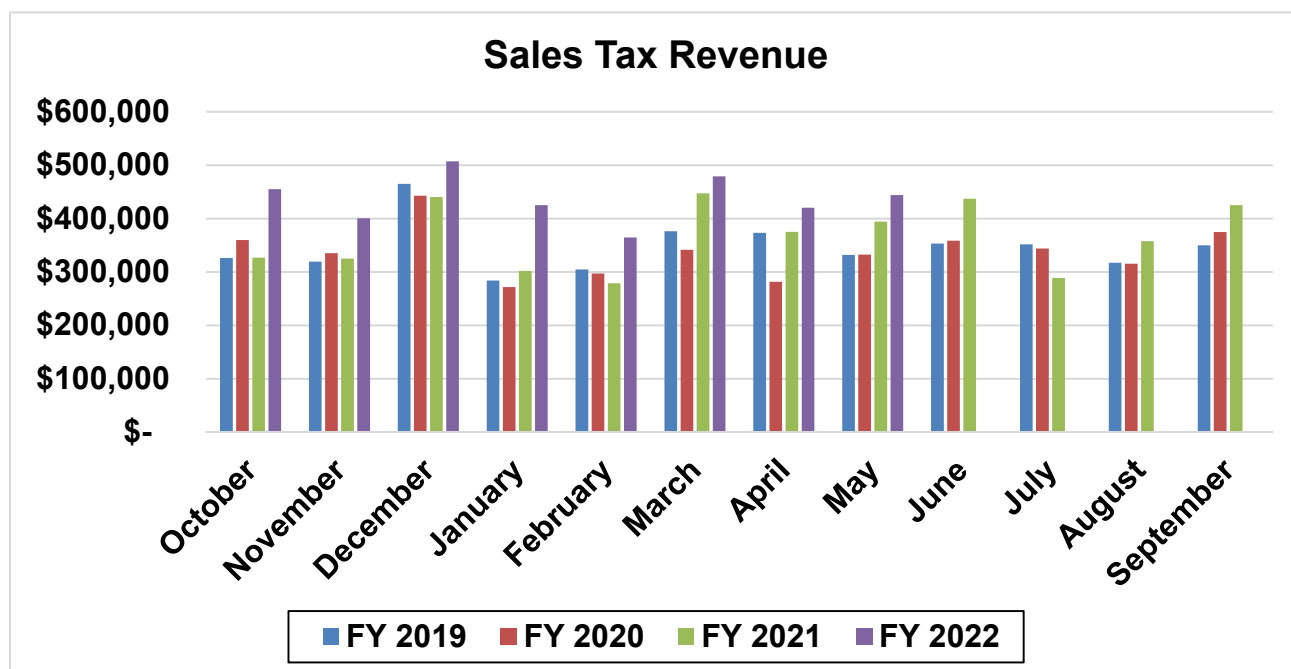
FROM: Katherine DuBose, Finance Director

SUBJECT: Financial Information for Quarter Ending June 30, 2022

DATE: July 12, 2022

Attached is the financial information for the quarter ending June 30, 2022 for the Tomball Economic Development Corporation.

Total year-to-date (YTD) revenues were \$5,619,207, which was \$2,275,707 greater than the budgeted amount of \$3,343,500. YTD sales tax revenues were \$3,495,558, which was \$420,558 greater than the budgeted amount of \$3,075,000. For fiscal year to date, sales tax revenues are up 21% over the previous year on an accrual basis. Since the June sales tax allocation has not been received as of the date of this report, eight (8) months of sales tax collections are included in sales tax revenues. Investment income was \$248,487, which was \$14,013 less than expected for the quarter YTD.



Total administrative expenses for the quarter YTD were \$432,711, which was \$65,238 less than the budgeted amount of \$497,949. Indirect Economic Development costs for the quarter YTD were \$352,075, which was \$165,399 less than the budgeted amount of \$517,474.

Included in the financial information is a schedule of active project grants, which assists with tracking of TEDC grant commitments. The schedule is updated as project grants are added and prior commitments are paid. As of June 30, 2022, the TEDC had outstanding commitments for Board Approved Grants of \$2,261,166.

The Quarterly Investment Report is also included, which lists the details of the TEDC's investment portfolio. As of June 30, 2022, TEDC's cash and cash equivalents totaled over \$14.9 million. Additionally, TEDC held securities with a total market value of \$6,712,804 as of June 30, 2022.

9:20 AM

07/08/22

Accrual Basis

Tomball Economic Development Corporation

Profit & Loss Budget vs. Actual

October 2021 through June 2022

Item 9.

	Oct '21 - Jun 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Lease Revenue	218,968.01			
Miscellaneous	1,264.55			
Sales of Business Park Property	1,646,929.61			
Grants	8,000.00	8,000.00		100.0%
Sales Tax	3,495,557.66	4,100,000.00	-604,442.34	85.3%
Interest	248,487.37	350,000.00	-101,512.63	71.0%
Total Income	5,619,207.20	4,458,000.00	1,161,207.20	126.0%
Gross Profit	5,619,207.20	4,458,000.00	1,161,207.20	126.0%
Expense				
Administrative Expenditures				
Salaries and Benefits				
Benefits-Coordinator	16,225.64	22,077.00	-5,851.36	73.5%
Salary-Coordinator	43,496.68	58,789.00	-15,292.32	74.0%
Overtime	20.55	3,000.00	-2,979.45	0.7%
Benefits-Admin. Asst.	22,792.97	18,529.00	4,263.97	123.0%
Wages-Admin. Asst.	22,307.68	38,000.00	-15,692.32	58.7%
Salary-Executive Director	97,071.66	134,533.00	-37,461.34	72.2%
Salary- Assistant Director	66,303.34	89,892.00	-23,588.66	73.8%
Benefits-Executive Director	34,210.29	47,340.00	-13,129.71	72.3%
Benefits- Assistant Director	35,297.55	45,972.00	-10,674.45	76.8%
Total Salaries and Benefits	337,726.36	458,132.00	-120,405.64	73.7%
Other Personnel Expenditures				
Auto Allowance-Assistant Dir	4,500.00	6,000.00	-1,500.00	75.0%
Phone Allowance- Assistant Dir	675.00	900.00	-225.00	75.0%
Phone Allow.-Exec. Dir.	675.00	900.00	-225.00	75.0%
Auto Allowance-Exec.Director	8,100.00	10,800.00	-2,700.00	75.0%
Dues and Subscriptions	9,113.79	10,000.00	-886.21	91.1%
Seminar/Conference Registration	6,552.00	18,000.00	-11,448.00	36.4%
Travel and Training	9,236.09	30,000.00	-20,763.91	30.8%
Local Travel Expense	72.22	500.00	-427.78	14.4%
Total Other Personnel Expenditures	38,924.10	77,100.00	-38,175.90	50.5%
Service and Supply Expenditures				
Insurance	553.76	15,000.00	-14,446.24	3.7%
Contract Administrative Service	18,750.00	25,000.00	-6,250.00	75.0%
Bank Charges & Postage	1,825.55	3,500.00	-1,674.45	52.2%
Computer Equip. and Maint.	3,060.44	5,000.00	-1,939.56	61.2%
Communications Services	2,821.23	5,200.00	-2,378.77	54.3%
Legal Fees	7,340.50	40,000.00	-32,659.50	18.4%
Lease Expense-GTACC	18,887.65	25,000.00	-6,112.35	75.6%
Office Supplies	2,821.69	10,000.00	-7,178.31	28.2%
Total Service and Supply Expenditures	56,060.82	128,700.00	-72,639.18	43.6%
Total Administrative Expenditures	432,711.28	663,932.00	-231,220.72	65.2%

9:20 AM

07/08/22

Accrual Basis

Tomball Economic Development Corporation Profit & Loss Budget vs. Actual

October 2021 through June 2022

Item 9.

	Oct '21 - Jun 22	Budget	\$ Over Budget	% of Budget
Indirect Economic Development				
Economic Impact Model License	4,561.00	4,565.00	-4.00	99.9%
Promotional Items	4,714.78	6,500.00	-1,785.22	72.5%
Printing	691.00	6,500.00	-5,809.00	10.6%
Event Sponsorships	6,560.00	29,000.00	-22,440.00	22.6%
Chamber Guide		8,400.00	-8,400.00	
Marketing	72,255.00	100,000.00	-27,745.00	72.3%
Website and GIS	12,100.00	20,000.00	-7,900.00	60.5%
Professional Services	206,627.93	500,000.00	-293,372.07	41.3%
Miscellaneous	44,565.60	15,000.00	29,565.60	297.1%
Total Indirect Economic Development	352,075.31	689,965.00	-337,889.69	51.0%
City Debt Service				
Medical Complex/Persimmon	222,222.00	222,222.00		100.0%
Business Park Infrastructure	473,356.25	537,663.00	-64,306.75	88.0%
Southside Utility Ext.(2/15/22)	370,000.00	370,000.00		100.0%
Total City Debt Service	1,065,578.25	1,129,885.00	-64,306.75	94.3%
Grants, Loans & Other Exp.				
South Live Oak Redevelopment	58,697.52	4,000,000.00	-3,941,302.48	1.5%
Old Town Facade Grants- Prior Y	88,357.85	200,000.00	-111,642.15	44.2%
Old Town Facade Grants- Current		250,000.00	-250,000.00	
Businesss Park Expenses	84,950.27	300,000.00	-215,049.73	28.3%
Sales Tax Reimb.Grants (380)	66,823.16	55,000.00	11,823.16	121.5%
Business Imp. Grants- Prior Yr.	111,689.96	255,850.00	-144,160.04	43.7%
Business Imp. Grants- Curr. Yr.	71,150.45	350,000.00	-278,849.55	20.3%
Project Grants	218,790.15	2,500,000.00	-2,281,209.85	8.8%
Property Acquisition		2,500,000.00	-2,500,000.00	
Total Grants, Loans & Other Exp.	700,459.36	10,410,850.00	-9,710,390.64	6.7%
Total Expense	2,550,824.20	12,894,632.00	-10,343,807.80	19.8%
Net Ordinary Income	3,068,383.00	-8,436,632.00	11,505,015.00	-36.4%
Net Income	3,068,383.00	-8,436,632.00	11,505,015.00	-36.4%

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07/08/22

Accrual Basis

Tomball Economic Development Corporation
Profit & Loss Prev Year Comparison
October 2021 through June 2022

Item 9.

	Oct '21 - Jun 22	Oct '20 - Jun 21	\$ Change	% Change
Ordinary Income/Expense				
Income				
Lease Revenue	218,968.01	0.00	218,968.01	100.0%
Miscellaneous	1,264.55	0.00	1,264.55	100.0%
Sales of Business Park Property	1,646,929.61	662,746.75	984,182.86	148.5%
Grants	8,000.00	16,000.00	-8,000.00	-50.0%
Sales Tax	3,495,557.66	3,192,010.70	303,546.96	9.5%
Interest	248,487.37	259,362.70	-10,875.33	-4.2%
Total Income	5,619,207.20	4,130,120.15	1,489,087.05	36.1%
Gross Profit	5,619,207.20	4,130,120.15	1,489,087.05	36.1%
Expense				
Administrative Expenditures				
Salaries and Benefits				
Benefits-Coordinator	16,225.64	0.00	16,225.64	100.0%
Salary-Coordinator	43,496.68	0.00	43,496.68	100.0%
Overtime	20.55	0.00	20.55	100.0%
Benefits-Admin. Asst.	22,792.97	13,765.76	9,027.21	65.6%
Wages-Admin. Asst.	22,307.68	30,517.72	-8,210.04	-26.9%
Salary-Executive Director	97,071.66	92,591.18	4,480.48	4.8%
Salary- Assistant Director	66,303.34	63,243.80	3,059.54	4.8%
Benefits-Executive Director	34,210.29	34,719.42	-509.13	-1.5%
Benefits- Assistant Director	35,297.55	35,729.20	-431.65	-1.2%
Total Salaries and Benefits	337,726.36	270,567.08	67,159.28	24.8%
Other Personnel Expenditures				
Auto Allowance-Assistant Dir	4,500.00	900.00	3,600.00	400.0%
Phone Allowance- Assistant Dir	675.00	675.00	0.00	0.0%
Phone Allow.-Exec. Dir.	675.00	675.00	0.00	0.0%
Auto Allowance-Exec.Director	8,100.00	5,400.00	2,700.00	50.0%
Dues and Subscriptions	9,113.79	6,094.62	3,019.17	49.5%
Seminar/Conference Registration	6,552.00	8,146.00	-1,594.00	-19.6%
Travel and Training	9,236.09	1,248.75	7,987.34	639.6%
Local Travel Expense	72.22	236.06	-163.84	-69.4%
Total Other Personnel Expenditures	38,924.10	23,375.43	15,548.67	66.5%
Service and Supply Expenditures				
Insurance	553.76	9,847.14	-9,293.38	-94.4%
Contract Administrative Service	18,750.00	18,750.00	0.00	0.0%
Bank Charges & Postage	1,825.55	2,365.26	-539.71	-22.8%
Computer Equip. and Maint.	3,060.44	2,492.92	567.52	22.8%
Communications Services	2,821.23	2,599.75	221.48	8.5%
Legal Fees	7,340.50	29,969.50	-22,629.00	-75.5%
Lease Expense-GTACC	18,887.65	16,349.55	2,538.10	15.5%
Office Supplies	2,821.69	1,770.82	1,050.87	59.3%
Total Service and Supply Expenditures	56,060.82	84,144.94	-28,084.12	-33.4%
Total Administrative Expenditures	432,711.28	378,087.45	54,623.83	14.5%

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Accrual Basis

Tomball Economic Development Corporation
Profit & Loss Prev Year Comparison
October 2021 through June 2022

Item 9.

	Oct '21 - Jun 22	Oct '20 - Jun 21	\$ Change	% Change
Indirect Economic Development				
Economic Impact Model License	4,561.00	4,428.00	133.00	3.0%
Promotional Items	4,714.78	1,159.55	3,555.23	306.6%
Printing	691.00	5,122.72	-4,431.72	-86.5%
Event Sponsorships	6,560.00	5,912.18	647.82	11.0%
Area Street Maps	0.00	3,875.00	-3,875.00	-100.0%
Marketing	72,255.00	77,100.00	-4,845.00	-6.3%
Website and GIS	12,100.00	36,299.00	-24,199.00	-66.7%
Professional Services	206,627.93	135,406.75	71,221.18	52.6%
Miscellaneous	44,565.60	78,092.40	-33,526.80	-42.9%
Total Indirect Economic Development	352,075.31	347,395.60	4,679.71	1.4%
City Debt Service				
Medical Complex/Persimmon	222,222.00	222,222.00	0.00	0.0%
Business Park Infrastructure	473,356.25	467,306.25	6,050.00	1.3%
Southside Utility Ext.(2/15/22)	370,000.00	370,000.00	0.00	0.0%
Total City Debt Service	1,065,578.25	1,059,528.25	6,050.00	0.6%
Grants, Loans & Other Exp.				
South Live Oak Redevelopment	58,697.52	0.00	58,697.52	100.0%
Old Town Facade Grants- Prior Y	88,357.85	38,782.50	49,575.35	127.8%
Businesss Park Expenses	84,950.27	51,119.70	33,830.57	66.2%
Sales Tax Reimb.Grants (380)	66,823.16	50,139.36	16,683.80	33.3%
Business Imp. Grants- Prior Yr.	111,689.96	67,000.13	44,689.83	66.7%
Business Imp. Grants- Curr. Yr.	71,150.45	32,099.35	39,051.10	121.7%
Project Grants	218,790.15	29,343.50	189,446.65	645.6%
Property Acquisition	0.00	1,972,739.93	-1,972,739.93	-100.0%
Total Grants, Loans & Other Exp.	700,459.36	2,241,224.47	-1,540,765.11	-68.8%
Total Expense	2,550,824.20	4,026,235.77	-1,475,411.57	-36.6%
Net Ordinary Income	3,068,383.00	103,884.38	2,964,498.62	2,853.7%
Other Income/Expense				
Other Income				
Other Income				
Unrealized Gains/Losses on Inv.	-363,455.06	-190,172.60	-173,282.46	-91.1%
Other Income - Other	15,563.53	0.00	15,563.53	100.0%
Total Other Income	-347,891.53	-190,172.60	-157,718.93	-82.9%
Total Other Income	-347,891.53	-190,172.60	-157,718.93	-82.9%
Net Other Income	-347,891.53	-190,172.60	-157,718.93	-82.9%
Net Income	2,720,491.47	-86,288.22	2,806,779.69	3,252.8%

Tomball Economic Development Corporation
Balance Sheet Prev Year Comparison
As of June 30, 2022

	Jun 30, 22	Jun 30, 21	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Wells Fargo, checking	168,478.39	352,696.14	-184,217.75	-52.2%
TexasCLASS	978,629.48	975,970.85	2,658.63	0.3%
TexPool	13,824,568.32	7,005,152.14	6,819,416.18	97.4%
Total Checking/Savings	14,971,676.19	8,333,819.13	6,637,857.06	79.7%
Accounts Receivable				
Accounts Receivable - Other	369,373.39	0.00	369,373.39	100.0%
Accounts Receivable	454,171.01	700,474.95	-246,303.94	-35.2%
Total Accounts Receivable	823,544.40	700,474.95	123,069.45	17.6%
Other Current Assets				
Investment Securities	6,712,803.93	9,815,701.53	-3,102,897.60	-31.6%
Total Other Current Assets	6,712,803.93	9,815,701.53	-3,102,897.60	-31.6%
Total Current Assets	22,508,024.52	18,849,995.61	3,658,028.91	19.4%
Fixed Assets				
Buildings and Improvements				
Accumulated Depreciation	-313,940.00	-104,057.00	-209,883.00	-201.7%
Buildings and Improvements - Other	4,233,067.57	4,162,267.57	70,800.00	1.7%
Total Buildings and Improvements	3,919,127.57	4,058,210.57	-139,083.00	-3.4%
Land	3,871,114.37	1,977,831.83	1,893,282.54	95.7%
Total Fixed Assets	7,790,241.94	6,036,042.40	1,754,199.54	29.1%
TOTAL ASSETS	30,298,266.46	24,886,038.01	5,412,228.45	21.8%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	206,275.29	186,386.32	19,888.97	10.7%
Total Accounts Payable	206,275.29	186,386.32	19,888.97	10.7%
Other Current Liabilities				
Refundable Deposit	10,869.00	0.00	10,869.00	100.0%
Total Other Current Liabilities	10,869.00	0.00	10,869.00	100.0%
Total Current Liabilities	217,144.29	186,386.32	30,757.97	16.5%
Total Liabilities	217,144.29	186,386.32	30,757.97	16.5%

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Accrual Basis

Tomball Economic Development Corporation
Balance Sheet Prev Year Comparison
As of June 30, 2022

Item 9.

	Jun 30, 22	Jun 30, 21	\$ Change	% Change
Equity				
Fund Balance				
Assigned Fund Balance	0.00	68,814.64	-68,814.64	-100.0%
Board Approved Grants	2,261,166.25	1,915,178.00	345,988.25	18.1%
Fund Balance - Other	24,848,629.79	23,230,878.27	1,617,751.52	7.0%
Total Fund Balance	27,109,796.04	25,214,870.91	1,894,925.13	7.5%
Retained Earnings	250,834.66	-428,931.00	679,765.66	158.5%
Net Income	2,720,491.47	-86,288.22	2,806,779.69	3,252.8%
Total Equity	30,081,122.17	24,699,651.69	5,381,470.48	21.8%
TOTAL LIABILITIES & EQUITY	30,298,266.46	24,886,038.01	5,412,228.45	21.8%

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
ACTIVE PROJECT GRANTS (BOARD APPROVED GRANTS)
AS OF JUNE 30, 2022

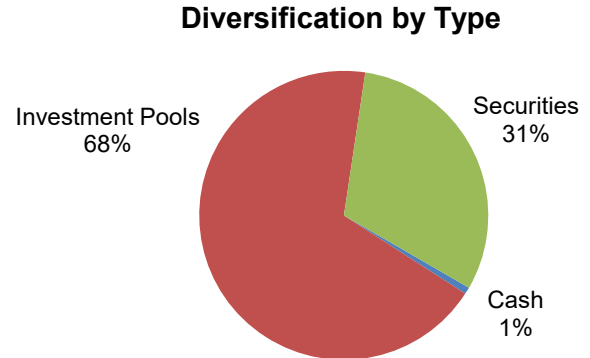
GRANTEE	APPROVED		EXPIRATION DATE	ADDITIONS/DELETIONS		PAID		REMAINING AMOUNT
	DATE	AMOUNT		DATE	AMOUNT	DATE	AMOUNT	
Dancing Falls Development, LLC	11/14/2017	50,925.00				1/14/2020	15,277.50	
						3/5/2021	5,092.50	
						9/1/2021	12,731.25	
						3/22/2022	5,092.50	12,731.25
ARC Management, LLC	5/15/2018	186,700.00						186,700.00
Shri Vinayak LLC (Days Inn)	11/13/2018	149,750.00	7/12/2022					149,750.00
Century Hydraulics	5/14/2019	44,543.00	1/22/2023					44,543.00
JDR Cable Systems, Inc.	12/17/2019	135,591.00	2/23/2023					135,591.00
Houston Poly Bag I, Ltd	5/28/2020	84,894.00	8/3/2022					84,894.00
CCJ Collaborations, LLC	8/11/2020	254,502.00	10/18/2022					254,502.00
City of Tomball - Matheson Park	11/10/2020	300,000.00						300,000.00
Power Now, LLC	12/10/2020	45,000.00	2/5/2023					45,000.00
The Hutson Group	1/12/2021	48,800.00						48,800.00
B. Smittys, LLC	3/9/2021	30,301.00	11/4/2022					30,301.00
DunnCo Properties II, Ltd.	3/9/2021	54,760.00	11/4/2022					54,760.00
Dicar, Inc.	7/13/2021	71,181.00	8/7/2023					71,181.00
Jonah's Movers	7/13/2021	26,925.00	3/7/2023					26,925.00
Beefy Marketing	7/13/2021	6,000.00	8/7/2022					6,000.00
Silver Accounting Group, LLC	11/9/2021	8,236.00	1/16/2023					8,236.00
TECHSICO Wireless	11/9/2021	20,529.00	1/16/2024					20,529.00
GK Hospitality Development, LLC	11/9/2021	105,100.00	7/16/2023					105,100.00
Friends of Tomball Community Library	11/9/2021	47,614.00						47,614.00
Decatur Professional Development, LLC	1/11/2022	6,600.00	3/20/2023					6,600.00
Project Hanks/Macy's Inc.	1/11/2022	580,864.00	3/20/2024					580,864.00
Sip Hip Hooray	5/10/2022	40,545.00						40,545.00
Total		<u>\$ 2,299,360.00</u>			<u>\$ -</u>		<u>\$ 38,193.75</u>	<u>\$ 2,261,166.25</u>

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

QUARTERLY INVESTMENT REPORT

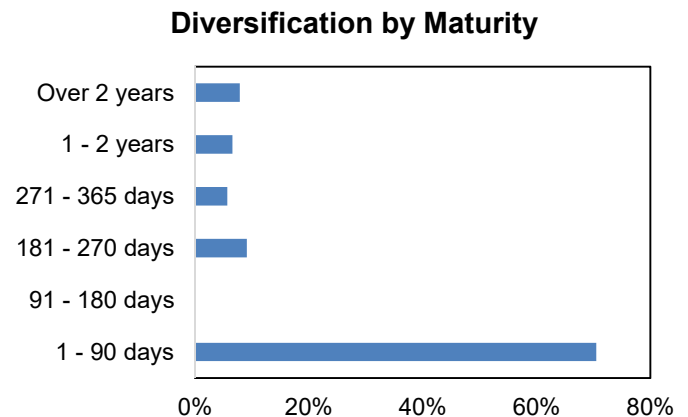
June 30, 2022

	Market Value		
	3/31/2022	6/30/2022	Change
Cash	\$ 449,860	\$ 168,478	\$ (281,382)
Investment Pools	13,389,011	14,803,198	1,414,187
Securities	6,991,091	6,712,804	(278,287)
Total Portfolio	\$ 20,829,962	\$ 21,684,480	\$ 854,518



Safety of principal is the first priority of any Public investing portfolio. The Tomball Economic Development Corporation invests in securities of federal, state and local governments, and investment pools. These investments are in securities with a rating of A-1/P-1 or higher and pools with Standard & Poor's highest rating of AAAM.

	Current Market Value	Percent Portfolio
1 - 90 days	\$ 15,297,727	71%
91 - 180 days	-	0%
181 - 270 days	1,989,724	9%
271 - 365 days	1,245,088	6%
1 - 2 years	1,441,294	7%
Over 2 years	1,710,648	8%
Total Portfolio	\$ 21,684,480	



Ensuring adequate liquidity is available to cover all expenditures is the second priority of any public investing program. The Tomball Economic Development Corporation staff forecasts cash flow and matches the maturity of investments with future cash needs. A portion of funds are kept in overnight investments as a buffer for any unexpected expenditures. These overnight investments (TexPool, Texas CLASS) have been performing according to market in terms of yield as well as providing liquidity.

This report is in compliance with the investment strategies as approved and the Public Funds Investment Act.

Katherine DuBose
Finance Director

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION
INVESTMENTS IN SECURITIES
PORTFOLIO AS OF JUNE 30, 2022**

	SECURITY DESCRIPTION	CUSIP NUMBER	MATURITY DATE	COUPON YIELD	PAR VALUE	MARKET VALUE	DAYS AFTER 06/30/22	INDIVIDUAL MARKET VALUE/TOTAL	WAM DAYS x PERCENT	Callable
1	Eagle Mtn & Saginaw ISD	269696NU0	8/15/2022	5.000%	\$ 325,000	\$ 326,051	46	4.86%	2	N
2	Dallas TX Refunding	235219MG4	2/15/2023	4.839%	\$ 1,965,000	\$ 1,989,724	230	29.64%	68	Y
3	Univ. of Texas Taxble Refunding	914729SK5	4/15/2023	2.795%	\$ 750,000	\$ 748,314	289	11.15%	32	N
4	Federal Home Loan Bank	3030ASAP4	6/16/2023	2.250%	\$ 500,000	\$ 496,774	351	7.40%	26	Y
5	San Marcos TX Consol ISD Txbl Ref	798781XV7	8/1/2023	4.000%	\$ 1,000,000	\$ 1,008,576	397	15.02%	60	N
6	Conroe TX Cert of Obl	2083992X2	11/15/2023	5.000%	\$ 415,000	\$ 432,718	503	6.45%	32	N
7	Royce City Tx Cert of Obl	780860MK5	8/15/2024	5.000%	\$ 250,000	\$ 264,138	777	3.93%	31	N
8	Texas State TXBL- Pub Fin Auth	882724GV3	10/1/2024	3.225%	\$ 500,000	\$ 499,578	824	7.44%	61	N
9	Federal Home Loan Bank	3130AMTK8	6/30/2025	1.000%	\$ 1,000,000	\$ 946,932	1,096	14.11%	155	Y
TOTAL				3.679%	\$ 6,705,000	\$ 6,712,804	501	100.00%	467	

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
CASH AND CASH EQUIVALENTS
FOR QUARTER ENDING
June 30, 2022

FUNDS		CASH AND CASH EQUIVALENTS				INVESTMENTS	
MAJOR FUNDS	TEXAS CLASS	TEXPOOL	OPERATING ACCOUNTS	TOTAL CASH AND CASH EQUIVALENTS	TOTAL INVESTMENTS	TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS	
General	\$ 978,629	\$ 13,824,568	\$ 168,478	\$ 14,971,676	\$ 6,712,804	\$ 21,684,480	
TOTAL	\$ 978,629	\$ 13,824,568	\$ 168,478	\$ 14,971,676	\$ 6,712,804	\$ 21,684,480	

Business Improvement Grant Program

Fiscal 2021-2022	Project Amount		TEDC Grant	Date Approved	Date Funded	Amount Funded	\$350,000.00
Aloha Nails and Spa	\$12,448.75	Signage	\$2,500.00	11/16/2021			\$347,500.00
Veolia - Suez	\$10,272.93	Signage	\$2,500.00	11/19/2021			\$345,000.00
Renee Buckhoff - Tomball Mainstreet, LLC	\$29,986.00	Property	\$10,000.00	11/23/2021	3/30/2022	\$10,000.00	\$335,000.00
Renee Buckhoff - Tomball Mainstreet, LLC	\$29,951.69	Landscaping	\$10,000.00	11/23/2021	3/30/2022	\$10,000.00	\$325,000.00
ProSteem Carpet Care	\$5,726.72	Façade	\$2,863.36	12/15/2021	1/24/2022	\$2,863.36	\$322,136.64
ProSteem Carpet Care	\$4,495.00	Property	\$2,247.50	12/15/2021	1/24/2022	\$2,247.50	\$319,889.14
ProSteem Carpet Care	\$1,105.00	Landscaping	\$552.50	12/15/2021	1/24/2022	\$552.50	\$319,336.64
The Turquoise Door	\$2,543.88	Façade	\$1,271.94	12/20/2021	6/15/2022	\$1,271.94	\$318,064.70
JPH Properties - P. Whitaker 333	\$6,412.67	Signage	\$2,500.00	12/20/2021			\$315,564.70
JPH Properties - P. Whitaker 333	\$23,017.35	Façade	\$10,000.00	12/20/2021			\$305,564.70
JPH Properties - P. Whitaker 333	\$12,910.54	Property	\$6,455.27	12/20/2021			\$299,109.43
JPH Properties - P. Whitaker 333	\$20,030.58	Landscaping	\$10,000.00	12/20/2021			\$289,109.43
JPH Properties - P. Whitaker 304	\$25,276.61	Façade	\$10,000.00	1/6/2022			\$279,109.43
JPH Properties - P. Whitaker 304	\$9,050.76	Property	\$4,525.38	1/6/2022			\$274,584.05
JPH Properties - P. Whitaker 304	\$4,820.93	Landscaping	\$2,410.47	1/6/2022			\$272,173.58
Coastal Capital Group	\$1,179.69	Signage	\$589.85	1/20/2022	3/14/2022	\$589.85	\$271,583.73
GREVIS Properties (125 Chestnut)	\$37,000.00	Property	\$10,000.00	1/20/2022	6/1/2022	\$10,000.00	\$261,583.73
GREVIS Properties (120 Howard)	\$25,000.00	Property	\$10,000.00	1/20/2022	6/1/2022	\$10,000.00	\$251,583.73
4K Properties Management LLC	\$35,000.00	Property	\$10,000.00	1/25/2022	6/1/2022	\$10,000.00	\$241,583.73
Paradigm Brewing Co	\$10,800.00	Property	\$5,400.00	2/16/2022			\$236,183.73
Nails Are Us, LLC	\$6,175.66	Signage	\$2,500.00	2/28/2022			\$233,683.73
Self Center Studios, LLC	\$1,049.24	Signage	\$524.00	2/28/2022	4/5/2022	\$524.62	\$233,159.73
Beefy Marketing, LLC	\$1,981.36	Signage	\$990.68	3/9/2022	6/7/2022	\$990.68	\$232,169.05
French Inspections	\$20,947.13	Façade	\$10,000.00	3/10/2022			\$222,169.05
French Inspections	\$11,000.00	Property	\$5,500.00	3/10/2022			\$216,669.05
French Inspections	\$24,205.00	Landscape	\$10,000.00	3/10/2022			\$206,669.05
70/70 Offices, LLC	\$18,370.00	Landscape	\$9,185.00	3/16/2022	6/7/2022	\$9,185.00	\$197,484.05
Nico True Salon	\$10,320.00	Façade	\$5,160.00	3/31/2022			\$192,324.05
Nico True Salon	\$6,800.00	Property	\$3,400.00	3/31/2022			\$188,924.05
Nico True Salon	\$1,900.00	Landscape	\$950.00	3/31/2022			\$187,974.05
Nico True Salon	\$800.00	Signage	\$400.00	3/31/2022			\$187,574.05
Moffett Productions	\$1,850.00	Landscaping	\$925.00	4/11/2022			\$186,649.05
Aloha Nails and Spa	\$24,912.50	Property	\$10,000.00	4/22/2022			\$176,649.05
BEW Investments	\$1,800.00	Façade	\$900.00	4/25/2022	5/12/2022	\$900.00	\$175,749.05
BEW Investments	\$2,050.00	Landscaping	\$1,025.00	4/25/2022	5/12/2022	\$1,025.00	\$174,724.05
BEW Investments	\$3,235.59	Signage	\$1,000.00	4/25/2022	5/12/2022	\$1,000.00	\$173,724.05
Jonah's Movers	\$170,000.00	Property	\$10,000.00	4/25/2022			\$163,724.05

Jonah's Movers	\$10,590.00	Landscaping	\$5,295.00	4/25/2022	\$158,429.05
Aloha Nails and Spa	\$40,461.00	Landscaping	\$10,000.00	5/2/2022	\$148,429.05
Worthen Enterprises dba Ella's Garden	\$4,989.00	Property	\$2,494.50	5/2/2022	\$145,934.55
Clarus Tomball Investments, Ltd.	\$18,182.20	Signage	\$2,500.00	5/4/2022	\$143,434.55
Muddy Soap Co, Inc	\$3,788.75	Façade	\$1,894.37	5/31/2022	\$141,540.18
Muddy Soap Co, Inc	\$5,520.75	Property	\$2,760.37	5/31/2022	\$138,779.81
Muddy Soap Co, Inc	\$1,569.63	Signage	\$784.81	5/31/2022	\$137,995.00
13918 Hirschfield Rd	\$5,400.00	Façade	\$2,700.00	6/16/2022	\$135,295.00
Muddy Soap Co, Inc	\$10,661.78	Façade	\$5,330.89	6/16/2022	\$129,964.11
Muddy Soap Co, Inc	\$7,465.47	Property	\$3,732.72	6/16/2022	\$126,231.39
Muddy Soap Co, Inc	\$1,606.31	Landscape	\$803.15	6/16/2022	\$125,428.24
The Nutrition Spa	\$4,871.25	Signage	\$1,000.00	6/16/2022	\$124,428.24
	\$729,531.72		\$225,571.76		

Old Town Façade Improvement Grant Program

Fiscal 2021-2022	Project Amount	Score	TEDC Grant	Date Approved	Date Funded	Amount Funded	\$250,000.00
David Mann	\$74,405.00	40	\$37,202.50	12/3/2021			\$212,797.50
	\$74,405.00		\$37,202.50				



\$148,810.00

\$74,405.00

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve a request by Houston Poly Bag I, Ltd. for a one-year extension of time in order to complete the construction of a 41,000 square-foot warehouse facility and make other capital improvements located at 11726 Holderrieth Road, Tomball, Texas 77375.

Background:

At its May 28, 2020 Special Joint Tomball EDC and Tomball B&TP POA Board Meeting, the TEDC Board of Directors approved an agreement with Houston Poly Bag I, Ltd. to expend funds, as a Project of the Corporation, for construction of a 41,000 square-foot building addition and make other capital improvements located at 11726 Holderrieth Road, Tomball, Texas 77375. The approved grant amount was not to exceed \$84,894.00 based upon 30% of the 5-year net benefit to the community.

The effective date of the original agreement was August 3, 2020, which was sixty (60) days after the first published notice of the Project, with an expiration date of August 3, 2022.

William E. Sumner, III, General Manager, Houston Poly Bag I, Ltd. has submitted a request for a one-year extension of the performance agreement. In the attached letter Mr. Sumner indicated that the construction of the project has been delayed due to supply chain issues as well as the pandemic. The new requested expiration date is August 3, 2023.

Origination: William E. Sumner, III, General Manager, Houston Poly Bag I, Ltd.

Recommendation: Staff recommends approval of the one-year time extension request.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # _____ To account # _____

Signed		Approved by	
	Staff Member-TEDC Date		Executive Director-TEDC Date

William E Sumner III | General Manager
11726 Holderrieth Rd. | Tomball, TX 77375
Phone: 281-351-1726
HoustonPoly.com

July 7, 2022

Ms. Tiffani Wooten

Houston Poly Bag needs to ask for a one-year extension to complete their expansion project. The supply chain issues are the reason for this request. Construction supplies are in stock one day and a day later it could be days, weeks, or months before the restock comes in. Not to mention the pandemic and labor shortages. We are unable to fill truck loads as well as everyone else and run into days of delays in shipping. My new 5-layer line shipped from Germany as 7 containers. We received notice it was in the Houston Port. As of July 7th, we still do not have the 'ready to pick up notice'. Our project is in full swing and hopefully has a finish line of Q1 2023 if not sooner.

Our Plant has been here in Tomball 36 years. We are blessed to have the opportunity to expand our building and add new equipment. HPB is in development talks with major brands and has film being trialed for packaging items like frozen vegetables, dry snacks, nutraceuticals, health and beauty, and temporary fresh water.

As I write this letter, HPB employs 74 people and I see in the future over 90 people here at HPB. Revenues of \$35,000,000 going to over \$100,000,000 when completely equipped with an additional 4 multi-layer extrusion systems.

Thankfully the TEDC funded this project in partnership with Houston Poly Bag.

If you need any further information, please contact me at the number below.

Regards,

William E Sumner III

William E. Sumner, III
General Manager
NAICS Code 326111
281-351-1726
Houston Poly Bag I, Ltd.
wsumner@houstonpolybag.com

AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to the Development Corporation Act, now Chapter 501 et seq of the Texas Local Government Code, located in Harris County, Texas (the “TEDC”), and **Houston Poly Bag I, Ltd.** (the “Company”), 11726 Holderrieth Road, Tomball, Texas 77375.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the “City”), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company owns a 5-acre tract of land within the City, located at 11726 Holderrieth Road, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company plans to expand its current operations at the Property, and as part of the process, plans to expend a minimum of Six Million Dollars (\$6,000,000,) to construct a 41,000 square foot building addition and make other capital improvements (the “Improvements”) more particularly described in Exhibit “B” attached hereto and made a part hereof; and

WHEREAS, the Company also proposes to maintain the current seventy-one (71) jobs at the Property and create ten (10) new employment positions in conjunction with the expansion of its business operations at the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of Eighty-Four Thousand, Eight Hundred Ninety-Four Dollars (\$84,894.00) to assist in the construction of the Improvements, the retention of seventy-one (71) full-time jobs, and the addition of the ten (10) new full-time jobs at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

WHEREAS, this expenditure is found by the Board of Directors of the TEDC to be required or suitable for the promotion and development of new or expanded business enterprises at the Property; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will construct the Improvements and operate and maintain the proposed business on the property for a term of at least five (5) years, and will for such term, except as provided by paragraph 4 hereof, maintain seventy-one (71) employees and create ten (10) new jobs on the Property.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the ten (10) new employees, and obtaining all necessary occupancy permits from the

City shall occur within twenty-four (24) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company the sum of Eighty-Four Thousand, Eight Hundred Ninety-Four Dollars (\$84,894.00) to fund a portion of the cost of the Improvements, the retention of seventy-one (71) full-time jobs, and the addition of the ten (10) new employees to the Company's business operations on the property. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Improvements to the Property; (b) proof that the Company has retained and added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; (c) verification from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) certification that the Improvements have been constructed in accordance with the approved plans and specifications; and, (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have

been paid and any and all liens and claims regarding such work have been released. In the event the number of jobs originally projected is not met, the amount of the funding provided to the Company by the TEDC will be reduced on a pro rata basis to reflect the actual number of jobs at the time of the request for disbursement of funds.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default accompanied by copies of all applicable invoices.

It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

6.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of

Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City:	Tomball Economic Development Corporation 401 W. Market Street Tomball, Texas 77375 Attn: President, Board of Directors
-------------	---

If to Company:	Houston Poly Bag I, Ltd. 11726 Holderrieth Road, Tomball, Texas 77375 Attn: William E. Sumner, III, General Manager
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9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2020 (the “Effective Date”).

HOUSTON POLY BAG I, LTD

By: _____

Name: William E. Sumner III

Title: General Manager

ATTEST:

By: _____

Name: Tiffani Wooten

Title: Assistant Director

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: _____

Name: Steven Vaughan

Title: Vice President, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____
 2020, by William E. Sumner, III, General Manager of Houston Poly Bag I, Ltd. for and on behalf
 of said company.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____
 2020, by _____, President of the Board of Directors of the Tomball Economic
 Development Corporation, for and on behalf of said Corporation.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Exhibit "A"

Legal Description of Property

HOUSTON POLY BAG PLAT, BEING A 5 ACRE TRACT IN THE C.N. PILLOT SURVEY, ABSTRACT NO. 632, IN TOMBALL, HARRIS COUNTY, TEXAS, RECORDED IN VOL. 335, PG. 108.

Exhibit “A”**Description of Improvements**

Constructing a 41,000 sq. ft. building addition, adding 5 multi-layered extrusion machines, and increasing its office space from 2,200 square feet to 6,600 square feet.

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Della Casa Pasta LLC to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 1599 Hicks St. Suite 2, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$6,520.00

- Public Hearing

Background:

The Tomball Economic Development Corporation has received a request from Luisa Obando, Owner of Della Casa Pasta, for funding assistance through the TEDC's Rental Incentive Program for a food manufacturing wholesale company.

Della Casa Pasta was established in Tomball in 2011 out of the Tomball Farmers Market. The company provides wholesale fresh pasta, sauces, lasagna, and more. According to the request letter, the company's growth is necessitating a larger space to accommodate more pasta manufacturing machines, freezers, refrigerated storage and other complimentary equipment.

The company currently operates out of 2,400 square feet located at 1599 Hicks Street, Suite 3, Tomball, TX. This project includes an expansion into a 1,927 square foot adjacent space that has been vacant for several years. The request rental incentive would apply only to the expansion area (1,927 sq ft).

The goal of the TEDC's Rental Incentive Program is to assist in the establishment of new businesses in existing vacant spaces and to stimulate commercial investment in the City of Tomball. In accordance with the Rental Incentive Program Policy, the proposed performance agreement is for 25% of the base monthly rent for the first year of operation only.

The lease agreement that was submitted in conjunction with the request letter shows a five-year lease commitment with a monthly rent amount of \$2,167.87 for the first eleven months and a 3 % increase annually thereafter. The proposed grant amount is \$6,520.00, payable after the first year of operation based on landlord verification of rents paid and meeting the performance agreement criteria.

This project does create primary jobs, if approved, it will go to the Tomball City Council for final approval.

Origination: Luisa Obando, CEO & Owner, Della Casa Pasta

Recommendation: Staff recommends approval of the proposed Performance Agreement with Della Casa Pasta

Party(ies) responsible for placing this item on agenda:

Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: #Project Grants _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
Staff Member-TEDC Date Executive Director-TEDC Date



July 7, 2022,
Tiffani Wooten, CEcD
Assistant Director
Tomball Economic Development Corporation,

Dear Tiffani,

Della Casa LLC was founded in Tomball Texas in 2011. We manufacture and distribute Fresh Pasta products to over 100 food facilities in Houston, Dallas, Austin and San Antonio. During the pandemic we were able to adapt to the circumstances allowing us to grow 30% each year making our current facility not sufficient for the new product demands.

During the last 7 months we upgraded our industrial pasta machines to match the new growing volume, we have now found ourselves needing more space.

Adjacent to our current suite, there is an empty suite that has been available for lease for several years. We find this suite very convenient and perfect for us to expand our facility. After negotiating with the landlord, we agreed on a 5-year lease, extendable 2 more terms and with a buying option. Our goal is to buy the building in the near future.

Our plan for the new location is to build a new Pasta Manufacturing facility to accommodate our brand-new industrial equipment. We are planning to aggressively market our new facility by having an Instagram-able wall, demo room, where chefs and guess from all over Texas can come and visit and sample our products.

Inside the new location we will also have offices, employee break room, and a customer multifunction space where customers can buy our products, observe the pasta production from the glass wall and learn about our concept. We plan to bring people interested in learning about entrepreneurship, manufacturing, food production, and food industry.

We are asking the Tomball EDC for rental assistance. The grant money will help us defray some of the high costs of expansion in today high inflation times. We appreciate your consideration to this request.

Best,

Luisa Obando
CEO Della Casa Pasta

TOMBALL

ECONOMIC DEVELOPMENT CORP.

Item 11.

NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART A –BUSINESS OWNER APPLICATION

The New Business Rental Incentive Program seeks to reduce area vacancies and facilitate the establishment of new businesses in previously underutilized areas of the City. The intent of the program is to facilitate business growth and expansion by assisting businesses in leasing space. All grant award decisions of the Tomball Economic Development Corporation (TEDC) Board of Directors are discretionary and final. Through the Program, the TEDC will provide up to 25% of the base monthly rent for the first year of operation only, not to exceed \$10,000 per business.

Business Owner Applicant Information

Name of Business: Della Casa LLC

Current Business Physical Address: 1599 Hicks St Suite 3

City, State & Zip Tomball TX 77375

Mailing Address: same

City, State & Zip _____

Business Phone: 7134985928

Business Website: www.dellacasapasta.com

Business Owner Name: Luisa Obando

Applicant's Name (if different): _____

Position /Title: CEO/ OWNER

Phone and Email: 7132585110

Nature of Business: Food Manufacturing

Legal Form of Business

- ☐ Sole Proprietor
- ☐ Partnership Number of Partners 2
- ☐ Corporation
- ☐ Limited Liability Corp
- ☐ Other _____

Days and Hours of Operation

Days Open: 5

Hours Open: 8 am to 5 pm

Business Start/Opening Date October 2011

Employees

Full Time Employees (40 hours per week): 4

Part Time Employees (less than 40 hours per week): 2

Does the Business Owner Have any Relationship to the Property Owner/Landlord?

No ☒ Yes ☐ (please explain)

Moving and Space Improvement Cost and Funding Information

Investment Data

Tenant Space Improvement (finish)	\$ <u>200000</u>
Landlord Space Improvement (finish)	\$ <u>26000</u>
Equipment and Display	\$ <u>82000</u>
Product Stock (for Opening)	\$ <u>8000</u>
Marketing (First Year)	\$ <u>6000</u>

Sources of Funding for Move/Expansion

Funds invested by owner	\$ <u>40000</u>
Funds from other sources*	\$ <u>250000</u>
Total estimated cost to move/expand	\$ <u>300000</u>

* Source of Funding and Amounts 250000

New Lease Property Information

Address of space to be leased: 1599 Hicks St Suite 2

Total amount of square feet to be leased and occupied: 2000

Term of lease (minimum 3 years): 5 years

Gross rental rate \$ 2500 per month \$ 1.25 per s.f.

Additional lease terms and other monthly charges: NNN \$700

Indicate any rate increases: _____

FINANCIAL NEED DEMONSTRATION: Acceptance into the Rental Incentive Program requires an acceptable explanation of financial need. Use the lines below to explain why and how the rent subsidy is an important factor in opening your business.

We have been in business for 11 years. We have grown organically with out any mayor capital investment.

Right now in order to continue in business and to continue growing, we need to increase and update our pasta making machines.

The new pasta machines need a bigger space to operate, we also need bigger freezer and refrigerated storage, and other complementary equipment.

The rent subsidy is important because we need the cash flow to finance the construction, and our operation during construction.

Explain how your business will benefit and enhance the area in which you are locating and how your business will complement other businesses within the area:

During the pandemic people started to come to our factory to pick up Fresh Pasta, sauces, lasagnas, that created a flow of people that drive all the way to Houston to buy our Pastas. Many of these people has never been before in Tomball.

We also plan to invite people from the industry to come to visit our Demo room inside our fasta manufature facility this is going to introduce Tomball to new traffic of people not familiar with the area.

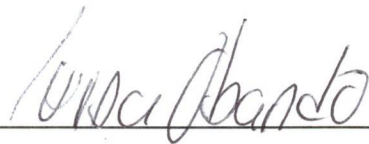
Certification


By signing below, the Business Owner of record (applicant) understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the business owner's knowledge. Business owner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The business is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.
6. The APPLICANT hereby certifies that the APPLICANT does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the TEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the TEDC. The form of such payment shall be a cashier's check or money order, made payable to the Tomball Economic Development Corporation. The TEDC has the right to recover court costs and reasonable attorney's fees as a result of any civil action required to recover such repayment.

Luisa Obando

Printed Name of Principal Owner


Signature


Date

Please submit the completed application along with a copy of the Proposed Lease Agreement to:

Kelly Violette
Tomball Economic Development Corporation
29201 Quinn Road, Suite B
Tomball, TX 77375

For further questions about the Program, please contact Kelly Violette, Executive Director, at 281.401.4086 or kviolette@tomballtxedc.org.



NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART B – PROPERTY OWNER/LANDLORD APPLICATION

Complete all items carefully and accurately to the best of your knowledge and return with a copy of Proof of Ownership to:

Kelly Violette
 Tomball Economic Development Corporation
 29201 Quinn Road, Suite B
 Tomball, TX 77375

Property Address: 1599 Hlcks st, suites 2 & 3 Tomball, TX 77375

Property Owner of Record: Maplr Residential Ltd

Mailing Address: 12323 Piney Bend Dr

City, State & Zip Tomball TX 77375

Phone: 713.600.3473

Email: bob@kruckemeyerlaw.com

Name(s) of Authorized Signatories: Robert Kruckemeyer

Name of Management Company: _____

Name of Representative/Contact Person: _____

Management Company Address: _____

City, State & Zip _____

Phone: _____

Email: _____

Name of proposed business at site:

De La Casa Pasta

Name of business owner:

Luisa Obando

DOES THE BUSINESS OWNER OR THE BUSINESS HAVE ANY RELATIONSHIP TO THE
 PROPERTY OWNER/LANDLORD? NO ☐ YES ☒ Please explain

Current tenatn that is expanding

SITE & LEASE INFORMATIONTotal amount of square feet to be leased and occupied by business: 4327Term of lease: 5 yearsGross rental rate \$ _____ per month \$ 17.68 per s.f.

Additional lease terms and other monthly charges: _____

Indicate any rate increases: 3% annual base rent increasesIs the subject space currently vacant? Yes ☒ No ☐If yes, how long has the space been vacant? unk months

Name of previous tenant: _____

Previous Rental Rate: \$ _____ Per Month \$ _____ Per Square Foot

CERTIFICATIONS**Are all real estate and personal property taxes due the City of Tomball paid in full?**Subject Property: YES ☒ NO ☐ (Please explain on supplemental sheet)Other Properties: YES ☒ NO ☐ N/A ☐**Are all City of Tomball water and sewer bills due paid in full?**Subject Property: YES ☒ NO ☐ (Please explain on supplemental sheet)Other Properties: YES ☒ NO ☐ N/A ☐**Have you been cited for any existing zoning, building or property maintenance code violations that remain uncorrected?**Subject Property: YES ☐ NO ☒ (Please explain on supplemental sheet)Other Properties: YES ☐ NO ☒ N/A ☐**Are you involved in any litigation with the City of Tomball?**☐ YES (Please explain on supplemental sheet)☒ NO

By signing below, the Landlord/Property Owner of record understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the land owner's knowledge. Landowner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The property is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.

Printed Name of Property Owner/Landlord

Signature

Date



Information About Brokerage Services

Texas law requires all real estate licensees to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

RE/MAX Integrity	9004133	mecordova1@aol.com	(281)370-5100
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Esther Cordova	0208532	mecordova1@aol.com	(281)370-5100
Designated Broker of Firm	License No.	Email	Phone
Esther Cordova	0208532	mecordova1@aol.com	(281)370-5100
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Patrick Buckhoff, CCIM	587831	patrick@commercialspacehouston.com	(832)560-2100
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission

TXR-2501

RE/MAX Commercial Advisors Group, 19510 B Kuykendahl Rd Spring TX 77379
Patrick Buckhoff

Information available at www.trec.texas.gov

IABS 1-0 Date

1599 Hicks St

Phone: 2816869445 Fax: 2815985577
Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St, Suite 2200, Dallas, TX 75201 www.lwolf.com



COMMERCIAL LEASE

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ADDENDA & EXHIBITS (check all that apply)

- ☒ Exhibit **Rent Schedule**
- ☒ Exhibit **Tenant Improvement Allowance**
- ☐ Commercial Lease Addendum for Broker's Fee (TXR-2102)
- ☒ Commercial Lease Addendum for Expense Reimbursement (TXR-2103)
- ☒ Commercial Lease Addendum for Extension Option (TXR-2104)
- ☐ Commercial Lease Addendum for Percentage Rent (TXR-2106)
- ☐ Commercial Lease Addendum for Parking (TXR-2107)
- ☒ Commercial Landlord's Rules and Regulations (TXR-2108)
- ☐ Commercial Lease Guaranty (TXR-2109)
- ☐ Commercial Lease Addendum for Right of First Refusal (TXR-2105)
- ☐ Commercial Lease Addendum for Optional Space (TXR-2110)
- ☐ Commercial Lease Addendum for Construction (TXR-2111) or (TXR-2112)
- ☐ Commercial Lease Addendum for Contingencies (TXR-2119)
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ Information About Brokerage Services (TXR-2501)

(TXR-2101) 4-1-14

Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____

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COMMERCIAL LEASE

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1. PARTIES: The parties to this lease are:

Landlord: Maple Residential Ltd ; and
 Tenant: Luisa Obando DBA De La Casa Pasta

2. LEASED PREMISES:

A. Landlord leases to Tenant the following described real property, known as the "leased premises," along with all its improvements (*Check only one box*):

☒ (1) Multiple-Tenant Property: Suite or Unit Number 2 & 3 containing approximately 4327 square feet of rentable area in _____ (*project name*) at 1599 Hicks St, #2 and #3 (*address*) in Tomball (*city*), Harris (*county*), Texas, which is legally described on attached Exhibit _____ or as follows: LT 4 BLK 1 1603 HICKS

☐ (2) Single-Tenant Property: The real property containing approximately _____ square feet of rentable area at: _____ (*address*) in _____ (*city*), _____ (*county*), Texas, which is legally described on attached Exhibit _____ or as follows: _____

B. If Paragraph 2A(1) applies:

- (1) "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks; and
- (2) the parties agree that the rentable area of the leased premises may not equal the actual or useable area within the leased premises and may include an allocation of common areas in the Property. The rentable area ☐ will ☐ will not be adjusted if re-measured.

3. TERM:

A. Term: The term of this lease is 64 months and _____ days, commencing on: August 1, 2022 (Commencement Date) and ending on November 30, 2027 (Expiration Date).

B. Delay of Occupancy: If Tenant is unable to occupy the leased premises on the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially

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complete or a prior tenant's holding over of the leased premises, Landlord will not be liable to Tenant for such delay and this lease will remain enforceable. In the event of such a delay, the Commencement Date will automatically be extended to the date Tenant is able to occupy the Property and the Expiration Date will also be extended by a like number of days, so that the length of this lease remains unchanged. If Tenant is unable to occupy the leased premises after the 90th day after the Commencement Date because of construction on the leased premises to be completed by Landlord that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant may terminate this lease by giving written notice to Landlord before the leased premises become available to be occupied by Tenant and Landlord will refund to Tenant any amounts paid to Landlord by Tenant. This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.

- C. Certificate of Occupancy: Unless the parties agree otherwise, Tenant is responsible for obtaining a certificate of occupancy for the leased premises if required by a governmental body.

4. RENT AND EXPENSES:

- A. Base Monthly Rent: On or before the first day of each month during this lease, Tenant will pay Landlord base monthly rent as described on attached Exhibit **A -Rent Schedule** or as follows:

Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
From	To	\$ Monthly Rate	\$ Annual Rate	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	
		/ rsf / month	/ rsf / year	

- B. Additional Rent: In addition to the base monthly rent, Tenant will pay Landlord all other amounts, as provided by the attached (Check all that apply.):

- ☒ (1) Commercial Lease Addendum for Expense Reimbursement (TXR-2103)
☐ (2) Commercial Lease Addendum for Percentage Rent (TXR-2106)
☐ (3) Commercial Lease Addendum for Parking (TXR-2107)
☐ (4) _____

All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.

- C. First Full Month's Rent: The first full monthly rent is due on or before **August 1, 2022**

- D. Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will pay Landlord as prorated rent, an amount equal to the base monthly rent multiplied by the following fraction: the number of days from the Commencement Date to the first day of the following month divided by the number of days in the month in which this lease commences. The prorated rent is due on or before the Commencement Date.

- E. Place of Payment: Tenant will remit all amounts due to Landlord under this lease to the following person at the place stated or to such other person or place as Landlord may later designate in writing:

Name: **Maple Residential Ltd**

Address: **12323 Piney Bend Dr**
Tomball TX 77375

- F. Method of Payment: Tenant must pay all rent timely without demand, deduction, or offset, except as permitted by law or this lease. If Tenant fails to timely pay any amounts due under this lease or if any

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check of Tenant is returned to Landlord by the institution on which it was drawn, Landlord after providing written notice to Tenant may require Tenant to pay subsequent amounts that become due under this lease in certified funds. This paragraph does not limit Landlord from seeking other remedies under this lease for Tenant's failure to make timely payments with good funds.

G. Late Charges: If Landlord does not actually receive a rent payment at the designated place of payment within 5 days after the date it is due, Tenant will pay Landlord a late charge equal to 10% of the amount due. In this paragraph, the mailbox is not the agent for receipt for Landlord. The late charge is a cost associated with the collection of rent and Landlord's acceptance of a late charge does not waive Landlord's right to exercise remedies under Paragraph 20.

H. Returned Checks: Tenant will pay \$ 50.00 for each check Tenant tenders to Landlord which is returned by the institution on which it is drawn for any reason, plus any late charges until Landlord receives payment.

5. SECURITY DEPOSIT:

A. Upon execution of this lease, Tenant will pay \$ 3,020.73 to Landlord as a security deposit.

B. Landlord may apply the security deposit to any amounts owed by Tenant under this lease. If Landlord applies any part of the security deposit during any time this lease is in effect to amounts owed by Tenant, Tenant must, within 10 days after receipt of notice from Landlord, restore the security deposit to the amount stated.

C. Within 60 days after Tenant surrenders the leased premises and provides Landlord written notice of Tenant's forwarding address, Landlord will refund the security deposit less any amounts applied toward amounts owed by Tenant or other charges authorized by this lease.

6. **TAXES**: Unless otherwise agreed by the parties, Landlord will pay all real property ad valorem taxes assessed against the leased premises.

7. UTILITIES:

A. The party designated below will pay for the following utility charges to the leased premises and any connection charges for the utilities. (Check all that apply.)

	N/A	Landlord	Tenant
(1) Water	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(2) Sewer	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) Electric	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(4) Gas	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(5) Telephone	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(7) Cable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(8) Trash	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(9) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(10) All other utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B. The party responsible for the charges under Paragraph 7A will pay the charges directly to the utility service provider. The responsible party may select the utility service provider except that if Tenant selects the provider, any access or alterations to the Property or leased premises necessary for the utilities may be made only with Landlord's prior consent, which Landlord will not unreasonably withhold. If Landlord incurs any liability for utility or connection charges for which Tenant is responsible to pay

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and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.

C. **Notice:** Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.

D. **After-Hours HVAC Charges:** "HVAC services" means heating, ventilating, and air conditioning of the leased premises. (Check one box only.)

☐ (1) Landlord is obligated to provide the HVAC services to the leased premises only during the Property's operating hours specified under Paragraph 9C.

☐ (2) Landlord will provide the HVAC services to the leased premises during the operating hours specified under Paragraph 9C for no additional charge and will, at Tenant's request, provide HVAC services to the leased premises during other hours for an additional charge of \$ _____ per hour. Tenant will pay Landlord the charges under this paragraph immediately upon receipt of Landlord's invoice. Hourly charges are charged on a half-hour basis. Any partial hour will be rounded up to the next half hour. Tenant will comply with Landlord's procedures to make a request to provide the additional HVAC services under this paragraph.

☒ (3) Tenant will pay for the HVAC services under this lease.

8. INSURANCE:

A. During all times this lease is in effect, Tenant must, at Tenant's expense, maintain in full force and effect from an insurer authorized to operate in Texas:

(1) public liability insurance naming Landlord as an additional insured with policy limits on an occurrence basis in a minimum amount of: (check only (a) or (b) below)

☒ (a) \$1,000,000; or

☐ (b) \$2,000,000.

If neither box is checked the minimum amount will be \$1,000,000.

(2) personal property damage insurance for the business operations being conducted in the leased premises and contents in the leased premises in an amount sufficient to replace such contents after a casualty loss; and

☐ (3) business interruption insurance sufficient to pay 12 months of rent payments;

B. Before the Commencement Date, Tenant must provide Landlord with a copy of insurance certificates evidencing the required coverage. If the insurance coverage is renewed or changes in any manner or degree at any time this lease is in effect, Tenant must, not later than 10 days after the renewal or change, provide Landlord a copy of an insurance certificate evidencing the renewal or change.

C. If Tenant fails to maintain the required insurance in full force and effect at all times this lease is in effect, Landlord may:

(1) purchase insurance that will provide Landlord the same coverage as the required insurance and Tenant must immediately reimburse Landlord for such expense; or

(2) exercise Landlord's remedies under Paragraph 20.

D. Unless the parties agree otherwise, Landlord will maintain in full force and effect insurance for: (1) fire and extended coverage in an amount to cover the reasonable replacement cost of the improvements of the Property; and (2) any public liability insurance in an amount that Landlord determines reasonable and appropriate.

E. If there is an increase in Landlord's insurance premiums for the leased premises or Property or its contents that is caused by Tenant, Tenant's use of the leased premises, or any improvements made by or for Tenant, Tenant will, for each year this lease is in effect, pay Landlord the increase immediately

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after Landlord notifies Tenant of the increase. Any charge to Tenant under this Paragraph 8E will be equal to the actual amount of the increase in Landlord's insurance premium.

9. USE AND HOURS:

- A. Tenant may use the leased premises for the following purpose and no other: food preparation, packaging and sales
- B. Unless otherwise specified in this lease, Tenant will operate and conduct its business in the leased premises during business hours that are typical of the industry in which Tenant represents it operates.
- C. The Property maintains operating hours of (specify hours, days of week, and if inclusive or exclusive of weekends and holidays): 24/7/365

10. LEGAL COMPLIANCE:

- A. Tenant may not use or permit any part of the leased premises or the Property to be used for:
- (1) any activity which is a nuisance or is offensive, noisy, or dangerous;
 - (2) any activity that interferes with any other tenant's normal business operations or Landlord's management of the Property;
 - (3) any activity that violates any applicable law, regulation, zoning ordinance, restrictive covenant, governmental order, owners' association rules, tenants' association rules, Landlord's rules or regulations, or this lease;
 - (4) any hazardous activity that would require any insurance premium on the Property or leased premises to increase or that would void any such insurance;
 - (5) any activity that violates any applicable federal, state, or local law, including but not limited to those laws related to air quality, water quality, hazardous materials, wastewater, waste disposal, air emissions, or other environmental matters;
 - (6) the permanent or temporary storage of any hazardous material; or
 - (7) _____
- B. "Hazardous material" means any pollutant, toxic substance, hazardous waste, hazardous material, hazardous substance, solvent, or oil as defined by any federal, state, or local environmental law, regulation, ordinance, or rule existing as of the date of this lease or later enacted.
- C. Landlord does not represent or warrant that the leased premises or Property conform to applicable restrictions, zoning ordinances, setback lines, parking requirements, impervious ground cover ratio requirements, and other matters that may relate to Tenant's intended use. Tenant must satisfy itself that the leased premises may be used as Tenant intends by independently investigating all matters related to the use of the leased premises or Property. Tenant agrees that it is not relying on any warranty or representation made by Landlord, Landlord's agent, or any broker concerning the use of the leased premises or Property.

11. SIGNS:

- A. Tenant may not post or paint any signs or place any decoration outside the leased premises or on the Property without Landlord's written consent. Landlord may remove any unauthorized sign or decorations, and Tenant will promptly reimburse Landlord for its cost to remove any unauthorized sign or decorations.

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- B. Any authorized sign must comply with all laws, restrictions, zoning ordinances, and any governmental order relating to signs on the leased premises or Property. Landlord may temporarily remove any authorized sign to complete repairs or alterations to the leased premises or the Property.
- C. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all signs or decorations that were placed on the Property or leased premises by or at the request of Tenant. Any signs or decorations that Landlord does not require Tenant to remove and that are fixtures, become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

12. ACCESS BY LANDLORD:

- A. During Tenant's normal business hours Landlord may enter the leased premises for any reasonable purpose, including but not limited to purposes for repairs, maintenance, alterations, and showing the leased premises to prospective tenants or purchasers. Landlord may access the leased premises after Tenant's normal business hours if: (1) entry is made with Tenant's permission; or (2) entry is necessary to complete emergency repairs. Landlord will not unreasonably interfere with Tenant's business operations when accessing the leased premises.
- B. During the last 120 days of this lease, Landlord may place a "For Lease" or similarly worded sign on the leased premises.

13. MOVE-IN CONDITION: Tenant has inspected the leased premises and accepts it in its present (as-is) condition unless expressly noted otherwise in this lease or in an addendum. Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.

14. MOVE-OUT CONDITION AND FORFEITURE OF TENANT'S PERSONAL PROPERTY:

- A. At the time this lease ends, Tenant will surrender the leased premises in the same condition as when received, except for normal wear and tear. Tenant will leave the leased premises in a clean condition free of all trash, debris, personal property, hazardous materials, and environmental contaminants.
- B. If Tenant leaves any personal property in the leased premises after Tenant surrenders possession of the leased premises, Landlord may: (1) require Tenant, at Tenant's expense, to remove the personal property by providing written notice to Tenant; or (2) retain such personal property as forfeited property to Landlord.
- C. "Surrender" means vacating the leased premises and returning all keys and access devices to Landlord. "Normal wear and tear" means deterioration that occurs without negligence, carelessness, accident, or abuse.
- D. By providing written notice to Tenant before this lease ends, Landlord may require Tenant, upon move-out and at Tenant's expense, to remove, without damage to the Property or leased premises, any or all fixtures that were placed on the Property or leased premises by or at the request of Tenant. Any fixtures that Landlord does not require Tenant to remove become the property of the Landlord and must be surrendered to Landlord at the time this lease ends.

15. MAINTENANCE AND REPAIRS:

- A. Cleaning: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. ☐ Landlord ☒ Tenant will provide, at its expense, janitorial services to the leased premises that are customary and ordinary for the property type. Tenant will maintain any grease trap on the Property which Tenant uses, including but not limited to periodic

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emptying and cleaning, as well as making any modification to the grease trap that may be necessary to comply with any applicable law.

- B. Repairs of Conditions Caused by a Party: Each party must promptly repair a condition in need of repair that is caused, either intentionally or negligently, by that party or that party's guests, patrons, invitees, contractors or permitted subtenants.
- C. Repair and Maintenance Responsibility: Except as otherwise provided by this Paragraph 15, the party designated below, at its expense, is responsible to maintain and repair the following specified items in the leased premises (if any). The specified items must be maintained in clean and good operable condition. If a governmental regulation or order requires a modification to any of the specified items, the party designated to maintain the item must complete and pay the expense of the modification. The specified items include and relate only to real property in the leased premises. Tenant is responsible for the repair and maintenance of its personal property. (Check all that apply.)

	N/A	Landlord	Tenant
(1) Foundation, exterior walls, roof, and other structural components	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(2) Glass and windows	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(3) Fire protection equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(4) Fire sprinkler systems	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(5) Exterior & overhead doors, including closure devices, molding, locks, and hardware	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(6) Grounds maintenance, including landscaping and irrigation systems	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(7) Interior doors, including closure devices, frames, molding, locks, and hardware	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(8) Parking areas and walks	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(9) Plumbing systems, drainage systems and sump pumps	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(10) Electrical systems, mechanical systems	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(11) Ballast and lamp replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(12) Heating, Ventilation and Air Conditioning (HVAC) systems	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(13) HVAC system replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(14) Signs and lighting:			
(a) Pylon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Facia	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(c) Monument	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Door/Suite	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(e) Other:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(15) Extermination and pest control, excluding wood-destroying insects.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(16) Fences and Gates	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(17) Storage yards and storage buildings	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(18) Wood-destroying insect treatment and repairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(19) Cranes and related systems	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(20)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(21)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(22) All other items and systems.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

- D. Repair Persons: Repairs must be completed by trained, qualified, and insured repair persons.

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Commercial Lease concerning: Tomball, TX 77375-4279

- E. HVAC Service Contract: If Tenant maintains the HVAC system under Paragraph 15C(12), Tenant ☒ is ☐ is not required to maintain, at its expense, a regularly scheduled maintenance and service contract for the HVAC system. The maintenance and service contract must be purchased from a HVAC maintenance company that regularly provides such contracts to similar properties. If Tenant fails to maintain a required HVAC maintenance and service contract in effect at all times during this lease, Landlord may do so and Tenant will reimburse Landlord for the expense of such maintenance and service contract or Landlord may exercise Landlord's remedies under Paragraph 20.
- F. Common Areas: Landlord will maintain any common areas in the Property in a manner as Landlord determines to be in the best interest of the Property. Landlord will maintain any elevator and signs in the common area. Landlord may change the size, dimension, and location of any common areas, provided that such change does not materially impair Tenant's use and access to the leased premises. Tenant has the non-exclusive license to use the common areas in compliance with Landlord's rules and regulations. Tenant may not solicit any business in the common areas or interfere with any other person's right to use the common areas. This paragraph does not apply if Paragraph 2A(2) applies.
- G. Notice of Repairs: Tenant must promptly notify Landlord of any item that is in need of repair and that is Landlord's responsibility to repair. All requests for repairs to Landlord must be in writing.
- H. Failure to Repair: Landlord must make a repair for which Landlord is responsible within a reasonable period of time after Tenant provides Landlord written notice of the needed repair. If Tenant fails to repair or maintain an item for which Tenant is responsible within 10 days after Landlord provides Tenant written notice of the needed repair or maintenance, Landlord may: (1) repair or maintain the item, without liability for any damage or loss to Tenant, and Tenant must immediately reimburse Landlord for the cost to repair or maintain; or (2) exercise Landlord's remedies under Paragraph 20.

16. ALTERATIONS:

- A. Tenant may not alter (including making any penetrations to the roof, exterior walls or foundation), improve, or add to the Property or the leased premises without Landlord's written consent. Landlord will not unreasonably withhold consent for the Tenant to make reasonable non-structural alterations, modifications, or improvements to the leased premises.
- B. Tenant may not alter any locks or any security devices on the Property or the leased premises without Landlord's consent. If Landlord authorizes the changing, addition, or rekeying of any locks or other security devices, Tenant must immediately deliver the new keys and access devices to Landlord.
- C. If a governmental order requires alteration or modification to the leased premises, the party obligated to maintain and repair the item to be modified or altered as designated in Paragraph 15 will, at its expense, modify or alter the item in compliance with the order and in compliance with Paragraphs 16A and 17.
- D. Any alterations, improvements, fixtures or additions to the Property or leased premises installed by either party during the term of this lease will become Landlord's property and must be surrendered to Landlord at the time this lease ends, except for those fixtures Landlord requires Tenant to remove under Paragraph 11 or 14 or if the parties agree otherwise in writing.

17. LIENS: Tenant may not do anything that will cause the title of the Property or leased premises to be encumbered in any way. If Tenant causes a lien to be filed against the Property or leased premises, Tenant will within 20 days after receipt of Landlord's demand: (1) pay the lien and have the lien released of record; or (2) take action to discharge the lien. Tenant will provide Landlord a copy of any release Tenant obtains pursuant to this paragraph.

18. LIABILITY: To the extent permitted by law, Landlord is NOT responsible to Tenant or Tenant's employees, patrons, guests, or invitees for any damages, injuries, or losses to person or property caused by:

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

- A. an act, omission, or neglect of: Tenant; Tenant's agent; Tenant's guest; Tenant's employees; Tenant's patrons; Tenant's invitees; or any other tenant on the Property;
- B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities, theft, burglary, robbery, assault, vandalism, other persons, environmental contaminants, or other occurrences or casualty losses.

19. INDEMNITY: Each party will indemnify, defend, and hold the other party harmless from any property damage, personal injury, suits, actions, liabilities, damages, cost of repairs or service to the leased premises or Property, or any other loss caused, negligently or otherwise, by that party or that party's employees, patrons, guests, or invitees.

20. DEFAULT:

- A. If Landlord fails to comply with this lease within 30 days after Tenant notifies Landlord of Landlord's failure to comply, Landlord will be in default and Tenant may seek any remedy provided by law. If, however, Landlord's non-compliance reasonably requires more than 30 days to cure, Landlord will not be in default if the cure is commenced within the 30-day period and is diligently pursued.
- B. If Landlord does not actually receive at the place designated for payment any rent due under this lease within 5 days after it is due, Tenant will be in default. If Tenant fails to comply with this lease for any other reason within 10 days after Landlord notifies Tenant of its failure to comply, Tenant will be in default.
- C. If Tenant is in default, Landlord may, with at least 3 days written notice to Tenant: (i) terminate this lease, or (ii) terminate Tenant's right to occupy the leased premises without terminating this lease and may accelerate all rents which are payable during the remainder of this lease or any renewal period. Landlord will attempt to mitigate any damage or loss caused by Tenant's breach by using commercially reasonable means. If Tenant is in default, Tenant will be liable for:
 - (1) any lost rent;
 - (2) Landlord's cost of reletting the leased premises, including brokerage fees, advertising fees, and other fees necessary to relet the leased premises;
 - (3) repairs to the leased premises for use beyond normal wear and tear;
 - (4) all Landlord's costs associated with eviction of Tenant, such as attorney's fees, court costs, and prejudgment interest;
 - (5) all Landlord's costs associated with collection of rent such as collection fees, late charges, and returned check charges;
 - (6) cost of removing any of Tenant's equipment or fixtures left on the leased premises or Property;
 - (7) cost to remove any trash, debris, personal property, hazardous materials, or environmental contaminants left by Tenant or Tenant's employees, patrons, guests, or invitees in the leased premises or Property;
 - (8) cost to replace any unreturned keys or access devices to the leased premises, parking areas, or Property; and
 - (9) any other recovery to which Landlord may be entitled under this lease or under law.

21. ABANDONMENT, INTERRUPTION OF UTILITIES, REMOVAL OF PROPERTY, AND LOCKOUT:

Chapter 93 of the Texas Property Code governs the rights and obligations of the parties with regard to:

- (a) abandonment of the leased premises; (b) interruption of utilities; (c) removal of Tenant's property; and
- (d) "lock-out" of Tenant.

22. HOLDOVER: If Tenant fails to vacate the leased premises at the time this lease ends, Tenant will become a tenant-at-will and must vacate the leased premises immediately upon receipt of demand from Landlord. No holding over by Tenant, with or without the consent of Landlord, will extend this lease. Tenant will

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for any holdover period will be 150% of the base monthly rent plus any additional rent calculated on a daily basis and will be immediately due and payable daily without notice or demand.

23. LANDLORD'S LIEN AND SECURITY INTEREST: To secure Tenant's performance under this lease, Tenant grants to Landlord a lien and security interest against all of Tenant's nonexempt personal property that is in the leased premises or on the Property. This lease is a security agreement for the purposes of the Uniform Commercial Code. Landlord may file a financing statement to perfect Landlord's security interest under the Uniform Commercial Code.

24. ASSIGNMENT AND SUBLETTING: Landlord may assign this lease to any subsequent owner of the Property. Tenant may not assign this lease or sublet any part of the leased premises without Landlord's written consent. An assignment of this lease or subletting of the leased premises without Landlord's written consent is voidable by Landlord. If Tenant assigns this lease or sublets any part of the leased premises, Tenant will remain liable for all of Tenant's obligations under this lease regardless if the assignment or sublease is made with or without the consent of Landlord.

25. RELOCATION:

- ☐ A. By providing Tenant with not less than 90 days advanced written notice, Landlord may require Tenant to relocate to another location in the Property, provided that the other location is equal in size or larger than the leased premises then occupied by Tenant and contains similar leasehold improvements. Landlord will pay Tenant's reasonable out-of-pocket moving expenses for moving to the other location. "Moving expenses" means reasonable expenses payable to professional movers, utility companies for connection and disconnection fees, wiring companies for connecting and disconnecting Tenant's office equipment required by the relocation, and printing companies for reprinting Tenant's stationary and business cards. A relocation of Tenant will not change or affect any other provision of this lease that is then in effect, including rent and reimbursement amounts, except that the description of the suite or unit number will automatically be amended.
- ☒ B. Landlord may not require Tenant to relocate to another location in the Property without Tenant's prior consent.

26. SUBORDINATION:

- A. This lease and Tenant's leasehold interest are and will be subject, subordinate, and inferior to:
- (1) any lien, encumbrance, or ground lease now or hereafter placed on the leased premises or the Property that Landlord authorizes;
 - (2) all advances made under any such lien, encumbrance, or ground lease;
 - (3) the interest payable on any such lien or encumbrance;
 - (4) any and all renewals and extensions of any such lien, encumbrance, or ground lease;
 - (5) any restrictive covenant affecting the leased premises or the Property; and
 - (6) the rights of any owners' association affecting the leased premises or Property.
- B. Tenant must, on demand, execute a subordination, attornment, and non-disturbance agreement that Landlord may request that Tenant execute, provided that such agreement is made on the condition that this lease and Tenant's rights under this lease are recognized by the lien-holder.

27. ESTOPPEL CERTIFICATES & FINANCIAL INFORMATION:

- A. Within 10 days after receipt of a written request from Landlord, Tenant will execute and deliver to Landlord an estoppel certificate that identifies the terms and conditions of this lease.

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

- B. Within 30 days after receipt of a written request from Landlord, Tenant will provide to Landlord Tenant's current financial information (balance sheet and income statement). Landlord may request the financial information no more frequently than once every 12 months.

28. CASUALTY LOSS:

- A. Tenant must immediately notify Landlord of any casualty loss in the leased premises. Within 20 days after receipt of Tenant's notice of a casualty loss, Landlord will notify Tenant if the leased premises are less than or more than 50% unusable, on a per square foot basis, and if Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss.
- B. If the leased premises are less than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord will restore the leased premises to substantially the same condition as before the casualty. If Landlord fails to substantially restore within the time required, Tenant may terminate this lease.
- C. If the leased premises are more than 50% unusable and Landlord can substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty, Landlord may: (1) terminate this lease; or (2) restore the leased premises to substantially the same condition as before the casualty. If Landlord chooses to restore and does not substantially restore the leased premises within the time required, Tenant may terminate this lease.
- D. If Landlord notifies Tenant that Landlord cannot substantially restore the leased premises within 120 days after Tenant notifies Landlord of the casualty loss, Landlord may: (1) choose not to restore and terminate this lease; or (2) choose to restore, notify Tenant of the estimated time to restore, and give Tenant the option to terminate this lease by notifying Landlord within 10 days.
- E. If this lease does not terminate because of a casualty loss, rent will be reduced from the date Tenant notifies Landlord of the casualty loss to the date the leased premises are substantially restored by an amount proportionate to the extent the leased premises are unusable.

29. CONDEMNATION: If after a condemnation or purchase in lieu of condemnation the leased premises are totally unusable for the purposes stated in this lease, this lease will terminate. If after a condemnation or purchase in lieu of condemnation the leased premises or Property are partially unusable for the purposes of this lease, this lease will continue and rent will be reduced in an amount proportionate to the extent the leased premises are unusable. Any condemnation award or proceeds in lieu of condemnation are the property of Landlord and Tenant has no claim to such proceeds or award. Tenant may seek compensation from the condemning authority for its moving expenses and damages to Tenant's personal property.

30. ATTORNEY'S FEES: Any person who is a prevailing party in any legal proceeding brought under or related to the transaction described in this lease is entitled to recover prejudgment interest, reasonable attorney's fees, and all other costs of litigation from the nonprevailing party.

31. REPRESENTATIONS:

- A. Tenant's statements in this lease and any application for rental are material representations relied upon by Landlord. Each party signing this lease represents that he or she is of legal age to enter into a binding contract and is authorized to sign the lease. If Tenant makes any misrepresentation in this lease or in any application for rental, Tenant is in default.
- B. Landlord is not aware of any material defect on the Property that would affect the health and safety of an ordinary person or any environmental hazard on or affecting the Property that would affect the

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

health or safety of an ordinary person, except: _____

- C. Each party and each signatory to this lease represents that: (1) it is not a person named as a Specially Designated National and Blocked Person as defined in Presidential Executive Order 13224; (2) it is not acting, directly or indirectly, for or on behalf of a Specially Designated and Blocked Person; and (3) it is not arranging or facilitating this lease or any transaction related to this lease for a Specially Designated and Blocked Person. Any party or any signatory to this lease who is a Specially Designated and Blocked person will indemnify and hold harmless any other person who relies on this representation and who suffers any claim, damage, loss, liability or expense as a result of this representation.

32. BROKERS:

- A. The brokers to this lease are:

Principal Broker: RE/MAX Commercial Advisors
Group

Agent: Patrick Buckhoff

Address: 19510 B Kuykendahl Rd
Spring, TX 77379

Phone & Fax: (832)560-2100

E-mail: patrick@commercialspacehouston.com

License No.: _____

Cooperating Broker: _____

Agent: _____

Address: _____

Phone & Fax: _____

E-mail: _____

License No.: _____

Principal Broker: *(Check only one box)*

☒ represents Landlord only.

☐ represents Tenant only.

☐ is an intermediary between Landlord and Tenant.

Cooperating Broker represents Tenant.

- B. **Fees:**

- ☒ (1) Principal Broker's fee will be paid according to: *(Check only one box)*.
☐ (a) a separate written commission agreement between Principal Broker and:
☐ Landlord ☐ Tenant.
☒ (b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).

- ☐ (2) Cooperating Broker's fee will be paid according to: *(Check only one box)*.
☐ (a) a separate written commission agreement between Cooperating Broker and:
☐ Principal Broker ☐ Landlord ☐ Tenant.
☐ (b) the attached Commercial Lease Addendum for Broker's Fee (TXR-2102).

33. ADDENDA: Incorporated into this lease are the addenda, exhibits and other information marked in the Addenda and Exhibit section of the Table of Contents. If Landlord's Rules and Regulations are made part of this lease, Tenant agrees to comply with the Rules and Regulations as Landlord may, at its discretion, amend from time to time.

34. NOTICES: All notices under this lease must be in writing and are effective when hand-delivered, sent by mail, or sent by facsimile transmission to:

Landlord at: Maple Residential Ltd

Address: 12323 Piney Bend Dr Tomball 77375

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

Phone: _____ Fax: _____
 and a copy to: _____

Address: _____

Phone: _____ Fax: _____

☐ Landlord also consents to receive notices by e-mail at: _____

Tenant at the leased premises,

and a copy to: _____

Address: _____

Phone: _____ Fax: _____

☐ Tenant also consents to receive notices by e-mail at: _____

35. SPECIAL PROVISIONS:

Space is provided "AS-IS" and landlord will provide up to Forty- Eight Thousand, Six hundred fourteen and 50/100 Dollars (\$48,614.50) subject to Tenant Improvement Exhibit.

During the lease term, tenant will have the first right of offer if the Landlord decides to sell the property

A lease, as modified and extended, currently exists with respect to 1599 Hicks St. #3 ("Existing Lease"). Upon the execution of the lease, the Existing Lease is terminated.

Tenant may place signage on leased suites and on the side of the building facing Hicks st, subject to Landlord approval which will not be unreasonably withheld

36. AGREEMENT OF PARTIES:

- A. Entire Agreement: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.
- B. Binding Effect: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. Joint and Several: All Tenants are jointly and severally liable for all provisions of this lease. Any act or notice to, or refund to, or signature of, any one or more of the Tenants regarding any term of this lease, its renewal, or its termination is binding on all Tenants.
- D. Controlling Law: The laws of the State of Texas govern the interpretation, performance, and enforcement of this lease.
- E. Severable Clauses: If any clause in this lease is found invalid or unenforceable by a court of law, the remainder of this lease will not be affected and all other provisions of this lease will remain valid and enforceable.
- F. Waiver: Landlord's delay, waiver, or non-enforcement of acceleration, contractual or statutory lien, rental due date, or any other right will not be deemed a waiver of any other or subsequent breach by Tenant or any other term in this lease.

1599 Hicks St, #2 and #3

Commercial Lease concerning: Tomball, TX 77375-4279

- G. Quiet Enjoyment: Provided that Tenant is not in default of this lease, Landlord covenants that Tenant will enjoy possession and use of the leased premises free from material interference.
- H. Force Majeure: If Landlord's performance of a term in this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, flood, or any cause outside Landlord's control, the time for Landlord's performance will be abated until after the delay.
- I. Time: Time is of the essence. The parties require strict compliance with the times for performance.

Brokers are not qualified to render legal advice, property inspections, surveys, engineering studies, environmental assessments, tax advice, or compliance inspections. The parties should seek experts to render such services. READ THIS LEASE CAREFULLY. If you do not understand the effect of this Lease, consult your attorney BEFORE signing.

Landlord: Maple Residential LtdTenant: Luisa Obando DBA De La Casa Pasta

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

Title: _____ Date: _____

Title: _____ Date: _____

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

Title: _____ Date: _____

Title: _____ Date: _____

RENT SCHEDULE
1599 Hicks St. #2 and #3
Tomball, TX 77375

<u>Rental Period</u>	<u>Monthly Base Rent</u>	<u>Annual Base Rent</u>	<u>Base Rental Rate \$/YR/SF</u>
08/01/2022 thru 11/30/2022	NA		
12/01/2022 thru 11/30/2023	\$ 4,867.88	\$58,414.50	\$ 13.50
12/01/2023 thru 11/30/2024	\$ 5,013.91	\$60,166.94	\$ 13.91
12/01/2024 thru 11/30/2025	\$ 5,164.33	\$61,971.94	\$ 14.32
12/01/2025 thru 11/30/2026	\$ 5,319.26	\$63,831.10	\$ 14.75
12/01/2026 thru 11/30/2027	\$ 5,478.84	\$65,746.03	\$ 15.19

Initialed for Identification by Landlord: ____, ____ and Tenant: ____, ____



COMMERCIAL LEASE ADDENDUM FOR EXPENSE REIMBURSEMENT

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ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 1599 Hicks St, #2 and #3, Tomball, TX 77375-4279

In addition to rent stated in the lease, Tenant will pay Landlord the additional rent described in this addendum. Tenant will pay the additional rent each month at the time the base-monthly rent in the lease is due.

A. Definitions:

- (1) "Tenant's pro rata share" is 55.000 %.
- (2) "CAM" means all of Landlord's expenses reasonably incurred to maintain, repair, operate, manage, and secure the Property (for example, security, lighting, painting, cleaning, decorations, utilities, trash removal, pest control, promotional expenses, and other expenses reasonably related the Property's operations); CAM does not include capital expenditures, interest, depreciation, tenant improvements, insurance, taxes, or brokers' leasing fees. Notwithstanding the foregoing, CAM does include the amortized costs incurred by Landlord in making capital improvements or other modifications to the Property to the extent such improvements or modifications reduce CAM overall. These costs will be amortized over the useful life of the improvement or modification on a straight-line basis; however, in no event will the charge for such amortization included in CAM exceed the actual reduction in CAM achieved by the improvements and modifications.
- (3) "Insurance" means Landlord's costs to insure the leased premises and the Property including but not limited to insurance for casualty loss, general liability, and reasonable rent loss.
- (4) "Taxes" means the real property ad valorem taxes assessed against the leased premises and Property inclusive of all general and special assessments and surcharges.
- (5) "Structural" means all of Landlord's expenses reasonably incurred to maintain, repair, and replace the roof, foundation, exterior walls, load bearing walls and other structural components of the Property.

B. Method: The additional rent will be calculated under the following method:

Note: "CAM" does not include taxes and insurance costs.

- ☐ (1) Base-year expenses: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed the amount of the monthly base-year expenses for the calendar year _____ for: ☐ taxes; ☐ insurance; ☐ CAM; ☐ structural; and ☐ _____.
- ☐ (2) Expense-stop: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property that exceed \$ _____ per square foot per year for: ☐ taxes; ☐ insurance; ☐ CAM; ☐ structural; and ☐ _____.
- ☒ (3) Net: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property for: ☒ taxes; ☒ insurance; ☒ CAM; ☐ structural; and ☐ _____.

C. Projected Monthly Expenses: On or about December 31 of each calendar year, Landlord will project the applicable monthly expenses (those that Tenant is to pay under this addendum) for the following calendar year and will notify Tenant of the projected expenses. The projected expenses are based on Landlord's estimates of such expenses. The actual expenses may vary.

(TXR-2103) 1-26-10

Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____

Page 1 of 2

Expense Reimbursement Addendum concerning 1599 Hicks St, #2 and #3, Tomball, TX 77375-4279

Notice: The applicable projected expenses at the time which the above-referenced lease commences are shown in the table below. The total area of the Property presently used by Landlord for calculating expense reimbursements is _____ rentable square feet (including any add on factor for common areas).

Projected Expenses	
\$ Monthly Rate	\$ Annual Rate
/ rsf / month	2.93 / rsf / year

D. Reconciliation: Within a reasonable time after the end of each calendar year, Landlord will notify Tenant of the actual costs of the applicable expenses (those that Tenant is to pay under this addendum) for the previous year. If the actual costs of the applicable expenses exceed the amounts paid or owed by Tenant for the previous year, Tenant must pay the deficient amount to Landlord within 30 days after Landlord notifies Tenant of the deficient amount. If the actual costs of the applicable expenses are less than the amounts paid by Tenant for the previous year, Landlord will refund the excess to Tenant or will credit the excess to Tenant's next rent payment. Tenant may audit or examine those items in Landlord's records that relate to Tenant's obligations under this addendum. Landlord will promptly refund to Tenant any overpayment revealed by an audit or examination. If the audit or examination reveals an error of more than 5% over the amounts Landlord collected in a calendar year from Tenant under this addendum, Landlord will pay the reasonable cost of the audit or examination. Landlord may not seek a deficiency from Tenant under this paragraph if Landlord fails to timely provide the required notice.

E. Special Provisions:

Landlord: Maple Residential Ltd

Tenant: Luisa Obando

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

By: _____

By: _____

By (signature): _____

By (signature): _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

TENANT IMPROVEMENT ADDENDUM

Addendum To Commercial Lease Between The
Undersigned Parties Concerning Leased Premises At

1599 Hicks St. Tomball TX 77375, #2 and #3
(Address of Property)

1. Approval of Plans: Not later than 20 business days after the execution of the lease and receipt of deposit, Tenant will submit [electronic files (PDF or DWG)] to Landlord for review of all plans and specifications detailing the improvements Tenant desires to make to the Leased Premises. The plans must detail all architectural, mechanical, electrical, and plumbing requirements for the improvements and must describe the proposed improvements along with the materials to be used in the Leased Premises.

The plans must be prepared by a licensed professional architect, and/or engineer, in accordance with generally accepted architectural/engineering standards or by another person approved by Landlord. The plans must be sufficient for the issuance of permits and all local, city, state, and national regulatory required approvals. The plans must be sufficient to allow a contractor to construct the improvements. Tenant shall ensure that the plans for and the construction of the improvements comply with the Texas Accessibility Standards issued by the Texas Department of Licensing and Regulation and with the Americans with Disability Act Accessibility Guidelines issued by the U.S. Architectural and Transportation Barriers Compliance Board.

Tenant may not rely upon the Landlord, its agents, contractors, or vendors, as to whether the planned improvements comply with any codes, laws, or ordinances. All approvals are based upon the unique circumstances of each property, or space, and the proposed improvements, and are not precedence for approval of other improvements on other properties or spaces. The Landlord shall provide its comments/approvals to the Tenant within 10 business days.

2. Allowance: The Tenant shall take the leased premises as-is/where-is and Landlord makes no representations or warranties as to the compliance, suitability, and serviceability of any items, components, systems, or devices part of, and related to, the existing improvements. Landlord shall provide Tenant a Tenant Improvement Allowance, which if utilized by Tenant, shall be used to improve to the existing as-is condition of the Leased Premises. The Tenant Improvement Allowance shall be for an amount of \$ 48,614.50. In no event shall the Tenant Improvement Allowance exceed the actual costs incurred by Tenant in the total project and construction of the Leased Premises.

3. Completion: After substantial completion of the Work, tenant shall provide Landlord, and Tenants construction or permanent lender, if any, contact information, from

all parties performing labor or supplying materials or services in connection with the Work showing that all of said parties have been compensated in full and that they release and waive all liens, in connection with the Leased Premises and Building. Tenant shall submit to Landlord a detailed breakdown of Tenant's total construction costs, together with such evidence of payment as is reasonably satisfactory to Landlord. The Tenant Improvement Allowance shall be paid (if an Tenant Improvement Allowance is to be paid) to Tenant within thirty (30) days after Landlord has received, reviewed and accepted, including but not limited to:

- a. Tenants "All Bills Paid" affidavit, such form as may be required by Landlord.
- b. Evidence of regulatory acceptance, such as approval letters, certificate of compliance inspection results, etc.
- c. Contact information from all Contractors, Architects, and Structural, MEP, Civil engineers.
- d. Certificate of Occupancy, or Certificate of Compliance, from the authority having jurisdiction.
- e. Electronic copy of final RECORD drawings (complete) and of all Permits issued.

4. Excess Amounts: If the cost of the Tenant Improvements exceeds Landlord's Allowance, Tenant shall have sole responsibility for the payment of such excess cost. If the cost of the Improvement is less than Landlord's Allowance, Tenant shall not be entitled to any payment or credit for such excess amount. Notwithstanding anything herein to the contrary, Landlord may deduct from Landlord's Allowance any amounts due to Landlord or its architects or engineers under this Lease before disbursing any other portion of Landlord's Allowance.

5. Tenant's Assumption of Liability: Tenant must promptly pay and discharge all costs, expenses, claims for damages, liens, lien claims, and any other liabilities which may arise from or in connection with the construction of the improvements described in this addendum. Tenant agrees to hold Landlord (and all existing tenants in connection with Landlord) harmless from all costs, expenses, damages, liens, lien claims, and any other liabilities, which may arise from or in connection with the construction of the improvements described in this addendum.

6. Entire Agreement: This Addendum contains all of the agreements and understandings relating to the tenant improvement of the Leased Premises and the obligations of Landlord and Tenant in connection with such tenant improvements. Landlord has not made, and Tenant is not relying upon, any warranties, or representations, promises or statements made by Landlord or any agent of Landlord, except as expressly set forth herein.

Landlord: Maple Residential Ltd.

Tenant: Luisa Obando DBA De La Casa Pasta

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



COMMERCIAL LEASE ADDENDUM FOR EXTENSION OF TERM

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ADDENDUM TO THE COMMERCIAL LEASE BETWEEN THE UNDERSIGNED PARTIES CONCERNING THE LEASED PREMISES AT 1599 Hicks St, #2 and #3, Tomball, TX 77375-4279

- A. At Tenant's option, Tenant may extend the term of above-referenced lease for 2 additional term(s) of 60 months each. The first additional term commences upon the expiration of the term stated in the lease and any subsequent additional term commences upon the expiration of the then applicable extended term.
- B. Tenant may exercise Tenant's option(s) to extend under Paragraph A only by providing written notice to Landlord at least 180 days before the end of the then current term of the lease.
- C. Tenant may not exercise Tenant's option(s) to extend under Paragraph A if the lease is terminated before Tenant exercises its option to extend or Tenant is in breach of the lease at the time Tenant exercises its option to extend.
- D. During the additional term(s), all provisions of the lease will continue as in effect immediately before the extension(s) commences except the base monthly rent during the additional term(s) will be:
(Check (1), (2) or (3) only.)

(1)	Dates		Rate per rentable square foot (optional)		Base Monthly Rent \$
	From	To	\$ Monthly Rate	\$ Annual Rate	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	
			/rsf/month	/rsf/year	

- ☒ (2) adjusted to reflect increases in the Consumer Price Index for "All Urban Consumers, U.S. City Average, All Items", issued by the Bureau of Labor Statistics of the U.S. Department of Labor. The adjustment will be determined by multiplying the base monthly rent for the last month of the lease by the following fraction: (i) the numerator will be the published index number for January in the year the additional term commences; and (ii) the denominator will be the published index number for January in the year in which the original lease term commences.
- ☐ (3) the prevailing rental rate on the 45th day before the additional term commences for premises of comparable size, quality, condition, improvements, utility, location, and length of term for tenant's of similar credit standing as Tenant.
- E. If Paragraph D(3) applies and the parties do not agree on the amount of the prevailing rental rate for the additional term before the 30th day before the additional term commences, each party will employ a state-certified appraiser and deliver the appraiser's written opinion of the prevailing rental rate to the other

Addendum for Extension Option concerning **1599 Hicks St, #2 and #3**
Tomball, TX 77375-4279

party not later than the 15th day before the additional term commences. If the appraisers' opinions do not vary by more than 10%, the prevailing rental rate will be the average of the two opinions. If the appraisers' opinions vary by more than 10%, the appraisers will jointly select a third appraiser whose fees will be shared equally by the parties. If a third appraiser is engaged, the prevailing rental rate will be the average of the two opinions that are closest in amount. If either party fails to employ or timely deliver an appraiser's opinion as required by this paragraph, the opinion rendered by the appraiser employed by the other party will determine the prevailing rental rate.

F. Special Provisions:

Tenant right to renew may only be exercised if Tenant is current with all amounts due under the lease and has not been in breach of lease during the previous 36 month prior to exercising option

Landlord: Maple Residential Ltd

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

Tenant: Luisa Obando

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____



COMMERCIAL LANDLORD'S RULES AND REGULATIONS

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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REGARDING THE COMMERCIAL LEASE CONCERNING THE LEASED PREMISES AT 1599 Hicks St, #2 and #3, Tomball, TX 77375-4279

NOTICE: These rules and regulations are adopted to maintain and enhance the safety and appearance of the Property. From time to time Landlord, at its discretion, may amend these rules and regulations for the purposes for which they were adopted. Under the above-referenced lease, Tenant agrees to comply with these rules and regulations as they may be amended. Exceptions or waivers must be authorized by Landlord in writing. "Property" means the building or complex in which the leased premises are located, inclusive of any common areas, drives, parking areas, and walks, and landscaped areas.

- A. Goods, merchandise, equipment, or any personal property may not be stored on the Property, except for inventory within the leased premises necessary for Tenant's normal business operations.
- B. ~~Food is not permitted on the Property, except as inventory for sale and for a small amount of food for Tenant's personal consumption.~~
- C. Other than those provided by Landlord or specifically authorized by Landlord, no vending machines are permitted on the Property.
- D. The Property may not be used for lodging or sleeping quarters in any manner.
- E. Unless authorized by law or the lease, no animals may be brought or kept on the Property.
- F. No obstruction or interference that impedes use of the common areas, walks, drives, loading areas, parking areas, corridors, hallways, vestibules, and stairs is permitted on the Property.
- G. Persons parking on the Property must comply with all posted signs and directions regulating the parking areas.
- H. No flammable, toxic, noxious, or hazardous materials may be kept on the Property except for over-the-counter cleaning materials kept in enclosed storage closets or cabinets.
- I. Tenants moving in or out of the Property must use only the service entrances and service elevators during the move. All moves must be made at times that do not cause inconvenience in the normal use of the Property.
- J. Deliveries and shipping of goods and merchandise in or out of the Property must be made only through the service entrances, service elevators, loading docks, or other designated shipping and receiving areas. Shipments and deliveries must be made at times that do not cause inconvenience to tenants or patrons on the Property.
- K. Leased premises must be kept clean and free of debris. Trash must be deposited into appropriate receptacles. Trash receptacles controlled by Tenant must not be allowed to overflow, attract rodents or vermin, or emit odors.

(TXR-2108) 1-26-10

Initialed for Identification by Landlord: _____, _____, and Tenant: _____, _____

Page 1 of 2

Landlord's Rules and Regulations concerning 1599 Hicks St, #2 and #3, Tomball, TX 77375-4279

- L. Repair requests must be submitted to Landlord in writing in compliance with the lease.
- M. No modification to the Property and leased premises may be made unless authorized by Landlord, in writing, or permitted by the lease.
- N. No illegal or offensive activity is permitted on the Property nor is any activity that constitutes a nuisance or interferes with the rights of other tenants.
- O. Unless specifically authorized by Landlord, no solicitation or business operations are permitted in the common areas.
- P. Other:



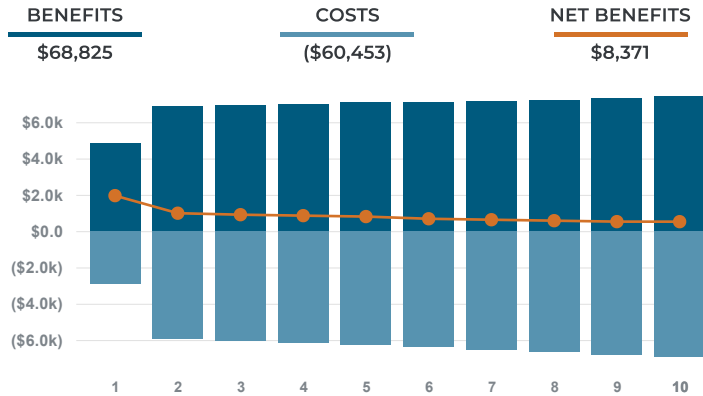
DELLA CASA PASTA

Scenario 2 with Client Data

Business Retention & Expansion

Food

City of Tomball



NET BENEFITS \$8,371

Present Value \$6,825

BENEFITS

Sales Taxes	\$2,417
Real Property Taxes	\$5,475
FF&E Property Taxes	\$3,340
Inventory Property Taxes	\$0
New Residential Property Taxes	\$263
Hotel Occupancy Taxes	\$671
Building Permits and Fees	\$0
Utility Revenue	\$42,978
Utility Franchise Fees	\$2,694
Miscellaneous Taxes and User Fees	\$10,987

Benefits Subtotal \$68,825

COSTS

Cost of Government Services	(\$16,648)
Cost of Utility Services	(\$43,805)

Costs Subtotal (\$60,453)

JOBS



Item 11.

8.8 Total
6.0 Direct
2.8 Spin-off

6.0 New Jobs @ \$27,000

This summary does not include the impact from the company's current activity including:
5.0 Retained Jobs @ \$27,000

SALARIES



\$28,555 Avg
\$27,000 Direct
\$31,861 Spin-off

CAPITAL INVEST.



\$330,000
Buildings + FF&E

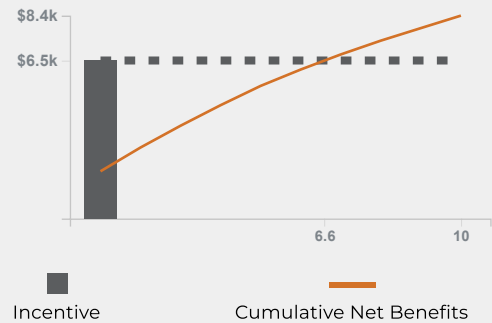
INCENTIVE ANALYSIS

\$6,520
Total Incentive

\$1,087
Per Job

12.8%
Rate of Return

6.6 Yrs
Payback Period



NET BENEFITS OVER 10 YEARS

CITY	\$8,371
COUNTY	\$6,849
SCHOOL DISTRICT	\$10,779
OTHER	\$13,697



AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Della Casa Pasta** (the “Company”), 1599 Hicks Street, Suite 3, Tomball, TX 77375.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to promote local economic development and stimulate business and commercial activity within the City of Tomball (the “City”); and

WHEREAS, the Company proposes to lease a 1,927 square foot existing retail space located at 1599 Hicks Street, Suite 2, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company, currently manufactures fresh pasta products and proposes to expand its business operations by opening additional space at the Property; and

WHEREAS, the Company also proposes to retain four (4) full-time employees and create three (3) full-time jobs in Tomball in conjunction with the new location and improvements to the Property; and

WHEREAS, the TEDC agrees to provide to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Six Thousand Five Hundred and Twenty Dollars (\$6,520.00), to assist in the

construction of the Improvements and the retention of four (4) employees and the addition of the three (3) new employees at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

Except as provided by paragraph 3, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least three (3) years within the City of Tomball.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the three (3) new employees, and obtaining all necessary occupancy permits from the City shall occur within eighteen (18) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Six Thousand Five Hundred Twenty Dollars (\$6,520.00), to fund a portion of the cost of the Improvements and the retention of four (4) employees and the addition of the three (3) new employees on the Property. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Improvements to the Property; (b) proof that the Company has added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; (c) verification from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) verification that the Improvements have been constructed in accordance with the approved plans and specifications; (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released; and, (f) an affidavit from the landlord of the Property stating that all rents have been paid in accordance with the terms of the lease agreement for the first twelve consecutive months of operation.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within thirty (30) days after the TEDC notifies the Company of the

default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds.

6.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

7.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: Della Casa Pasta
1599 Hicks Street, Suite 3
Tomball, TX 77375
Attn: Luisa Obando, CEO/Owner

8.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

9.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

10.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance. This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

11.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2022 (the "Effective Date").

DELLA CASA PASTA

By: _____

Name: Luisa Obando

Title: CEO/Owner

ATTEST:

By: _____

Name: _____

Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: _____

Title: President, Board of Directors

ATTEST:

By: _____

Name: _____

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2022, by Luisa Obando, CEO/Owner of Della Casa Pasta, for and on behalf of said company.

Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §

§

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2022, by _____, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Exhibit "A"

Legal Description of Property

Legal Description: SUITE 3

LT 4 BLK 1 1603 HICK

Property Address: 1599 HICKS STREET, SUITE 3, TOMBALL, TX 77375

Exhibit "B"

Improvements

Interior build out of kitchen prep space and shipping area. To include freezers, bigger cold storage, and other complementary equipment.

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Rehab Garage LLC to make direct incentives to, or expenditures for, the promotion of new or expanded business enterprises associated with the expansion of an office/warehouse facility located at 723 South Cherry Street, Tomball, TX. The estimated amount of expenditures for such Project is an amount not to exceed \$18,639.00.

- Public Hearing

Background:

Rehab Garage LLC was formed in 2014 and has become one of the largest Classic Car Restoration shops in the nation. The company relocated to Tomball in 2017 after purchasing a 5-acre tract with an existing 27,125 square foot facility located at 723 S. Cherry Street.

In April 2022, Rehab Garage began phase one of their expansion plans which included a 7,200 square foot building addition. The Owner and Managing Member, Mr. William Patterson, has submitted a request for grant assistance to help facilitate phase two of the company's expansion plans. The proposed expansion includes a 22,500 square foot office/warehouse facility as well as major drainage and property improvements. The new building will be expanding their business services to include classic and exotic car storage and care.

Rehab Garage, LLC currently has eighteen (18) full-time employees and plans to add an additional eight (8) employees in conjunction with the expansion. The estimated capital investment for this project is \$1,675,000.00.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

An economic impact analysis has been prepared to show the impact of this expansion project on Tomball's economy. Per the analysis, the estimate five-year net benefit to the city is \$62,130.00. The proposed incentive is \$18,639.00, based upon 30% of the five-year net benefit to the community. The anticipated rate of return on the incentive over 5 years is 52.9%.

Origination: Will Patterson, Owner/ Managing Member, Rehab Garage LLC

Recommendation: Staff recommends approval of the proposed Performance Agreement with Rehab Garage LLC

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # _____ To account # _____

Signed _____	Approved by _____
Staff Member-TEDC _____	Executive Director-TEDC _____
Date _____	Date _____

July 7 2022

Tiffani Wooten
Tomball Economic Development Corporation

Re: Request for Funding Assistance

Dear Ms. Wooten

Rehab Garage LLC moved to the City of Tomball back in 2017 with the intention of becoming a major part in the growth of the Tomball community. We feel that our company has been an asset to the growth and development of Tomball and has benefited its economic growth with our businesses being located here in. At this time, we are in phase one of our expansion plans which began in April 2022. This phase which is under construction includes an additional 7,200 square foot building. Phase two is a third building totaling 22,500 square feet as well as major drainage and property improvements.

In order to prepare and facilitate the construction of phase two we are requesting funding assistance from the TEDC. Our new facility's estimated date of completion is July 2023. The location of the building will be beside our original building at 723 S. Cherry St, Tomball. Upon completion the buildings and property will be valued at approximately \$6,000,000.

Rehab Garage LLC is owned and operated by the William Patterson and and Robert McKee.

Our Company has been in existence since 2014 with success and growth increasing steadily throughout the years.

Rehab Garage LLC is one of the largest Classic Car Restoration shops in the nation with clients who come from all over the world. The new buildings will be expanding our business services in to the classic and exotic car storage and care industry.

Rehab Garage LLC would like to request grant funding assistance to expand our business in the City of Tomball. The funding assistance would also include help with drainage, detention, and infrastructure.

We thank you for your time and consideration and we look forward to a bright future in the City of Tomball.

Sincerely,

William Patterson- Managing Member

Scenario 1 with Client Data

Project Type: Business Retention & Expansion
Industry: Manufacturing
Prepared By: Tomball EDC

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Tomball EDC using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Tomball EDC.

This report, generated by the Impact DashBoard application, has been prepared by Tomball EDC to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Tomball EDC made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Tomball EDC and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Existing & Expanded Operations

The Project under analysis represents the expansion of an existing business. The table below illustrates the economic impact over the next 10 years including both the current and expanded operations.

ECONOMIC IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS IN CITY OF TOMBALL			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
JOBS			
Direct	18.0	8.0	26.0
Spin-off	15.5	6.9	22.5
Jobs Total	33.5	14.9	48.5
SALARIES			
Direct	\$9,504,314	\$1,934,436	\$11,438,750
Spin-off	\$7,419,897	\$1,510,190	\$8,930,087
Salaries Total	\$16,924,211	\$3,444,626	\$20,368,837

The table below summarizes the fiscal impact, the net benefits for local taxing districts, over the next 10 years including both the current and expanded operations.

Item 12.

FISCAL IMPACT OF CURRENT & EXPANDED OPERATIONS OVER 10 YEARS			
NET BENEFITS			
	CURRENT OPERATIONS	EXPANSION	CURRENT & EXPANDED OPERATIONS
City of Tomball	\$225,780	\$98,644	\$324,424
Harris County	\$53,972	\$73,750	\$127,722
Tomball ISD	\$202,370	\$72,814	\$275,184
Lone Star Community College	\$17,452	\$22,760	\$40,213
Port of Houston	\$1,412	\$1,841	\$3,253
Harris County Emergency Services District 8	\$15,258	\$19,898	\$35,156
Harris County Hospital District	\$26,261	\$34,248	\$60,509
Harris County Department of Education	\$808	\$1,054	\$1,861
Harris County Flood Control	\$5,422	\$7,071	\$12,493
	\$548,734	\$332,081	\$880,815

The remainder of this report will focus on only the economic and fiscal impact associated with the expansion.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF TOMBALL			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	8.0	6.9	14.9
Annual Salaries/Wages at Full Ops (Yr 2)	\$425,317	\$332,040	\$757,357
Salaries/Wages over 10 Years	\$1,934,436	\$1,510,190	\$3,444,626
Taxable Sales/Purchases in City of Tomball	\$1,220,139	\$18,877	\$1,239,016

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF TOMBALL			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Tomball	0.2	0.2	0.4
New residents in City of Tomball	0.6	0.5	1.0
New residential properties constructed in City of Tomball	0.0	0.0	0.1
New students to attend local school district	0.1	0.1	0.2

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF TOMBALL

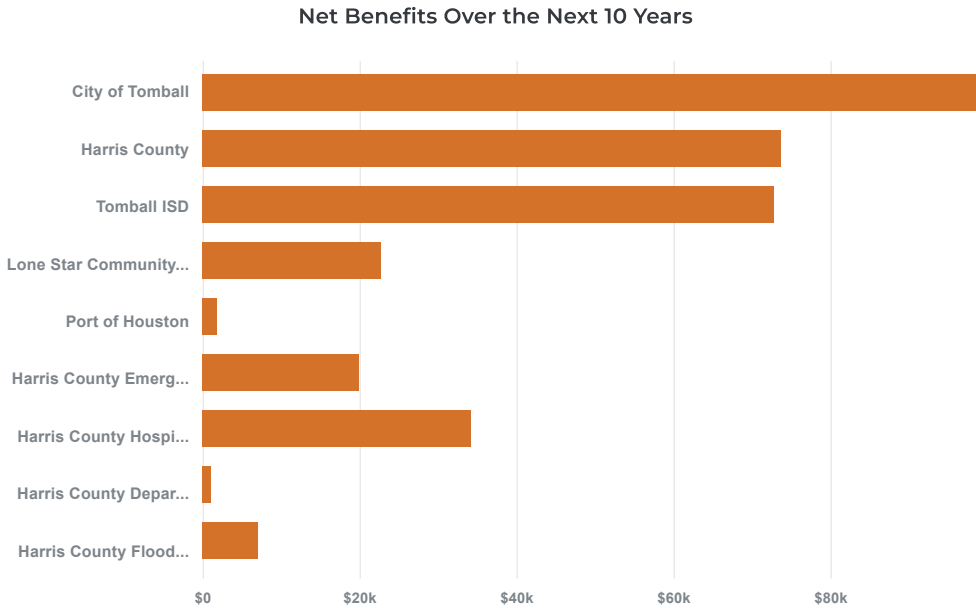
Item 12.

YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$3,196	\$0	\$1,675,000	\$25,000	\$20,000	\$1,720,000	\$1,723,196
2	\$13,039	\$0	\$1,748,500	\$42,500	\$42,000	\$1,833,000	\$1,846,039
3	\$13,300	\$0	\$1,813,470	\$53,000	\$55,000	\$1,921,470	\$1,934,770
4	\$13,566	\$0	\$1,869,739	\$62,000	\$60,000	\$1,991,739	\$2,005,306
5	\$13,838	\$0	\$1,917,134	\$59,500	\$65,000	\$2,041,634	\$2,055,472
6	\$14,114	\$0	\$1,955,477	\$51,500	\$0	\$2,006,977	\$2,021,091
7	\$14,397	\$0	\$1,994,586	\$43,500	\$0	\$2,038,086	\$2,052,483
8	\$14,684	\$0	\$2,034,478	\$35,500	\$0	\$2,069,978	\$2,084,663
9	\$14,978	\$0	\$2,075,168	\$27,500	\$0	\$2,102,668	\$2,117,646
10	\$15,278	\$0	\$2,116,671	\$22,000	\$0	\$2,138,671	\$2,153,949

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Tomball	\$179,268	(\$80,625)	\$98,644	\$78,905
Harris County	\$92,029	(\$18,278)	\$73,750	\$56,852
Tomball ISD	\$260,569	(\$187,754)	\$72,814	\$55,738
Lone Star Community College	\$22,760	\$0	\$22,760	\$17,414
Port of Houston	\$1,841	\$0	\$1,841	\$1,409
Harris County Emergency Services District 8	\$19,898	\$0	\$19,898	\$15,225
Harris County Hospital District	\$34,248	\$0	\$34,248	\$26,204
Harris County Department of Education	\$1,054	\$0	\$1,054	\$806
Harris County Flood Control	\$7,071	\$0	\$7,071	\$5,410
Total	\$618,738	(\$286,657)	\$332,081	\$257,963

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.



A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$18,639	\$18,639
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star Community College	\$0	\$0
Port of Houston	\$0	\$0
Harris County Emergency Services District 8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
Total	\$18,639	\$18,639

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Tomball over the next 10 years of the Project

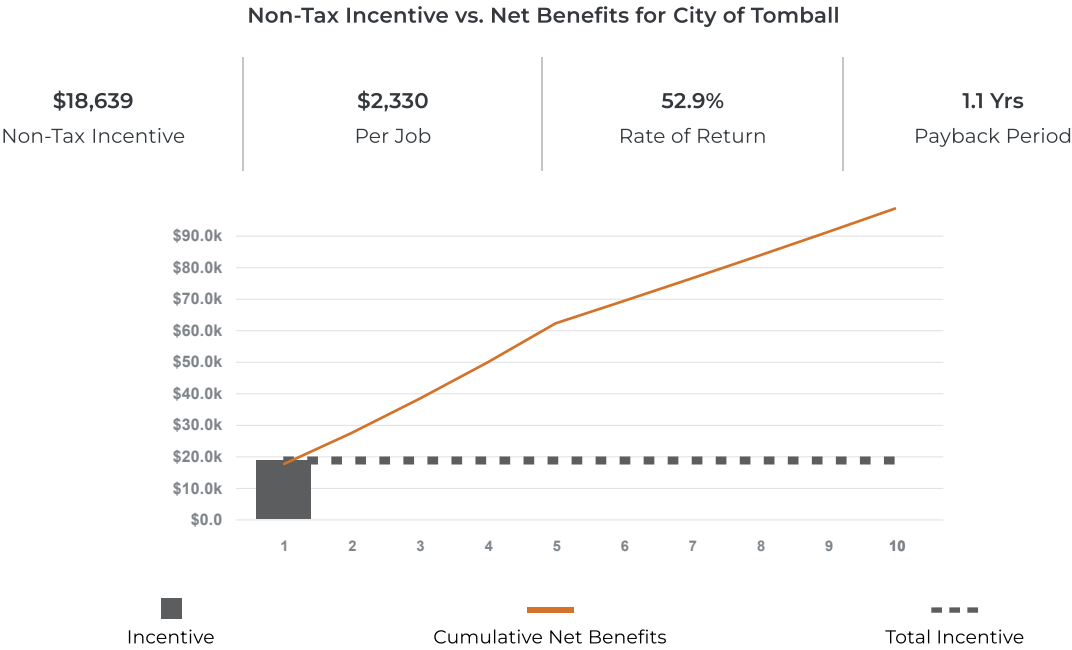
NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$23,919	\$861	\$24,780
Real Property Taxes	\$64,002	\$0	\$64,002
FF&E Property Taxes	\$1,407	\$0	\$1,407
Inventory Property Taxes	\$807	\$0	\$807
New Residential Property Taxes	\$0	\$435	\$435
Hotel Occupancy Taxes	\$12,272	\$0	\$12,272
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$50,754	\$6,566	\$57,320
Utility Franchise Fees	\$3,182	\$411	\$3,593
Miscellaneous Taxes and User Fees	\$12,974	\$1,679	\$14,653
Benefits Subtotal	\$169,317	\$9,952	\$179,268
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$19,665)	(\$2,538)	(\$22,203)
Cost of Utility Services	(\$51,733)	(\$6,689)	(\$58,422)
Costs Subtotal	(\$71,398)	(\$9,226)	(\$80,625)
Net Benefits	\$97,919	\$725	\$98,644

Annual Fiscal Net Benefits for City of Tomball



Non-Tax Incentives

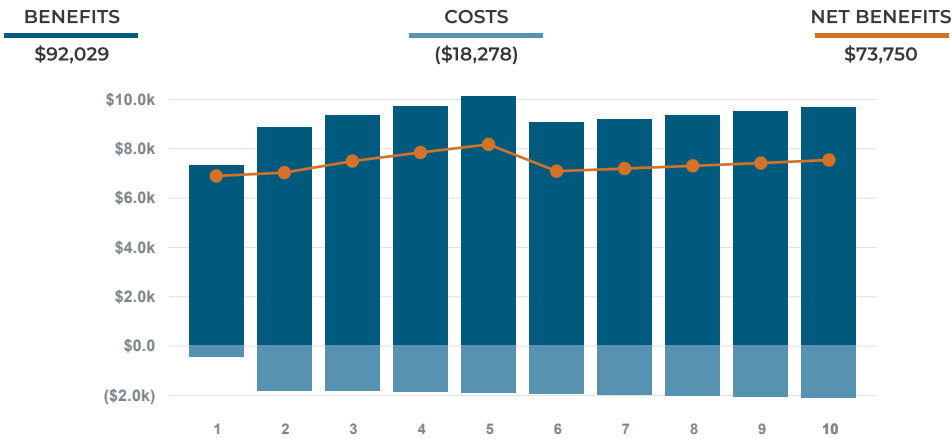
The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to City of Tomball. The intersection indicates the length of time until the incentives are paid back.



The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$72,371	\$0	\$72,371
FF&E Property Taxes	\$1,591	\$0	\$1,591
Inventory Property Taxes	\$912	\$0	\$912
New Residential Property Taxes	\$0	\$4,709	\$4,709
Hotel Occupancy Taxes	\$3,506	\$0	\$3,506
Miscellaneous Taxes and User Fees	\$3,346	\$5,594	\$8,939
Benefits Subtotal	\$81,726	\$10,302	\$92,029
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$6,854)	(\$11,424)	(\$18,278)
Costs Subtotal	(\$6,854)	(\$11,424)	(\$18,278)
Net Benefits	\$74,872	(\$1,122)	\$73,750

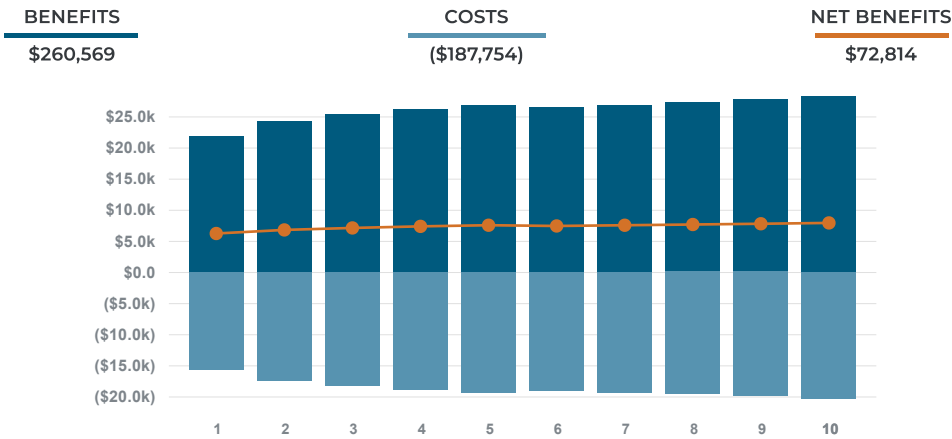
Annual Fiscal Net Benefits for Harris County



The table below displays the estimated additional benefits, costs, and net benefits to be received by Tomball ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: TOMBALL ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$240,003	\$0	\$240,003
FF&E Property Taxes	\$5,275	\$0	\$5,275
Inventory Property Taxes	\$3,025	\$0	\$3,025
New Residential Property Taxes	\$0	\$5,421	\$5,421
Addtl. State & Federal School Funding	\$0	\$6,845	\$6,845
Benefits Subtotal	\$248,303	\$12,266	\$260,569
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$6,088)	(\$6,088)
Reduction in State School Funding	(\$177,785)	(\$3,881)	(\$181,666)
Costs Subtotal	(\$177,785)	(\$9,969)	(\$187,754)
Net Benefits	\$70,518	\$2,296	\$72,814

Annual Fiscal Net Benefits for Tomball ISD



The table below displays the estimated additional benefits, costs, and net benefits to be received by Lone Star Community College over the next 10 year Project.

NET BENEFITS OVER 10 YEARS: LONE STAR COMMUNITY COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$20,698	\$0	\$20,698
FF&E Property Taxes	\$455	\$0	\$455
Inventory Property Taxes	\$261	\$0	\$261
New Residential Property Taxes	\$0	\$1,347	\$1,347
Benefits Subtotal	\$21,414	\$1,347	\$22,760
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$21,414	\$1,347	\$22,760

Annual Fiscal Net Benefits for Lone Star Community College



The table below displays the estimated additional benefits, costs, and net benefits to be received by Port of Houston over the next 10 years of the Project

NET BENEFITS OVER 10 YEARS: PORT OF HOUSTON			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,674	\$0	\$1,674
FF&E Property Taxes	\$37	\$0	\$37
Inventory Property Taxes	\$21	\$0	\$21
New Residential Property Taxes	\$0	\$109	\$109
Benefits Subtotal	\$1,732	\$109	\$1,841
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$1,732	\$109	\$1,841

Annual Fiscal Net Benefits for Port of Houston



Harris County Emergency Services District 8 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Emergency Services District 8 over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY EMERGENCY SERVICES DISTRICT 8			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$18,095	\$0	\$18,095
FF&E Property Taxes	\$398	\$0	\$398
Inventory Property Taxes	\$228	\$0	\$228
New Residential Property Taxes	\$0	\$1,177	\$1,177
Benefits Subtotal	\$18,721	\$1,177	\$19,898
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$18,721	\$1,177	\$19,898

Annual Fiscal Net Benefits for Harris County Emergency Services District 8



The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Hospital District over the next 10 the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY HOSPITAL DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$31,145	\$0	\$31,145
FF&E Property Taxes	\$685	\$0	\$685
Inventory Property Taxes	\$393	\$0	\$393
New Residential Property Taxes	\$0	\$2,026	\$2,026
Benefits Subtotal	\$32,222	\$2,026	\$34,248
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$32,222	\$2,026	\$34,248

Annual Fiscal Net Benefits for Harris County Hospital District



The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Department of Education over the years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY DEPARTMENT OF EDUCATION			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$958	\$0	\$958
FF&E Property Taxes	\$21	\$0	\$21
Inventory Property Taxes	\$12	\$0	\$12
New Residential Property Taxes	\$0	\$62	\$62
Benefits Subtotal	\$991	\$62	\$1,054
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$991	\$62	\$1,054

Annual Fiscal Net Benefits for Harris County Department of Education



The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Flood Control over the next 10 year Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY FLOOD CONTROL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$6,430	\$0	\$6,430
FF&E Property Taxes	\$141	\$0	\$141
Inventory Property Taxes	\$81	\$0	\$81
New Residential Property Taxes	\$0	\$418	\$418
Benefits Subtotal	\$6,653	\$418	\$7,071
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$6,653	\$418	\$7,071

Annual Fiscal Net Benefits for Harris County Flood Control



Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

336390 OTHER MOTOR VEHICLE PARTS MANUFACTURING		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.8638
Earnings Multiplier	(Type II Direct Effect)	1.7807

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

- 1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
- 2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

- 1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
- 2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com

AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to the Development Corporation Act, now Chapter 501 et seq of the Texas Local Government Code, located in Harris County, Texas (the “TEDC”), and **Rehab Garage LLC** (the “Company”), 723 S. Cherry Street, Tomball, Texas 77375.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the “City”), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to expand its current operations on a 4.95-acre tract of land within the City, located at 723 S. Cherry Street, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company plans to expend One Million Six Hundred Seventy-Five Thousand dollars (\$1,675,000.00) to construct a 22,500 square foot office/warehouse facility and make other capital improvements (the “Improvements”) as are necessary; and

WHEREAS, the Company also proposes to maintain the current eighteen (18) jobs at the Property and create eight (8) new employment positions in conjunction with the expansion of its business operations at the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of Eighteen Thousand, Six Hundred Thirty-Nine Dollars (\$18,639.00) to assist in the construction of the Improvements, the retention of Eighteen (18) full-time jobs, and the addition of the eight (8) new full-time jobs at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

WHEREAS, this expenditure is found by the Board of Directors of the TEDC to be required or suitable for the promotion and development of new or expanded business enterprises at the Property; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will construct the Improvements and operate and maintain the proposed business on the property for a term of at least five (5) years, and will for such term, except as provided by paragraph 4 hereof, maintain eighteen (18) employees and create eight (8) new jobs on the Property.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the eight (8) new employees, and obtaining all necessary occupancy permits from the City shall occur within eighteen (18) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company the sum of Eighteen Thousand, Six Hundred Thirty-Nine Dollars (\$18,639.00) to fund a portion of the cost of the Improvements, the retention of eighteen (18) full-time jobs, and the addition of the eight (8) new employees to the Company's business operations on the property. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Improvements to the Property; (b) proof that the Company has retained and added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; (c) verification from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) certification that the Improvements have been constructed in accordance with the approved plans and specifications; and, (e) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released. In the event the number of jobs originally projected is not met, the amount of the funding provided to the

Company by the TEDC will be reduced on a pro rata basis to reflect the actual number of jobs at the time of the request for disbursement of funds.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus ½% per annum, within 120 days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default accompanied by copies of all applicable invoices.

It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

6.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City:	Tomball Economic Development Corporation 401 W. Market Street Tomball, Texas 77375 Attn: President, Board of Directors
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If to Company:	Rehab Garage LLC. 723 S. Cherry Street, Tomball, Texas 77375 Attn: William Patterson, Managing Member
----------------	--

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment or modification only in writing, and by the signatures and mutual consent of the parties hereto.

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2022 (the “Effective Date”).

REHAB GARAGE LLC.

By: _____

Name: William Patterson

Title: Owner/Managing Member

ATTEST:

By: _____

Name: _____

Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: _____

Title: President, Board of Directors

ATTEST:

By: _____

Name: _____

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2022, by William Patterson, Owner/Managing Member of Rehab Garage LLC, for and on behalf of said company.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____ 2022, by _____, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Exhibit A
Legal Description of Property

LT 128 TOMBALL OUTLOTS

Property Address 723 S. Cherry Street, Tomball, TX 77375



4771D37

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

The Tomball Economic Development Corporation will enter into a Workshop Session to discuss the Fiscal Year 2022-2023 Tomball Economic Development Corporation Budget.

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Tomball Economic Development Corporation
2022-2023 Proposed Budget
October 1, 2021 to September 30, 2022

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Year End Projections	FY 2023 Proposed Budget
Beginning Fund Balance	\$ 16,683,138	\$ 21,574,948	\$ 18,579,527	\$ 19,860,898	\$19,817,794	\$ 23,148,575
REVENUE						
Sales Tax	\$ 4,168,199	\$ 4,064,895	\$ 4,408,484	\$ 4,100,000	\$ 4,900,000	\$ 5,100,000
Interest	551,967	426,876	352,381	350,000	370,000	450,000
Grants	5,500	-	16,000	8,000		
Other - Land Sales and Lease Payments	2,596,223	491,055	913,855	-	1,646,930	
Total Revenue	\$ 7,321,889	\$ 4,982,826	\$ 5,690,719	\$ 4,458,000	\$ 6,916,930	\$ 5,550,000
Total Available Resources	\$ 24,005,027	\$ 26,557,774	\$ 24,270,246	\$ 24,318,898	\$ 26,734,724	\$ 28,698,575
EXPENDITURES						
Administrative						
Salary and Benefits						
Salary-Executive Director	\$ 120,685	\$ 128,199	\$ 128,662	\$ 134,533	\$ 134,533	\$ 134,533
Salary-Asst. Director	80,615	85,644	87,291	89,892	89,892	92,662
Benefits-Executive Director	50,206	47,515	52,959	47,340	47,340	49,008
Benefits-Asst. Director	52,031	53,320	56,972	45,972	45,972	49,805
Salary- Coordinator	-	-	-	58,789	58,789	60,615
Benefits- Coordinator	-	-	-	22,077	22,077	22,615
Wages- Admin. Asst.	40,527	42,333	45,246	38,000	38,000	39,209
Wages- Other		-	-	3,000	150	8,300
Benefits- Admin. Asst.	24,281	14,115	19,242	18,529	18,529	36,402
Total Salaries and Benefits	\$ 368,345	\$ 371,126	\$ 390,372	\$ 458,132	\$ 455,282	\$ 493,149
Other Personnel Expenditures						
Auto Allowances	\$ 8,400	\$ 8,400	\$ 8,400	\$ 16,800	\$ 16,800	\$ 16,800
Phone Allowance - Executive Director	768	900	900	900	900	900
Phone Allowance - Assistant Director	768	900	900	900	900	\$ 900
Phone Allowance - Coordinator	-	-	-	-	-	\$ 900
Local Travel Expense	256	135	236	500	150	500
Dues and Subscriptions	7,514	9,482	7,681	10,000	9,000	13,100
Seminar/Conference Registrations	15,224	2,928	10,396	18,000	12,000	18,000
Travel and Training	19,527	11,727	3,440	30,000	16,000	30,000
Total Other Personnel Expense	\$ 52,457	\$ 34,472	\$ 31,953	\$ 77,100	\$ 55,750	\$ 81,100
Service and Supply Expenditures						
Contracted Administrative Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bank Charges & Postage	(344)	1,920	3,017	3,500	2,500	3,500
Insurance	1,743	3,144	8,399	15,000	15,000	18,000
Computer Equipment & Maintenance	2,910	4,249	5,823	5,000	5,000	10,000
Communications Services	3,286	3,639	3,976	5,200	4,300	5,200
Legal Fees	7,333	31,915	31,996	40,000	20,000	40,000
Lease Expense-GTACC	22,842	25,629	24,574	25,000	25,000	25,000
Office Equipment & Supplies	10,752	3,557	(2,321)	10,000	5,500	10,000
Total Service and Supply Expense	\$ 73,522	\$ 99,053	\$ 100,463	\$ 128,700	\$ 102,300	\$ 136,700
Total Administrative Expenditures	\$ 494,324	\$ 504,651	\$ 522,788	\$ 663,932	\$ 613,332	\$ 710,949
Indirect Economic Development Exp.						
Chamber Guide	\$ 8,354	\$ 8,354	\$ 8,354	\$ 8,400	\$ 8,354	\$ 8,400
Area Street Maps	-		3,875	-	-	4,000
Marketing	63,450	90,768	76,150	100,000	100,000	105,000
Economic Impact Model License	4,174	4,299	4,428	4,565	4,565	4,565
Event Sponsorships	6,212	6,000	24,028	29,000	21,560	29,000

Promotional Items	6,574	6,515	1,160	6,500	6,500	6,500
Printing	4,503	6,915	5,404	6,500	6,500	6,500
Website and GIS	14,620	31,899	36,299	20,000	16,100	25,000
Professional Services	136,770	207,560	191,747	500,000	250,000	500,000
Grow Tomball Initiative	-	-	-	-	-	20,000
Miscellaneous	15,555	70,834	78,182	15,000	(32,000)	15,000
Total Indirect Expenditures	\$ 260,212	\$ 433,144	\$ 429,626	\$ 689,965	\$ 381,579	\$ 723,965

City Debt Service

Southside Sewer Plant (1999 CO-2/15/2019)	\$ 188,148	\$ -	\$ -	\$ -		
Utilities Expansion (2002 CO-2/15/2022)	370,000	370,000	370,000	370,000	370,000	-
Business Park Infrastructure (Series 2013)	91,764	533,462	535,663	537,663	537,663	539,463
Medical Complex/Persimmon (Series 2016)	-	222,222	222,222	222,222	222,222	222,222
Total Debt Service	\$ 649,912	\$ 1,125,684	\$ 1,127,885	\$ 1,129,885	\$ 1,129,885	\$ 761,685

Grants, Loans & Other Expenditures

Project Grants	\$ 361,735	\$ 219,848	\$ 210,108	\$ 2,500,000	\$ 609,353	\$ 2,500,000
Sales Tax Reimbursement Grants (380)	52,312	50,139	50,139	55,000	65,000	70,000
Property Acquisition	-	5,062,631	2,043,540	2,500,000	-	500,000
Business Improvement Grants- Current Year	73,559	130,891	62,078	350,000	192,000	350,000
Business Improvement Grants- Prior Year	91,000	139,082	67,000	255,850	325,000	250,000
Old Town Façade Grants- Current Year	-	54,269	-	250,000	90,000	250,000
Old Town Façade Grants- Prior Year	-	-	38,783	200,000	85,000	100,000
Old Town Projects						600,000
South Live Oak Redevelopment	-	-	71,341	4,000,000	-	5,000,000
Business Park Expenses	434,471	248,644	77,781	300,000	95,000	300,000
Total Grants/Loans/Other	\$ 1,013,077	\$ 5,905,504	\$ 2,620,770	\$ 10,410,850	\$ 1,461,353	\$ 9,920,000

Total All Expenditures	\$ 2,417,525	\$ 7,968,983	\$ 4,701,069	\$ 12,894,631	\$ 3,586,149	\$ 12,116,599
Revenues Over (Under) Expenditures	\$ 4,904,364	\$ (2,986,157)	\$ 989,650	\$ (8,436,631)	\$ 3,330,781	\$ (6,566,599)
Other Income/Losses on Investments	\$ 12,554	\$ 9,264	\$ (248,616)	\$ -		\$ -
Ending Fund Balance	\$ 21,574,948	\$ 18,579,527	\$ 19,817,794	\$ 11,424,267	\$ 23,148,575	\$ 16,581,976
Per Audited Financials	\$ 21,649,056	\$ 18,749,898	\$ 19,570,389			
Variance	\$ (74,108)	\$ (170,371)	\$ 247,405			

TEDC Debt Service Schedule

	Series 1999	Series 2002	Series 2013	Series 2016	Annual Payments
2016	\$ 188,148	\$ 370,000	\$ 528,012.50		\$ 1,086,160.50
2017	\$ 188,148	\$ 370,000	\$ 530,912.50		\$ 1,089,060.50
2018	\$ 188,148	\$ 370,000	\$ 533,612.50		\$ 1,091,760.50
2019	\$ 188,148	\$ 370,000	\$ 536,112.50		\$ 1,094,260.50
2020		\$ 370,000	\$ 533,462.50	\$ 222,222	\$ 1,125,684.50
2021		\$ 370,000	\$ 535,662.50	\$ 222,222	\$ 1,127,884.50
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2023			\$ 539,462.50	\$ 222,222	\$ 761,684.50
2024			\$ 546,012.50	\$ 222,222	\$ 768,234.50
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2034				\$ 222,222	\$ 222,222.00
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2036				\$ 222,222	\$ 222,222.00
2037				\$ 222,226	\$ 222,226.00
Total	\$ 752,592	\$ 2,590,000	\$ 9,761,406.25	\$ 4,000,000	\$ 17,103,998.25

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 Business Park Infrastructure (Series 2013)

2020-2022:

Utilities Expansion (2002 CO- 2/15/2022)
 Business Park Infrastructure (Series 2013)
 Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

2023-2033:

Business Park Infrastructure (Series 2013)
 Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

2034-2037:

Series 2016, Medical Complex Drive-Section 4B, Persimmon Street

Tomball Economic Development Corporation

FY 2022-2023 Budget

Account Descriptions

Item 13.

REVENUE

- Sales Tax: Those revenues received from the State of Texas and through the City of Tomball for the \$0.005 portion of the \$0.020 sales tax revenues collected within the City limits of Tomball.
- Interest: Those revenues received from financial institutions for balances on hand and from funds that have been invested.
- Grants: Those revenues received from additional sources such as CenterPoint Energy for support of the Corporation's activities, including the Annual Economic Outlook Event, marketing collateral, and continuing education.
- Other: Those revenues received from the sale or lease of TEDC-owned property.

EXPENDITURES

Administrative:

- Salaries - Administrative: The amount reimbursed to the City of Tomball for the salary paid to the Executive Director, Assistant Director, and Coordinator of the Tomball Economic Development Corporation. This amount includes holiday, vacation, sick, and longevity pay.
- Benefits: The amount reimbursed to the City of Tomball for the benefits paid to, or on behalf of, TEDC staff. This amount includes social security taxes, medicare taxes, employer matched funds to the Texas Municipal Retirement System, health insurance premiums, and worker compensation insurance.
- Wages: Wages for non-exempt (hourly) TEDC employees. Also includes overtime for hours worked during any FLSA-defined workweek, which exceeds 40 hours and are approved in advance by the Executive Director.

Other Personnel Expenditures:

- Auto Allowances: Monthly stipends for the Executive Director and Assistant Director allocated to cover business travel expenses and mileage within a 50-mile radius of Tomball.
- Phone Allowances: Monthly stipends allocated to cover business-related cell phone expenses for eligible TEDC staff.

- Local Travel Expenses: The amount allocated to cover business travel expenses and mileage within a 50-mile radius of Tomball for non-exempt TEDC staff.
- Dues and Subscriptions: Fees charged for memberships and related expenses to professional organizations, subscriptions and software.
- Seminar/Conference Registrations: Fees for the Tomball Economic Development Corporation staff and board members to attend conferences, events, and professional training seminars.
- Travel and Training: The costs associated with attending classes, seminars, events, trade shows and for related travel expenses. This includes hotel rooms where overnight stay is reasonable, the cost of related meals, airfare, and car rental where reasonable, parking and toll fees, and for mileage. Reimbursable mileage for exempt staff is limited to a destination that exceeds a 50-mile radius of the City of Tomball.

Service and Supply Expenditures

- Contracted Administrative Services: The cost of administrative services provided to the Tomball Economic Development Corporation by City of Tomball personnel as indicated in the Administrative Services Agreement entered into between the Tomball Economic Development Corporation and the City of Tomball.
- Bank Charges: The various service charges for maintaining a bank account, including wire transfer fees, safekeeping fees for investments, and actual operating account fees based on the account analysis.
- Insurance: The cost of surety bonding fees and insurance premiums including General Liability, Errors and Omissions, and Property.
- Computer Equipment and Maintenance: The cost of computer equipment and related expenses.
- Communication Services: The cost of telephone service, including land line phone base rate charges, DSL service, and long-distance charges.
- Legal Fees: Expenses incurred for legal services related to document and agreement preparation and obtaining advice and opinions from legal counsel related to Tomball Economic Development Corporation business activities.
- Lease Expense-GTACC: Payment to the Greater Tomball Area Chamber of Commerce for leased office space at 29201 Quinn Road, Suite B, Tomball, Texas.
- Office Equipment & Supplies: The cost of various office supplies, postage, and equipment.

Indirect Economic Development Expenditures:

Item 13.

- Chamber Guide: Expenses related to the TEDC advertisement and publication of a map of the Tomball area in the annual Greater Tomball Area Chamber of Commerce magazine.
- Area Street Maps: The expenses incurred for the production and publication of maps of Tomball and the surrounding area that are issued free of charge to individuals and businesses to promote travel, tourism, and the commercial industry in Tomball.
- Marketing: Expenses related to marketing Tomball to attract business, industry, and visitors, including advertisements in printed and digital publications, information packages, brochures, and related marketing collateral material.
- Economic Impact Model License: The annual licensing fee for the economic impact analysis model utilized by the TEDC to calculate the economic impact of a prospect firm/project and related costs and benefits to the City of Tomball.
- Event Sponsorships: Costs to sponsor/co-sponsor events that foster relationships with businesses, site location consultants, brokers, real estate professionals, regional allies, and others influencing business location and capital investment decisions.
- Promotional Items: The costs associated with TEDC promotional products, giveaways, and event favors.
- Printing: The cost of printing various items including, but not limited to, Notice of Project/Public Hearing, brochures, presentation boards, community profiles, business resource guides, stationary, etc.
- Website and GIS: Costs to maintain the Tomball Economic Development Corporation's website, including web hosting, property database services, analytics platforms, and online GIS software.
- Professional Services: Consulting fees, engineering fees, photography, graphics and design services, and other professional services incurred in expanding the economic base of Tomball.
- Grow Tomball Initiative: Expenses related to developing a Grow Tomball initiative to highlight and promote local businesses, entrepreneurs, and products.
- Miscellaneous: Other expenses including, but not limited to, meals with potential business developers, name plates for Board meetings, post office box fees, etc.

City Debt Service

- Southside Sewer Plant (1999 CO-2/15/2019): Contributions to debt repayment for the wastewater treatment plant built on the south side of Tomball to accommodate expanded industry in the City. Final debt payment was made in 2019.

- Utilities Expansion (2002 CO-2/15/2022): Contributions to debt repayment for the extension of utilities from FM 2920 south on Hufsmith-Kohrville Road to Holderrieth Road, west to SH 249 and north to Theiss Road.
- Business Park (Series 2013): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the Tomball Business and Technology Park Project located at the northwest corner of Hufsmith-Kohrville and Holderrieth Roads.
- Medical Complex/Persimmon (Series 2016): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the extension of Medical Complex Drive Segment 4B and South Persimmon Street from Agg Road/Medical Complex Drive south to the Tomball Business & Technology Park.

Grants, Loans & Other Expenditures

- Project Grants: Grant funds designated by the Tomball Economic Development Corporation's Board of Directors and approved by the Tomball City Council waiting for contract fulfillment in order to be disbursed.
- Sales Tax Reimbursement Grants (380): Sales tax reimbursements made in accordance with economic development incentive agreements approved by the Tomball Economic Development Corporation's Board of Directors and the Tomball City Council.
- Property Acquisition: Costs associated with the acquisition of land for economic development projects.
- Business Improvement Grants- Current Year: Funds allocated to enhance the economic development of the City of Tomball through matching grants for façade or exterior improvements to buildings, sign improvements, landscaping, or other exterior property improvements.
- Business Improvement Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Façade Grants: Funds allocated to enhance the economic development of the City of Tomball through grants to property and business owners seeking to rehabilitate commercial buildings located in the Old Town Tomball area.
- Old Town Façade Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Revitalization Projects: Targeted infrastructure improvements in Old Town Tomball including alleyways, parking, wayfinding, etc.
- South Live Oak Redevelopment: The costs associated with the redevelopment of the South Live Oak Business Park.
- Business Park Expenses: Expenses related to the development and maintenance of the Tomball Business & Technology Park.

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve the Tomball Economic Development Corporation Fiscal Year 2022-2023 Budget.

- Public Hearing

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____	Approved by _____
Staff Member-TEDC _____	Executive Director-TEDC _____
Date _____	Date _____

Tomball Economic Development Corporation
2022-2023 Proposed Budget
October 1, 2021 to September 30, 2022

	FY 2019 Actuals	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Adopted Budget	FY 2022 Year End Projections	FY 2023 Proposed Budget
Beginning Fund Balance	\$ 16,683,138	\$ 21,574,948	\$ 18,579,527	\$ 19,860,898	\$19,817,794	\$ 23,148,575
REVENUE						
Sales Tax	\$ 4,168,199	\$ 4,064,895	\$ 4,408,484	\$ 4,100,000	\$ 4,900,000	\$ 5,100,000
Interest	551,967	426,876	352,381	350,000	370,000	450,000
Grants	5,500	-	16,000	8,000		
Other - Land Sales and Lease Payments	2,596,223	491,055	913,855	-	1,646,930	
Total Revenue	\$ 7,321,889	\$ 4,982,826	\$ 5,690,719	\$ 4,458,000	\$ 6,916,930	\$ 5,550,000
Total Available Resources	\$ 24,005,027	\$ 26,557,774	\$ 24,270,246	\$ 24,318,898	\$ 26,734,724	\$ 28,698,575
EXPENDITURES						
Administrative						
Salary and Benefits						
Salary-Executive Director	\$ 120,685	\$ 128,199	\$ 128,662	\$ 134,533	\$ 134,533	\$ 134,533
Salary-Asst. Director	80,615	85,644	87,291	89,892	89,892	92,662
Benefits-Executive Director	50,206	47,515	52,959	47,340	47,340	49,008
Benefits-Asst. Director	52,031	53,320	56,972	45,972	45,972	49,805
Salary- Coordinator	-	-	-	58,789	58,789	60,615
Benefits- Coordinator	-	-	-	22,077	22,077	22,615
Wages- Admin. Asst.	40,527	42,333	45,246	38,000	38,000	39,209
Wages- Other		-	-	3,000	150	8,300
Benefits- Admin. Asst.	24,281	14,115	19,242	18,529	18,529	36,402
Total Salaries and Benefits	\$ 368,345	\$ 371,126	\$ 390,372	\$ 458,132	\$ 455,282	\$ 493,149
Other Personnel Expenditures						
Auto Allowances	\$ 8,400	\$ 8,400	\$ 8,400	\$ 16,800	\$ 16,800	\$ 16,800
Phone Allowance - Executive Director	768	900	900	900	900	900
Phone Allowance - Assistant Director	768	900	900	900	900	\$ 900
Phone Allowance - Coordinator	-	-	-	-	-	\$ 900
Local Travel Expense	256	135	236	500	150	500
Dues and Subscriptions	7,514	9,482	7,681	10,000	9,000	13,100
Seminar/Conference Registrations	15,224	2,928	10,396	18,000	12,000	18,000
Travel and Training	19,527	11,727	3,440	30,000	16,000	30,000
Total Other Personnel Expense	\$ 52,457	\$ 34,472	\$ 31,953	\$ 77,100	\$ 55,750	\$ 81,100
Service and Supply Expenditures						
Contracted Administrative Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Bank Charges & Postage	(344)	1,920	3,017	3,500	2,500	3,500
Insurance	1,743	3,144	8,399	15,000	15,000	18,000
Computer Equipment & Maintenance	2,910	4,249	5,823	5,000	5,000	10,000
Communications Services	3,286	3,639	3,976	5,200	4,300	5,200
Legal Fees	7,333	31,915	31,996	40,000	20,000	40,000
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Tomball Economic Development Corporation

FY 2022-2023 Budget

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- Dues and Subscriptions: Fees charged for memberships and related expenses to professional organizations, subscriptions and software.
- Seminar/Conference Registrations: Fees for the Tomball Economic Development Corporation staff and board members to attend conferences, events, and professional training seminars.
- Travel and Training: The costs associated with attending classes, seminars, events, trade shows and for related travel expenses. This includes hotel rooms where overnight stay is reasonable, the cost of related meals, airfare, and car rental where reasonable, parking and toll fees, and for mileage. Reimbursable mileage for exempt staff is limited to a destination that exceeds a 50-mile radius of the City of Tomball.

Service and Supply Expenditures

- Contracted Administrative Services: The cost of administrative services provided to the Tomball Economic Development Corporation by City of Tomball personnel as indicated in the Administrative Services Agreement entered into between the Tomball Economic Development Corporation and the City of Tomball.
- Bank Charges: The various service charges for maintaining a bank account, including wire transfer fees, safekeeping fees for investments, and actual operating account fees based on the account analysis.
- Insurance: The cost of surety bonding fees and insurance premiums including General Liability, Errors and Omissions, and Property.
- Computer Equipment and Maintenance: The cost of computer equipment and related expenses.
- Communication Services: The cost of telephone service, including land line phone base rate charges, DSL service, and long-distance charges.
- Legal Fees: Expenses incurred for legal services related to document and agreement preparation and obtaining advice and opinions from legal counsel related to Tomball Economic Development Corporation business activities.
- Lease Expense-GTACC: Payment to the Greater Tomball Area Chamber of Commerce for leased office space at 29201 Quinn Road, Suite B, Tomball, Texas.
- Office Equipment & Supplies: The cost of various office supplies, postage, and equipment.

Indirect Economic Development Expenditures:

Item 14.

- Chamber Guide: Expenses related to the TEDC advertisement and publication of a map of the Tomball area in the annual Greater Tomball Area Chamber of Commerce magazine.
- Area Street Maps: The expenses incurred for the production and publication of maps of Tomball and the surrounding area that are issued free of charge to individuals and businesses to promote travel, tourism, and the commercial industry in Tomball.
- Marketing: Expenses related to marketing Tomball to attract business, industry, and visitors, including advertisements in printed and digital publications, information packages, brochures, and related marketing collateral material.
- Economic Impact Model License: The annual licensing fee for the economic impact analysis model utilized by the TEDC to calculate the economic impact of a prospect firm/project and related costs and benefits to the City of Tomball.
- Event Sponsorships: Costs to sponsor/co-sponsor events that foster relationships with businesses, site location consultants, brokers, real estate professionals, regional allies, and others influencing business location and capital investment decisions.
- Promotional Items: The costs associated with TEDC promotional products, giveaways, and event favors.
- Printing: The cost of printing various items including, but not limited to, Notice of Project/Public Hearing, brochures, presentation boards, community profiles, business resource guides, stationary, etc.
- Website and GIS: Costs to maintain the Tomball Economic Development Corporation's website, including web hosting, property database services, analytics platforms, and online GIS software.
- Professional Services: Consulting fees, engineering fees, photography, graphics and design services, and other professional services incurred in expanding the economic base of Tomball.
- Grow Tomball Initiative: Expenses related to developing a Grow Tomball initiative to highlight and promote local businesses, entrepreneurs, and products.
- Miscellaneous: Other expenses including, but not limited to, meals with potential business developers, name plates for Board meetings, post office box fees, etc.

City Debt Service

- Southside Sewer Plant (1999 CO-2/15/2019): Contributions to debt repayment for the wastewater treatment plant built on the south side of Tomball to accommodate expanded industry in the City. Final debt payment was made in 2019.

- Utilities Expansion (2002 CO-2/15/2022): Contributions to debt repayment for the extension of utilities from FM 2920 south on Hufsmith-Kohrville Road to Holderrieth Road, west to SH 249 and north to Theiss Road.
- Business Park (Series 2013): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the Tomball Business and Technology Park Project located at the northwest corner of Hufsmith-Kohrville and Holderrieth Roads.
- Medical Complex/Persimmon (Series 2016): Contributions to debt repayment for the construction of utilities, roads, drainage facilities, etc. for the extension of Medical Complex Drive Segment 4B and South Persimmon Street from Agg Road/Medical Complex Drive south to the Tomball Business & Technology Park.

Grants, Loans & Other Expenditures

- Project Grants: Grant funds designated by the Tomball Economic Development Corporation's Board of Directors and approved by the Tomball City Council waiting for contract fulfillment in order to be disbursed.
- Sales Tax Reimbursement Grants (380): Sales tax reimbursements made in accordance with economic development incentive agreements approved by the Tomball Economic Development Corporation's Board of Directors and the Tomball City Council.
- Property Acquisition: Costs associated with the acquisition of land for economic development projects.
- Business Improvement Grants- Current Year: Funds allocated to enhance the economic development of the City of Tomball through matching grants for façade or exterior improvements to buildings, sign improvements, landscaping, or other exterior property improvements.
- Business Improvement Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Façade Grants: Funds allocated to enhance the economic development of the City of Tomball through grants to property and business owners seeking to rehabilitate commercial buildings located in the Old Town Tomball area.
- Old Town Façade Grants- Prior Year: Improvement grant funds approved in the prior fiscal year waiting for contract fulfillment in order to be disbursed.
- Old Town Revitalization Projects: Targeted infrastructure improvements in Old Town Tomball including alleyways, parking, wayfinding, etc.
- South Live Oak Redevelopment: The costs associated with the redevelopment of the South Live Oak Business Park.
- Business Park Expenses: Expenses related to the development and maintenance of the Tomball Business & Technology Park.

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
- Section 551.087, - Deliberation regarding Economic Development negotiations.
- Section 551.074, - To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee, to wit: the Executive Director.

Background:

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
 Staff Member-TEDC Date Executive Director-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: July 12, 2022

Topic:

Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to ratify approval of a commercial real estate contract – unimproved property between the Corporation as Seller and Newcor Development, LLC and/or assigns as purchaser and authorize the execution of contracts and documentation by the EDC Executive Director relating to approximately 1.7484 gross acres of land identified as Lot 4-1 of the Tomball Business and Technology Park Lot 9 Replat Subdivision.

Background:

The Tomball Economic Development Corporation has received an offer from Newcor Development, LLC and/or assigns to purchase Lot 4-1 in the Tomball Business and Technology Park. The preliminary site plan shows the construction of an approximately 24,690 square foot tilt-wall office/warehouse building with leasable tenant space.

The attached commercial real estate contract has been reviewed by all parties, including legal counsel, and is presented for approval. The terms of the contract are outlined below:

Total acreage: 1.7484 gross acres

Sales Price: ±\$400,000.00; based on \$5.15 PSF of total area

Earnest Money: \$10,000

Feasibility Period: 60 days from Effective Date

Closing: On or before 30 days after the expiration of the feasibility period

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation: Ratify approval of the commercial real estate contract and authorize the Executive Director to authorize the execution of contracts and documentation between the Corporation as Seller and Newcor Development, LLC and/or assigns as purchaser.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____ Approved by _____
 Staff Member-TEDC Date Executive Director-TEDC Date

For Sale

NWC Quadrant Holderrieth &
Hufsmith-Kohrville
Tomball, TX 77375

Land Sites @ Tomball Business & Technology Park

- ±100 Acre Master Planned/Deed Restricted Business Park
- Light Industrial Zoning
- Low property taxes
- Economic Incentives/tax abatements available
- Easy access to SH 249, FM 2920 and the Grand Parkway
- Competitive land prices
- Surrounded by skilled labor force
- Fully served with all utilities & off-site detention



Project by: **TOMBALL**
ECONOMIC DEVELOPMENT CORP.
tomballtxedc.org

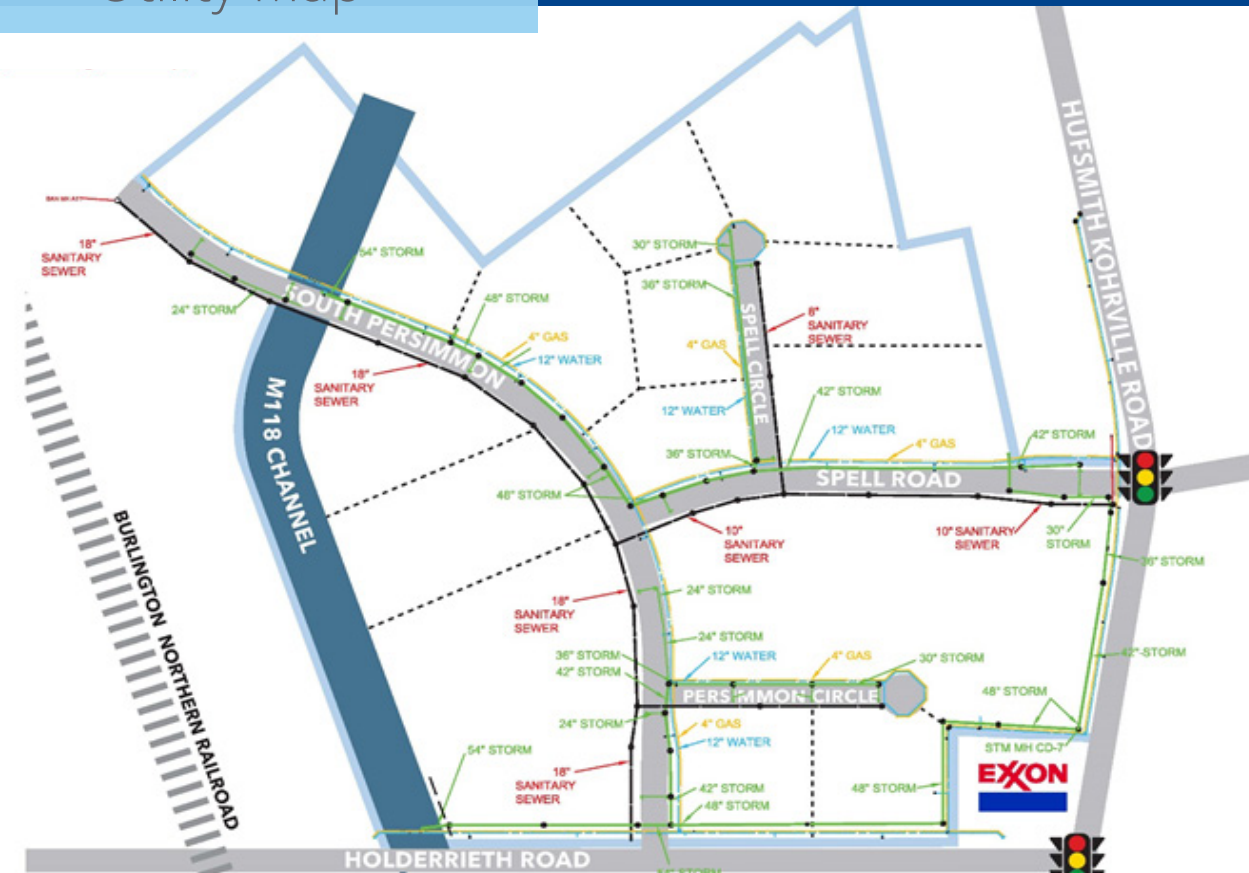
Tom Condon, Jr.
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tom.condon.jr@colliers.com

9950 Woodloch Forest Drive
Suite 1225
The Woodlands, TX 77380
P: +1 713 830 4001
colliers.com





Utility Map



Project Features

- Ranked by Business Facilities as the #10 Best Industrial Parks in the Country in their 17th Annual Rankings Report
- Master Planned/Deed Restricted Business Park
- Off-site detention via M118 Channel
- Light Industrial Zoning
- Fully served with all utilities
- ±20.03 Usable Acres Still Available

Highlights

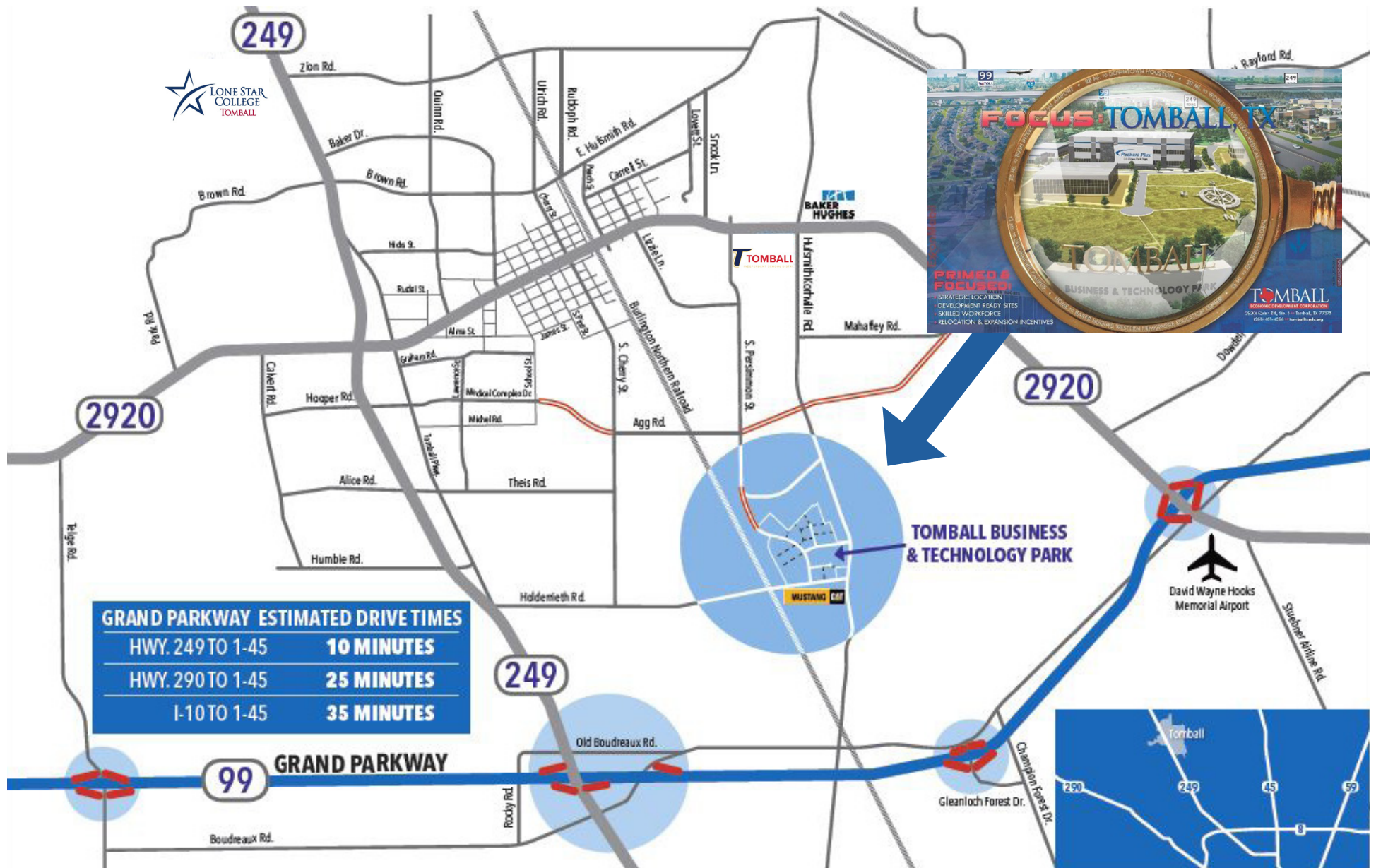
- Tax abatements/Economic incentives available
- Easy access to SH 249, FM 2920 & the Grand Parkway
- Competitive land prices
- Skilled labor force
- Low property taxes
- Foreign Trade Zone #84

Offering

- Pricing subject to lot size, configuration & location. Please inquire with Broker for details.
- Financial Incentives may be available from the TEDC. Click [here](#) for more information.

Location

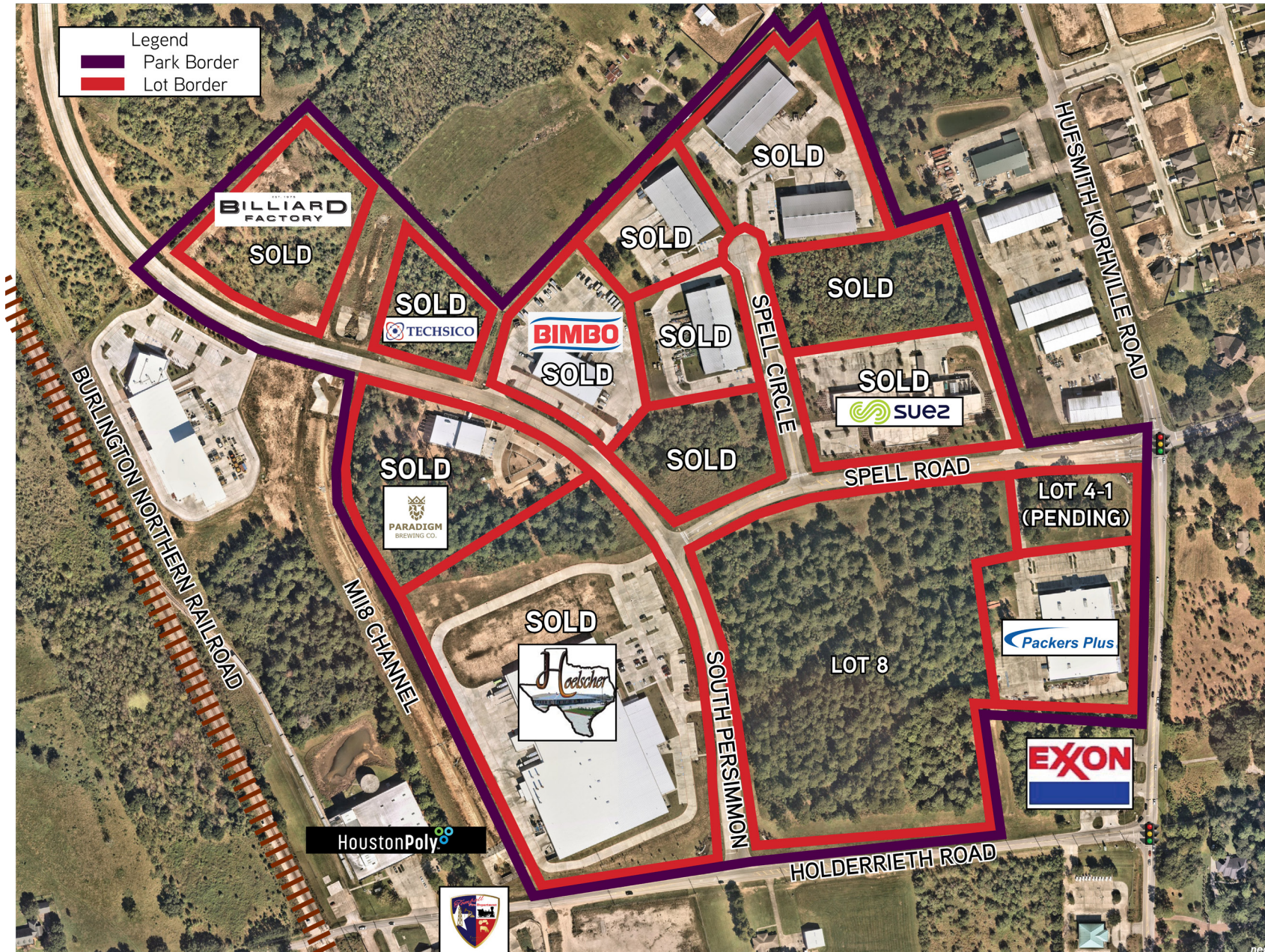
Item 17.



• 2.8 miles from D.W. Hooks Memorial Airport

• 24 miles from Bush Intercontinental Airport

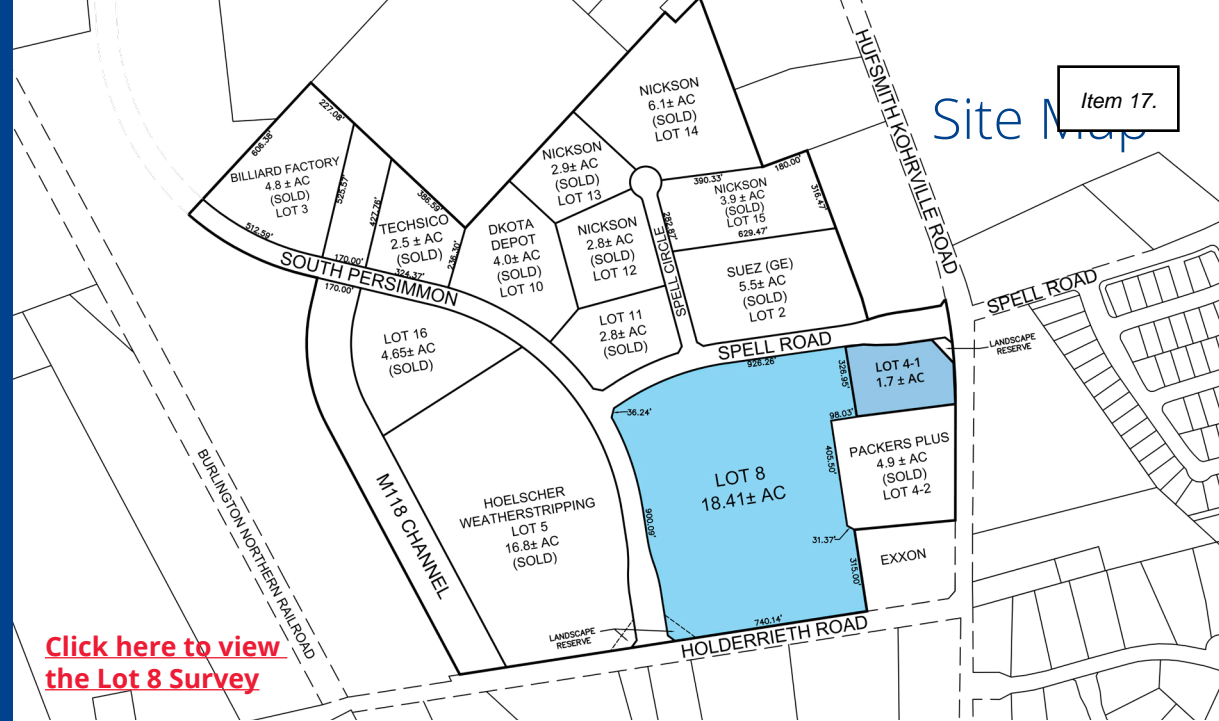
• 42 miles from Port of Houston





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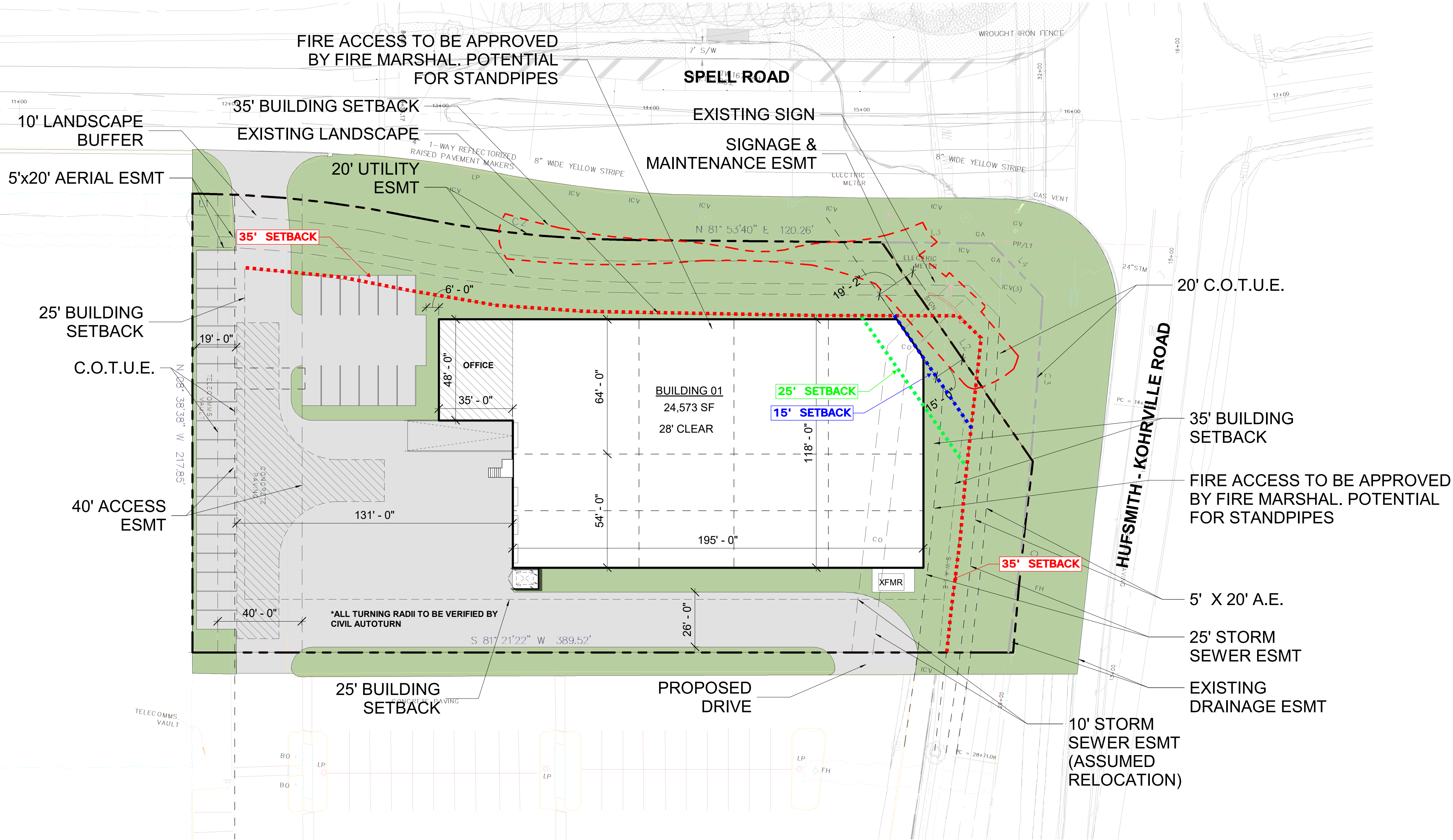


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SITE			BUILDING		SITE COVERAGE		PARKING	
TYPE	AREA	NOTES	TYPE	AREA	TYPE	AREA	TYPE	SPACES
	1.75 acres	SITE	BUILDING 01	24,573 SF	SITE COVERAGE	30.74%	SURFACE PARKING	32

CITY OF TOMBALL PARKING REQUIREMENTS:
OFFICE - 1 SPACE PER 300 SF
WAREHOUSE - 1 SPACE PER 1000 SF

REQUIRED SPACES +/-
OFFICE - 6
WAREHOUSE - 24





COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS®, INC. IS NOT AUTHORIZED.
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: Tomball Economic Development Corporation

Address: P.O. Box 820, Tomball, TX 77377

Phone: (281)401-4086

E-mail: KVioletta@tomballtxedc.org

Fax: (281)351-7223

Other: _____

Buyer: Newcor Development, LLC and/or Assigns

Address: 10655 Six Pines Dr, Suite 160, The Woodlands, TX 77380

Phone: (281)210-0093

E-mail: rob@newcorcre.com

Fax: _____

Other: _____

2. PROPERTY:

- A. "Property" means that real property situated in Harris County, Texas at SWC of Spell Rd & Hufsmith-Kohrville Rd, Tomball, TX (address) and that is ~~legally described on the attached Exhibit~~ or as follows: being approximately 1.7484 acres of land, more or less, described as LOT 4-1 of the Tomball Business And Technology Park Lots 4 And 8 Replat, Tomball, Harris County, Texas and as depicted on the Site Map attached hereto as Exhibit "A" and being incorporated herein.

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(if mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing	\$	<u>400,000.00</u>
(2) Sum of all financing described in Paragraph 4	\$	_____
(3) Sales price (sum of 3A(1) and 3A(2))	\$	<u>400,000.00</u>

(TXR-1802) 09-01-21

Initialed for Identification by Seller

DS
KV

and Buyer

DS
RB

Calliere International, 1233 West Loop South, Suite 900 Houston, TX 77027

Tom Coudon

Phone: 713-222-3111 Fax: 713-436-3118
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Page 1 of 14

LOT4-1 TB&TP

Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd, Tomball, TX

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☐ (1) The sales price will not be adjusted based on a survey.
- ☒ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.
- (a) The sales price is calculated on the basis of \$ 5.15 per:
- ☒ (i) square foot of ☒ total area ☐ net area.
- ☐ (ii) acre of ☐ total area ☐ net area.
- (b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
- ☐ (i) public roadways;
- ☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
- ☐ (iii) _____
- (c) If the sales price is adjusted by more than 5.000 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☒ A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____.
- This contract:
- ☒ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. **Seller Financing:** The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

A. Not later than 3 days after the effective date, Buyer must deposit \$ \$10,000.00 as earnest money with Stewart Title - Tomball (title company) at 14080 FM 2920, Ste E, Tomball, TX 77377 (address) Jane Mathews (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:

- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.

C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

(TXR-1802) 09-01-21

Initialed for Identification by Seller _____

and Buyer _____

Page 2 of 14

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LOT4-1 TB&TP

6. TITLE POLICY AND SURVEY:

LOT4-1 TBMTP

Commercial Contract - Unimproved Property concerning SWC of Spill Rd & Hufsmith-Kohrville Rd, Tomball, TX

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

- A. Present Condition: Buyer accepts the Property in its present condition ~~except that Seller, at Seller's expense, will complete the following before closing:~~

- B. Feasibility Period: Buyer may terminate this contract for any reason within 60 days after the effective date (feasibility period) by providing Seller written notice of termination.

- (1) Independent Consideration. (Check only one box and insert amounts.)

- ☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

- ☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

- (2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional _____ days by depositing additional earnest money in the amount of \$ _____ with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

- (1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(TXR-1802) 09-01-21

Initialed for Identification by Seller

DS
kv

and Buyer

DS
RB

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LOT4-1 TR&TP

Commercial Contract - Unimproved Property concerning SWC of Spall Rd & Hufsmith-Kohrville Rd, Tomball, TX

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or c uses to be completed.

- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

*, to the extent the items are existing and readily available and within Seller's possession and/or control since it took title to the Property.

D. Property Information:

- (1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: (Check all that apply.)

- ☐ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☐ (d) copies property tax statements for the Property for the previous 2 calendar years;
- ☒ (e) plats of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- ☐ (g) _____

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)

- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☒ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. **LEASES: NONE IN EFFECT.**

~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller~~

(TXR-1802) 09-01-21

Initialed for Identification by Seller EV and Buyer RB

Page 5 of 14

Commercial Contract - Unimproved Property concerning SWC of Spill Rd & Hufsmith-Kehrville Rd, Tomball, TX

~~must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:~~

- ~~(1) any failure by Seller to comply with Seller's obligations under the leases;~~
- ~~(2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;~~
- ~~(3) any advance sums paid by a tenant under any lease;~~
- ~~(4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and~~
- ~~(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.~~

~~B. Estoppel Certificates: Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TXR Form 1038 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Colliers International Houston Inc

Agent: Tom Condon, Jr.

Address: 9950 Woodloch Forest Dr, Suite 1225

The Woodlands, TX 77380

Phone & Fax: (713)830-4007 (713)830-4057

E-mail: tom.condon.jr@colliers.com

License No.: 0029114

Cooperating Broker: Newcor Commercial Woodlands, LLC

Agent: Robert Banzhaf

Address: 10655 Six Pines Dr, Suite 160

The Woodlands, TX 77380

Phone & Fax: (281)210-3090

E-mail: rob@newcorcre.com

License No.: 9007284

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☒ (2) ^{Only upon _____ and funding} At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
☒ 3.000 % of the sales price.

Cooperating Broker a total cash fee of:
☒ 3.000 % of the sales price.

The cash fees will be paid in Harris County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

(TXR-1802) 09-01-21

Initialed for Identification by Seller LV and Buyer RB

Page 6 of 14

Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufamith-Kohrville Rd, Tomball, TX

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
- (1) ☒ 30 days after the expiration of the feasibility period.
(specific date).
 - (2) ~~7 days after objections made under Paragraph 6C have been cured or waived.~~
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) ~~an assignment of all leases to or on the Property;~~
 - (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
 - (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
 - (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) ~~sign and send to each tenant in a lease for any part of the Property a written statement that:~~
 - (a) ~~acknowledges Buyer has received and is responsible for the tenant's security deposit; and~~
 - (b) ~~specifies the exact dollar amount of the security deposit;~~
 - (4) ~~sign an assumption of all leases then in effect; and~~
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.
- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

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Commercial Contract - Unimproved Property concerning SWC of Spill Rd & Hufemith-Kohrville Rd, Tomball, TX

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. (If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)
This Contract is subject to the terms and conditions of the Special Provisions Addendum attached hereto and incorporated herein.

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee;
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

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and Buyer

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Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd, Tomball, TX

- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue ~~or~~
(~~Check if applicable~~)
☐ ~~enforce specific performance, or seek such other relief as may be provided by law.~~
- B. If, without fault, Seller is unable within the time allowed to deliver the ~~estoppel certificates~~, survey or the commitment, Buyer may:
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) extend the time for performance up to 15 days ~~and the closing will be extended as necessary.~~
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may ; as Buyer's sole remedy(ies):
(1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
(2) enforce specific performance ~~or seek such other relief as may be provided by law, or both.~~

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
(1) Seller and the sales price will be reduced by the same amount; or
(2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

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Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd. Tomball, TX

- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: (Check only one box.)

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties' addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

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Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd. Tomball, TX

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply.)

- ☒ (1) Property Description Exhibit identified in Paragraph 2;
- ☐ (2) Commercial Contract Financing Addendum (TXR-1931);
- ☐ (3) Commercial Property Condition Statement (TXR-1408);
- ☐ (4) Commercial Contract Addendum for Special Provisions (TXR-1940);
- ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
- ☐ (6) Addendum for Coastal Area Property (TXR-1915);
- ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
- ☒ (8) Information About Brokerage Services (TXR-2501);
- ☐ (9) Information About Mineral Clauses in Contract Forms (TXR-2509);
- ☐ (10) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID); and
- ☒ (11) Special Provisions Addendum

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

E. Buyer ☐ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. **TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. **EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities

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Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd, Tomball, TX

necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.
- J. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller must give Buyer written notice as required by §5.014, Property Code. An addendum containing the required notice shall be attached to this contract.

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on April 5, 2022, the offer will lapse and become null and void.

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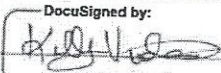
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Commercial Contract - Unimproved Property concerning SWC of Spell Rd & Hufsmith-Kohrville Rd, Tomball, TX

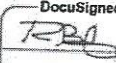
READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Tomball Economic Development Corporation

Buyer: Newcor Development, LLC and/or Assigns

By: 
DocuSigned by:
By (signature):
Printed Name: Kelly Violette
Title: Executive Director

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: 
DocuSigned by:
By (signature):
Printed Name: Robert Banzhaf
Title: Managing Member

By: _____
By (signature): _____
Printed Name: _____
Title: _____

Commercial Contract -Unimproved Property concerning SWC of Spill Rd & Hufsmith-Kohrville Rd, Tomball, TX

AGREEMENT BETWEEN BROKERS

(fee only if Paragraph 0B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____ ☐ % of the sale price, or

☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: Justin Pruitt

Olsen & Olson, L.L.P.

Address: 2727 Allen Parkway, Ste 600

Houston, TX 77019

Phone & Fax: (713)533-3878

(713)533-3886

E-mail: jpruitt@olsonllp.com

Seller's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Seller.
☒ Buyer sends to Seller.

Buyer's attorney: Eric Thiergood

Kean Miller LLP

Address: 1400 Woodloch Forest Dr, Suite 400

The Woodlands, TX 77380

Phone & Fax: 832-509-2459

E-mail: eric.thiergood@keanmiller.com

Buyer's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Buyer.
☒ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

☒ A. the contract on this day April 4, 2022 (effective date);

☐ B. earnest money in the amount of \$ _____ on _____ In the form of _____

Title company: Stewart Title

STEWART TITLE CO.

Address: 14080 FM 2920 #E

TOMBALL, TEXAS 77377

By: JMwra

Phone & Fax: 281-357-8277

Assigned file number (GF#): #1637960

E-mail: Jane.Mathews@stewart.com

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 RB EV

(TXR-1802) 09-01-21

**SPECIAL PROVISIONS ADDENDUM
TO
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY**

This Special Provisions Addendum to Commercial Contract - Unimproved Property ("Addendum") is entered into between **TOMBALL ECONOMIC DEVELOPMENT CORPORATION** ("Seller") and **NEWCOR DEVELOPMENT, LLC** ("Buyer") in order to amend the terms of a Commercial Contract - Unimproved Property contract ("Contract") entered into contemporaneously with the execution of this Addendum with respect to the approximately 1.7484 acres of land described as LOT 4-1 in the Tomball Business and Technology Park (the "Property").

Seller and Buyer agree as follows:

1. Due Diligence Reports. Buyer acknowledges receipt of the following "Due Diligence Reports" prepared by Tolunay-Wong Engineers, Inc.: Phase I Environmental Site Assessment dated September, 2011 (TWE Project No. 11.12.031), Phase II Environmental Site Assessment dated February, 2013 (TWE Project No. 11.12.031-02), Phase II Geologic Fault Study dated January 25, 2013 (TWE Project No. 11.12.031.003), and Geotechnical Study dated April 8, 2013 (TWE Project No. 13.13.007), which Seller represents are all such reports in Seller's possession pertaining to the Property.
2. Commencement of Post-Closing Construction. Buyer shall have eighteen (18) months from closing to Commence Construction of a proposed building. The inclusion of the Site Map as Exhibit "A" to this Contract does not imply approval thereof by any regulatory authority. As used herein, the term "Commence Construction" shall mean that Buyer shall have (i) obtained any and all permits, authorizations, or other approvals required for the building construction, and (ii) actually commenced construction of the building. If Buyer fails to commence construction within the aforementioned timeframe then Buyer shall be in default and Seller shall have the right to repurchase the Property at the same per square foot price as it was acquired by Buyer. The provisions of this Section 2 shall survive Closing.
3. Assignment. Buyer has the right to assign the Contract at any time without the consent of Seller to a related entity in which Buyer has a controlling interest that exceeds 39%, so long as written notice is provided to Seller at least ten (10) days prior to Closing, the new buyer assumes all of the obligations of the Buyer under the terms of this Contract and the original Buyer is not relieved of any obligation under the Contract. Any other assignment requires Seller's prior written approval, which such approval shall not be unreasonably withheld.
4. Right of Access Agreement. Simultaneous with the Effective Date of the Contract, Seller shall provide Buyer with a "Right of Access" Agreement, which upon Buyer's execution of same will allow Buyer and his consultants to perform Due Diligence studies, tests and reports, including the limited clearing of underbrush, on the Property.
5. Signatures. Facsimile, emailed and/or electronic signatures shall be deemed same as originals for purposes of formation hereunder.


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RB KV

wide strip of land that includes an existing 24' wide driveway and its maintenance as outlined therein.

6. Right Of First Refusal Agreement. The sale of the Property contemplated in the Contract and this Addendum is subject to a right of first refusal held by Packers Plus Energy Services (USA), Inc. ("Packers"), as reflected in the Right of First Refusal Agreement entered into between Packers and the Seller on or about March 26, 2021.
7. Signatures. Facsimile, emailed and/or electronic signatures shall be deemed same as originals for purposes of formation hereunder.
8. Terms. Defined and capitalized terms in this Addendum will have the same meaning as in the Contract, unless otherwise indicated.
9. Ratification. Except as amended, the Contract is ratified and affirmed.
10. Merger. All prior oral agreements of the parties are merged into the terms of the Contract and this Addendum.
11. Conflict. In the event of a direct conflict between the terms of this Addendum and the Contract, the terms of this Addendum will control.

BUYER:

**NEWCOR DEVELOPMENT, LLC
CORPORATION**

DocuSigned by:

By: 508EEFC3492C49D
Robert Banzhaf,
Managing Member

SELLER:

TOMBALL ECONOMIC DEVELOPMENT

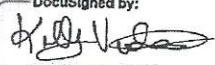
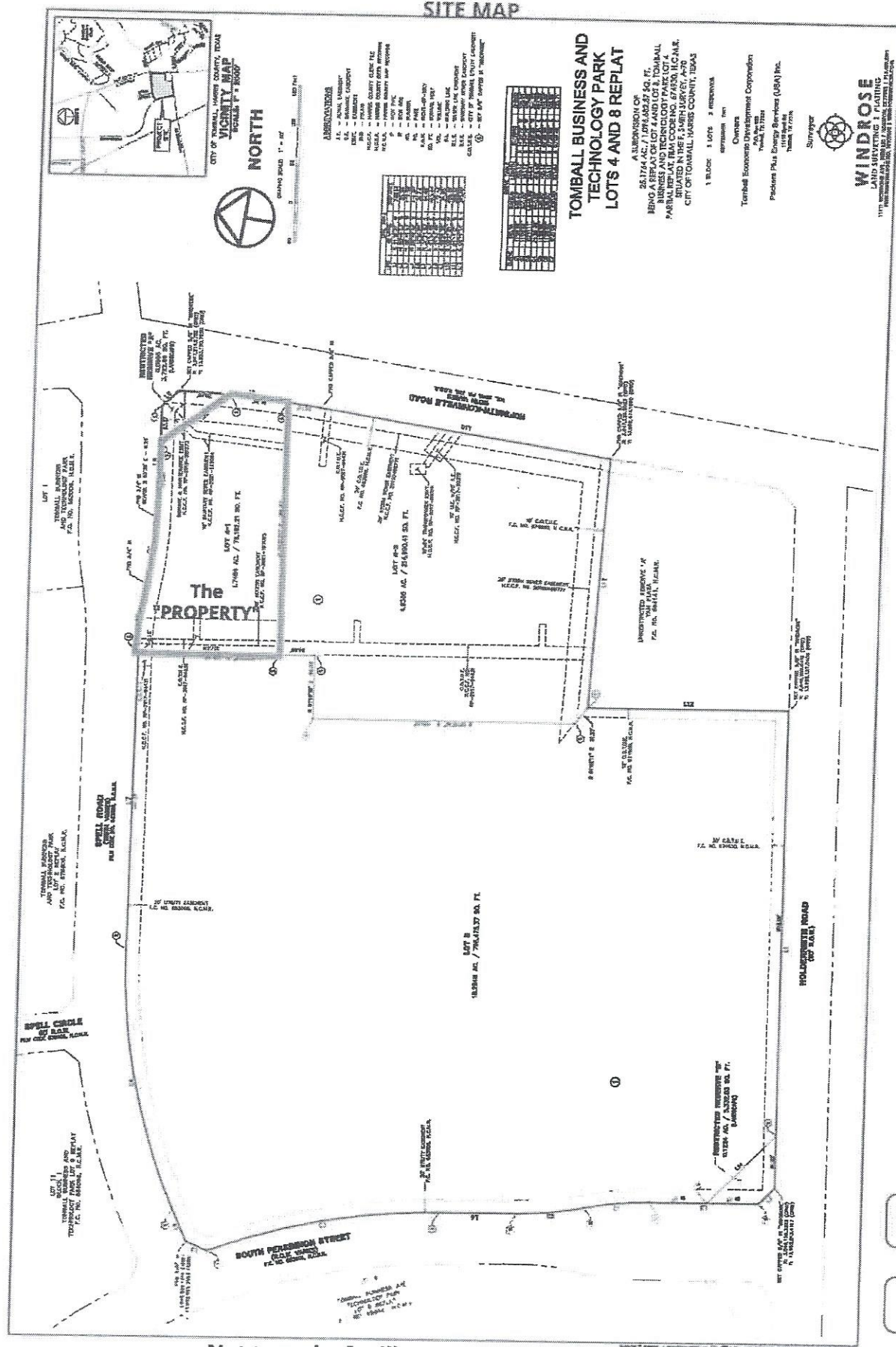
DocuSigned by:

By: 258FEC51BE10C4DB
Kelly Violette,
Executive Director

EXHIBIT "A"
SITE MAP



Not to scale; for illustrative purposes only.



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Colliers International
Houston, Inc.

Licensed Broker/Broker Firm Name or
Primary Assumed Business Name

29114

License No.

houston.info@colliers.com

Email

(713) 222-2111

Phone

Gary Mabray

Designated Broker of Firm

138207

License No.

gary.mabray@colliers.com

Email

(713) 830-2104

Phone

Patrick Duffy, MCR

Licensed Supervisor of Sales Agent/
Associate

604308

License No.

patrick.duffy@colliers.com

Email

(713) 830-2112

Phone

Tom Condon, Jr.

Sales Agent/Associate's Name

419324

License No.

dstom.condon.jr@colliers.com

Email

(713) 830-2407

Phone

Buyer/Tenant/Seller/Landlord Initials

Date



COMMERCIAL CONTRACT AMENDMENT

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AMENDMENT TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED BUYER AND SELLER CONCERNING THE PROPERTY AT

1.7484ACSWCSpell&Hufsmith-Kohrville, Tomball, TX 77375

Effective May 27, 2022, Seller and Buyer amend the contract as follows: (Check all applicable boxes.)

☐ A. Sales Price: The sales price in Paragraph 3 of the contract is changed to:

Cash portion payable by Buyer at closing. \$ _____

Sum of all financing described in the contract. \$ _____

Sales price (sum of cash portion and sum of all financing) \$ _____

☐ B. Property Description: The Property's legal description in Paragraph 2A of the contract is changed to the legal description described on the attached Exhibit _____ or as follows:

☐ C. Repairs: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing:

(TXR-1932) 4-1-18

Initialed for Identification by Seller DS KV and Buyer DS RB

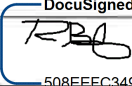
Amendment to Commercial Contract concerning 1.7484ACSWCSPELL&Hufsmith-Kohrville, Tomball, TX 77375

- ☒ D. Extension of Feasibility Period: For nominal consideration, the receipt of which Seller acknowledges, and the consideration described under (1) or (2) below, if any, Buyer's right to terminate under Paragraph 7B of the contract is extended until 11:59 p.m. on July 15, 2022.
- ☐ (1) The independent consideration for Buyer's right to terminate that will be deducted from the earnest money if Buyer terminates the contract under Paragraph 7B(1) is increased to a total amount of \$ _____. (Insert an amount greater than the amount in Paragraph 7B(1) of the contract.)
- ☐ (2) Buyer has paid Seller additional consideration of \$ _____ for the extension. This additional consideration ☐ will ☐ will not be credited to the sales price upon the closing of the sale.
- ☒ E. Closing: The closing date in Paragraph 10A of the contract is changed to July 29, 2022.
- ☐ F. Expenses: At closing Seller will pay the first \$ _____ of Buyer's expenses under Paragraph 13 of the contract.
- ☐ G. Waiver of Right to Terminate: Upon final acceptance of this Amendment, Buyer waives the right to terminate under Paragraph 7B of the contract.
- ☐ H. Counterparts: If this amendment is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- ☒ I. Other Modifications:
Facsimile, electronic or emailed signatures are deemed same as originals for purposes of formation hereunder.

Seller: Tomball Economic Development Corporation

Buyer: Newcor Development LLC

By: _____
 DocuSigned by: 
 By (signature): _____
 Printed Name: Kelly Violette
 Title: Executive Director

By: _____
 DocuSigned by: 
 By (signature): _____
 Printed Name: Robert Banzhaf
 Title: Managing Member

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: July 12, 2022

Topic:

Consideration and possible action by Tomball EDC to approve that one certain commercial real estate contract – unimproved property between the Corporation as Seller and The Urban Group, LLC and/or assigns as purchaser relating to approximately 18.2846 acres of land, identified as Lot 8 of the Tomball Business and Technology Park Lots 4 and 8 Replat Subdivision.

Background:

The Tomball Economic Development Corporation has received an offer from The Urban Group, LLC to purchase Lot 8 in the Tomball Business and Technology Park in order to construct an approximately 256,760 square foot office/warehouse building. This would be a Design-Build project for The Urban Group with the end user being Trophy Windows, a Houston-based manufacturer of vinyl windows for new construction.

The attached commercial real estate contract has been reviewed by all parties, including legal counsel, and is presented for approval. The terms of the contract are outlined below:

Total acreage: 18.2846 gross acres

Sales Price: ±\$3,146,084.00; based on \$3.95PSF of total area (100% of Asking Price)

Earnest Money: \$31,500

Feasibility Period: 60 days from Effective Date

Closing: On or before 30 days after the expiration of the feasibility period

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation: Approval of the commercial real estate contract between the Corporation and The Urban Group, LLC and/or assigns as presented.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

For Sale

NWC Quadrant Holderrieth &
Hufsmith-Kohrville
Tomball, TX 77375

Land Sites @ Tomball Business & Technology Park

- ±100 Acre Master Planned/Deed Restricted Business Park
- Light Industrial Zoning
- Low property taxes
- Economic Incentives/tax abatements available
- Easy access to SH 249, FM 2920 and the Grand Parkway
- Competitive land prices
- Surrounded by skilled labor force
- Fully served with all utilities & off-site detention



Project by: **TOMBALL**
ECONOMIC DEVELOPMENT CORP.
tomballtxedc.org

Tom Condon, Jr.

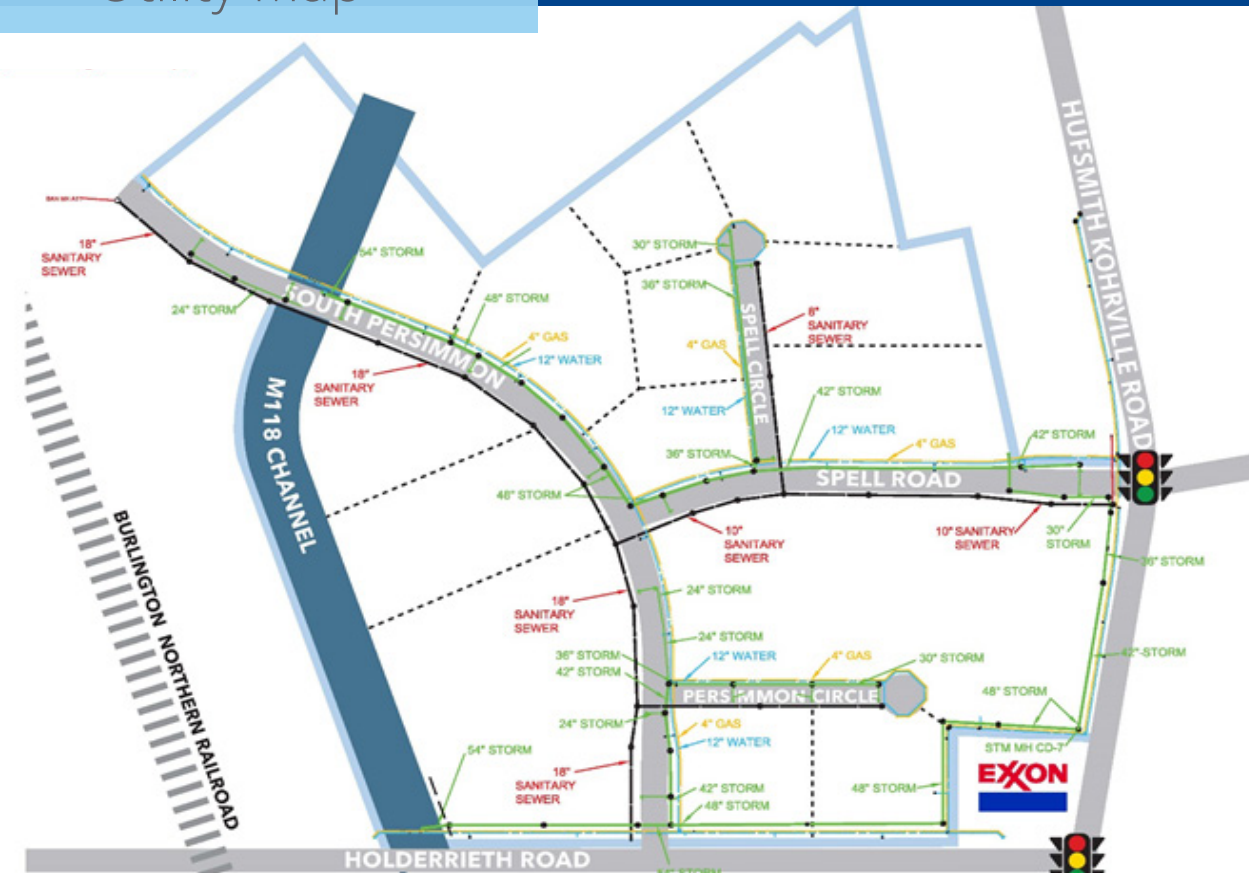
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9950 Woodloch Forest Drive
Suite 1225
The Woodlands, TX 77380
P: +1 713 830 4001
colliers.com





Utility Map



Project Features

- Ranked by Business Facilities as the #10 Best Industrial Parks in the Country in their 17th Annual Rankings Report
- Master Planned/Deed Restricted Business Park
- Off-site detention via M118 Channel
- Light Industrial Zoning
- Fully served with all utilities
- ±20.03 Usable Acres Still Available

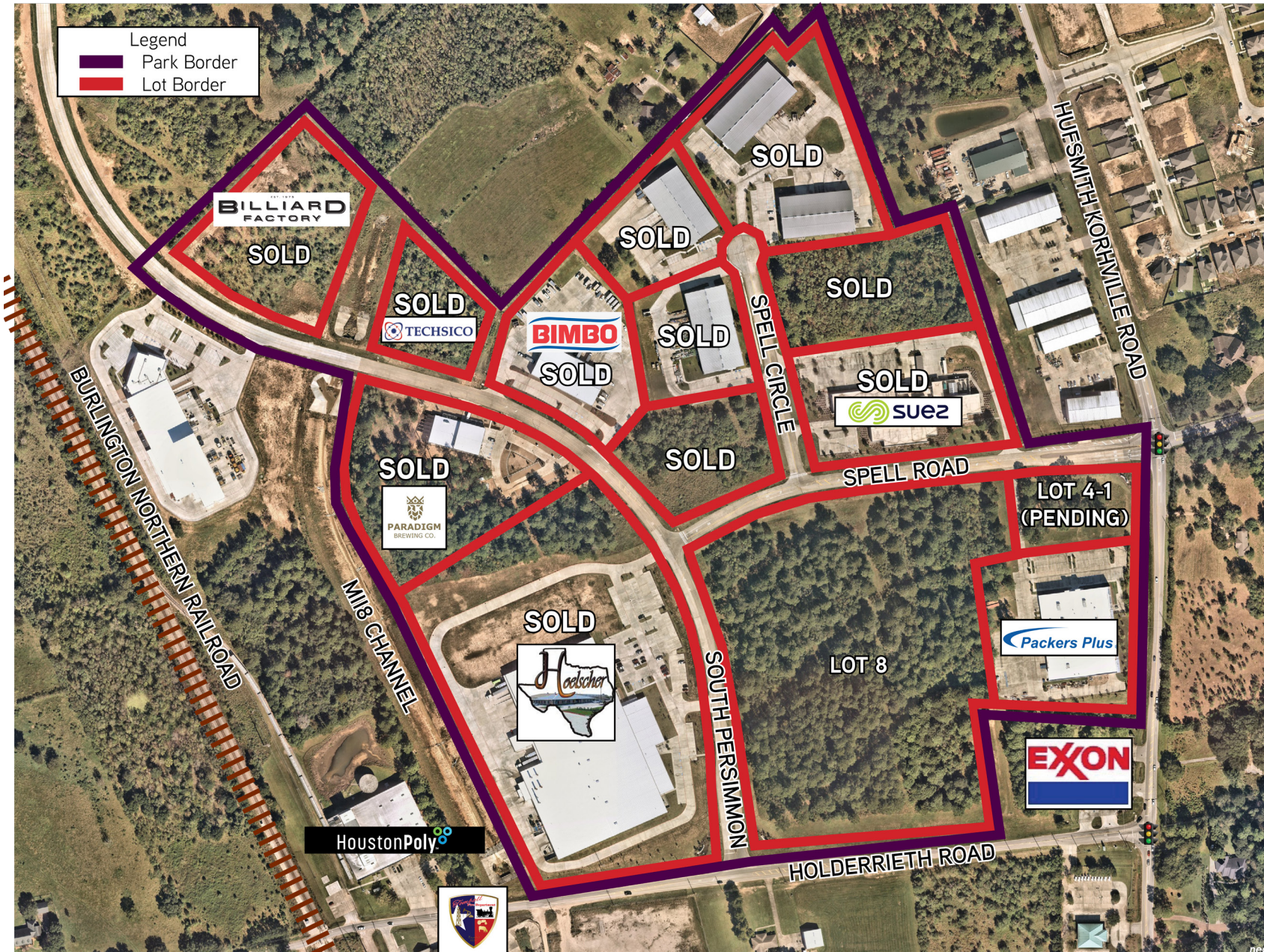
Highlights

- Tax abatements/Economic incentives available
- Easy access to SH 249, FM 2920 & the Grand Parkway
- Competitive land prices
- Skilled labor force
- Low property taxes
- Foreign Trade Zone #84

Offering

- Pricing subject to lot size, configuration & location. Please inquire with Broker for details.
- Financial Incentives may be available from the TEDC. Click [here](#) for more information.

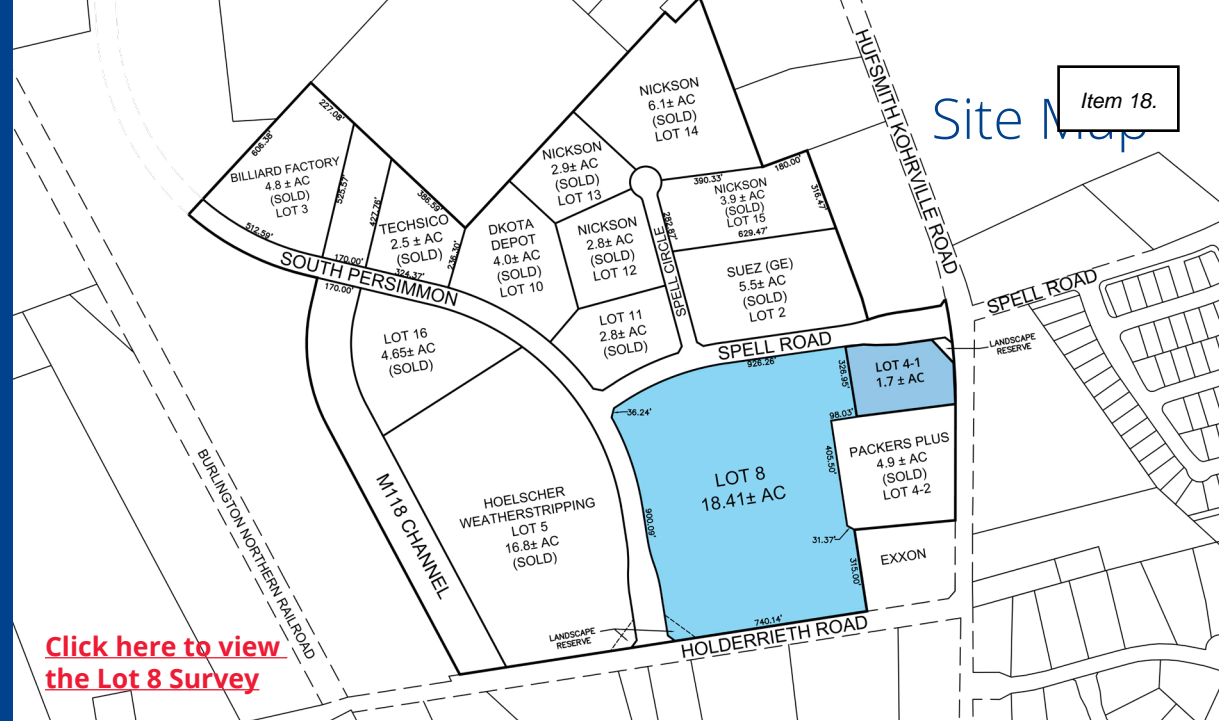






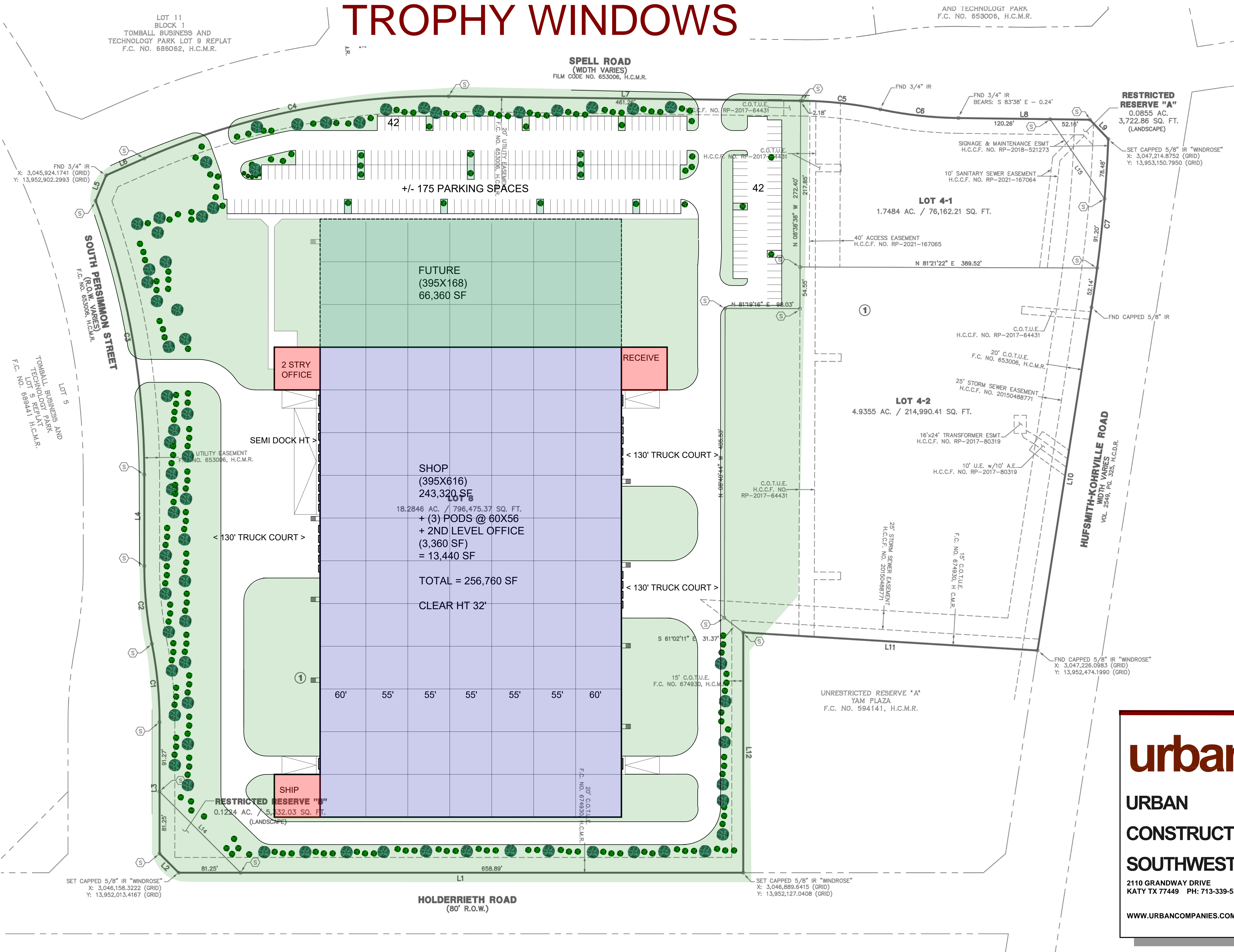
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TROPHY WINDOWS



urban

URBAN
CONSTRUCTION
SOUTHWEST, Inc.

2110 GRANDWAY DRIVE
KATY TX 77449 PH: 713-339-5380

WWW.URBANCOMPANIES.COM

RIGHT OF ACCESS LICENSE AGREEMENT

This Right of Access License Agreement (the "Agreement") is made by and between the Tomball Economic Development Corporation, a State of Texas Type B Development Corporation (the "Owner") and The Urban Group, LLC (the "Buyer"), (with the Owner and the Buyer each being a "Party", and collectively, the "Parties"), with the Parties acting by and through their authorized representatives, and with this Agreement becoming effective as of the date of execution by the Parties (the "Effective Date").

* * * * *

WHEREAS, the Owner owns certain real property described as LOT 8, Tomball Business & Technology Park, Tomball, Texas (the "Property"), with the Property being more specifically described in "Exhibit A" attached to this Agreement, and the Owner intends to sell the Property to the Buyer (the "Sale"); and

WHEREAS, the Buyer and its authorized contractors and agents desire to enter and temporarily remain on a portion of the Property with equipment and personnel for the purposes of performing work and improvements on the Property prior to the completion of the Sale (the "Project"); and

WHEREAS, through the terms and provisions contained in this Agreement, the Owner desires to allow the Buyer to enter and temporarily remain on a portion of the Property to perform the Project.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE PARTIES HEREBY AGREE TO BE BOUND BY THE FOLLOWING:

Section 1. The Owner hereby grants to the Buyer, and the Buyer's designees, a non-exclusive license for the right of entry and the right to temporarily remain on the Property with equipment and personnel for the purposes of performing work related to the Project (the "License").

Section 2. This Agreement shall become effective on the Effective Date and shall remain in full force and effect for one (1) year, unless terminated earlier by the Parties as provided herein (the "Term"). This Agreement may be terminated by either Party at any time without cause, provided that the terminating Party shall provide the other Party with written notice of such intent to terminate at least ninety (90) days prior to the date of termination. The Term may be extended through a written amendment to this Agreement approved by the Parties. If the Sale occurs during the Term, then this Agreement shall automatically terminate.

Section 3. If the Sale does not occur, then to the fullest extent practicable, the Buyer shall restore the Property to the same condition as it existed on the Effective Date.

Section 4. The License is subject to any and all rights, conditions, and restrictions related to and affecting the Property as of the Effective Date. The Owner reserves the right to grant others the privilege to use the Property in a manner not inconsistent with this Agreement, and the Parties specifically agree that this Agreement is not exclusive.

Section 5. TO THE EXTENT AUTHORIZED BY LAW, THE BUYER SHALL INDEMNIFY, DEFEND, AND HOLD THE OWNER HARMLESS FROM AND AGAINST

MJO

ANY CLAIMS, LOSS, COSTS, LEGAL ACTION, LIABILITY, OR EXPENSE ON ACCOUNT OF PERSONAL INJURY TO ANY PERSONS OR DAMAGE TO OR DESTRUCTION OF PROPERTY, RESULTING FROM THE BUYER'S NEGLIGENT EXERCISE OF THE RIGHTS HEREIN GRANTED, BUT ONLY TO THE EXTENT SUCH CLAIMS, COSTS, DAMAGE, INJURY OR EXPENSE ARE CAUSED BY THE NEGLIGENCE OF THE BUYER.

Section 6. Unless an alternate notice provision is agreed to by the Parties, any notice to be given or any documents to be delivered by either Party, shall be delivered in person or mailed by certified mail, return receipt requested, postage prepaid, and addressed to the Buyer or Owner at the following address:

For the Owner:

**Tomball Economic Development Corp.
Attn: Executive Director
29201 Quinn Rd., Suite B
Tomball, TX 77375**

For the Buyer:

**The Urban Group, LLC
Attn: Don Weaver
2110 Grandway Drive
Katy, TX 77449**

Section 7. Either Party may bring a suit or proceeding to enforce or require performance of the terms of this Agreement, and the prevailing Party in such suit or proceeding shall be entitled to recover from the other Party reasonable costs and expenses, including but not limited to attorney's fees.

Section 8. This Agreement is made under and will in all respects be interpreted, enforced, and governed by the laws of the State of Texas, without regard to rules regarding conflicts of laws. Any litigation, suit or other proceeding to enforce or interpret the terms of this Agreement shall be brought in Harris County, Texas.

Section 9. This Agreement contains the entire agreement of the Parties to the subject matter herein.

**THIS AGREEMENT IS HEREBY MADE EFFECTIVE BY THE PARTIES
ON THIS 13TH DAY OF JULY, 2022.**

FOR: THE OWNER

**By: _____
Name: Kelly Violette, Executive Director**


ATTEST:

**By: _____
Name: Tiffani Wooten
Title: Assistant Director**

FOR: THE BUYER

**By: 
Name: Mark J. Overton, Vice President**

ATTEST:

**By: 
Name: Crystal Van
Title: Financial Legal Specialist**



COMMERCIAL CONTRACT - UNIMPROVED PROPERTY

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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: **Tomball Economic Development Corporation**

Address: **P.O. Box 820, Tomball, TX 77377**

Phone: **(281)401-4086**

E-mail: **KViolette@tomballtxedc.org**

Fax: **(281)351-7223**

Other:

Buyer: **The Urban Group, LLC and/or Assigns**

Address: **2110 Grandway Dr, Katy, TX 77449**

Phone: **(303)946-1031**

E-mail: **dweaver@urbancompanies.com**

Fax:

Other:

2. PROPERTY:

- A. "Property" means that real property situated in Harris County, Texas at SEC Spell Rd & S Persimmon St, Tomball, TX 77375

(address) and that is ~~legally described on the attached Exhibit~~ or as follows:
being approximately 18.2846 acres of land, more or less, described as LOT 8 of the Tomball Business And Technology Park Lots 4 and 8 Replat, Tomball, Harris County, Texas and as depicted on the Site Map attached hereto as Exhibit "A" and being incorporated herein.

- B. Seller will sell and convey the Property together with:

- (1) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (2) Seller's interest in all leases, rents, and security deposits for all or part of the Property; and
- (3) Seller's interest in all licenses and permits related to the Property.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

3. SALES PRICE:

- A. At or before closing, Buyer will pay the following sales price for the Property:

(1) Cash portion payable by Buyer at closing \$ 3,146,084.00

(2) Sum of all financing described in Paragraph 4 \$ _____

(3) Sales price (sum of 3A(1) and 3A(2)) \$ 3,146,084.00

(TXR-1802) 09-01-21

Initiated for Identification by Seller _____ and Buyer mjo

Page 1 of 14

Colliers International, 1233 West Loop South, Suite 900 Houston TX 77027
Tara Candas

Phone: 713-222-2111 Fax: 713-850-2118
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LOTS TR&TP

Commercial Contract - Unimproved Property concerning SEC Spill Rd & S Persimmon St, Tomball, TX 77375

B. Adjustment to Sales Price: (Check (1) or (2) only.)

- ☐ (1) The sales price will not be adjusted based on a survey.
☒ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of \$ 3.95 per:

- ☒ (i) square foot of ☒ total area ☐ net area.
☐ (ii) acre of ☐ total area ☐ net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:

- ☐ (i) public roadways;
☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
☐ (iii) _____

(c) If the sales price is adjusted by more than 5.000 % of the stated sales price, either party may terminate this contract by providing written notice to the other party within 10 days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

- ☒ A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____. This contract:
☒ (1) is not contingent upon Buyer obtaining third party financing.
☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TXR-1931).
☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TXR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
☐ C. **Seller Financing:** The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TXR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$31,500.00 as earnest money with Stewart Title - Tomball (title company) at 14080 FM 2920, Ste E, Tomball, TX 77377 (address) Jane Mathews (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
 B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
☐ (ii) _____
 Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
 C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

(TXR-1802) 09-01-21

Initialed for Identification by Seller _____ and Buyer MSD

Page 2 of 14

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LOTS TB&TF

Commercial Contract - U Improved Property concerning SEC Spell Rd & S Persimmon St, Tomball, TX 77375

6. TITLE POLICY AND SURVEY:

A. Title Policy:

- (1) Seller, at Seller's expense, will furnish Buyer a Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
 - (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
 - (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:

☐ (a) will not be amended or deleted from the title policy.

☒ (b) ^{may} will be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within 10 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 10 days after the effective date:

- ☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☒ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/NSPS Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, ☐ Seller ☐ Buyer (updating party), will, at the updating party's expense, obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to the other party and the title company within 20 days after the title company notifies the parties that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for the updating party to deliver an acceptable survey within the time required. The other party will reimburse the updating party _____ (insert amount or percentage) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

- (1) Within 15 days after Buyer receives the last of the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If the commitment or survey is revised or any new document evidencing a title exception is delivered, Buyer may object to any new matter revealed in such revision or new document. Buyer's objection must be made within the same number of days stated in this paragraph, beginning when the revision or new

(TXR-1802) 09-01-21

Initialed for Identification by Seller _____ and Buyer 2950, _____

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LOTS TB&TP

Commercial Contract - U Improved Property concerning SEC Spell Rd & S Persimmon St, Tomball, TX 77375

document is delivered to Buyer. If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer's actual receipt of the survey; or (ii) of the deadline specified in Paragraph 6B.

(2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer's failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition, ~~except that Seller, at Seller's expense, will complete the following before closing:~~

B. Feasibility Period: Buyer may terminate this contract for any reason within 60 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 100.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility Period Extension: ^{Three (3) days} Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional 30 days by depositing additional earnest money in the amount of \$10,000.00 with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

Commercial Contract - U Improved Property concerning SEC Spell Rd & S Persimmon St, Tomball, TX 77375

(2) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

- (3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

*to the extent the items are existing and readily available and within Seller's possession and/or control since it took title to the Property.

D. Property Information:

- (1) Delivery of Property Information: Within 5 days after the effective date, Seller, will deliver to Buyer: (Check all that apply.)

- ☐ (a) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☐ (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☒ (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☐ (d) copies property tax statements for the Property for the previous 2 calendar years;
- ☒ (e) plats of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- ☐ (g) _____

- (2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)

- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☒ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

- E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. **LEASES: NONE IN EFFECT.**

~~A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller~~

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must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

- B. ~~Estoppel Certificates:~~ Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. ~~The estoppel certificates must include the certifications contained in the current version of TXR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Colliers International Houston, Inc.

Cooperating Broker: Jones Land LaSalle Brokerage, Inc.

Agent: Tom Condon, Jr

Agent: David Buescher

Address: 8950 Woodloch Forest Dr, Suite 1225

Address: 4200 Westheimer Rd, Suite 1400

The Woodlands, TX 77380

Houston, TX 77027

Phone & Fax: (713)830-4007 (713)830-4057

Phone & Fax: (713)888-4016

E-mail: tom.condon.jr@colliers.com

E-mail: david.buescher@am.jll.com

License No.: 0029114

License No.: 591725

Principal Broker: (Check only one box)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.
- ☒ (2) ^{Only upon and funding} At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:

☒ 3.000 % of the sales price.

Cooperating Broker a total cash fee of:

☒ 3.000 % of the sales price.

The cash fees will be paid in Harris County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

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NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☒ 30 days after the expiration of the feasibility period.

☐ _____ (specific date).

(2) ~~7 days after objections made under Paragraph 6C have been cured or waived.~~

- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) ~~an assignment of all leases to or on the Property;~~
- (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
- (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
- (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

- E. At closing, Buyer will:

- (1) pay the sales price in good funds acceptable to the title company;
- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) ~~sign and send to each tenant in a lease for any part of the Property a written statement that:~~
 - ~~(a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and~~
 - ~~(b) specifies the exact dollar amount of the security deposit;~~
- (4) ~~sign an assumption of all leases then in effect; and~~
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

- F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

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- 11. POSSESSION:** Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
- 12. SPECIAL PROVISIONS:** The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*
This Contract is subject to the terms and conditions of the Special Provisions Addendum attached hereto and incorporated herein.

13. SALES EXPENSES:

- A. Seller's Expenses:** Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses:** Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee;
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:**
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
 - (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
 - (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes:** If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

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- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue ~~or~~
(Check if applicable)
☐ ~~enforce specific performance, or seek such other relief as may be provided by law.~~
- B. If, without fault, Seller is unable within the time allowed to deliver the ~~estoppel certificates~~, survey or the commitment, Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) extend the time for performance up to 15 days, ~~and the closing will be extended as necessary.~~
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may, as Buyer's sole remedy (ies):
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) ~~enforce specific performance, or seek such other relief as may be provided by law, or both.~~

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or
- B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
- (1) Seller and the sales price will be reduced by the same amount; or
 - (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

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- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TXR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

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22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☒ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Financing Addendum (TXR-1931);
 - ☐ (3) Commercial Property Condition Statement (TXR-1408);
 - ☐ (4) Commercial Contract Addendum for Special Provisions (TXR-1940);
 - ☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (6) Addendum for Coastal Area Property (TXR-1915);
 - ☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916);
 - ☒ (8) Information About Brokerage Services (TXR-2501);
 - ☐ (9) Information About Mineral Clauses in Contract Forms (TXR-2509);
 - ☐ (10) Notice of Obligation to Pay Improvement District Assessment (TXR-1955, PID); and
 - ☒ (11) **Special Provisions Addendum**

(Note: Counsel for Texas REALTORS® has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by Texas REALTORS® are appropriate for use with this form.)

~~E. Buyer ☐ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.~~

23. **TIME:** Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.
24. **EFFECTIVE DATE:** The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities

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necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.

- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TXR-1915) may be used*).
 - E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TXR-1916) may be used*).
 - F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
 - G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
 - H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
 - I. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____
 - J. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district, Seller must give Buyer written notice as required by §5.014, Property Code. An addendum containing the required notice shall be attached to this contract.
- 26. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on July 13, 2022, the offer will lapse and become null and void.

Commercial Contract - U Improved Property concerning SEC Spill Rd & S Persimmon St. Tomball, TX 77375

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT your attorney BEFORE signing.**

Seller: Tomball Economic Development Corporation

Buyer: The Urban Group, LLC and/or Assigns

By: _____

By (signature): _____

Printed Name: Kelly Violette

Title: Executive Director

By: _____

By (signature): _____

Printed Name: Mark J. Overton

Title: Vice President

By: _____

By (signature): _____

Printed Name: _____

Title: _____

By: _____

By (signature): _____

Printed Name: _____

Title: _____

Commercial Contract - Unimproved Property concerning SEC Spall Rd & S Pearlmon St, Tomball, TX 77375

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay _____ (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: Justin Pruitt

Olson & Olson, L.L.P.

Address: 2727 Allen Parkway, Ste 600

Houston, TX 77019

Phone & Fax: (713)533-3878

(713)533-3888

E-mail: jp Pruitt@olsonllp.com

Seller's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Seller.
☒ Buyer sends to Seller.

Buyer's attorney: Mark Overton, Esq.

The Urban Companies

Address: 2110 Grandway Dr

Katy, TX 77449

Phone & Fax: (713)339-5380

E-mail: moverton@urbancompanies.com

Buyer's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Buyer.
☒ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☐ A. the contract on this day _____ (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: _____

Address: _____

By: _____

Phone & Fax: _____

Assigned file number (GF#): _____

E-mail: _____

**SPECIAL PROVISIONS ADDENDUM
TO
COMMERCIAL CONTRACT - UNIMPROVED PROPERTY**

This Special Provisions Addendum to Commercial Contract - Unimproved Property ("Addendum") is entered into between **TOMBALL ECONOMIC DEVELOPMENT CORPORATION** ("Seller") and **THE URBAN GROUP, LLC** ("Buyer") in order to amend the terms of a Commercial Contract - Unimproved Property contract ("Contract") entered into contemporaneously with the execution of this Addendum with respect to the approximately 18.2846 acres of land described as LOT 8 in the Tomball Business and Technology Park (the "Property").

Seller and Buyer agree as follows:

1. Due Diligence Reports. Buyer acknowledges receipt of the following "Due Diligence Reports" prepared by Tolunay-Wong Engineers, Inc.: Phase I Environmental Site Assessment dated September, 2011 (TWE Project No. 11.12.031), Phase II Environmental Site Assessment dated February, 2013 (TWE Project No. 11.12.031-02), Phase II Geologic Fault Study dated January 25, 2013 (TWE Project No. 11.12.031.003), and Geotechnical Study dated April 8, 2013 (TWE Project No. 13.13.007), which Seller represents are all such reports in Seller's possession pertaining to the Property.
2. Commencement of Post-Closing Construction. Buyer shall have eighteen (18) months from closing to Commence Construction of a proposed building. The inclusion of the Site Map as Exhibit "A" to this Contract does not imply approval thereof by any regulatory authority. As used herein, the term "Commence Construction" shall mean that Buyer shall have (i) obtained any and all permits, authorizations, or other approvals required for the building construction, and (ii) actually commenced construction of the building. If Buyer fails to commence construction within the aforementioned timeframe, then Buyer shall be in default and Seller shall have the right to repurchase the Property at the same per square foot price as it was acquired by Buyer. The provisions of this Section 2 shall survive Closing.
3. Assignment. Buyer has the right to assign the Contract at any time without the consent of Seller to a related entity in which Buyer has a controlling interest that exceeds 51%, so long as written notice is provided to Seller at least ten (10) days prior to Closing, the new buyer assumes all of the obligations of the Buyer under the terms of this Contract and the original Buyer is not relieved of any obligation under the Contract. Any other assignment requires Seller's prior written approval, which such approval shall not be unreasonably withheld.
4. Right of Access Agreement. Simultaneous with the Effective Date of the Contract, Seller shall provide Buyer with a "Right of Access" Agreement, which upon Buyer's execution of same will allow Buyer and his consultants to perform Due Diligence studies, tests and reports, including the limited clearing of underbrush, on the Property.
5. Signatures. Facsimile, emailed and/or electronic signatures shall be deemed same as originals for purposes of formation hereunder.

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6. Terms. Defined and capitalized terms in this Addendum will have the same meaning as in the Contract, unless otherwise indicated.
7. Ratification. Except as amended, the Contract is ratified and affirmed.
8. Merger. All prior oral agreements of the parties are merged into the terms of the Contract and this Addendum.
9. Conflict. In the event of a direct conflict between the terms of this Addendum and the Contract, the terms of this Addendum will control.

BUYER:**THE URBAN GROUP, LLC**

By: 
Mark J. Overton
Vice President

SELLER:**TOMBALL ECONOMIC DEVELOPMENT
CORPORATION**

By: _____
Kelly Violette,
Executive Director



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A **BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A **SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Houston, Inc.

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Primary Assumed Business Name

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Buyer/Tenant/Seller/Landlord Initials

Date