NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT CORPORATION MEETING



ECONOMIC DEVELOPMENT CORP.

Tuesday, September 12, 2023 5:30 PM

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, September 12, 2023 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 SEPTEMBER 12, 2023, 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

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: 845 4010 8433 Passcode: 244221. 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. Invocation
- B. Pledges
- C. 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.]

D. Approval of Minutes

1. Regular Tomball EDC Meeting of August 8, 2023

E. New Business

- Consideration and possible action by Tomball EDC to amend the Policy and Guidelines for the Rental Incentive Program.
- 3. Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with The Garza Agency to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 28427 SH 249, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.
 - Public Hearing
- 4. 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.
- Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.
- 6. Consideration and possible action regarding the Tomball Economic Development Corporation (TEDC) Fiscal Year 2023-2024 Budget.
 - Public Hearing

F. Adjournment

CERTIFICATION

September 12, 2023 | Agenda Page 3 of 3

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 8 day of September 2023 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:	September 12, 2023
Topic:			
Regular Tomball EDC Mee	eting of August 8, 2023		
Background:			
Origination: Kelly Violet	te, Executive Director		
Recommendation:			
Approval of the Minutes fo	r the Meeting of August 8, 2023	}	
Party(ies) responsible for	placing this item on agenda:	Kelly Violette	2
FUNDING (IF APPLICAL Are funds specifically designated)	BLE) ated in the current budget for the fu	ll amount required for	this purpose?
Yes: No:	If yes, spec	cify Account Number:	#
If no, funds will be transferred	d from account #	To account	#
Signed	Approved	d by	
Staff Member-TED	C Date	Executive Direct	or-TEDC Date

NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT CORPORATION MEETING



ECONOMIC DEVELOPMENT CORP.

Tuesday, August 08, 2023 5:30 PM

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, August 08, 2023 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 AUGUST 8, 2023, 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

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: 836 9467 2480 Passcode: 437550. 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

President Fagan called the meeting to order at 5:33 p.m.

PRESENT President Gretchen Fagan Secretary Bill Sumner (via Zoom) Member Lisa Covington Member Chad Degges

August 8, 2023 | Minutes

Page 2 of 6

Member Jim Engelke

ABSENT

Treasurer Richard Bruce Member Clete Jaeger

OTHERS PRESENT

Kelly Violette

Tiffani Wooten

Tori Gleason

McKayley Dannelley

Tom Condon

Kyle Bertrand

Ross Winkler

Jessica Rogers

Mark Stoll

Katherine Tapscott

Ki Provencher

Caroline Klein

Colleen Pye

Ali Khan

Maida Guillen

Kaela Olson (via Zoom)

B. Invocation

Board Member Covington 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.]

President Fagan opened public comments at 5:35 p.m

Maida Guillen – HCP4, Commissioner Lesley Briones, 1001 Preston, Suite 950, Houston, Texas 77002 – Introduced herself, what she does for HCP4 and would like to get more involved with City of Tomball.

Public comments were closed at 5:35 p.m.

August 8, 2023 | Minutes

Page 3 of 6

- E. Reports and Announcements
- F. Reports by TEDC Staff:

Tiffani Wooten provided an overview of the following:

- Texas Economic Development Council 2023 Workforce Excellence Award P-TECH Program
- 2. Summer 2023 Quarterly Newsletter
- 3. 2023 Economic Outlook Luncheon Save the Date October 18, 2023 11:00 a.m. 1:00 p.m.
- G. Approval of Minutes

Motion made by Member Covington, Seconded by Member Engelke.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

4. Regular Tomball EDC Meeting of May 9, 2023.

H. New Business

5. Presentation by Katherine Tapscott, Finance Director, regarding the Tomball EDC 2022-2023 Fiscal Year financial statements.

Presentation item only; no Board action required.

7. Consideration and possible action by Tomball EDC to approve a request by GK Hospitality Development LLC., for a one-year extension of time in order to complete the construction of a 6,580 square-foot commercial building and gasoline facility located near the northwest corner of FM 2920 and State Highway 249, Tomball, Texas 77375.

Motion made by Member Degges, Seconded by Member Covington.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

8. 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

August 8, 2023 | Minutes Page 4 of 6

construction of a 41,000 square-foot warehouse facility and make other capital improvements located at 11726 Holderrieth Road, Tomball, Texas 77375.

Motion made by Member Engelke, Seconded by Member Covington

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

9. Presentation by Kelly Violette, Executive Director, regarding Old Town Tomball project updates.

Presentation item only; no Board action required.

10. The Tomball Economic Development Corporation will enter into a Workshop Session to discuss the Fiscal Year 2023-2024 Tomball Economic Development Corporation Budget.

Workshop session only; no Board action required.

- 11. 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.

The Tomball Economic Development Corporation Board of Directors recessed at 6:46 p.m.

12. 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 8:32 p.m.

13. Consideration and possible action by Tomball EDC to approve the Tomball Economic Development Corporation Fiscal Year 2023-2024 Budget.

August 8, 2023 | Minutes Page 5 of 6

Public Hearing

President Fagan opened the public hearing at 8:35 p.m. No comments were received. Public hearing was closed at 8:35 p.m.

Motion made by Member Degges, Seconded by Member Covington.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

14. Consideration and possible action by Tomball EDC to approve out-of-state travel for FY 2023-2024 for TEDC Staff to attend conferences and trainings for professional and business development purposes.

Motion made by Member Covington, Seconded by Member Engelke.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

15. Consideration and possible action by Tomball EDC to approve out-of-state travel for FY 2023-2024 for TEDC Staff to attend conferences and trainings for professional and business development purposes.

Motion made by Member Engelke, Seconded by Member Covington.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

16. Consideration and possible action by Tomball EDC to authorize the Executive Director to negotiate and approve a construction contract for the Tomball Business & Technology Park North Signage and Fencing Project with Texas Wall & Landscape, LLC in an amount not to exceed \$391,000.00.

Motion made by Member Covington, Seconded by Member Engelke.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously.

I. Adjournment

Item 1.

Regular Tomball Economic Development Corporation Meeting

August 8, 2023 | Minutes Page 6 of 6

Motion made by Member Covington, Seconded by Member Engelke.

Voting Yea: President Fagan, Member Degges, Member Covington, Member Engelke

The motion carried unanimously. Meeting adjourned at 7:37 p.m.

CERTIFICATION

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 4th day of AUGUST 2023 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 September 2023.			
President, Tomball EDC Board	Secretary, Tomball EDC Board		

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: September 12, 2023
Topic:
Consideration and possible action by Tomball EDC to amend the Policy and Guidelines for the Rental Incentive Program.
Background:
On February 21, 2012, the TEDC Board of Directors approved the Policy and Guidelines for the New Business Rental Incentive Program. The 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 encourage business growth and expansion by assisting businesses in leasing commercial space. 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.
Under the current Policy and Guidelines, property owners are not eligible to take advantage of the program. However, previous Board discussions have indicated a desire to expand the incentive to new property owners. As such, the proposed amendment to the Policy and Guidelines removes that limitation.
Origination: TEDC
Recommendation: Approval
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 #
C'1
Signed Approved by Staff Member-TEDC Date Executive Director-TEDC Date
Zime i zizimet i zizie zime zime zime zime zime zime z



NEW BUSINESS RENTAL INCENTIVE PROGRAM

POLICY AND GUIDELINES

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. The resulting benefits of the Rental Incentive Program include:

- Reduced vacancy rates
- Increased employment
- Increased number of businesses

Assistance:

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.

Eligibility and Criteria:

- This Program is limited to businesses locating within the corporate city limits of Tomball.
- The proposed lease space may not be occupied by the business, with or without a lease, prior to approval under the Program.
- The program is not available for existing signed leases.
- The lease space must be currently vacant.
- Property owners are not eligible to lease space from themselves, relatives or related business entities.
- The business must be in operation a minimum of 40 hours per week and open to the general public to qualify for the subsidy.
- The business must employ two (2) or more full-time equivalent W-2 employees (may include business owner) whose wages are reported to the state and federal government.
- A minimum 3-year lease with acceptable market or below market monthly lease rate is required.
- The business must be properly licensed and approved by the City of Tomball, as applicable.
- Only for-profit businesses are eligible for assistance.
- Landlord must be current in all municipally applied taxes, utility bills, etc.

- Rental subsidy will not be paid if tenant discontinues the business, moves the business, reduces
 employment to less than two positions, breaks any provisions of the lease agreement, or fails to
 comply with any and all building, fire, health or zoning codes or regulations applicable to the
 business.
- Rent subsidies are paid after the completion of the first full year of operation. Subsidies will not accrue during renovations or construction.
- A business that receives grant funding during a fiscal year shall be prohibited from making subsequent applications for funding in following years.
- The responsibility for all rental payments is between the contracted parties to the lease, the tenant and the landlord. As grantor of the rent subsidy, the TEDC neither bears nor accepts any responsibility for payment of rent at any time, nor penalties incurred for the late arrival of payments by any party.

Selection Criteria:

The Program is intended to attract new businesses that provide a significant and unique enhancement to the area to which it is locating. Applicants for rental subsidies will be evaluated by the Tomball Economic Development Corporation Board of Directors on the following criteria:

- Degree to which the business provides an economic and added value
- Qualifications and track records of business owners or managers
- Potential for long-term viability
- Acceptable demonstration of financial need
- Hours of operation
- Extent of customer base
- Investment of business owner
- · Jobs created
- Availability of funds
- · Sector of market served
- Square footage of retail space

Application Requirements:

- Completed application
- Copy of Proposed Lease*
- Copy of Proof of Ownership from Property Owner/Landlord

All requests for rental assistance must be accompanied by a Proposed Lease agreement that defines the landlord-tenant relationship and includes the following:

- a description of the space being rented;
- utilities included and not included;
- rental rate and deposits required, along with terms of lease and methodology for rent increases;
- responsibility for interior and exterior repairs and/or improvements;
- insurance requirements;
- abilities to terminate, and;
- consequences of default.

*Executed leases and space occupied by a business intending to make application do not qualify for the Program.

Incentive Disbursement:

Rent subsidies are paid after the completion of the first full year of operation. Subsidies will not accrue during renovations or construction. The TEDC will distribute grant funds to the business within thirty (30) days of receipt of a letter from the business requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the property; (b) proof that the business has maintained the minimum number of employees 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 permits, plats, plans, and specifications have been received, reviewed, and approved; (d) verification that any 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 any 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.

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: September 12, 2023

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with The Garza Agency to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 28427 SH 249, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00

Public Hearing

Background:

The Tomball Economic Development Corporation has received a request from Gabriel Garza, President of The Garza Agency, for funding assistance through the TEDC's Rental Incentive Program for an insurance and financial services firm.

The Garza Agency was established in 1996 and specializes in insurance and financial services to the public under the Farmers Insurance organization.

The proposed location is an 1800 square foot lease space located at 28427 SH 249.

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 three-year lease commitment with a monthly rent amount of \$6,495.06. The proposed grant amount is \$10,000.00 payable after the first year of operation based on landlord verification of rents paid and meeting the performance agreement criteria.

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.

Origination: Gabriel Garza, President, The Garza Agency

Recommendation: Staff recommends approval of the proposed Performance Agreement with The Garza Agency.

Party(ies) responsible for placing this item on agenda:			agenda:	Kelly Violette	
FUNDI	I NG (IF APPLICABLE)				
	` '	the current budg	get for the full am	ount required for this purpose?	
Yes: X	X No:		If yes, specify A	Account Number: #Project Gra	ints
If no, fu	nds will be transferred from	account #		To account #	
Signad			Approved by		
Signed			Approved by		
	Staff Member-TEDC	Date		Executive Director-TEDC	Date



Date: August 25, 2023

Tiffani Wooten
Tomball Economic Development

The Garza Agency is a Texas-based company founded in 1996 offering insurance and financial services to the public under the Farmers Insurance organization. Our offices have been centered around the northwest side of Houston for 23 years. We have chosen to open our second location in Tomball due to the expansive growth already taking place and projected to continue.

We are funding the move through our current operations and are requesting assistance from Tomball EDC's Business Rental Incentive Program as a means to allow us to expand our Tomball operations and staff quickly.

The rental incentive program will be very beneficial for us by helping us recoup some of our out of pocket expenses associated with leasing a space, moving to a new location, and marketing to help us expand our business to the City of Tomball and surrounding areas.

Thank you for your consideration,

Gabriel C. Garza

Gabriel Garza President

Item 3.



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: The Garza Agency
Current Business Physical Address: 4600 HWY 6 N. Ste. 103
City, State & Zip Houston, Texas 77084
Mailing Address: Same
City, State & Zip
City, State & Zip Business Phone: 281-656-8340
Business Website: www.thegarzaagency.com
Business Owner Name: Gabriel Garza
Applicant's Name (if different):
Position /Title: Owner
Phone and Email: 281-656-8340 gabriel@thegarzaagency.com
Nature of Business: Insurance and Financial Services
NAICS Code: 524126
Legal Form of Business:
□ Sole Proprietor Days and Hours of Operation □ Partnership Number of Partners Days Open: M-F
Corporation Limited Liability Corp Hours Open: 9-5:30
□ Other

Business Start/Opening Date 9/2006

Employees				
Full Time Employees (40 hours per week): 13				
Part Time Employees (less than 40 hours pe	•			
Does the Business Owner Have any Relation	onship to the Property Owner/l	Landlord?		
No □ Yes ■ (please explain) Property is being purchased in the name	e of GP+3 LLC and will lease	e back to The Garza Agency		
Moving and Space Improvement	Cost and Funding Info	rmation		
Investment Data	S			
Tenant Space Improvement (finish)	_{\$} 50,000			
Landlord Space Improvement (finish)	\$			
Equipment and Display	\$			
Product Stock (for Opening)	\$			
Marketing (First Year)	\$ \$ 20,000			
Sources of Funding for Move/Expansion				
Funds invested by owner	_{\$} 100,000			
Funds from other sources*	\$			
Total estimated cost to move/expand	_{\$} 170,000			
* Source of Funding and Amounts Cash	on hand and revo	enue		

New Lease Property Information

Address of space to be leased:
Total amount of square feet to be leased and occupied: 1800
Term of lease (minimum 3 years): 5 years
Gross rental rate \$ per month \$ per s.f.
Additional lease terms and other monthly charges:
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. The rental incentive will be very beneficial to us by helping us re coop some of our out of pocket expenses associated with moving and marketing to the new area to help expand our business to the City of Tomball. 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: We are an established professional Insurance and Financial Services company. We will serve the community of Tomball and surrounding areas including businesses to help provide them with fair and competitive products.

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.

Gabriel (Garza
-----------	-------

Gabriel C. Garza

Printed Name of Principal Owner

Signature

8.23.2023

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: 28427 SH 249, Tomball,	Texas 77375
Property Owner of Record:	
Mailing Address: 4600 HWY 6 N. Ste 103	
City, State & Zip Houston, Texas 77084	
Phone: 281-656-8340	Email: gabriel@thegarzaagency.com
Name(s) of Authorized Signatories: Gabrie	Email: gabriel@thegarzaagency.com
Name of Management Command	
Name of Paragentative/Contact Paragen	
Management Company Address:	
City State & Zin	
Phone:	_Email:
Name of proposed business at site:	
The Garza Agency	
Name of business owner:	
Gabriel Garza and Patricia Garza	
DOES THE DUSTNIESS OWNER OF THE	E DUCINIFICO HAME ANN DEL ATIONICHID TO THE
DOES THE BUSINESS OWNER OR TH	E BUSINESS HAVE ANY RELATIONSHIP TO THE
PROPERTY OWNER/LANDLORD? NO	O □ YES ■ Please explain
Property is being purchased in GP+3 LLC w	which I own and will then lease back to The Garza Agency

SITE & LEASE INFORMATION

Total amount of square feet to be leased and occupied by business: 1800
Term of lease: 5 years
Gross rental rate \$ per month \$ per s.f.
Additional lease terms and other monthly charges:
Indicate any rate increases:
Is the subject space currently vacant? Yes □ No ■
If yes, how long has the space been vacant? months
Name of previous tenant: Davis Chiropractor
Previous Rental Rate: \$\unknown \per Month \\$ unknown \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 \square NO \square N/A \square
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.

Ga	br	iel	Ga	rza
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Printed Name of Property Owner/Landlord

Gabriel C. Garza

Signature

8.23.2023

Date



COMMERCIAL LEASE

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28427 SH 249

CONCERNING THE LEASED PREMISES AT Tomball, Tx 77375

between GP+3 LLC (Landlord)
and TGA Ventures LP dba The Garza Agency (Tenant).

		Table o	of Contents	<u> </u>
<u>No.</u>	Paragraph Description	Pg.		ADDENDA & EXHIBITS (check all that apply)
1.	Parties	2		Exhibit
2.	Leased Premises			Exhibit
3.	Term	2		Exhibit
4.	Rent and Expenses			Commercial Property Condition Statement
5.	Security Deposit			(TXR-1408)
6.	Taxes			Commercial Lease Addendum for Broker's Fee
7.	Utilities		_	(TXR-2102)
8.	Insurance			Commercial Lease Addendum for Option to
9.	Use and Hours			Extend Term (TXR-2104)
10.	Legal Compliance			Commercial Lease Addendum for Tenant's
11.	Signs			Right of First Refusal (TXR-2105)
12.	Access By Landlord			Commercial Lease Addendum for Percentage
13.	Move-In Condition		ш	Rent (TXR-2106)
14.	Move-Out Condition		П	Commercial Lease Addendum for Parking
15.	Maintenance and Repairs			(TXR-2107)
16.	Alterations			Commercial Landlord's Rules and Regulations
17.	Liens		ш	(TXR-2108)
18.	Liability			Commercial Lease Guaranty (TXR-2109)
19.	Indemnity		H	Commercial Lease Addendum for Tenant's
20.	Default		Ш	Option for Additional Space (TXR-2110)
21.	Abandonment, Interruption of Utilities,	11		Commercial Lease Construction Addendum
21.		10	Ц	(TXR-2111) or (TXR-2112)
22.	Removal of Property and Lockout			Commercial Lease Addendum for Contingencies
	Holdover		Ш	(TXR-2119)
23.	Landlord's Lien and Security Interest		П	Information About Brokerage Services (TXR-
24.	Assignment and Subletting		Ш	2501)
25.	Relocation			2301)
26.	Subordination		H	
27.	Estoppel Certificates and Financial Info		H	
28.	Casualty Loss		H	
29.	Condemnation			·
30.	Attorney's Fees			
31.	Representations			
32.	Brokers			
33.	Addenda			
34.	Notices			
35.	Special Provisions			
36.	Agreement of Parties			
37.	Effective Date			
38.	License Holder Disclosure	17		
(TXR-21	101) 07-08-22 Initialed for Identification by	Landlord:		, and Tenant: , Page 1 of 18

Realty Associates, 8705 Katy Freeway Houston TX 77024

X 77024

Phone: 2818043618

Fax: 2816568941

Tomball Building



COMMERCIAL LEASE

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1.	PARTIES: The parties to this lease are:						
		Landlord	d: GP+3 LLC				
				; and			
		Tenant:	TGA Ventures LP dba The Garza Agency				
2.	LE	ASED P	REMISES:				
	Α.		I leases to Tenant the following described real property, known as the "leased prets improvements (Check only one box):	emises," along			
		squa	ple-Tenant Property: Suite or Unit Number containing approximately _ are feet of rentable area ("rsf") in	(project			
		(add	ress) in (city),	(county).			
		Texa	e) at(city),s, which is legally described on attached Exhibit				
	X	renta is leg	le-Tenant Property: The real property containing approximately	square feet of _ (address) in Texas, which or as follows:			
	В.	(1) "Propany (2) the parea	aph 2A(1) applies: Derty" means the building or complex in which the leased premises are located common areas, drives, parking areas, and walks; and arties agree that the rentable area of the leased premises may not equal the actual within the leased premises and may include an allocation of common areas in tentable area will x will not be adjusted if re-measured.	d, inclusive of			
3.	ΤE	RM:					
	A.	0	ne term of this lease is36months anddays, cor	mmencing on: cement Date) ration Date).			
	B.	Delay of because	Occupancy: If Tenant is unable to occupy the leased premises on the Commer of construction on the leased premises to be completed by Landlord that is not or a prior tenant's holding over of the leased premises, Landlord will not be liable to occupy the leased premises on the Commercial	ncement Date t substantially			
(TX	R-21	01) 07-08-2	Initialed for Identification by Landlord: , , and Tenant: ,	Page 2 of 18			
	y Assoc iel Garz		reeway Houston TX 77024 Phone: 2818043618 Fax: 2816568941 Produced with Lone Wolf Transactions (zipForm Edition) 717 N Harwood St. Suite 2200. Dallas. TX 75201 www.lwolf.com	Tomball Building			

C.

Cor	mmer	cial Lease conce	28427 SH 2 rning: <u>Tomball, T</u>							
for such delay and this lease will remain enforceable. In the event of such a delay, the Commencem Date will automatically be extended to the date Tenant is able to occupy the Property and Expiration Date will also be extended by a like number of days, so that the length of this lease remain unchanged. If Tenant is unable to occupy the leased premises after the day after Commencement Date because of construction on the leased premises to be completed by Land that is not substantially complete or a prior tenant's holding over of the leased premises, Tenant reminate 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 Ten This Paragraph 3B does not apply to any delay in occupancy caused by cleaning or repairs.										
	C. <u>Certificate of Occupancy</u> : Unless the parties agree otherwise, Tenant is responsible for obtaining certificate of occupancy for the leased premises if required by a governmental body.									
4.	RE	NT AND EXPE	ENSES:							
A. <u>Base Monthly Rent</u> : On or before the first day of each month during this lease, Tenant v Landlord base monthly rent as described on attached Exhibit or as for										
	Base Monthly									
From To			То	\$ Monthly Rate	\$ Annual Rate	Rent \$				
				/ 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 the expense

/ rsf / month

/ rsf / month

/rsf/month

reimbursement detailed in Paragraph 4J (if applicable) and all other amounts, as provided by the attached (Check all that apply.):
(1) Commercial Lease Addendum for Percentage Rent (TXR-2106) (2) Commercial Lease Addendum for Parking (TXR-2107) (3)
All amounts payable under the applicable addenda are deemed to be "rent" for the purposes of this lease.
First Full Month's Rent: The first full monthly rent is due on or before November 1, 2023
Prorated Rent: If the Commencement Date is on a day other than the first day of a month, Tenant will

D. 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:	Name: Gabriel Garza					
Addres	s: <u>28427 SH 249, Tomball, Texas</u>	77375				
(TXR-2101) 07-08-22	Initialed for Identification by Landlord:	, and Tenant:	Page 3 of 18			

Initialed for Identification by Landlord:

Page 3 of 18

Realty Associates, 8705 Katy Freeway Houston TX 77024 Gabriel Garza

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/ rsf / year

/rsf/year

/rsf/year

Tomball Building

- 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 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. <u>Late Charges</u>: If Landlord does not <u>actually receive</u> 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 \$ _____ 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.
- Application of Funds: Regardless of any notation on a payment, Landlord may apply funds received from Tenant first to any non-rent obligations of Tenant, including but not limited to: late charges and returned check charges, repairs, brokerage fees, periodic utilities and thereafter to rent.

(Check box only if Tenant reimburses Landlord for some or all expenses. Do not check for "gross" leases.)

- J. <u>Expense Reimbursement</u>. In addition to base monthly rent stated in Paragraph 4A, Tenant will pay Landlord the expense reimbursement described in this Paragraph 4J. Tenant will pay the expense reimbursement as additional rent each month at the time the base-monthly rent is due. All amounts payable under this Paragraph 4J are deemed to be "rent" for the purposes of this lease.
 - (1) <u>Reimbursable Periods</u>. Additional rent under this Paragraph 4J is due for all months listed in the chart in Paragraph 4A, even if the base monthly rent is zero.
 - (2) Definitions:
 - (a) "Tenant's pro rata share" is ______%.
 - (b) "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); including all expenses incurred by Landlord under Paragraph 15, but not including expenses for structural components and roof replacement; 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.
 - (c) "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.
 - (d) "Taxes" means the real property ad valorem taxes assessed against the leased premises and Property inclusive of all general and special assessments and surcharges.

TXR-2101) 07-08-22 Initialed for Identification by Landlord: , , and Tenant: , Page 4 o	TXR-2101) 07-08-22	Initialed for Identification by Landlord:	, , and Tenant: ,	Page 4 of 18
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(3)

Commercial

Leas	se concerning: Tomball, Tx 77375
(e)	"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.
(f)	"Roof" means all roofing components including, but not limited to decking, flashing, membrane, and skylights.
	thod: The additional rent under this Paragraph 4J will be computed under the following method neck only one box): Note: "CAM" does not include taxes and insurance costs.
(a)	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

	(a)	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
	(b)	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; roof replacement; and
X	(c)	Net: Each month Tenant will pay Tenant's pro rata share of the projected monthly expenses for the Property for: X taxes; Insurance; CAM; structural; roof replacement; and .
(4)	the cal	jected Monthly Expenses: On or about December 31 of each calendar year, Landlord will project applicable monthly expenses (those that Tenant is to pay under this lease) for the following endar year and will notify Tenant of the projected expenses. The projected expenses are based Landlord's estimates of such expenses. The actual expenses may vary.
	bel reir	<u>cice</u> : The applicable projected expenses at the time the lease commences are shown in the table low. The total area of the Property presently used by Landlord for calculating expense inbursements is rentable square feet (including any add on factor for for mon areas).

Projected Exp	enses
\$ Monthly Rate	\$ Annual Rate
/ rsf / month	/ rsf / year

(5) Reconciliation: Within 120 days 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 lease) 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(s). Tenant may audit or examine those items in Landlord's records that relate to Tenant's obligations under this Paragraph 4J. 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 lease, 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.

(TXR-2101)	07-08-22
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Initialed for Identification by Landlord:

, and Tenant:

Page 5 of 18

5	SECI	JRITY	DED	TIP
IJ.	SECI	JKIII	DEF	JOIL:

- A. Upon execution of this lease, Tenant will pay \$ _____ 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. Tenant waives all rights to protest the appraised value of the leased premises and the Property, or appeal the same and all rights to receive notices of reappraisal set forth in sections 41.413 and 42.015 of the Texas Tax Code.

7. UTILITIES:

Α.	The party	designated	below w	ill pay	for the	e following	utility	charges	to the	e leased	premises	and	any
		n charges for											

	<u>N/A</u>	<u>Landlord</u>	<u>Tenant</u>
(1) Water		X	
(2) Sewer		X	
(3) Electric		X	Ħ
(4) Gas		X	
(5) Telephone		Ħ	
(6) Internet		П	
(7) Cable	П	П	
(8) Trash		X	
(9)		Ä	
(10)All other utilities		П	

- 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 and Landlord pays such amount, Tenant will immediately upon written notice from Landlord reimburse Landlord such amount.
- C. <u>Notice</u>: Tenant should determine if all necessary utilities are available to the leased premises and are adequate for Tenant's intended use.
- D. <u>After-Hours HVAC Charges</u>: "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	s oi	perating ho	urs	specifie	d un	der Para	agraph 90	;						

TXR-2101) 07-08-22	Initialed for Identification by Landlord:	,, and Tenant:,	Page 6 of 18

Fay: 2816568941

28427 SH 249

^ ~ ma ma ~ u ~ i ~ l		concerning:	T 1 11	T	77076
Johnmerciai	ease	concerning:	Lomball	IX	(1.3/5

(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) commercial general 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 commercial general 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 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:	
TXR-2101) 07-08-22	Initialed for Identification by Landlord:,	, and Tenant:,	Page 7 of 18

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Tomball Building

- Commercial Lease concerning: Tomball, Tx 77375
 - 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): Monday - Thursday 9-5:30, Friday 9-5 and appointments on the weekends

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 s	torage of any	hazardous material; or
(7)			

В.	"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:

Gabriel Garza

- 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.
- 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 moveout 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.

(TXR-2101) 07-08-22	Initialed for Identification by Landlord:	_ '	, and Tenant:		Page 8 of 18
Realty Associates, 8705 Katy Freeway	Houston TX 77024		Phone: 2818043618	Fay: 2816568041	Tomball Puilding

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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 <u>90</u> 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. <u>Landlord and any agent have made no express or implied warranties as to the condition or permitted use of the leased premises or Property.</u>

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 moveout 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. <u>Cleaning</u>: Tenant must keep the leased premises clean and sanitary and promptly dispose of all garbage in appropriate receptacles. Landlord X 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 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. <u>Repair and Maintenance Responsibility</u>: 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

(TXR-2101) 07-08-22	Initialed for Identification by L	.andlord: ,	, and Tenant:		Page 9 of 18
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Fax: 2816568941

Gabriel Garza

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.)

(1) Foundation, exterior walls and other structural components		Landlord X	Tenant
(2) Roof replacement(3) Roof repair	The second secon	X	
(4) Glass and windows		X	
(5) Fire protection equipment		X	
(6) Fire sprinkler systems		X	
(7) Exterior and overhead doors, including closure devices, molding,			
locks, and hardware		X	
(8) Grounds maintenance, including landscaping and irrigation			_
systems	📙	X	
(9) Interior doors, including closure devices, frames, molding, locks,			
and hardware		X	
(10) Parking areas and walks(11) Plumbing systems, drainage systems and sump pumps		X	\vdash
(12) Electrical systems, mechanical systems(12)		X	
(13) Ballast and lamp replacement	H		\vdash
(14) Heating, Ventilation and Air Conditioning (HVAC) systems		X X X X	H
(15) HVAC system replacement		X	H
(16) Signs and lighting:		(==)	
(a) Pylon			X
(b) Fascia			X
(c) Monument			X
(d) Door/Suite			X
(e) Directional		\vdash	X
(f) Other:			V
(18) Fences and Gates		V	X
(19) Storage yards and storage buildings			H
(20) Wood-destroying insect treatment and repairs		x	H
(21) Cranes and related systems			
(22)			П
(23)			
(24) All other items and systems.			
D. Repair Persons: Repairs must be completed by trained, qualified, and insu	ıred repair	persons.	
E. <u>HVAC Service Contract</u> : If Tenant maintains the HVAC system under X is not required to maintain, at its expense, a regularly scheduled n	Paragraph	15C(14), Te	enant is
for the HVAC system. The maintenance and service contract mu	st be pur	chased fron	n a HVAC
maintenance company that regularly provides such contracts to sim			
maintain a required HVAC maintenance and service contract in effe			
Landlord may do so and Tenant will reimburse Landlord for the exp			nance and
service contract or Landlord may exercise Landlord's remedies under F	Paragraph	20.	
(TXR-2101) 07-08-22 Initialed for Identification by Landlord:,, and Tenant	t:, _	F	Page 10 of 18
Realty Associates, 8705 Katy Freeway Houston TX 77024 Phone: 28180436	18 Fax	C 2816568941	Tomball Building

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- 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, or allocate areas for short term or reserved parking for specific tenants, 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. <u>Notice of Repairs</u>: 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. <u>Failure to Repair</u>: 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:

Gabriel Garza

- 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:
 - A. <u>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;</u>

(TXR-2101) 07-08-22	Initialed for Identification by Landlord:,	, and Tenant:		Page 11 of 18
Realty Associates, 8705 Katy Freeway F	Houston TX 77024	Phone: 2818043618	Fax: 2816568941	Tomball Building

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- B. fire, flood, water leaks, ice, snow, hail, winds, explosion, smoke, riot, strike, interruption of utilities. theft, burglary, robbery, assault, terrorism, 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 20 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:
 - 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 prejudament 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 indemnify Landlord and any prospective tenants for any and all damages caused by the holdover. Rent for

(TXR-2101) 07-08-22	Initialed for Identification by Landlord:	,, and Tenant:,	Page 12 of 18

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:

X	Α.	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 incurred by Tenant 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, business cards, and marketing materials containing Tenant's address. 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 AND 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.

(TXR-2101) 07-08-22	Initialed for Identification by Landlord:,	, and Tenant:		Page 13 of 18
Realty Associates, 8705 Katy Freeway Ho Gabriel Garza	ouston TX 77024 Produced with Lone Wolf Transactions (zipForm Edition) 717 N Ha	Phone: 2818043618 rwood St. Suite 2200. Dallas: TX: 75201	Fax: 2816568941 www.lwolf.com	Tomball Building

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:

Gabriel Garza

- 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 this 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 health or safety of an ordinary person, except:

			·
Initialed for Identification by Landlord:,	, and Tenant:		Page 14 of 18
	Phone: 2818043618	Fax: 2816568941	Tomball Building
	ouston TX 77024		ouston TX 77024 Phone: 2818043618 Fax: 2816568941

Commercial Lease concerning: Tomball, Tx 77375

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) 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:

Principal Broker:	T	Cooperating Broker:
Agent:		Agent:
Phone & Fax: _		Phone & Fax:
E-mail:		
License No.:		
represent	ker: <i>(Check only one box)</i> is Landlord only. is Tenant only. nediary between Landlord and Tena	Cooperating Broker represents Tenant.
☐ (a) a sep ☐ Lar	ndlord 🗌 Tenant.	ing to: <i>(Check only one box)</i> . ment between Principal Broker and: endum for Broker's Fee (TXR-2102).
☐ (a) a sep ☐ Prii	arate written commission agree ncipal Broker	ording to: <i>(Check only one box)</i> . ment between Cooperating Broker and: nant. endum for Broker's Fee (TXR-2102).
Addenda and Ex	hibit section of the Table of Co nant agrees to comply with the	e addenda, exhibits and other information marked in the ntents. If Landlord's Rules and Regulations are made part Rules and Regulations as Landlord may, at its discretion,
certified mail ref		n writing and are effective when hand-delivered, mailed by a national or regional overnight delivery service that facsimile transmission to:
<u>Landlord</u> at:	GP+3 LLC Address: Attention: Fax:	
(TXR-2101) 07-08-22		: , , and Tenant: , Page 15 of 18
Realty Associates, 8705 Katy Freeway I		Phone: 2818043618 Fax: 2816568941 Tomball Building

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28427 SH 249 Commercial Lease concerning: Tomball, Tx 77375	Itei
and a copy to: Address: Attention: Fax:	_
X Landlord also consents to receive notices by e-mail at: gabriel@thegarzaagency.com	
<u>Tenant</u> at the leased premises,	
and to: TGA Ventures LP dba The Garza Agency, Address:	_
and a copy to: Address: Attention: Fax:	
X Tenant also consents to receive notices by e-mail at: gabriel@tthegarzaagency.com	
35. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conf with other provisions of this lease. (If special provisions are contained in an addendum, identify the applical addendum on the cover page of this lease.)	

36. AGREEMENT OF PARTIES:

Gabriel Garza

- A. <u>Entire Agreement</u>: This lease contains the entire agreement between Landlord and Tenant and may not be changed except by written agreement.
- B. <u>Binding Effect</u>: This lease is binding upon and inures to the benefit of the parties and their respective heirs, executors, administrators, successors, and permitted assigns.
- C. <u>Joint and Several</u>: 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.

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(TXR-2101) 07-08-22	Initialed for Identification by Landlord:,	, and Tenant:		Page 16 of 18
Realty Associates, 8705 Katy Freeway I	Houston TX 77024	Phone: 2818043618	Fax: 2816568941	Tomball Ruilding

40

- 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.
- 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 the performance of any party to this lease is delayed by strike, lock-out, shortage of material, governmental restriction, riot, war, epidemic, pandemic, quarantine, or by other cause, without fault and beyond the control of the party obligated (financial inability excepted), performance of such act will be abated for the period of the delay; provided, however, nothing in this paragraph excuses Tenant from the prompt payment of rent or other charge, nor will Tenant's inability to obtain governmental approval for its intended use of the leased premises excuse any of Tenant's obligations hereunder.
- <u>Time</u>: Time is of the essence. The parties require strict compliance with the times for performance.
- J. Counterparts: If this lease is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- 37. EFFECTIVE DATE: The effective date of this lease is the date the last party executes this lease and initials any changes.

38.	. 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 or rental agreement. Disclose if applicable:

(TXR-2101) 07-08-22

Initialed for Identification by Landlord:

, and Tenant:

Page 17 of 18

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: <u>GP+3 LLC</u>		Tenant: <u>TGA Ventures LP d</u>	ba The Garza Agency
By: Gabriel Garza		By: Gabriel Garza	
By (signature): Printed Name: Gabriel G	arza	B	arza
encommon man works 700	Date:	The state of the s	
Ву:		Ву:	
By (signature):		By (signature):	
Title:		Title:	Date:

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 **The Garza Agency** (the "Company"), 4600 HWY 6 N. Suite 103, Houston, TX 77084

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 an 1,800 square foot existing office space located at 28427 SH 249, Tomball, Texas 77375 (the "Property"), and more particularly described in Exhibit "A," attached hereto and made a part hereof; and

WHEREAS, the Company currently provides insurance and financial services to the public under the Farmers Insurance organization and proposes to expand its business operations by opening an additional location at the Property; and

WHEREAS, the Company proposes to create up to six (6) full-time jobs in Tomball in conjunction with the new location; 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

TOMBALL EDC\THE GARZA AGENCY 43

Item 3.

to exceed Ten Thousand Dollars (\$10,000.00), in accordance with an established Rental Assistance Incentive; 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 at least two (2) full-time W-2 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 Ten Thousand Dollars (\$10,000.00). 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 Property; (b) proof that the Company has added the minimum 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; and, (c) 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.

Item 3.

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: The Garza Agency

4600 Hwy 6 N. Suite 103 Houston, TX 77084

Attn: Gabriel Garza, President

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 A	AGREEMENT has been executed by the parties on the
day of 2023	3 (the "Effective Date").
	THE GARZA AGENCY
	By:
	Name: Gabriel Garza
	Title: President
ATTEST:	
y:	
lame:	
itle:	
	TOMBALL ECONOMIC DEVELOPMENT
	CORPORATION
	Ву:
	Name: Gretchen Fagan
	Title: President, Board of Directors
ATTEST:	
3y:	
Name: Bill Sumner Jr.	
Title: Secretary, Board of Directors	

ACKNOWLEDGMENT

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§ §
This instrument was	acknowledged before me on the day of
	sident of The Garza Agency, 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	§
2023, by Gretchen Fagan,	acknowledged before me on the _12th day ofSeptember President of the Board of Directors of the Tomball Economic or and on behalf of said Corporation.
	Notary Public in and for the State of Texas
(SEAL)	My Commission Expires:

Exhibit "A" Legal Description of Property

Legal Description: RES B

TOMBALL PARK

Property Address: 28427 SH 249, Tomball, TX 77375



8

Regular Tomball EDC Agenda Item Data Sheet

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 and Staff.

Background:

Origin	ation: Kelly Violette, Exe	cutive Directo	or, Tomball Ec	onomic Development Corpora	ation
Recom	commendation: ty(ies) responsible for placing this item on agenda: Kelly Violette Kelly Violette Kelly Violette Kelly Violette NDING (IF APPLICABLE) funds specifically designated in the current budget for the full amount required for this purpose? If yes, specify Account Number: # o, funds will be transferred from account #				
Party(i	ies) responsible for placing	g this item or	n agenda:	Kelly Violette	
	ds specifically designated in the	he current bud			
-		ccount #	n yes, speeny		
Signed			Approved by	,	
	Staff Member-TEDC	Date		Executive Director-TEDC	Date

Regular Tomball EDC Agenda Item Data Sheet

		Meeting Date:	September 12, 2023
Topic:			
Reconvene into regular session and take action	on, if necessary, on	items discussed	in Executive Session.
Background:			
Origination: Kelly Violette, Executive Direct	ctor		
Recommendation:			
Party(ies) responsible for placing this item	on agenda:	Kelly Violette	
FUNDING (IF APPLICABLE)			
Are funds specifically designated in the current bu	udget for the full am	ount required for t	his purpose?
Yes: No:	If yes, specify A	Account Number:	#
If no, funds will be transferred from account #		To account #	
Signed	Approved by		
Staff Member-TFDC Date		Executive Directo	or-TEDC Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: September 12, 2023
conomic Development Corporation (TEDC)
nd submit to Council an annual budget of suing fiscal year.
23-2024 TEDC Budget on August 8, 2023. 2023, however Council tabled approval and EDC Board.
Board of Directors
ΓEDC Budget
Kelly Violette

Executive Director-TEDC

Topic:

Consideration and possible action regarding the Tomball Economic Development Corporation (TEDC) Fiscal Year 2023-2024 Budget.

• Public Hearing

Staff Member-TEDC

Background:

The TEDC Bylaws require that the Corporation prepare and submit to Council an annual budget of expected revenues and proposed expenditures for the next ensuing fiscal year.

The TEDC Board of Directors approved the Fiscal Year 2023-2024 TEDC Budget on August 8, 2023. The budget was presented to City Council on August 21, 2023, however Council tabled approval and requested a joint meeting on September 18, 2023 with the TEDC Board.

Origination: Tomball Economic Development Corporation Board of Directors

Date

Recommendation: Approval of the Fiscal Year 2023-2024 TEDC Budget

Party(ies) re	sponsible for placing this item o	n agenda: Kelly Violett	te
Are funds spec	IF APPLICABLE) cifically designated in the current bud		
Yes:	No:	If yes, specify Account Number:	
If no, funds wi	ill be transferred from account #	To account	#
Signed		Approved by	

Date

Tomball Economic Development Corporation FY 2024 Proposed Budget October 1, 2023 to September 30, 2024

		FY 2020 Actuals		FY 2021 Actuals		FY 2022 Actuals	FY 2023 Adopted Budget		FY 2023 Year End Projections			FY 2024 Proposed Budget		
Beginning Fund Balance	\$	21,763,096	\$	18,767,675	\$	20,005,941	\$	19,860,898	\$2	24,755,922	\$	24,665,816		
REVENUE														
Sales Tax	\$	4,064,895	\$	4,408,484	\$	5,386,245	\$	5,100,000	\$	5,400,000	\$	5,000,000		
Interest		426,876		352,381	·	446,297	·	450,000	·	950,000	·	850,000		
Grants		-		16,000		8,000		-		<u>-</u>		-		
Other - Land Sales and Lease Payments	_	491,055		913,855		2,004,772		-		3,714,079		-		
Total Revenue	\$	4,982,826	\$	5,690,719	\$	7,845,315	\$	5,550,000	\$	10,064,079	\$	5,850,000		
Total Available Resources	\$	26,745,922	\$	24,458,394	\$	27,851,256	\$	25,410,898	\$3	34,820,001	\$	30,515,816		
EXPENDITURES														
Administrative														
Salaries - Administrative	\$	213,843	\$	215,952	\$	286,262	\$	367,036	\$	367,036	\$	396,590		
Benefits		114,950		129,174		144,759		162,249		157,830		184,808		
Wages - Full-Time		42,333		45,246		28,036		55,000		45,000		48,087		
Wages - Other	Φ.	274 420	Φ	200 272	Φ	21	Φ	8,300	Φ.	150	Φ	3,000		
Total Salaries and Benefits	\$	371,126	\$	390,372	\$	459,077	\$	592,585	\$	570,016	\$	632,485		
Other Personnel Expenditures	•	0.400	•	0.400	•	40.000	•	40.000	•	40.000	•	40.000		
Auto Allowances Phone Allowance - Executive Director	\$	8,400	\$	8,400	\$	16,800	\$	16,800	\$	16,800	\$	16,800		
Phone Allowance - Executive Director Phone Allowance - Assistant Director		900 900		900 900		900 900		900 900		900 900		900 900		
Phone Allowance - Coordinator		-		-		-		900		900		900		
Local Travel Expense		135		236		90		500		400		500		
Dues and Subscriptions		9,482		7,681		11,492		13,100		11,000		13,100		
Seminar/Conference Registrations		2,928		10,396		10,349		18,000		11,000		18,000		
Travel and Training	_	11,727	Φ.	3,440	•	17,655	•	30,000	•	11,000	•	30,000		
Total Other Personnel Expense	\$	34,472	\$	31,953	\$	58,185	\$	81,100	\$	52,900	\$	81,100		
Service and Supply Expenditures														
Contracted Administrative Services	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000	\$	25,000		
Bank Charges & Postage		1,920		3,017		2,197.75		3,500.00		1,500.00		3,500.00		
Insurance		3,144		8,399		17,952.76		18,000.00		18,000.00		30,000.00		
Computer Equipment & Maintenance Communications Services		4,249 3,639		5,823		4,296.53		10,000.00		10,000.00 4,600.00		10,000.00		
Legal Fees		31,915		3,976 31,996		4,267.91 4,690.53		5,200.00 40,000.00		15,000.00		5,200.00 40,000.00		
Lease Expense-GTACC		25,629		24,574		25,055.65		25,000.00		25,000.00		26,500.00		
Office Equipment & Supplies		3,557		(2,321)		4,259.31		10,000.00		5,500.00		10,000.00		
Total Service and Supply Expense	\$	99,053	\$	100,463	\$	87,720	\$	136,700	\$	104,600	\$	150,200		
Total Administrative Expenditures	\$	504,651	\$	522,788	\$	604,982	\$	810,385	\$	727,516	\$	863,785		
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		3,875		-		
Marketing		90,768		76,150		83,115		105,000		105,000		175,000		
Economic Impact Model License		4,299		4,428		4,561		4,565		4,565		4,698		
Event Sponsorships		6,000 6,515		24,028		8,038 4,715		29,000		20,000		29,000		
Promotional Items Printing		6,515 6,915		1,160 5,404		4,715 1,122		6,500 6,500		6,500 6,500		10,000 6,500		
Website and GIS		31,899		36,299		12,100		25,000		24,000		25,000		
Professional Services		207,560		191,747		306,423		500,000		350,000		750,000		
Grow Tomball Initiative						-		20,000		8,300		20,000		
Miscellaneous		70,834		78,182		44,914		15,000		7,000		15,000		
Total Indirect Expenditures	\$	433,144	\$	429,626	\$	473,342	\$	723,965	\$	544,094	\$	1,043,598		
City Debt Service Utilities Expansion (2002 CO-2/15/2022)		370,000		370,000		370,000		_		_		_		
		2. 5,000		5. 5,000		2. 5,000								

Business Park Infrastructure (Series 2013)	533,462		535,663		537,663		539,463		539,463		546,013
Medical Complex/Persimmon (Series 2016)	 222,222		222,222		222,222		222,222		222,222		222,222
Total Debt Service	\$ 1,125,684	\$	1,127,885	\$	1,129,885	\$	761,685	\$	761,685	\$	768,235
Grants, Loans & Other Expenditures											
Project Grants	\$ 219,848	\$	210,108	\$	620,825	\$	2,500,000	\$	1,800,000	\$	3,500,000
Sales Tax Reimbursement Grants (380)	50,139		50,139		66,823		70,000		70,130		11,400
Property Acquisition	5,062,631		2,043,540		-		5,000,000		4,635,760		3,000,000
Business Improvement Grants- Current Year	130,891		62,078		121,344		350,000		302,000		350,000
Business Improvement Grants- Prior Year	139,082		67,000		197,302		250,000		288,000		250,000
Old Town Façade Grants- Current Year	54,269		-		-		250,000		70,000		250,000
Old Town Façade Grants- Prior Year	-		38,783		125,560		100,000		105,000		100,000
Old Town Projects							600,000		600,000		1,500,000
South Live Oak Redevelopment	-		71,341		76,553		5,000,000		30,000		5,000,000
Business Park Expenses	248,644		77,781		133,985		300,000		200,000		350,000
Total Grants/Loans/Other	\$ 5,905,504	\$	2,620,770	\$	1,342,394	\$	14,420,000	\$	8,100,890	\$	14,311,400
Total All Expenditures	\$ 7,968,983	\$	4,701,069	\$	3,550,602	\$	16,716,035	\$1	0,134,185	\$	16,987,018
Revenues Over (Under) Expenditures	\$ (2,986,157)	\$	989,650	\$	4,294,712	\$	(11,166,035)	\$	(70,106)	\$	(11,137,018)
Other Income/Losses on Investments	\$ 9,264	\$	(248,616)	\$	(455,268)	\$	-	\$	20,000	\$	-
- " - 15.	 10 =0= 0==	•		•	0.1 === 000	•		•		•	10.500.500
Ending Fund Balance	\$ 18,767,675	\$	20,005,941	\$	24,755,922	\$	8,694,863	\$2	4,665,816	\$	13,528,798

TEDC Debt Service Schedule

	Se	ries 1999	Se	ries 2002	S	Series 2013	Se	ries 2016		An	nual 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
2022			\$	370,000	\$	537,662.50	\$	222,222		\$	1,129,884.50
2023					\$	539,462.50	\$	222,222		\$	761,684.50
2024					\$	546,012.50	\$	222,222		\$	768,234.50
2025					\$	547,312.50	\$	222,222		\$	769,534.50
2026					\$	548,412.50	\$	222,222		\$	770,634.50
2027					\$	548,737.50	\$	222,222		\$	770,959.50
2028					\$	548,275.00	\$	222,222		\$	770,497.00
2029					\$	551,925.00	\$	222,222		\$	774,147.00
2030					\$	549,056.25	\$	222,222		\$	771,278.25
2031					\$	549,600.00	\$	222,222		\$	771,822.00
2032					\$	549,075.00	\$	222,222		\$	771,297.00
2033					\$	548,100.00	\$	222,222		\$	770,322.00
2034							\$	222,222		\$	222,222.00
2035							\$	222,222		\$	222,222.00
2036							\$	222,222		\$	222,222.00
2037							\$	222,226		\$	222,226.00
			•				•		· 		
Total	\$	752,592	\$ 2	2,590,000	\$ 9	9,761,406.25	\$ 4	1,000,000		\$	17,103,998.25

2017-2019:

Southside Sewer Plant (1999 CO-2/15/2019) Utilities Expansion (2002 CO- 2/15/2022) 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

REVENUE

- <u>Sales Tax</u>: 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.
- <u>Interest</u>: Those revenues received from financial institutions for balances on hand and from funds that have been invested.
- <u>Grants</u>: 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:

- <u>Salaries Administrative</u>: 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.
- <u>Benefits</u>: 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:

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

Updated 7/8/2022 1 57

58

- <u>Local Travel Expenses</u>: The amount allocated to cover business travel expenses and mileage within a 50-mile radius of Tomball for non-exempt TEDC staff.
- <u>Dues and Subscriptions</u>: Fees charged for memberships and related expenses to professional organizations, subscriptions and software.
- <u>Seminar/Conference Registrations</u>: Fees for the Tomball Economic Development Corporation staff and board members to attend conferences, events, and professional training seminars.
- <u>Travel and Training</u>: 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

- <u>Contracted Administrative Services</u>: 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.
- <u>Bank Charges</u>: 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.
- <u>Insurance</u>: The cost of surety bonding fees and insurance premiums including General Liability, Errors and Omissions, and Property.
- <u>Computer Equipment and Maintenance</u>: The cost of computer equipment and related expenses.
- <u>Communication Services</u>: The cost of telephone service, including land line phone base rate charges, DSL service, and long-distance charges.
- <u>Legal Fees</u>: 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.
- <u>Lease Expense-GTACC</u>: 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.

Updated 7/8/2022 2

59

- <u>Chamber Guide</u>: 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.
- <u>Area Street Maps</u>: 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.
- <u>Marketing</u>: 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.
- <u>Economic Impact Model License</u>: 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.
- <u>Promotional Items:</u> The costs associated with TEDC promotional products, giveaways, and event favors.
- <u>Printing:</u> 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.
- <u>Professional Services</u>: Consulting fees, engineering fees, photography, graphics and design services, and other professional services incurred in expanding the economic base of Tomball.
- <u>Grow Tomball Initiative</u>: Expenses related to developing a Grow Tomball initiative to highlight and promote local businesses, entrepreneurs, and products.
- <u>Miscellaneous</u>: 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

• <u>Southside Sewer Plant (1999 CO-2/15/2019)</u>: 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.

Updated 7/8/2022 3

Item 6.

- <u>Utilities Expansion (2002 CO-2/15/2022)</u>: 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. Final debt payment was made in 2022.
- <u>Business Park (Series 2013):</u> 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.
- <u>Medical Complex/Persimmon (Series 2016)</u>: 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

- <u>Project Grants</u>: 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.
- <u>Sales Tax Reimbursement Grants (380):</u> 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.
- <u>Property Acquisition</u>: Costs associated with the acquisition of land for economic development projects.
- <u>Business Improvement Grants- Current Year</u>: 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.
- <u>Business Improvement Grants- Prior Year</u>: 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.
- <u>Old Town Revitalization Projects</u>: Targeted infrastructure improvements in Old Town Tomball including alleyways, parking, wayfinding, etc.
- <u>South Live Oak Redevelopment</u>: The costs associated with the redevelopment of the South Live Oak Business Park.
- <u>Business Park Expenses</u>: Expenses related to the development and maintenance of the Tomball Business & Technology Park.

Updated 7/8/2022 4 60

FY 2024 TEDC BUDGET PRESENTATION



Tomball EDC: About

- Development Corporation Act of 1979
- Governed by Chapters 501, 504 and 505 of the Local Government Code
- City of Tomball election on January 15, 1994
 - Voters approve the levy of $\frac{1}{2}$ cent sales tax 66.85% in favor
 - Nonprofit Type B Development corporation
- Distinct entity from the city with separate staff and budget - \$25k Admin Agreement
- Seven board members appointed by City Council for 2-year terms



FUNDING SOURCES

- ½¢ SALES TAX COLLECTED WITHIN THE CITY LIMITS OF TOMBALL
- SALES TAX RATE: 8.25%
 - 6.25% STATE OF TEXAS
 - 1.00% CITY OF TOMBALL
 - 0.5% PROPERTY TAX REDUCTION
 - 0.5% -TEDC
- INTEREST REVENUES: Securities & Investment Pools
- WE ARE NOT FUNDED BY AN AD-VALOREM (PROPERTY TAX)



Tomball EDC 2023-2024 Goals



BUSINESS RETENTION & EXPANSION (BRE)



ATTRACTION & RECRUITMENT



3.

DEVELOPMENT/
REDEVELOPMENT OF
OLD TOWN



4.
EDUCATION &
WORKFORCE
DEVELOPMENT

BUSINESS RETENTION & EXPANSION (BRE)

To continually engage and assist in the success of Tomball businesses.

- Conduct 12 BRE on-site or virtual visits per quarter.
- Conduct an annual online business survey to identify and manage business needs.
- Continue the Grow Tomball initiative to highlight and promote local businesses.
 - Share success stories on the Tomball EDC website.
 - Support Tomball EDC podcasts.
 - Develop video success stories to be added to the Tomball EDC website.
 - Expand reach using YouTube, Google SEO, Instagram Reels, and paid ads.
 - Explore creative ways to increase public exposure.
- Produce programming that meets the needs of the existing industry leaders in Tomball.
 - Host 2 networking events
 - Host 1 Outlook Luncheon
- Activate the "Made in Tomball" Initiative.



ATTRACTION AND RECRUITMENT

Recruit and secure new business/industry that are suitable for Tomball.

- Enhance Tomball's image as a community of choice through creative marketing & branding efforts.
- Support infill & redevelopment opportunities to attract new private sector investment.
- Explore public financing tools including Tax Increment Reinvestment Zones (TIRZ) to finance infrastructure improvements & encourage quality development/redevelopment projects.
- Provide workshops emphasizing financial literacy, business management, marketing, networking, recruitment, etc. that will help their businesses grow or be more profitable.
- Create an Incentives Policy to guide the TEDC in offering economic incentives.
- Initiate a direct marketing campaign for target industries.
- Participate in key industry events.



DEVELOPMENT/REDEVELOPMENT OF OLD TOWN

To encourage quality investment in Tomball's Old Town.

- Partner with the City of Tomball on targeted infrastructure improvements (alleyways, parking, wayfinding, etc.)
 - Partner with stakeholders to help minimize construction disruption and to provide additional marketing assistance for those businesses who do experience disruption.
- Continue to plan for and improve parking and pedestrian access
 - Consider needed improvements
 - Install signage on TEDC lots
 - Fund wayfinding in Old Town directing people to parking
- First Baptist Church Project: Initiate planning process
- Create a project and financing plan for the redevelopment of the South Live Oak Business Park.
- Continue to promote incentives and explore additional ways to encourage upgrades to properties in Old Town.
- Continue to partner with Old Town business owners to further develop and support the Shop and Stroll.



EDUCATION AND WORKFORCE DEVELOPMENT

Partner with local/regional education institutions, City of Tomball, GTACC, and local industries to further develop youth workforce programs and workforce initiatives.

- Continue to serve on the P-TECH Steering Committee with Lone Star College-Tomball, TISD, and HCA officials.
- Research grant funding opportunities for the P-TECH program.
- Continue to serve on the TISD CTE Advisory Board to create pathways for CTE students to enter the workforce and gain work-based learning credentials with industry partners.
- Work with our Regional Workforce Board and TWC on available resources for local industries.
- Work with local/regional education institutions to support a Grow Tomball Youth Program.
- Partner with education institutions to host job/career fairs.
- Create and maintain a job board for High School and College Students on the TEDC Website.
- Research funding partners for Internship/Apprenticeship Program.
- Launch the 2023-2024 Internship/Apprenticeship Program.
- Work with TISD to launch a Teacher Externship Program.



FY 2023 Year End Projection

- Sales Tax & Interest
 Revenues: Projected to
 exceed original budget by
 \$800,000
- Business Park Land Sales: \$3,714,079 (4 Lots)
- Expenditures: Projected to be less than budget by \$6.6 million

	FY 2023 Summary	
	FY 2023 Adopted Budget	FY 2023 Year End Projections
Beginning Fund Balance	\$19,860,898	\$24,755,922
Revenues	\$5,550,000	\$10,064,079
Expenditures	\$16,716,035	\$10,134,185
Revenues Over/ (Under) Expenditures	\$(11,166,035)	\$(70,106)
Ending Fund Balance	\$8,694,863	\$24,665,816

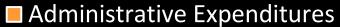
Tomball Economic Development Corporation FY 2024 Proposed Budget

October 1, 2023 to September 30, 2024

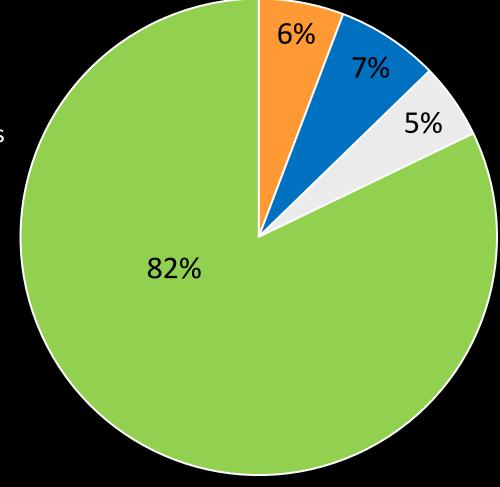
Beginning Fund	FY 2022 <u>Actuals</u>	FY 2023 Adopted	FY 2023 Year End	FY 2024 <u>Proposed</u>
Balance	\$ 20,005,941	\$ 19,860,898	\$24,755,922	\$ 24,665,816
Sales Tax	\$ 5,386,245	\$ 5,100,000	\$ 5,400,000	\$ 5,000,000
Interest	446,297	450,000	950,000	850,000
Other – Land Sales &				
Lease Payments	2,004,772		3,714,079	
Total Revenue	\$ 7,845,315	\$ 5,550,000	\$10,064,079	\$ 5,850,000
Total Available Resources	\$ 27,851,256	\$ 25,410,898	\$34,820,001	\$ 30,515,816



Tomball Economic Development Corporation FY 2023-2024 Proposed Expenditures



- Indirect Expenditures
- City Debt Service
- Grants/Loans/Other Expenditures





Administrative		FY 2020 Actuals		FY 2020 FY 2021 Actuals Actuals				FY 2022 Actuals		FY 2023 Year End Projections		Year End		FY 2024 Proposed Budget
Salary & Benefits	\$	371,126	\$	390,372	\$	459,077	\$	570,016	\$	632,485				
Other Personnel Expenditures	\$	34,472	\$	31,953	\$	58,185	\$	52,900	\$	81,100				
Service & Supply Expenditures	\$	99,053	\$	100,463	\$	87,720	\$	104,600	\$	150,200				
Total Administrative Expenditures	\$	504,651	\$	522,788	\$	604,982	\$	727,516	\$	863,785				

- Compensation & Classification Study is underway 8/21/2023 Council Budget Workshop
- Assumed 7.5% increase in salaries & wages (consistent w/City of Tomball)



	Y 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Year End Projections		FY 2024 Proposed Budget
Indirect Economic Development Expenses						
Chamber Guide	\$ 8,354	\$ 8,354	\$ 8,354 \$	8,354	\$	8,400
Area Street Maps		3,875	<u> </u>	3,875		<u> </u>
Marketing	90,768	76,150	83,115	105,000		175,000
Economic Impact Model License	4,299	4,428	4,561	4,565		4,698
Event Sponsorships	6,000	24,028	8,038	20,000		29,000
Promotional Items	6,515	1,160	4,715	6,500		10,000
Printing	6,915	5,404	1,122	6,500		6,500
Website and GIS	31,899	36,299	12,100	24,000		25,000
Professional Services	207,560	191,747	306,423	350,000		750,000
Grow Tomball Initiative	-	-	-	8,300		20,000
Miscellaneous	70,834	78,182	44,914	7,000		15,000
Total Indirect						
Expenditures	\$ 433,144	\$ 429,626	\$ 473,342 \$	544,094	\$	1,043,598



	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Year En Projectio	d	FY 2024 Proposed Budget
City Debt Service						
Utilities Expansion (2002 CO-2/15/2022)	\$ 370,000	\$ 370,000	\$ 370,000			
Business Park Infrastructure (Series 2013)	\$ 533,462	\$ 535,663	\$ 537,663 \$	539,463	\$	546,013
Medical Complex/Persimmon (Series 2016)	\$ 222,222	\$ 222,222	\$ 222,222 \$	222,222	\$	222,222
Total Debt Service	\$ 1,125,684	\$ 1,127,885	\$ 1,129,885 \$	761,685	\$	768,235



	FY 2020 Actuals					FY 2022 FY 202 Actuals Year Er Projection			FY 2024 Proposed Budget
Grants, Loans, & Other									
Project Grants	\$ 219,848	\$	210,108	\$	620,825	\$	1,800,000	\$	3,500,000
Sales Tax Reimbursement Grants (380)	\$ 50,139	\$	50,139	\$	66,823	\$	70,130	\$	11,400
Total	\$269,98	37	\$260,24	17	\$687,64	18	\$1,870,130)	\$3,511,400



Grants, Loans, & Other	FY 2020 Actuals	2021 ctuals	FY 2022 Actuals	FY 2023 Year End Projections	Pr	FY 2024 roposed Budget
Business Improvement Grants- Current Year	\$ 130,891	\$ 62,078	\$ 121,344	\$ 302,000	\$	\$ 350,000
Business Improvement Grants- Prior Year	\$ 139,082	\$ 67,000	\$ 197,302	\$ 288,000	\$	250,000
Total	\$ 269,973	\$ 129,078	\$ 318,646	\$ 590,000	\$	600,000



	2020 ctuals	2021 tuals	FY 2022 Actuals	FY 2023 Year End Projections	;	FY 2024 Proposed Budget
Grants, Loans, & Other						
Old Town Façade Grants- Current Year	\$ 54,269	-	-	\$ 70,000	\$	250,000
Old Town Façade Grants- Prior Year	-	\$ 38,783	\$ 125,560	\$ 105,000	\$	100,000
Old Town Projects				\$ 600,000	\$	1,500,000
Total	\$ 54,269	\$ 38,783	\$ 125,560	\$ 775,000	\$	1,850,000



		FY 2020 Actuals	FY 2021 Actuals		FY 2022 Actuals	FY 2023 Year End Projections	FY 2024 Proposed Budget
Grants, Loans, & Other	_						
Property Acquisition	\$	5,062,631	\$ 2,043,540	\$ -		\$ 4,635,760	\$ 3,000,000
South Live Oak Redevelopment		-	\$ 71,341	\$	76,553	\$ 30,000	\$ 5,000,000
Business Park Expenses	\$	248,644	\$ 77,781	\$	133,985	\$ 200,000	\$ 350,000
Total	\$	5,311,275	\$ 2,192,662	\$	210,538	\$ 4,865,760	\$ 8,350,000



	FY 2020 Actuals	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Year End Projections	FY 2024 Proposed Budget
Beginning Fund Balance					
Total Available Resources	\$ 26,745,922	\$ 24,458,394	\$ 27,851,256	\$ 34,820,001	\$ 24,665,816
Total All Expenditures	\$ 7,968,983	\$ 4,701,069	\$ 3,550,602	\$ 10,134,185	\$ 16,987,018
Revenues Over (Under) Expenditures	\$ (2,986,157)	\$ 989,650	\$ 4,294,712	\$ (70,106)	\$ (11,137,018)
Ending Fund Balance	\$ 18,767,675	\$ 20,005,941	\$ 24,755,922	\$ 24,665,816	\$ 13,528,798



QUESTIONS?

