

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: January 2, 2024

CONTACT PERSON(S) NAME AND PHONE NUMBER: Jessica Torres, 915-212-1699
Karina Brasgalla, 915-212-1570

DISTRICT(S) AFFECTED: 2

STRATEGIC GOAL: Goal 1: Create an Environment Conducive to Strong, Sustainable Economic Development

SUBGOAL: Goal 1.1 Stabilize and Expand El Paso's Tax Base

SUBJECT:

A Resolution authorizing the City Manager to sign a Chapter 380 Economic Development Program Agreement ("Agreement") by and between **CITY OF EL PASO** ("City") and **PEDRO MORALES & FRANCISCA MORALES** ("Applicant") in support of an infill development project located at 7833 Mount Latona Dr., El Paso, Texas 79904. The Agreement requires the Applicant to make a minimum investment of \$90,000.00. Over the term of the Agreement, the City shall provide economic incentives not to exceed \$5,211.94 in the form of a Real Property Tax Rebate, a Construction Materials Sales Tax Rebate, and a Building Construction Fee Rebate.

BACKGROUND / DISCUSSION:

Pedro & Francisca Morales applied and qualified for a 5-year Infill redevelopment incentive grant. The Applicant is proposing to invest a minimum of \$90,000 to construct development that will include a duplex unit located in El Paso's northeast district. The project will increase the tax value of the property and greatly enhance the aesthetic value of the area. Upon satisfying all contract metrics, the Applicant will eligible to receive the following incentive:

- Property Tax Rebate (City's Portion): The City's portion of ad valorem incremental property taxes. 5-year grant period. Capped at \$2,316.19
- Construction Materials Sales Tax Rebate- A one-time rebate of the City's Portion (1%) of Sales Taxes levied on project-related construction materials. Capped at \$495.75
- Building Construction Fee Rebate: A one-time rebate of certain building construction fees and planning fees as identified in Ordinance No. 018581 paid for the project. Capped at \$2,400

The total proposed incentive is not to exceed \$5,211.94.

PRIOR COUNCIL ACTION:

None

AMOUNT AND SOURCE OF FUNDING:

General Fund

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? ☒ **YES** ☐ **NO**

PRIMARY DEPARTMENT: Economic and International Development

SECONDARY DEPARTMENT: N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement (“Agreement”) by and between **CITY OF EL PASO** (“City”) and **PEDRO MORALES & FRANCISCA MORALES** (“Applicant”) in support of an infill development project located at 7833 Mount Latona Dr., El Paso, Texas 79904. The Agreement requires the Applicant to make a minimum investment of \$90,000.00. Over the term of the Agreement, the City shall provide economic incentives not to exceed \$5,211.94 in the form of a Real Property Tax Rebate, a Construction Materials Sales Tax Rebate, and a Building Construction Fee Rebate.

APPROVED THIS _____ DAY OF _____ 2024.

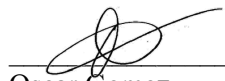
CITY OF EL PASO:

Oscar Leeser
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Elizabeth Triggs, Director
Economic & International Development

STATE OF TEXAS)
)
COUNTY OF EL PASO) **CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT
(Infill Development)**

This Chapter 380 Economic Development Program Agreement (the "**Agreement**") is made on this ____ day of _____, 2024 ("**Effective Date**") between the City of El Paso, Texas, a Texas home rule municipal corporation, (the "**City**"), and **PEDRO MORALES & FRANCISCA MORALES** (the "**Applicant**"), for the purposes and considerations stated below:

RECITALS

WHEREAS, the City has the authority under Chapter 380 of the Texas Local Government Code ("Chapter 380") to make loans or grants of public funds for the purpose of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, on May 11, 2021 the El Paso City Council adopted an Infill Development Incentive Policy (the "Infill Policy") to promote infill development by providing economic incentives for eligible projects meeting Infill Policy criteria; and

WHEREAS, the Applicant's real property, located at **7833 Mount Latona Dr., El Paso, Texas 79904**, is within the Policy's designated incentive area and the Applicant's proposed development meets the Policy's eligibility requirements; and

WHEREAS, the City desires to provide incentives to the Applicant, pursuant to Chapter 380 and the Infill Policy, for the construction of a development located on the Applicant's real property, and the Applicant wishes to receive the incentives in exchange for compliance with the obligations set forth herein; and

WHEREAS, the City concludes and hereby finds that this Agreement promotes economic development in the City and meets the requirements of Chapter 380.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. "**Agreement**" means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached and incorporated herein by reference.
- B. "**Base Year Value**" means valuation of the real property by the El Paso Central Appraisal District on the rolls as of January 1st of the year of the Effective Date of this Agreement. The Base Year Value shall not be interpreted to be equivalent or determinative for appraisal

purposes or used in any way to determine market value. For the purposes of this Agreement, the Base Year Value is **\$22,318.00**.

- C. **“Construction Materials Sales Tax Rebate”** means a one-time 100% rebate of the City’s 1% Sales and Use Tax from receipts for materials and labor of taxable items used in the construction of the Development. The Construction Materials Sales Rebate shall not exceed **\$495.75**.
- D. **“Development”** means new construction on a vacant lot or renovation of an existing vacant or blighted building(s) to be used for any of the following land uses: office, retail, restaurant, multifamily residential facilities, commercial and industrial within the City of El Paso, as authorized by the existing local law. The Development is described in Exhibit B, which is attached and incorporated for all purposes.
- E. **“Building Construction Fee Rebate”** means the one-time rebate of certain building construction fees and planning fees as identified in Ordinance No. 018581 paid for the Project and payable from the City’s general revenue fund. The Building Construction Fee Rebate shall not exceed **\$2,400.00** and will be rebated upon the Applicant’s provision of the Grant Submittal Package to the City to demonstrate that the total construction cost for the Project is greater than the Base Year Value.
- F. **“Effective Date”** means the date the El Paso City Council approves the Agreement.
- G. **“Grant.”** “The word ‘Grant’ means each annual payment to APPLICANT under the terms of this Agreement computed as the sum of the applicable rebates: (i) Construction Materials Sales Tax Rebate; (ii) Building Construction Permit Fee Rebates; and (iii) Property Tax Rebate. For the purposes of this Agreement, the aggregate Grant payments will not exceed **\$5,211.94**.”
- H. **“Grant Submittal Package”** means the documentation required to be supplied to City as a condition of receipt of any Grant, with such documentation more fully described in the Grant Submittal Package, which is attached as Exhibit C to this Agreement.
- I. **“Minimum Appraisal Value”** means the valuation of the Real Property appraised by El Paso Central Appraisal District during and after the construction or renovation of the Development. For the purposes of this Agreement, the Minimum Appraisal Value is **\$81,808.00**. Under no circumstances shall the Minimum Appraisal Value be interpreted to be equivalent of or determinative for appraisal purposes or to be used in any way to determine market value.
- J. **“Minimum Investment”** means those costs incurred, self-performed or contracted to third parties by the Applicant over the course of the renovation or construction project or furnishing of the improvements for the Development. For purposes of this Agreement, the Minimum Investment to qualify for the Grant is **\$90,000.00**.

- K. **“Property Tax Rebate”** means a rebate, according to the Incremental Real Property Tax Rebate Table found in Exhibit D of this Agreement, of the City’s portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value for the Grant Period (as defined herein). For the purposes of this Agreement, the total Real Property Tax Rebate amount shall not exceed **\$2,316.19**.
- L. **“Qualified Expenditures”** means the monetary expenditures paid or caused to be paid by the Applicant after the Effective Date for material used in constructing or renovating the Development; and labor required for the construction or renovation of the Development.
- M. **“Real Property”** means the real property owned by the Applicant located at **7833 Mount Latona Dr., El Paso, Texas 79904**, and described on Exhibit A, which is attached and incorporated by reference. The Real Property is the location for the Applicant’s proposed Development.
- N. **“Vacant Building”** means a building that is 60% or more unoccupied and is registered as a vacant building with the City, pursuant to Title 18, Chapter 18.40, El Paso City Code.

SECTION 2. TERM AND GRANT PERIOD.

- A. This Agreement shall commence on the Effective Date and shall terminate on the first to occur of: (i) the date when the aggregate amount of Grants is paid; (ii) **7** years from the Effective Date; (iii) the proper termination of this Agreement in accordance with the applicable provisions contained herein; or (iv) termination by mutual consent of the parties in writing (“Term”).
- B. The Applicant’s eligibility for Grant payments shall be limited to **5** consecutive years within the Term of this Agreement (the “Grant Period”). The first year of the Grant Period shall be the first tax year after the issuance of the certificate of occupancy for the Development. A temporary certificate of occupancy does not qualify as a certificate of occupancy.

SECTION 3. OBLIGATIONS OF APPLICANT.

A. DEVELOPMENT.

- (1) The Applicant represents that the Development complies with, and adheres to, the provisions and requirements of the City’s Infill Policy and is located within the eligible incentive areas identified within the Infill Policy.
- (2) The Applicant shall renovate or construct, at its sole cost and expense, the Development, and shall expend a minimum of **\$90,000.00** in Qualified Expenditures to construct the Development.
- (3) The Applicant shall obtain all building permits for the Project within **6 months** from the Effective Date of this Agreement.

(4) Within **24 months** after the Effective Date, the Applicant shall submit documentation to the City to verify the following:

(a) The expenditure of a minimum of **\$90,000.00** in Qualified Expenditures; and

(b) That the Applicant has received a **Certificate of Occupancy** for the Development.

(5) The Applicant agrees that the Development shall not include the demolition of properties with a historic overlay that are deemed historic or contributing unless specifically approved by El Paso City Council.

(6) The Applicant agrees that Development shall be in accordance with the requirements and review provisions of Chapter 20.20 (Historic Landmark Preservation) of the City municipal code, where applicable.

(7) The Applicant shall diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that the construction of same will be in accordance with all applicable federal, state and local laws and regulations.

(8) The Applicant agrees that during the Term of this Agreement, the Real Property shall be limited to those uses consistent with the Development.

(9) The Applicant shall demonstrate, before the receipts of any Grant payments, that the Applicant has incurred no delinquency taxes by providing certified city tax certificates for any parcel of property owned in the City of El Paso.

(10) The Applicant agrees that during the Term of this Agreement it shall not challenge nor permit anyone else to take actions on its behalf to challenge any assessments by the El Paso Central Appraisal District of **\$81,808.00** or less. It is the intent of the parties that the assessed value of the Property on the tax rolls have a minimum appraisal value of **\$81,808.00** during the Term of this Agreement. This property value should in no way be interpreted to affect the values set by the Central Appraisal District for tax purposes. Upon the termination of this Agreement, the Applicant agrees that neither this Agreement, nor the values contained herein, will be utilized to contest appraisal values or in the determination of the market value of the Development.

(11) The Applicant, during normal business hours, at its principal place of business in the city of El Paso, Texas, shall allow the City or its agents reasonable access to operating records, accounting books, and any other records related to the economic development considerations and incentives described herein, which are in Applicant's possession, custody, or control, for purposes of verifying the Qualified Expenditures and for audit purposes, if so requested by the City. The confidentiality of such records will be maintained in accordance with all applicable laws.

(12) Applicant shall provide all required invoices and other required documentation to City electronically at the following address: EDcompliance@elpasotexas.gov

B. GRANT SUBMITTAL PACKAGE.

In order to receive the disbursement of the Grant, the Applicant must submit a Grant Submittal Package, as specified below.

- (1) The Applicant shall annually submit one Grant Submittal Package which shall be in the form provided in Exhibit C, together with the requisite documentation. The Applicant shall submit to the City the initial Grant Submittal Package on **January 1, 2026**, or within 30 business days after this date. Thereafter, the Applicant's annual Grant Submittal Package must be submitted on or within 30 business days after the **1st day of January** of each year. A failure by the Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant year.
- (2) Concurrent with the submittal of a Grant Submittal Package, the Applicant will submit to the City documentation as may be reasonably necessary to verify the expenditure to date of the Minimum Investment, which has not otherwise been verified as part of a prior submittal. The City will provide to the Applicant a written explanation for any Minimum Investment that the City determines cannot be verified. The Applicant may submit additional documentation to the City in order to obtain verification.
- (3) The City's determination of the amount of the Grant payment due to the Applicant is final.
- (4) Unless otherwise agreed by the CITY and APPLICANT in writing, APPLICANT shall annually submit one Grant Submittal Package which shall be in the form provided in Exhibit C, together with the requisite documentation. APPLICANT shall submit to the CITY the initial Grant Submittal Package to commence the Grant Period on **January 1, 2026**, or within thirty (30) business days after **January 1, 2026**. Thereafter, the APPLICANT'S annual Grant Submittal Package must be submitted on **1st day of January** or within thirty (30) business days after **1st day of January** of each year. A failure by APPLICANT to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the APPLICANT to receive a Grant payment for that GRANT YEAR."

SECTION 4. OBLIGATIONS OF THE CITY.

During the Term of this Agreement, and so long as an Event of Default has not occurred and the Applicant is in compliance with the Agreement, the City agrees as follows:

- A. The City agrees to provide a Construction Materials Sales Tax Rebate not to exceed **\$495.75** in accordance with the terms and provisions of this Agreement.

- B. The City agrees to provide a Building Construction Fee Rebate not to exceed **\$2,400.00** in accordance with the terms and provisions of this Agreement.
- C. The City agrees to provide a Real Property Tax Rebate not to exceed **\$2,316.19** in accordance with the terms and provisions of this Agreement.
- D. The City will process any eligible Grant payment within **90 days** after receipt of the Applicant's annual Grant Submittal Package.

SECTION 5. EVENTS OF DEFAULT.

Each of the following Paragraphs A through F shall constitute an Event of Default:

- A. **Failure to Comply.** The Applicant's failure to comply with, or to perform any obligation or condition of this Agreement or in any related documents, or the Applicant's failure to comply with or to perform any obligation or condition of any other agreement between the City and the Applicant.
- B. **False Statements.** Any representation or statement made or furnished to the City by the Applicant pursuant to this Agreement or any document(s) related hereto, that is/are false or misleading in any material respect; or if the Applicant obtains actual knowledge that any such representation or statement has become false or misleading after the time that it was made, and the Applicant fails to provide written notice to the City of the false or misleading nature of such representation or statement within 10 days after the Applicant learns of its false or misleading nature.
- C. **Insolvency.** The Applicant files a voluntary petition in bankruptcy, or a proceeding in bankruptcy is instituted against the Applicant, and the Applicant is thereafter adjudicated bankrupt, a receiver for the Applicant's assets is appointed, or any assignment of all or substantially all of the assets of the Applicant for the benefit of creditors of the Applicant.
- D. **Property Taxes.** If the Applicant allows its personal or real property taxes owed to the City to become delinquent, and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within 30 days after written notice thereof from the City and/or El Paso Central Appraisal District.
- E. **Notice and Opportunity to Cure.** If an Event of Default occurs, the City will provide the Applicant with written notice of the default, and the Applicant shall have 30 days from the receipt of said notice to cure the default (the "Cure Period"). If the default cannot be remedied within the Cure Period, but the Applicant has made a diligent effort to effect a cure, the Cure Period may be extended at the City's sole discretion for a reasonable time. The City, in its sole discretion, shall determine what constitutes "a reasonable time" and what constitutes "a diligent effort" for purposes of this provision. If the City agrees to extend the Cure Period past the 30 days, the City shall notify the Applicant, in writing, of the expiration date of the extended cure period.

- F. **Failure to Cure.** If an Event of Default occurs and, after receipt of written notice and opportunity to cure as provided herein, the Applicant fails to cure the default in accordance with the provisions herein, then this Agreement may be terminated by the City by written notice to the Applicant at which time the City's obligations hereunder will end, and the City may exercise any other right or remedy available at law or in equity.

SECTION 6. RECAPTURE.

Should the Applicant default under **Section 5** of this Agreement and provided that the cure period for such default has expired, all Grants previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant within 60 days from the date of such termination.

SECTION 7. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT.

- A. The City may terminate this Agreement without an event of default and effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical or illegal.

SECTION 8. GENERAL PROVISIONS.

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by both parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Applicant's Sale or Transfer of the Development.** Prior to any sale or other transfer of ownership rights in the Development, the Applicant shall notify the City in writing of such sale or transfer 30 business days before the effective date of such sale or transfer.
- D. **Assignment.** Applicant understands and agrees that the City expressly prohibits the Applicant from selling, transferring, assigning or conveying in any way any rights to receive the Grant or Grants that are the subject of this Agreement without the City's consent to assignment. Any such attempt to sell, transfer, assign or convey without the City's prior written consent is void and may result in the immediate termination of this Agreement and recapture of the taxes rebated prior to the attempted transfer.
- E. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. The City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. The Applicant warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind the Applicant to the same.

- F. **Confidentiality Obligations.** The confidentiality of records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. To the extent permitted by state or federal law, the City shall maintain the confidentiality of any proprietary information and shall not copy any such information except as necessary for dissemination to the City's agents or employees and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to such proprietary information is received. The Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of the Applicant as a basis for nondisclosure.
- G. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute the same document.
- H. **Employment of Undocumented Workers.** During the term of this Agreement, the Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the Grant payments received by the Applicant from the City as of the date of such violation not later than one hundred twenty (120) days after the date the Applicant is notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to the Applicant, at the rate of seven percent (7%) per annum. The interest will accrue from the date the Grant payment(s) were paid to the Applicant until the date the reimbursement payments are repaid to City. The City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. Applicant is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom the Applicant contracts.
- I. **Force Majeure.** The parties agree that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.
- J. **Headings.** The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- K. **No Joint Venture.** The parties acknowledge and agree that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture between the parties. The City, its past, present and future officers, elected officials, employees and agents of the City, do not assume any responsibilities or liabilities to any third party in connection with the Development or the design, construction, or operation of the Development, or any portion thereof.

- L. **Notices.** All notices required by this Agreement shall be given in writing and shall be deemed to have been properly served if a) delivered by hand and receipted for by the party to whom said notice is directed (or his/her agent); or b) mailed by certified or first class mail with postage prepared, on the third business day after the date on which it is so mailed; c) mailed by overnight courier and receipted for by the party to whom said notice is directed (or his/her agent); or d) sent by facsimile transmission or by email, if a facsimile or email number is provided below. A party may change its contact information for notices by sending written notice to the other party of the change to the party's contact information.

To the Applicant: PEDRO MORALES & FRANCISCA MORALES
Address: 4751 Atlas Ave..
El Paso, TX 79904

To the City: The City of El Paso
Attn: City Manager
P. O. Box 1890
El Paso, Texas 79950-1890

With a Copy to: The City of El Paso
Attn: Economic & International Development
P. O. Box 1890
El Paso, Texas 79950-1890

- M. Applicant shall provide all required invoices and other required documentation to City electronically at the following address: **EDcompliance@elpasotexas.gov**
- N. **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising.
- O. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.
- P. **Governmental Functions.** The parties agree that the City is entering this Agreement in the exercise of its governmental functions under the Texas Tort Claims Act. The parties also agree that the City is entering into this Agreement as a governmental entity performing a governmental function.
- Q. **Compliance with the Law.** The parties will comply with all applicable laws, administrative orders, and any rules or regulations relating to the obligations under this

Agreement. If applicable, then the Applicant will procure all licenses and pay all fees or other charges as required to complete the Work under this agreement.

R. **Third-Party Beneficiaries.** There are no third-party beneficiaries for this Agreement.

[Signatures begin on the following page.]

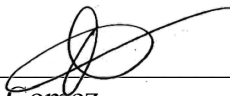
IN WITNESS WHEREOF, the parties have executed this Agreement on this ____ day of _____, 2024.

CITY OF EL PASO:

Cary Westin
Interim City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:


Oscar Gomez
Assistant City Attorney


Elizabeth Triggs – Director
Economic & International Development

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument was acknowledged before me on the ____ day of _____, 2024, by Cary Westin as Interim City Manager of the City of El Paso, Texas, on behalf of the City of El Paso, Texas.

My Commission Expires:

Notary Public, State of Texas

[Signatures continue on the following page]

**APPLICANT:
PEDRO & FRANCISCA MORALES**

Pedro Morales
Pedro Morales
Owner

Francisca Morales
Francisca Morales
Owner

ACKNOWLEDGMENT

STATE OF

COUNTY OF

§ TX
§ EL PASO
§

This instrument was acknowledged before me on the 7 day of Dec, 2023, by
Pedro Morales & Francisca as the Owner.

Rose Ortega
Notary Public, State of TX

My Commission Expires:

04/03/2027

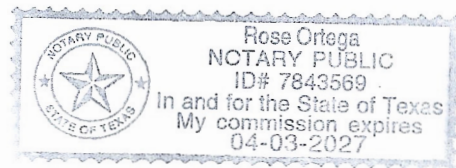


EXHIBIT A

Legal Description of the Real Property

*7833 MOUNT LATONA DR. ALL OF LOTS 4, BLOCK 1, SUNRISE ACRES NO.2
(2,200 SQ FT)*

EXHIBIT B

Description of Development

Pedro & Francisca Morales will develop the property located at 7833 Mount Latona Dr., in El Paso, Texas. They will invest a minimum of \$90,000.00 to construct the development. The development will include the elements listed below and will be substantially similar, in design, to the rendering shown below.

Development Description:

- Construction of duplex unit on currently vacant land
- Total of 2 residential units
- Approximately 2,200 square feet of multi-family residential space

Rendering:

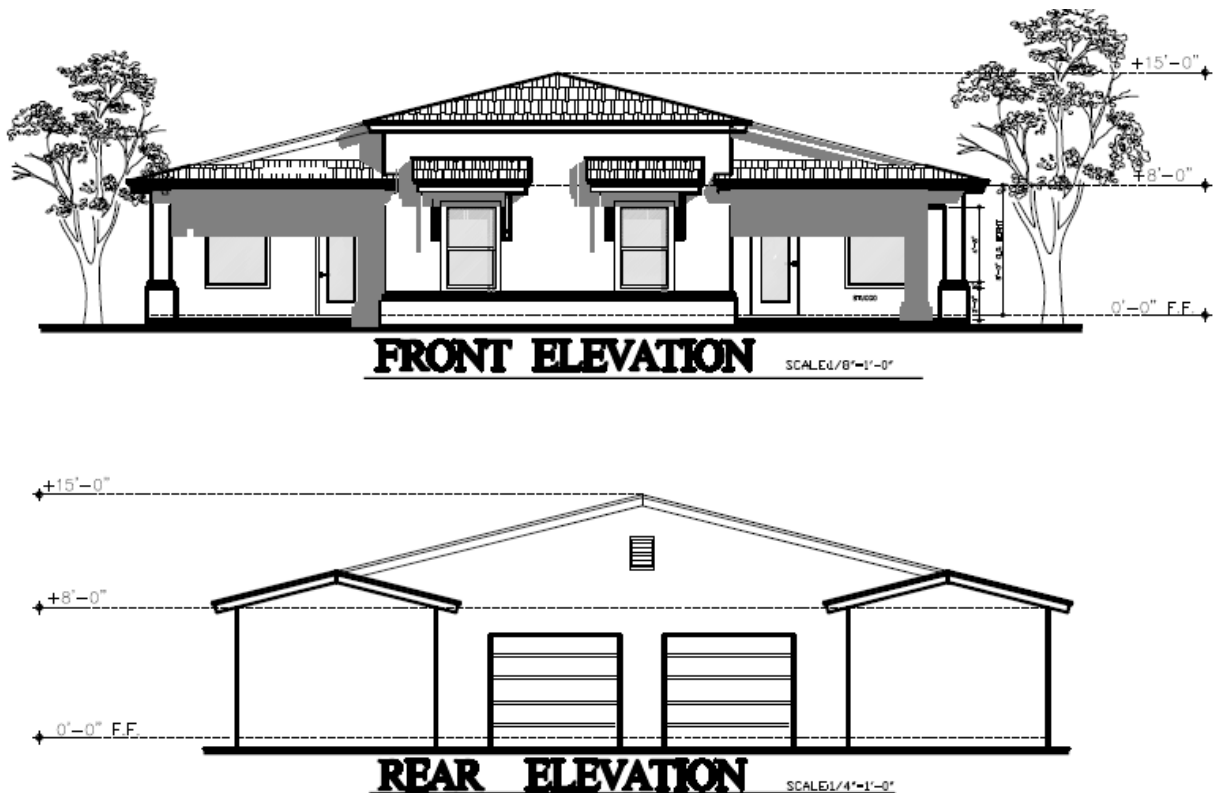


EXHIBIT C

Grant Submittal Package Form

_____(the Applicant) believes that it has substantially met its obligations under the Chapter 380 Agreement executed on _____ (date). Pursuant to the Agreement, the Applicant submits this Grant Submittal Package Form in compliance with said Agreement and in anticipation of receiving the Grant in consideration for his obligations met under the Agreement.

As required by the Agreement, the following information is submitted.

1. **[DUE WITHIN 6 MONTHS OF AGREEMENT EXECUTION]** Copies of all applicable approvals and permits
2. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation to evidence the amount of development fees paid as a result of the Development;
3. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation to evidence minimum expenditures amounting to **\$90,000.00** including but not limited to
 - a. Stamped **PAID** invoices
 - b. Copies of checks proving payment – corresponding to paid invoices
 - c. Receipts for purchase of construction materials (must show amount of taxes paid)
 - d. Bank statements (in the event a transaction was paid with credit or debit card)
 - e. Contractor pay applications, notarized with lien releases
4. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation evidencing the materials and labor of Taxable Items used in the construction of the Development eligible for rebate to Applicant under the Construction Materials Sales Tax Rebate;
5. **[INITIAL GRANT SUBMITTAL ONLY]** Copy of Certificate of Occupancy in accordance with the requirements provided in Section 3(A)(4)(b)
6. **[INITIAL GRANT SUBMITTAL ONLY]** 1295 Form
7. Property tax payment receipts showing proof of payment for tax year _____.

It is understood by the Applicant that the City of El Paso has up to **90 days** to process this request and reserves the right to deny the Grant claim if the Applicant has failed to comply with the terms of the Agreement.

By the signature of the Applicant below, the Applicant hereby certifies that: (1) the copies of the receipts attached to this Grant Submittal Package Form represent Qualified Expenditures incurred in the improvements and new construction to the Development; (2) the Applicant has paid or caused to be paid the City's local sales and use taxes associated with the Qualified Expenditures; and (3) that the copies of the receipts and copies of the permits attached herein are true and correct.

Signature: _____

Printed Name: _____

Date: _____

EXHIBIT D

Property Tax Rebate Table

| Year | Rebate Percentage |
|---------------|--------------------------|
| Year 1 | 100% |
| Year 2 | 100% |
| Year 3 | 100% |
| Year 4 | 75% |
| Year 5 | 75% |