

**AGREEMENT REGARDING THE ACQUISITION OF REAL PROPERTY FOR
ECONOMIC DEVELOPMENT OF “OLD SEABROOK”**

1110 Hall Avenue, Seabrook, TX 77586

THE STATE OF TEXAS §
COUNTY OF HARRIS §

This Agreement regarding the Acquisition of Real Property for Economic Development (the “Agreement”) is entered into as of the _____ day of _____, 2019, between the CITY SEABROOK, TEXAS, a home rule municipality situated in Harris County, Texas (the “City”) and the SEABROOK ECONOMIC DEVELOPMENT CORPORATION, a non-profit economic development corporation (the “Corporation”) created and operating as a Type B corporation pursuant to the provisions of Chapters 501 and 505, Texas Local Government Code, as amended (the “Act”).

RECITALS

At an election held within the City on January 18, 1992 (the “Election”), the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one cent (the “Additional Sales Tax”) as authorized by the Act for economic development purposes.

The Corporation was formed pursuant to the Act for the purpose of the payment of costs of “Projects” authorized by Section 4B of Article 5190.6 V.A.T.C.S., (now recodified in the Texas Local Government Code Section, 501.001 et. seq. and more specifically Section 505 relating to Type B corporations), to pay for the promotion of economic development, including the principal and interest on bonds or other obligations, issued to pay the costs of such “Projects” as authorized by the Act and the Election.

Pursuant to the provisions of the Act, the City collects the Additional Sales Tax and pays it to the Corporation.

The Corporation hereby finds, determines and declares, pursuant to its Project Notice published April 13, 2017 for the Project entitled “**Old Seabrook**” that expenditures to promote or develop new or expanded business enterprises and/or that create or retain primary jobs in or near the City of Seabrook, including but not limited to: targeted infrastructure (streets, transportation, utilities, drainage, site and related improvements); acquisition of land, buildings, equipment, and facilities; demolition of aging or substandard buildings to improve the quality of commercial zones; general municipally owned improvements, parking facilities; or any other expenditures consistent with the purposes and duties as a Type B corporation for “Old Seabrook” is an authorized project of the Corporation under the Act, in accordance with Sections 505.101, 501.103, 505.152, 505.155, 505.158, and 505.302, and related authority, (“Authorized Project”).

The Corporation additionally finds that notice and hearing for the Authorized Project has been provided, that the City has adopted Resolution 2007-11 after two separate readings, and having complied with the legal prerequisites for undertaking the Authorized Project under the Act, the City and the Corporation now wish to proceed with the Authorized Project.

The City and the Corporation have determined that the acquisition of real property located at 1110 Hall Avenue, Lots Three (3) and Block Twenty-Three (23), Seabrook, Harris County, Texas (the "Land") provides an appropriate site for future improvements that is consistent with the goals of the Authorized Project.

The Corporation hereby finds that this Agreement is for the benefit of the Corporation and that payment made hereunder is for Authorized Project costs under the Act.

The City and the Corporation hereby find, determine, and declare that the respective meetings of the City Council of the City and the Board of Directors of the Corporation at which this Agreement was approved were open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Agreement, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECTS

Section 1.01 Definitions, Declarations, Findings and Determinations. The definitions, declarations, determinations and findings contained in the recitals to this Agreement are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.02 Construction of the Project.

(a) The City in consultation with the Corporation agrees to acquire or cause to be acquired the Land required for the improvements, and associated costs/expenses for the Authorized Project, which costs shall be payable from funds to be paid by the Corporation as provided herein.

(b) The City agrees to contract with all individuals or entities necessary to acquire the Land for the Authorized Project for administration by the City.

Section 1.03 Use of Additional Sales Tax.

(a) The Corporation agrees to use the Additional Sales Tax, and any interest earned thereon, to make payments to the City in amount of **\$196,000.00** for the Land, and associated expenses for the Authorized Project, said amount being in addition to the original initial

budgeted amount of \$750,000 for the continuation of this Authorized Project; and that it is appropriate for title to the Land to be held in the name of the City.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations and Warranties of the City. (a) The City hereby confirms the earlier levy by the City of the Additional Sales Tax, and hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Additional Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(b) The City agrees to take and pursue all action permissible under applicable law to cause the Additional Sales Tax to be collected and remitted and deposited with the Corporation as required by the Act, at the earliest and most frequent times permitted by applicable law.

(c) The City agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the City under this Agreement.

Section 2.02 Representations and Warranties of the Corporation. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to enter into this Agreement and make the payment to the City in the manner and to the extent provided in this Agreement.

(b) The Corporation represents and warrants that the Project is an authorized project of the Corporation under the Act, and that the Corporation has taken all action and obtained all approvals required by law and the Corporation's bylaws in order to proceed with this Authorized Project and to undertake its obligations under this Agreement.

(c) The Corporation agrees to do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under this Agreement.

(d) The Corporation represents and warrants that this Agreement constitutes a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting creditors' rights, and that the execution and delivery of this Agreement will not conflict with or constitute a material breach of or a default under any agreement or instrument to which the Corporation is a party.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01 Term. This Agreement shall be in force and effect from the date of execution hereof.

Section 3.02 Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual agreement of the parties hereto.

Section 3.03 Merger. This Agreement embodies the entire understanding between the parties hereto and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 3.04 Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original instrument and each will have the force and effect of an original and all of which together constitute, and will be deemed to constitute, one and the same instrument.

Section 3.05 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

Section 3.06 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

[Execution Page Follows]

EXECUTED in multiple counterparts as of the date first written above.

CITY OF SEABROOK, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

SEABROOK ECONOMIC
DEVELOPMENT CORPORATION

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors