

STATE OF TEXAS §
COUNTY OF BEXAR §

**GRANT AGREEMENT
BETWEEN CITY OF LEON VALLEY
AND ROYAL TILE LIMITED
PARTNERSHIP**

This Grant Agreement (hereinafter referred to as the "Agreement") is made and entered into by and between the CITY OF LEON VALLEY ("CoLV") and **ROYAL TILE LIMITED PARTNERSHIP**, acting by and through its representative ("Grantee") (CoLV and Grantee collectively referred to herein as the "Parties").

WHEREAS, the Grantee's property is located at 6600 Bandera Road ("Property"), Leon Valley, Texas 78238 (the "Property") in the exclusive manner specified herein; and

WHEREAS, Article III, Section 52-a of the Texas Constitution gives the Texas Legislature the authority to provide for Grants of public money for the development and diversification of the State's economy and the elimination of unemployment or underemployment and

WHEREAS, the CoLV's mission is to provide a diverse and versatile business environment that supports a healthy economy. The CoLV will exhibit a distinctive and welcoming identity at its boundaries and throughout the community. The CoLV will attract, expand and retain viable businesses to promote development and redevelopment.

WHEREAS, the CoLV intends, and in connection with such intention, has approved the proposed Small Business Encouragement Grant, which has been described in an application from the Grantee, attached and incorporated herein by reference as Exhibit A (the "Project"); and

WHEREAS, has the CoLV agreed to provide up to fifty-five thousand (\$55,000.00) "Grant" to fund the redevelopment of the Property.

NOW THEREFORE, the Parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

SECTION 1. AGREEMENT PURPOSE

- A. **Recitals.** The recitals to this Agreement are incorporated herein for all purposes.
- B. **Purpose.** The specific purpose of this Agreement is for the CoLV to provide financial assistance in the form of refunding of paid city permit fees, waving of future city permit fees related to this project, and cash payments to redevelop the property located at 6600 Bandera Road (“Property”).
- C. This action will be a significant contribution toward a broader purpose to promote, encourage, and protect local businesses, the expansion and protection of the local tax base, and the quality of life for Leon Valley’s residents.
- D. **Term.** The term of this Agreement shall begin on the Effective Date and automatically expire upon the date the Grant is provided or unless sooner terminated as provided herein.

SECTION 2. CONDITIONS TO GRANT

- A. **Conditions.** The obligation for CoLV to pay any and all of the Grants hereunder shall be conditioned upon compliance with and satisfaction of each of the conditions set forth below:
 - 1. The project will consist of the purchasing of the Property.
 - 2. The Grantee must make improvements to the Property, which will include, but not be limited to, the following:
 - a. Exterior façade improvements include, but are not limited to, new paint, lighting, metal awnings, landscaping, signage, a seal coat of the parking lot to ensure no potholes, re-striping the parking lot, roof repairs, and replacing parking lot lighting with LED lighting.
 - b. Interior improvement- means having the property meet all applicable codes to receive a certificate of occupancy.
 - c. Landscaping along El Verde Road, on the right of way, to shield EPA equipment.
 - 3. The Grantee must be fully operational by no later than January 1, 2026.
 - 4. The Grantee must invest a minimum of \$300,000 in tangible improvements to the Property.
 - a. If the Grantee fails to spend the minimum required \$300,000 on tangible improvements, the City’s cash incentive will be reduced to 15% of the actual documented expenditure, not to exceed a total cost of \$55,000.
 - b. The Grantee must submit receipts for all work completed to verify expenditures.
 - i. Only tangible improvements will be considered, administrative costs will not be considered.
 - c. All receipts must be submitted for review by December 31, 2025. Documentation must include receipts of purchase, delivery, and/or proof of installation at the Property.
 - d. No additional benefit will be granted if the Business spends more than the \$300,000.
 - 5. The Grantee must employ at least two (2) full-time staff members at the Property.

6. The Grantee must host a grand opening event to showcase the redeveloped Property.
7. The Grantee must remain open and operational for a period of at least twenty-four (24) months following the grand opening.
8. The Grantee must display a sign provided by the City at the grand opening event, acknowledging receipt of the grant for a period of 3 months.
9. The Property must meet all ADA, building, fire, and any other applicable code requirements.
10. The Grantee must submit the following legible copies:
 - a. Certificate of Occupancy,
 - b. Texas Sales Tax Certificate,
 - c. Agreement for Disclosure of Confidential Tax information (Exhibit A),
 - d. Records of legal ownership of the Property.
11. CoLV will issue the Grant monies to the Grantee after review and approval of the Grantee's documentation of Eligible Costs and based on the timeline below.
 - a. Planning and Zoning Fees:
 - i. Refund of paid fees for the redevelopment of the project within thirty (30) days of the remodel's completion and the grand opening event.
 - ii. Waiver of all future fees, including plan review, inspections and other standard fees, related to the remodel of the property.
 - iii. Maximum fees refunded and waived cannot exceed \$5,000.00
 - iv. Penalties and fines will not be refunded or waived and must be paid in full.
 - b. A cash payment of \$35,000.00 within thirty (30) days of the remodel's completion and the grand opening event.
 - c. An additional payment of \$15,000.00 will be made eighteen (18) months after the grand opening event, if the Grantee remains operational.
12. The Grantee shall submit all supporting documents to CoLV on or before **December 31, 2025**. CoLV City Council shall have sole authority and discretion to grant an extension.
13. The Grantee agrees to remain in operation at the Property and/or Leon Valley for 24 months after the grand opening. Failure to do so will result in the grantee returning 100% of the funds.
14. Prohibition on Default. The Grantee shall not receive any Grant funds in the event of Grantee's uncured breach or default of this Agreement.

SECTION 3. USE OF GRANT FUNDS

- A. The Grantee understands that this Grant was designed to be used solely for defined purposes.
- B. Eligible Costs for reimbursement by the Grant are for the defined purpose and should not exceed the established maximum disbursement per business. COLV has agreed to provide up to fifty-five thousand (\$55,000.00) "Grant" for redevelopment of the property
- C. CoLV shall not be obligated to pay any monies beyond the amount of the Grant and is only obligated to make Grants from approved sources budgeted and approved by the City Council.

The Grantee represents that it understands that any expenditures by the Grantee in anticipation of reimbursement from Grant funds shall never be obligations of any CoLV fund and is subject to the extent and availability of actual grant funds to reimburse.

SECTION 4 TERMINATION

A. **Termination.** This Agreement shall terminate upon the occurrence of any one or more of the following:

1. Sixty (60 days) after Eligible Costs have been reviewed, approved and disbursed by CoLV up to the amount of the Grant;

In addition, CoLV will have the sole discretion and option to terminate this Agreement in the event:

1. Grantee breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof;
2. Grantee has ceased its business operations at the Property;
3. Grantee is a party to voluntary or involuntary bankruptcy proceeding;

B. **Repayment of the Grant.** In the event the Agreement is terminated, then Grantee shall immediately refund to CoLV an amount equal to the sum of the Grant monies paid by CoLV to Grantee pursuant to this Agreement. Notwithstanding the foregoing, Grantee will not be required to repay the Grant if the Agreement is terminated under Section 4A(1).

SECTION 5 INDEMNIFICATION

THE GRANTEE COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE COLV AND THE OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS AND REPRESENTATIVES OF THE COLV, INDIVIDUALLY OR COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON THE COLV, DIRECTLY OR INDIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO THE GRANTEE'S ACTIVITIES UNDER THIS CONTRACT, INCLUDING ANY ACTS OR OMISSIONS OF THE GRANTEE, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT, CONTRACTOR OR SUBCONTRACTOR OF THE GRANTEE, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS CONTRACT, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE COLV UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE COLV AND NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY. THE

GRANTEE SHALL PROMPTLY ADVISE THE COLV IN WRITING OF ANY CLAIM OR DEMAND AGAINST THE COLV OR THE GRANTEE KNOWN TO THE GRANTEE RELATED TO OR ARISING OUT OF THE GRANTEE'S ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT THE GRANTEE'S COST. THE COLV SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING THE GRANTEE OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

IT IS THE EXPRESS INTENT OF THE PARTIES TO THIS AGREEMENT, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH, IS AN INDEMNITY EXTENDED BY GRANTEE TO INDEMNIFY, PROTECT AND HOLD HARMLESS COLV FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE; PROVIDED HOWEVER, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL APPLY ONLY WHEN THE NEGLIGENT ACT OF COLV IS A CONTRIBUTORY CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE, AND IT SHALL HAVE NO APPLICATION WHEN THE NEGLIGENT ACT OF COLV IS THE SOLE CAUSE OF THE RESULTANT INJURY, DEATH, OR DAMAGE. GRANTEE FURTHER AGREES TO DEFEND, AT ITS OWN EXPENSE AND ON BEHALF OF AND IN THE NAME OF COLV ANY CLAIM OR LITIGATION BROUGHT AGAINST COLV AND ITS OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES, IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR PROPERTY DAMAGE FOR WHICH THIS INDEMNITY SHALL APPLY, AS SET FORTH ABOVE.

IT IS THE EXPRESS INTENT OF THIS SECTION THAT THE INDEMNITY PROVIDED TO THE COLV SHALL SURVIVE THE TERMINATION AND/OR EXPIRATION OF THIS AGREEMENT FOR THE APPLICABLE PERIOD OF LIMITATION AND SHALL BE BROADLY INTERPRETED AT ALL TIMES TO PROVIDE THE MAXIMUM INDEMNIFICATION OF THE COLV PERMITTED BY LAW.

SECTION 5 MISCELLANEOUS

- A. Grantee shall comply with all applicable federal, state and City laws and regulations, as amended. Grantee agrees to obtain and maintain, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the business. At its sole cost and expense, Grantee shall be responsible for paying, or causing to be paid, to City and all other governmental agencies the cost of all applicable permit fees and licenses required.
- B. Grantee represents, warrants, assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement and to perform the responsibilities herein required.
- C. In no event shall the CoLV be liable for any expenses of Grantee not eligible or allowable for reimbursement by the Grant.
- D. Grantee represents and warrants that the documentation verifying the Eligible Costs submitted to the CoLV for reimbursement by Grant funds are true and correct. Grantee's submission of falsified information or the failure to timely submit all information

by Grantee as requested by CoLV is breach of this Agreement and grounds for termination of this Agreement.

- E. Grantee shall use generally accepted accounting principles and establish and use internal administrative controls to preclude theft, embezzlement, improper inducement and obstruction of investigation or other criminal action and to prevent fraud and program abuse.
- F. CoLV will not be liable to Grantee or any other entity for any additional costs incurred by Grantee.
- G. It is expressly understood and agreed by the Parties hereto that CoLV is contracting with Grantee as an Independent Contractor, and that Grantee, its employees and subcontractors are not employees of the CoLV.
- H. Except as specifically provided in this Agreement, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by both Parties to this Agreement upon CoLV approval and authorization of Grantee.
- I. This Agreement is not assignable. Notwithstanding any attempt to assign the Agreement, Grantee shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants and conditions herein. Grantee shall be held responsible for all funds received under this Agreement.
- J. If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future federal, state or local laws, then and in that event it is the intention of the Parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the Parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.
- K. This Agreement shall be construed under the laws of the State of Texas and all obligations of the parties created hereunder are performable in Bexar County, Texas.

Exhibit A

Agreement for Disclosure of Confidential Tax Information

This agreement is entered into between the City of Leon Valley, Texas (hereafter the “City”) and ROYAL TILE LIMITED PARTNERSHIP (hereinafter the “taxpayer”) for the purposes indicated herein.

I, Luis Gonzalez, President, and the duly authorized agent of ROYAL TILE LIMITED PARTNERSHIP, a vendor doing business at 6600 Bandera Road Leon Valley, Texas 78238, do hereby stipulate and agree as follows:

I hereby authorize the Texas Comptroller’s Office to release and disclose any and all Sales and Use tax information relating to the operation of the above referenced taxpayer’s business location to the City. I understand and agree that this release will be made by the Comptroller’s Office to the City on an ongoing monthly basis beginning on the date this Agreement is executed. This Agreement waives any and all rights with respect to the parties regarding the confidentiality of tax information under Sections 111.006, 151.027, Tax Code, or other state law.

The City agrees that it will use the tax information disclosed by the Comptroller pursuant to this Agreement solely and exclusively for the purposes of verification of sales tax remitted to the City of Leon Valley, Texas from ROYAL TILE LIMITED PARTNERSHIP, pursuant to a grant agreement, dated effective _____

This Agreement is entered into in or with regard to property located in Leon Valley, Bexar County, Texas and Texas law will apply to its interpretation and enforcement.

SIGNED AND AGREED TO on this the _____ day of _____ 20__.

Printed name:

TITLE:

On Behalf of the “City”

Printed Name:

TITLE:

On behalf of the “Taxpayer”

Texas Taxpayer Identification No.

Agreement Expiration

Date: _____

****REMAINDER OF PAGE INTENTIONALLY LEFT BLANK** SIGNATURE ON
NEXT PAGE**

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WITNESS OUR HANDS, EFFECTIVE as of 2025 (the “Effective Date”).

Grantor:
City Of Leon Valley

Grantee:
Luis Gonzalez
Royal Tile Limited Partnership

Crystal Caldera
Leon Valley City Manager

Luis Gonzalez
Owner

Roque Salinas
Director of Economic Development

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