

ECONOMIC DEVELOPMENT AGREEMENT

This **ECONOMIC DEVELOPMENT AGREEMENT** by and between the **CITY OF EL CAMPO, TEXAS**, a Texas home-rule municipality ("City"), and **Vikas and Sansket Desai** as owners **Aum Hospitality Inc.**(the "Developer"), is entered into as of April 12, 2021.

WHEREAS the Developer is the owner or will become the owner of appropriate property rights of that certain tract of land in the City described in **Exhibit A** attached hereto and incorporated herein for all purposes (the "Property"), which Property comprises the land described and referred to in the Developer's Conceptual Plan, attached hereto as **Exhibit B**, for the proposed development described therein (the "Project"); and

WHEREAS the Developer and the City have determined that the development of the Property will best be accomplished through an economic development agreement, entered into pursuant to the provisions of Chapter 380, Texas Local Government Code; and,

WHEREAS the City and the Developer agree that the provisions of this Agreement substantially advance a legitimate interest of the City;

NOW, THEREFORE, for and in consideration of the promises and the mutual agreements set forth herein, the City and the Developer hereby agree as follows:

1. The Project. The Developer intends to construct (or cause to be constructed) the Project, consisting of building a hotel on US Highway 59 as described in **Exhibit A**.

2. Project Improvements. All of the improvements set forth in **Exhibit B** attached hereto, together with such other improvements as may be related thereto (including, without limitation, all costs incurred in connection with obtaining governmental approvals, certificates, and permits required in connection with the construction of the Improvements), shall be referred to herein as the "Project Improvements." Such Project Improvements shall be designed and constructed in accordance with the applicable ordinances of the City and other regulatory agencies with jurisdiction and total costs of construction will be submitted to the City in the amount of a minimum of \$1,500,000.00. The City shall have the right to review and approve all plans and specifications for the Project Improvements prior to construction.

The Project will commence in a time period not to exceed six (6) months from execution of this agreement.

3. Grant Payments

- a. In consideration of the construction of the Project Development and Job Creation in the City by the Developer, the City agrees to pay the Developer certain Grant Payments as provided in this Section. Prior to any payment, the Project Improvements will be verified by the City. Failure to construct and maintain the Project Improvements in accordance with City ordinances or other regulatory agency regulations shall result in the Developer not being entitled to the Grant Payment for that year.
- b. The Grant Payments are equal to and payable from a special fund of the City composed of the City Hotel Motel Occupancy taxes generated and received by the City from the Project ("Project

Hotel Tax") during the prior calendar year. However, the first Grant Payment, on May 1, 2022, shall reflect all Project Hotel Tax received by the City between the execution of this agreement and April 30, 2022; provided that the City may make Grant Payments from any lawful source available to the City therefore so long as the City's obligation does not exceed the amount of the Project Hotel Tax. State tax returns for taxes must be provided to the City to arrive at Grant Payment amounts.

- c. The City shall make the Grant Payments to the Developer in the amount of the accrued Project Hotel Taxes, as provided herein, on May 1, 2022, and continuing each year for a period of ten (10) years, terminating May 1, 2032.
- d. The City shall waive all initial building permit, electrical permit, mechanical permit, plumbing permit, fire permit and tap fees, with a maximum waiver of \$20,000 in fees for the project within 6 months from the execution of this Agreement.

4. Project Quality. As consideration in part of the City's agreement to pay the Grant Payment, the Developer agrees to construct the Project to meet applicable City standards for such developments as provided by City regulations.

5. Default, Remedies. Any party to this Agreement that believes that the other party to this Agreement has defaulted in the performance of any condition, term, or obligation owed to that party under this Agreement shall within ten business days after discovery of said default, give written notice of the default to the defaulting party, specifying in detail the provision or provisions of this Agreement that have allegedly been breached, what specific action must be taken to cure or correct the default, and requesting that the City Council of the City provide the parties an opportunity to be heard in public session to discuss the default at the next scheduled city council meeting. The City Council, after review of such request, shall determine whether to provide the parties the opportunity to be heard in public session to discuss the default at the next scheduled city council meeting. Should the party receiving the notice fail to commence action to correct the default within the time determined by City Council and/or thereafter fail to diligently pursue the completion of the action to correct the default or should City Council determine not to hear the matter, the party giving the notice of default may exercise other available remedies at law and in equity. Notwithstanding the foregoing, the parties hereto shall have all remedies provided at law and in equity with respect to this Agreement.

6. Separate Status. None of the terms or provisions of this Agreement shall be deemed to create a partnership between or among the Parties in their respective businesses or otherwise, nor shall it cause them to be considered joint ventures or members of any, joint enterprise.

7. Construction and Interpretation.

- a. Whenever required by the context of this Agreement, (i) the singular shall include the plural, and vice versa, and the masculine shall include the feminine and neuter genders, and vice versa, and (ii) use of the words "including," "such as," or words of similar import, when following any general term, statement or matter, shall not be construed to limit such statement, term or matter to specific terms, whether or not language of non-limitation, such as "without limitation," or "but not limited to," are used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest scope of such statement, term or matter.

- b. The captions preceding the text of each article and section of this Agreement are included only for convenience of reference. Captions shall be disregarded in the construction and interpretation of this Agreement. Capitalized terms are also selected only for convenience of reference and do not necessarily have any connection to the meaning that might otherwise be attached to such term in a context outside of this Agreement.
- c. This Agreement may be executed in several counterparts; each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one (1) complete document.

8. **INDEMNIFICATION AND HOLD HARMLESS.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE DEVELOPER OBLIGATES ITSELF TO THE CITY TO FULLY AND UNCONDITIONALLY PROTECT, INDEMNIFY AND DEFEND THE CITY OF EL CAMPO, ITS OFFICERS, AGENTS AND EMPLOYEES, AND HOLD IT HARMLESS FROM AND AGAINST ANY AND ALL COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITY FOR INJURIES TO PROPERTY, INJURIES TO PERSONS (INCLUDING THE DEVELOPER'S EMPLOYEES), INCLUDING DEATH, AND FROM ANY OTHER COSTS, EXPENSES, REASONABLE ATTORNEY FEES, CLAIMS, SUITS, LOSSES OR LIABILITIES OF ANY AND EVERY NATURE WHATSOEVER ARISING IN ANY MANNER, DIRECTLY OR INDIRECTLY, OUT OF OR IN CONNECTION HERewith, REGARDLESS OF CAUSE OR OF THE SOLE, JOINT, COMPARATIVE OR CONCURRENT NEGLIGENCE OR GROSS NEGLIGENCE OF THE CITY, ITS OFFICERS, AGENTS OR EMPLOYEES. THIS INDEMNIFICATION AND SAVE HARMLESS SHALL APPLY TO ANY IMPUTED OR ACTUAL JOINT ENTERPRISE LIABILITY.

9. **Miscellaneous Provision.**

- a. **Actions Performable.** The City and the Developer agree that all actions to be performed under this Agreement are performable solely in Wharton County, Texas.
- b. **Assignability.** Performance by the Developer under the terms and conditions of this agreement are deemed personal and, as such, any attempt to convey, assign or transfer those duties and obligations without the prior written approval and consent by City are void; provided, however, the Developer shall be authorized to assign or transfer its rights, duties and obligations under this Agreement to an affiliate of the Developer under common ownership and control. The Developer may assign its interests in this Agreement, but not its duties or obligations, to the Developer's financial lenders of the Project without the consent of the City and the City agrees to execute any estoppel certificates (in a form reasonably acceptable to the City) required by such financial lenders regarding the status of this Agreement. Notwithstanding the above and without limitation, no assignment of any kind shall be valid until the City has been provided written notice thereof, including the name and contact information of the assignee.
- c. **Severability.** If any provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void; but the remaining provisions shall continue in effect as nearly as possible in accordance with the original intent of the Parties.
- d. **Complete Agreement.** This Agreement represents the complete agreement of the Parties with respect to the subject matter hereof and supersedes all prior written and oral matters related to this Agreement. Any amendment to this Agreement must be in writing and signed by all parties hereto

or permitted or approved assignees.

- e. Exhibits. All exhibits attached to this Agreement are incorporated herein reference and expressly made part of this Agreement as if copied verbatim.
- f. Notice. Any notice or demand which either the City or the Developer is required to or may desire to serve upon the other, must be in writing, and shall be sufficiently served if (i) personally delivered, (ii) sent by facsimile, (iii) sent by registered or certified mail, postage prepaid, or (iv) sent by commercial overnight carrier, and addressed to:

If to the City:

City of El Campo, Texas
315 E. Jackson
El Campo, Texas 77437 Attention: City Manager

or any other address or addresses which the Developer may be notified of in writing by the City:

If to the Developer:

Vic or Sunsket Desai
6415 Apsley Creek Lane
Sugar Land, Texas 77479

or such other address or addresses which the City may be notified in writing by the Developer.

Such notice shall be deemed to have been served (a) four business days after the date such notice is deposited and stamped by the U.S. Postal Service, except when lost, destroyed, improperly addressed or delayed by the U.S. Postal Service, or (b) upon receipt in the event of personal service or (c) the first business day after the date of deposit with an overnight courier, except when lost, destroyed, improperly addressed or delayed by the courier, or (d) the date of receipt by facsimile (as reflected by electronic confirmation); provided, however, that should such notice pertain to the change of address to either of the parties hereto, such notice shall be deemed to have been served upon receipt thereof by the party to whom such notice is given.

- g. Force Majeure. The Developer and the City agree that the obligations of each party shall be subject to force majeure events such as natural calamity, fire or strike.
- h. Forum Selection. This Agreement and the relationship between the City and The Developer shall be governed and interpreted under the laws of Texas without regard to any conflict of laws provision. Venue for any suit arising out of any relationship between the City and The Developer shall exclusively be the appropriate court in Wharton County, Texas, and the Developer specifically consents to and waives any objections to, in personal jurisdiction in Wharton County, Texas.

- i. Appointment of Representatives. To further the commitment of the Parties to cooperate in the implementation of this Agreement, the City and The Developer each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Developer. The initial representative for the City (the "City Representative") shall be the City Manager or his designee, and the initial representative for The Developer shall be the individual designated for notice purposes under Section 10(£) (the "Developer Representative"). The representatives shall be available at all reasonable times and places to discuss and review the performance of the parties to this Agreement and the development of the Property pursuant to the Conceptual Plan, it being understood however, that any modifications, amendments or interpretations of this Agreement shall be subject to approval by the City Council of the City.

10. Effective Date. This Agreement shall be binding and take effect only upon both parties' signature hereto, attachment of all required exhibits, receipt by City of a fully executed copy hereof. For the purposes of timetables provided in this Agreement, the Effective Date shall be the date indicated below that the Agreement is signed by the City.

11. Representation of City. The City represents and warrants to the Developer that the City is duly authorized and empowered to enter into this Agreement, subject to the terms and conditions contained herein, and has the legal authority to reimburse the Developer as provided in this Agreement. The Developer represents and warrants to the City that it has the requisite authority to enter into this Agreement and is a proper party to this Agreement.

12. Signature Warranty Clause. The signatories to this Agreement represent and warrant that they have the authority to execute this Agreement on behalf of the City and the Developer, respectively.

13. Legal Contest. This Agreement is entered into in accordance with applicable law as understood by the Developer and the City. In the event any part, provision or paragraph thereof shall become unenforceable by reason of judicial decree or determination the parties hereto mutually agree to the extent possible to ensure that all other provisions of the agreement including the intent of the Agreement be honored and performed.

14. Stipulations Relied Upon by City. The Developer understands that the City desires to follow applicable law in all respects; that the City does not want to subject its taxpayers to the costs of litigation and damages, for which it has not set aside funds; and that the City has a legitimate interest in wanting to know if the Developer believes that a condition is unlawful or of questionable validity or otherwise judicially untested when it is accepting the benefits of this Agreement, so that the City may review the subject condition administratively to make a focused inquiry as to whether in fact it is unlawful based upon the authority provided by The Developer, and if found to be unlawful, determine whether to proceed without the condition. Accordingly, for valuable consideration, the Developer stipulates and agrees that the City has relied upon the following in approving this Agreement:

- a. Any protest to any fee, dedication, reservation, condition, or any purported exaction imposed herein shall be pursued in accordance with the procedures contained in Section 8 herein, at the time of approval, or conditional approval or no later than 60 days after the date of the subject approval.
- b. The Developer acknowledges that it understands the conditions, voluntarily accepts them, and agrees that they are lawful and constitutional in all respects.
- c. That the benefits of the City's approval to this Agreement equal or outweigh the costs of any conditions imposed upon the Developer in this Agreement.

CITY:

ATTEST:

CITY OF EL CAMPO, TEXAS

By:



Mayor, Chris Barbee



By:

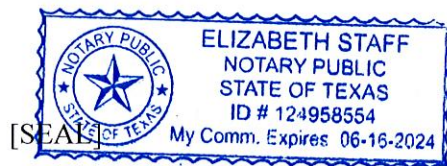


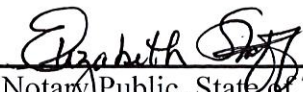
Interim City Secretary
Kaylee Koudela

STATE OF TEXAS §

COUNTY OF WHARTON §

This instrument was acknowledged before me on the 8th day of March 2021 by Mayor, Chris Barbee as authorized by the City Council of the City of El Campo, Texas, a home rule municipality.





Notary Public, State of Texas

DEVELOPER:

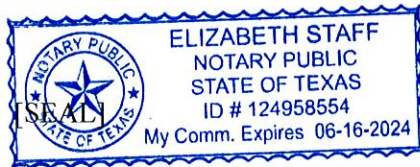
AUM HOSPALITY, INC., A TEXAS CORPORATION

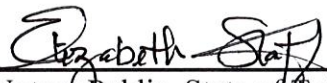
By: 
President, Vic Desai

STATE OF TEXAS §

COUNTY OF WHARTON §

This instrument was acknowledged before me on the 22 day of April by Vic Desai, as an President of Aum Hospitality, Inc., a Texas Corporation on behalf of said company.

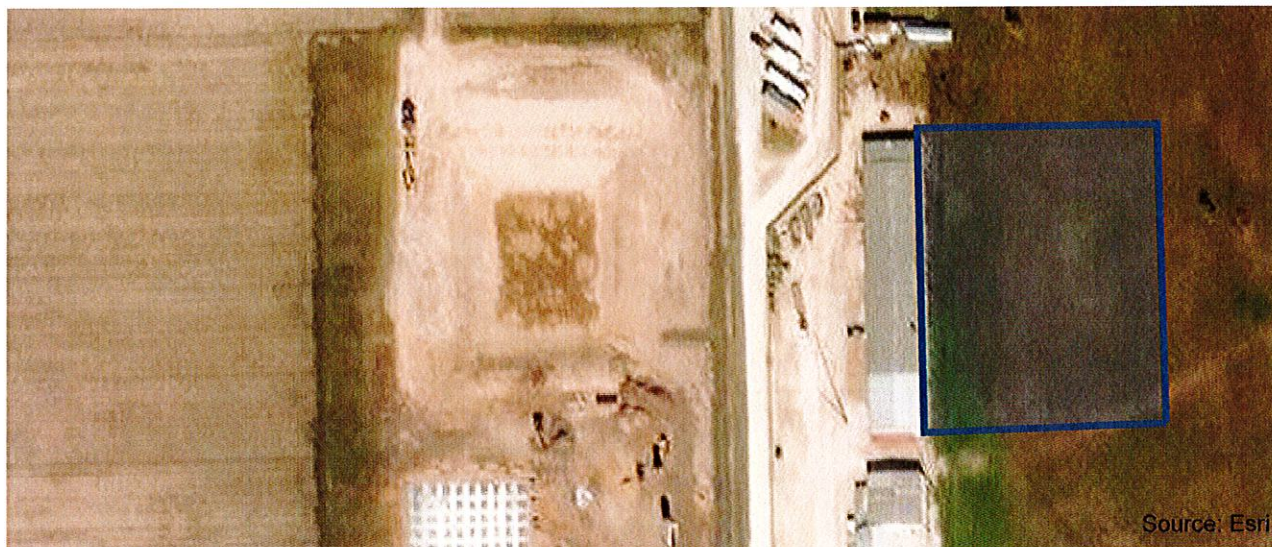



Notary Public, State of Texas

Wharton CAD Property Search

Property ID: R077711 For Year 2021

Map



Property Details

Account	
Property ID:	R077711
Legal Description:	DESAI BLOCK 1 LOT 1 Acres:1.7230
Geographic ID:	10321-001-001-00
Agent:	045
Type:	R - REAL PROPERTY
Location	
Address:	HWY 59
Map ID:	
Owner	
Name:	AUM HOSPITALITY INC
Mailing Address:	6415 APSLEY CREEK LN SUGAR LAND, TX 77479-0000
% Ownership:	100.0%
Exemptions:	For privacy reasons not all exemptions are shown online.

 Property Values

Improvement Homesite Value:	N/A
Improvement Non-Homesite Value:	N/A
Land Homesite Value:	N/A
Land Non-Homesite Value:	N/A
Agricultural Market Valuation:	N/A
Market Value:	N/A
Ag Use Value:	N/A
Appraised Value:	N/A
Homestead Cap Loss: ⓘ	N/A
Assessed Value:	N/A

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
1	COUNTY JR COLLEGE	N/A	N/A	N/A	N/A	N/A
1	CONS GROUNDWATER	N/A	N/A	N/A	N/A	N/A
1	ESD#1	N/A	N/A	N/A	N/A	N/A
1	FM & LR	N/A	N/A	N/A	N/A	N/A
1	HOSPITAL DISTRICT	N/A	N/A	N/A	N/A	N/A
1	WHARTON COUNTY	N/A	N/A	N/A	N/A	N/A
2	CITY OF EL CAMPO	N/A	N/A	N/A	N/A	N/A
3	EL CAMPO ISD	N/A	N/A	N/A	N/A	N/A
4	ESD#4	N/A	N/A	N/A	N/A	N/A

Total Tax Rate: N/A **Estimated Taxes With Exemptions:** N/A **Estimated Taxes Without Exemptions:** N/A

Property Improvement - Building

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
CAEC5	C3 - Vacant Land - Com. - LE 5 Acres - No Ag	1.723	75,053.88	0.00	0.00	N/A	N/A

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap Loss	Assessed
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$0	\$86,150	\$0	\$86,150	\$0	\$86,150

Property Deed History

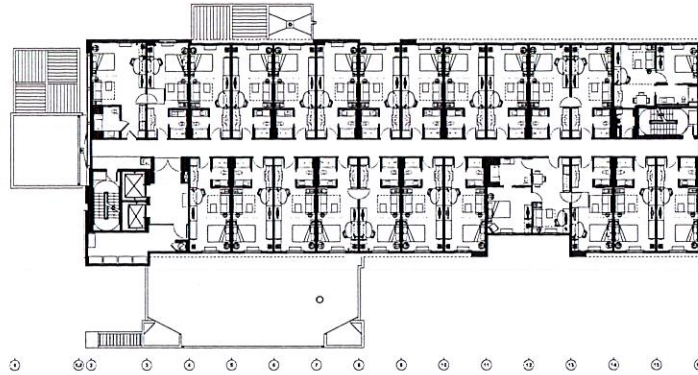
Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
6/26/2019	39	SP		AUM HOSPITALITY INC	1138	695	

DISCLAIMER

Information provided for research purposes only. Legal descriptions and acreage amounts are for appraisal district use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Exhibit B
Rendering





N 02°38'42" W 12

