CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT

CITY OF JOSEPHINE, TEXAS

This Chapter 380 Economic Development Agreement ("Agreement") is made and entered into by and between the City of Josephine, Texas ("City"), a Texas municipality, and Joe Bandahou and Ali Sheriff on behalf of AB Petroleum Inc. ("Company"), for the property located at 680 E. Cook St., Josephine, Texas 75074 ("Property").

RECITALS

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City is authorized to establish and provide economic development incentives to promote local economic development and stimulate business and commercial activity; and

WHEREAS, the Company is constructing a retail development with tenant space for lease, totaling 4,968 square feet, at an estimated construction value of $550,000; and

WHEREAS, the City finds that the development of the Property will provide a public purpose by expanding the local tax base, providing commercial services, encouraging business growth, and contributing to the general economic welfare of the City; and

WHEREAS, the City further finds that the incentives provided herein are commensurate with the value of the public benefits, including construction investment, infrastructure improvements, and increased property and sales tax revenue; and

WHEREAS, the City Council has determined that entering into this Agreement is in the best interest of the City and serves a valid public purpose.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties agree as follows:

1. AUTHORITY

This Agreement is entered into pursuant to Chapter 380 of the Texas Local Government Code and applicable law.

2. ECONOMIC DEVELOPMENT INCENTIVE

Subject to the terms and conditions of this Agreement, the City agrees to provide the following incentive:

- Waiver of engineering review fees associated with the Site Plan and Construction Plans for the development of the retail strip center portion of the property only.

- This incentive is contingent upon the Company's full compliance with this Agreement.

COMPANY OBLIGATIONS (CONSIDERATION)

As consideration for the incentive provided herein, the Company agrees to:

- Obtain required approvals of Site Plan (Concept Plan) and Civil Engineering Construction Plans for required private and public improvements associated with the project;

- Develop the Property in accordance with all applicable City ordinances, codes, and regulations;

- Pay any subsequent fees resulting from additional reviews of Site Plan, Construction Plans, and any other development application for this property for this particular project;

- Construct a retail development with tenant space for lease totaling 4,968 square feet, at an estimated construction value of $550,000;

- Install, at its sole cost, all infrastructure required by the City Engineer including any detention ponds or other infrastructure to control drainage;

- Connect to City sanitary sewer when available pursuant to previous Public improvement Agreement between the City and Owner dated March 31, 2019;

- Ensure that all infrastructure is inspected and approved by the City Inspector;

- Obtain approval of a final plat for the Property either administratively through staff as may be permitted by City Ordinance or recommendation for approval by the Planning and Zoning Commission, and final approval by the City Council.

- Complete the above requirements within twelve (12) months of the Effective Date of this Agreement.

NO WAIVER OF OTHER REQUIREMENTS

This Agreement does not waive or modify any other City requirements and applicable local, state and federal regulations, including but not limited to:

- Building Codes
- Zoning Regulations
- Subdivision Regulations
- Permitting Requirements
- Inspection Requirements

5. PERFORMANCE AND VERIFICATION

The City shall have the right to verify the Company's compliance with this Agreement at any time. The incentive provided herein is conditioned upon full and timely performance by the Company.

6. DEFAULT AND RECAPTURE PROVISION

In the event the Company fails to satisfy the obligations set forth in this Agreement within the required timeframe:

a. The incentive provided herein shall be automatically revoked; and

b. The Company shall be required to reimburse the City for all engineering review fees previously waived; and

c. The City may withhold future permits, approvals, or utility services for the Property until compliance is achieved.

7. TERM

This Agreement shall commence on the Effective Date and shall terminate upon the earlier of:

- The date the Company obtains a final certificate of occupancy from the City; or
- Twelve (12) months from the Effective Date, unless extended by the City Council, excepting requirement for sanitary sewer future connection which shall remain in full force and effect by separate agreement dated March 31, 2019.

8. PUBLIC PURPOSE AND CONTROLS

The City finds that this Agreement serves a valid public purpose and that adequate controls are in place to ensure that the public purpose is carried out, including the performance requirements and repayment provisions contained herein.

Specifically, the estimated $550,000 construction investment, new commercial tenant space, and required infrastructure improvements provide public benefits equal to or exceeding the value of the incentive.

9. NO VESTED RIGHTS

Nothing in this Agreement shall be construed to grant vested rights or to exempt the Company from any future ordinances, regulations, or lawful requirements of the City.

10. GOVERNING LAW

This Agreement shall be governed by the laws of the State of Texas.

11. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations or agreements, excluding the previous Public improvement Agreement between the City and Owner dated March 31, 2019.

12. EFFECTIVE DATE

This Agreement shall become effective upon approval by the City Council of the City of Josephine.

EXECUTED this 13 day of April, 2026.

CITY OF JOSEPHINE, TEXAS

By: _____
Jason Turney, Mayor

Notice Address:

City of Josephine, Texas

Attn: Lisa Palomba, City Administrator

201 S. Main Street

ATTEST:

By: Patti Brooks
Patti Brooks, City Secretary

Notice Address:

AB Petroleum, Inc.

Attn:

[Street Address]

Josephine, Texas 75164

[City, State, Zip Code]

COMPANY

Joe Bandahou

Owner, AB Petroleum Inc.

By: _____

Ali Sheriff

Owner, AB Petroleum Inc.

By: _____

APPROVED AS TO FORM

By: _____

City Attorney

Petroleum Inc.

By: Younes Bendahou

By: Ali Sherif

APPROVED AS TO FORM

By: _____

City Attorney