

The Honorable John Galo
County Commissioner, Pct. 3
1000 Houston St., 1st Floor
Laredo, Texas 78040

June 2, 2014

Re: Letter of Intent

Dear Mr. Galo,

Our client, Reel Dinner Partners (RDP), a franchisee of the Alamo Draffthouse Cinema brand of entertainment venues, has planned the construction of a new movie theater, restaurant & bar in Webb County. Certain aspects of the project, including site selection and real estate development are proceeding as planned, but Duff & Phelps has been retained by RDP to evaluate the availability of financial incentives to provide a comprehensive package of municipal support and financing assistance for the project.

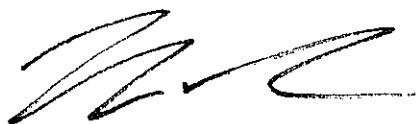
Reel Dinner Partners is committed to new job creation and capital investment in Webb County. A new Alamo Draffthouse location in Webb County would initially employ approximately 80 full-time and 50 part-time employees, growing to 200 total in the first five years. Employees would earn between \$18 and \$40 per hour with the option for health insurance coverage (50% company paid). To complete the project, RDP would invest approximately \$10M in land acquisition, real property construction and personal property improvements. Once fully operational, the facility would generate approximately \$8M in annual sales and spend approximately \$32,000 a year training employees.

Based in Austin, TX, Alamo Draffthouse Cinema is a unique entertainment experience that has earned countless awards over the years, including "Best Theatre in America" by Entertainment Weekly and "Best Theatre Ever" by Time Magazine. In addition to the positive economic impact estimated for the project, the proposed facility would be a new and exciting concept for Laredo and its movie-going community.

In order to ensure that RDP is successful in developing its facility in Webb County, we would like to discuss the availability of economic development incentives. We are confident that a

strong economic partnership with Webb County would create stable, well-paying employment opportunities, in an atmosphere dedicated to fun and enthusiasm. We look forward to working with you toward that end.

Sincerely,



Mike Lateur
Director
Business Incentives

cc ~~The Honorable Danny Valdez, County Judge, Webb County~~
Brandon Arceneaux, Partner, Reef Dinner Partners LLC
Chris Hoegemeyer, Partner, Reef Dinner Partners LLC
Olivia Vareia, Executive Director, Laredo Development Foundation
Joseph Mendiola, Business Development Specialist, Laredo Development
Foundation