

STATE OF TEXAS)

COUNTY OF WEBB)

COST REIMBURSEMENT AGREEMENT
(Phoenix Village Subdivision Phases I, II, III,
IV, V and VI)

This Cost Reimbursement Agreement is made on this 11th day of January, 2016, by and between the County of Webb (Webb County) and AFW Investments II, Ltd. (AFW Investments), a Texas limited partnership and GAG of Laredo Investments, LLC (GAG of Laredo).

WITNESSETH:

WHEREAS, AFW Investments and GAG of Laredo are engaged in the business of developing residential and commercial real estate;

WHEREAS, AFW Investments, GAG of Laredo or their affiliates have developed Phases I and II of the Phoenix Subdivision, a subdivision located in Webb County;

WHEREAS, Phase I is described on plat recorded in Volume 31, Page 12 of the Plat Records of Webb County, Texas, and contains approximately 4.97 acres out of 195.78 acres described in deed to AFW Investments, recorded in Volume 2212, Pages 868-884 of the Webb County Official Public Records; this 4.97 acre tract is more particularly described by metes and bounds on said plat;

WHEREAS, Phase II is described on plat recorded in Volume 32, Page 23 of the Plat Records of Webb County, Texas, and contains approximately 9.62 acres out of 195.78 acres described in deed to AFW Investments, recorded in Volume 2212, Pages 868-884 of the Webb County Official Public Records; these 9.62 acres are more particularly described by metes and bounds on said plat;

WHEREAS, Phases III, IV, V and VI of the Phoenix Subdivision are in developmental stages;

WHEREAS, Webb County made improvements in the form of drainage, pavement and other utilities to tracts of land abutting the mentioned 195.78, which are known as Los Altos Subdivision, Phase I, Tanquesitos South Acres Subdivision and an unplatted subdivision known as Tanquesitos II ;

WHEREAS, Webb County's improvements to said tract increased the pre-development water runoff onto the 197.78 acres creating an additional cost to the drainage systems constructed and to be constructed by AFW Investments, GAG of Laredo or their affiliates;

WHEREAS, Webb County and AFW Investments, GAG of Laredo or their affiliates have agreed on the amount of the additional cost incurred, and to be incurred, by AFW Investments, GAG of Laredo or their affiliates in the construction of their drainage system in the development of Phases I thru VI of the Phoenix subdivision;

WHEREAS, Webb County and AFW Investments, GAG of Laredo or their affiliates desire to enter into this Cost Reimbursement Agreement to memorialize Webb County's agreement to reimburse AFW Investments, GAG of Laredo or their affiliates for the additional cost to handle the post-development water runoff created by the improvements to Los Altos Subdivision, Phase I, Tanquecitos South Acres Subdivision and an unplatted subdivision known as Tanquesitos II;

WHEREAS, the Webb County Commissioners Court had previously approved the amount of \$71,000.00 for reimbursement to AFW Investments and GAG of Laredo for drainage improvements to the Phoenix Village Subdivision Phases I, II, & III & IV, at Commissioners Court Meeting of June 22, 2015, which minutes were approved on July 13, 2015;

NOW, THEREFORE, the parties hereby agree that Webb County shall reimburse AFW Investments, GAG of Laredo or their affiliates the following amounts upon completion of each of the phases of the Phoenix Subdivision:

Budget Year	Phase	Amount	Status
2016	Phase I	\$15,671.12	Completed
2016	Phase II	\$43,482.94	Completed
2016	Phases III and IV	\$11,326.84	Not completed
2017	Phase V	\$55,381.24	Not completed
2017/2018	Phase VI	\$112,942.09	Not completed

Payment Process. In order to obtain a specified reimbursement, AFW Investments, GAG of Laredo, their affiliates or successors and assigns shall be required to submit a notice and verification of completion of the particular phase or phases of the Phoenix Village Subdivision to the Webb County Engineer. After delivery of the notice and verification of completion from AFW Investments and GAG of Laredo to the Webb

County Engineer of a particular phase and/or phases, he shall inspect and verify the completion of a particular phase or phases and the Webb County Engineer shall then issue the acknowledgement of verification of completion of the particular phase and/or phases to AFW Investments and GAG of Laredo. Upon receipt of such acknowledgment and verification of completion, the invoice for reimbursement shall then be submitted by AFW Investments and GAG of Laredo to the Webb County Engineer for formal processing of the reimbursement payment approval request by Webb County.

Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein.

Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

Successors and Assigns. This Agreement shall bind and inure to the benefit of the AFW Investments, GAG of Laredo or their affiliates and their respective successors and assigns.

Assignment. AFW Investments, GAG of Laredo or their affiliates and their respective and assigns shall have the right to assign all or a part of this Agreement and its rights hereunder.

Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such Provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement; and, the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

EXECUTED on the dates set forth below

Webb County:

By: _____

Tano E. Tijerina
Webb County Judge

_____ Date

AFW Investments II, Ltd.
By AFW Management, Inc., General
Partner

By: *Patrick T. Farrell* 1-20-16
Patrick T. Farrell, President Date

GAG of Laredo Investments, LLC

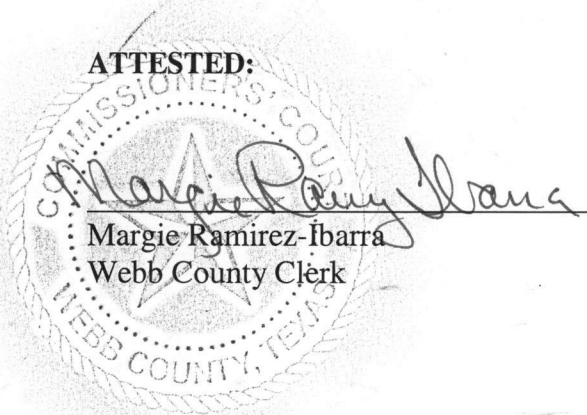
By: *Jose Eduardo Garcia* 1/20/2016
Jose Eduardo Garcia Date

Approved as to form.

Marco A. Montemayor 1/27/16
Marco A. Montemayor, Webb County Attorney Date

By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of the clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their respective attorney(s).

ATTESTED:



Margie Ramirez-Ibarra
Webb County Clerk

1/26/16
Date