

RESOLUTION NO. 18 - 10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS AMENDING RESOLUTION NO. 16-05 AUTHORIZING A TAX ABATEMENT AGREEMENT BETWEEN THE CITY AND KLZ STONE GROUP, INC. EXECUTED ON FEBRUARY 3, 2016 ("ABATEMENT AGREEMENT") IN ORDER TO MODIFY SECTION 7 OF THE ABATEMENT AGREEMENT TO CLARIFY THE CLASSIFICATION OF PROPERTY TAXES TO BE ABATED AS SPECIFICALLY SET FORTH IN THE FIRST MODIFICATION TO THE ABATEMENT AGREEMENT ATTACHED HERETO AND INCORPORATED HEREIN AS EXHIBIT "A"; AUTHORIZING THE MAYOR TO EXECUTE ALL NECESSARY DOCUMENTS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on January 26, 2016 the City Council passed Resolution 16-05 authorizing and approving a Tax Abatement Agreement with KLZ Stone Group, Inc. (hereinafter "Abatement Agreement") which Abatement Agreement was executed and became effective on February 3, 2016; and

WHEREAS, section 7 of the Abatement Agreement did not fully identify the classifications of property taxes that were to be abated; and

WHEREAS, as a result of the exclusion of inventory from the list of taxes that were to be abated, KLZ Stone Group, Inc., was assessed taxes on inventory for the 2017 tax year and has requested a modification to the Abatement Agreement to include inventory as class of tax to be abated; and

WHEREAS, the City Council has determined that the abatement of tax for inventory held by KLZ Stone Group, Inc., in accordance with the terms of this First Modification as set forth in Exhibit "A" hereto, further enhances the commercial-industrial economic benefit received under the Abatement Agreement and contributes to the employment base of the City of Commerce;

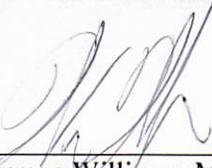
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COMMERCE, TEXAS:

Section 1. Incorporation of Premises. All of the above recitals are found to be true and correct and are incorporated into the body of this Resolution as if fully set forth herein.

Section 2. Amendment to Tax Abatement Agreement. The First Modification to the Abatement Agreement between the City of Commerce, Texas and KLZ Stone Group., Inc. ("First Modification") attached hereto and incorporated herein as **Exhibit "A"** serves the best interests of the City, furthers economic development with the City and increases employment base; therefore, the First Modification is hereby approved. The Mayor is authorized to execute the First Modification and any other necessary documents.

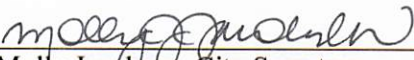
PASSED AND APPROVED on this the 17th day of April, 2018.

CITY OF COMMERCE:



Wyman Williams, Mayor

ATTEST:



Molly Jacobsen, City Secretary

(Seal)

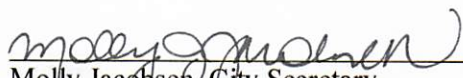
REVIEWED AS TO FORM AND LEGALITY:



Patricia A. Adams, City Attorney

I, Molly Jacobsen, City Secretary of the City of Commerce, Texas, do hereby certify that the above is a true and correct copy of a resolution and that the same has not been repealed and is in full force and effect.

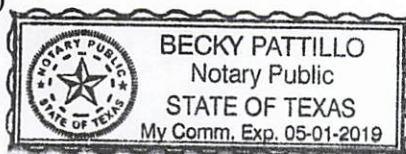
(Seal)



Molly Jacobsen, City Secretary

Sworn to and subscribed before me, the undersigned authority, on this the 18th day of April, 2018, to certify which witness my hand and seal of office.

(Seal)





Notary Public, State of Texas

THE STATE OF TEXAS

§

§

**First Modification of Tax Abatement Agreement
by and between the City of Commerce Texas
and KLZ Stone Group, Inc.**

COUNTY OF DENTON

§

THIS First Modification of the Tax Abatement Agreement dated February 3, 2016 (hereinafter "AGREEMENT") by and between **The City of Commerce, Texas**, a home rule municipality (hereinafter "City"), and **KLZ Stone Group, Inc.**, a Texas Corporation, (hereinafter "Company") is made and entered into on this the 17th day of April, 2018 (hereinafter "First Modification").

WITNESSETH:

WHEREAS, City and Company entered into the AGREEMENT that commenced on or about February 3, 2016, pursuant to which Company agreed to make certain improvements to a 13.5 acre tract of land within the City of Commerce in order to develop that property for commercial-industrial uses, and in exchange City agreed to provide certain tax abatement incentives pursuant to the City's Economic Development Incentives Policy; and

WHEREAS, Section 7 of the AGREEMENT identified certain classifications of property for which property tax abatement incentives were provided to Company; and

WHEREAS, City and Company have determined that the expansion of those classifications of property for which tax abatement is provided under the AGREEMENT to include abatement for property taxes on inventory held by Company will further benefit the commercial-industrial benefits and increased employment base of the City; and

WHEREAS, City and Company desire to modify Section 7 of the AGREEMENT as more specifically set forth hereinbelow in this First Modification;

NOW THEREFORE, IN CONSIDERATION of the foregoing, and for other good and valuable consideration, the parties hereto agree as follows:

I.

Incorporation of Agreement

The AGREEMENT is incorporated herein as if written word for word. Except as provided below, all other terms and conditions of the AGREEMENT shall remain unchanged and shall remain and continue in full force and effect without amendment. In the event of any conflict or inconsistency between the provisions set forth in this First

Modification and the AGREEMENT, priority of interpretation shall be in the following order:
First Modification; AGREEMENT.

II.
Modification of Agreement

Effective as of the day and year first written above, Section 7 of the AGREEMENT is hereby deleted in its entirety and a new Section 7 of the AGREEMENT is added to be and read in its entirety as follows:

7. Subject to the terms and conditions of this AGREEMENT, and subject to the rights and holders of any outstanding bonds of the City, a portion of ad valorem real property taxes and personal property, including but not limited to infrastructure improvements, inventory, supplies, equipment, machinery, furnishings, valuable property, and assets to be located on the Property, shall be entitled to a real property exemption and personal property exemption for the AGREEMENT and for the time equal to the following schedule:

<u>TAX ABATEMENT SCHEDULE</u>	
<u>YEAR</u>	<u>VALUE TO BE ABATED</u>
1	100%
2	100%
3	100%
4	100%
5	100%
6	100%
7	100%
8	100%
9	100%
10	100%
11	Zero- Full Payment

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IN WITNESS WHEREOF, the parties enter into this First Modification on the date first written above.

KLZ STONE GROUP, INC.

Date: 04/24/18

BY:

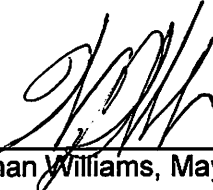


Nir Kamisa, CEO and President

CITY OF COMMERCE, TEXAS

Date: 4-17-18

BY:



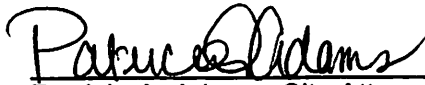
Wyman Williams, Mayor

ATTEST:



Molly Jacobsen, City Secretary

APPROVED AS TO FORM:



Patricia A. Adams, City Attorney