

Performance Agreement
(Hearne 4A and AMA'S)

HEARNE 4A SALES TAX BOARD ("Hearne 4A") and AMA'S AUTHENTIC MEXICAN RESTAURANT ("AMA'S") agree to this performance agreement pursuant to Section 4A of the Development Corporation Act of 1979.

1. The real property subject to this agreement ("Property") is the 1.05 acres described in the deed to Sylvia Montelongo from Zeig Enterprises dated January __, 2007, recorded Volume ____, Page ____, Official Records, Robertson County, Texas.
2. Hearne 4A agrees and certifies that the Board of Directors of Hearne 4A has found that the expenditures for infrastructure including streets and roads, drainage, site improvements, and related improvements, telecommunication and Internet improvements, and job training on, at, in, or for the Property are required or suitable to promote or develop a new business enterprise, to wit: a restaurant on the Property.
3. AMA'S agrees to the following schedule of payroll or jobs to be created or retained. AMA'S agrees to create or retain more than 30 full or part time jobs for one or more of managers, cashiers, seating hosts, waitresses, cooks, dishwashers, and bus persons at an estimated annual payroll of \$450,000 or more. AMA'S agrees that any expenditure of the funds provided by Hearne 4A for job training shall be for new jobs that pay wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area, hiring local people wherever possible.
4. AMA'S agrees to build a restaurant of approximately 4,800 sq. ft. with a dine-in/to-go kitchen with seating for up to 130 people in the restaurant and private banquet rooms that will qualify to produce significant sales tax revenues with an estimated capital investment of \$1.25 million, including all expenditures for the land, construction, furniture, fixtures, equipment, and other expenditures for the beginning of operation of a restaurant on the Property.
5. AMA'S agrees to repay the incentive paid to AMA'S, if AMA'S substantially fails to perform the terms of this agreement. Hearne 4A shall give AMA'S notice of any breach of the agreement and a reasonable opportunity to cure the breach. Any repayment shall be proportionate to the part of the agreement breached in relation to the total agreement.
6. Hearne 4A agrees to pay to AMA'S the sum of \$40,000 pursuant to this agreement for AMA'S expenditures for infrastructure including streets and roads, drainage, site improvements, and related improvements, telecommunication and Internet improvements, and job training on, at, in, or for the Property.
7. Hearne 4A shall pay to AMA'S the funds pursuant to this agreement upon expenditures having been made by AMA'S and written documentation certified by AMA'S to Hearne 4A of the expenditures for infrastructure and job training allowable under Section 4A of the Development Corporation Act of 1979, including streets and roads, drainage, site improvements, and related improvements, telecommunication and Internet improvements, and job training on, at, in, or for the Property. The funds pursuant to this agreement shall be disbursed upon review and approval of the receipts for the

expenditure of funds for infrastructure and job training allowable under Section 4A of the Development Corporation Act of 1979, including streets and roads, drainage, site improvements, and related improvements, telecommunication and Internet improvements, and job training on, at, in, or for the Property, The City of Hearne is providing utility infrastructure to the Property. AMA'S will purchase the utilities provided by the City of Hearne at its regular rates.

8. Upon request of Hearne 4A, at the first, second, and third anniversary after the opening of the restaurant, AMA'S will provide Hearne 4A evidence of the capital investment, number of jobs created and retained, and annual payroll. Upon request of Hearne 4A, if any monies provided by Hearne 4A are spent for job training, at the first, second and third anniversary after the opening of the restaurant, AMA'S will provide Hearne 4A evidence of the wages of the jobs created and retained. Upon AMA'S spending monies for job training, AMA'S further agrees that the jobs created will be paid the prevailing wage for those occupations in the City of Hearne area, consistent with Section 38A of the Development Corporations Act of 1979,
9. This agreement is effective upon approval by the City Council of the City of Hearne, Texas; Hearne 4A; and AMA'S.

Signed effective January ____, 2008

By:

Sylvia Montelongo
Owner
AMA'S Authentic Mexican Restaurant

Dr. Lewis Frank Varvel , III
Chairman
Hearne 4A Sales Tax Board

The City Council of the City of Hearne, Texas at its meeting on this date approves the Performance Agreement above and authorizes and approves the funds to be paid pursuant to the agreement.

Milton Johnson
Mayor, City of Hearne

Performance Agreement
(Hearne 4B and AMA'S)

HEARNE 4B SALES TAX BOARD ("Hearne 4B") and AMA's AUTHENTIC MEXICAN RESTAURANT ("AMA'S") agree to this performance agreement pursuant to Section 4B of the Development Corporation Act of 1979.

1. The real property subject to this agreement ("Property") is the 1.05 acres described in the deed to Sylvia Montelongo from Zeig Enterprises dated January __, 2007, recorded Volume ____, Page ____, Official Records, Robertson County, Texas.
2. Hearne 4B agrees and certifies that the Board of Directors of Hearne 4B has found that the expenditures to purchase buildings, equipment, facilities, expenditures, and improvements on, at, in or for the Property are to promote new business development, to wit: a restaurant on the Property.
3. AMA'S agrees to the following schedule of payroll or jobs to be created or retained. AMA'S agrees to create or retain more than 30 full or part time jobs for one or more of managers, cashiers, seating hosts, waitresses, cooks, dishwashers, and bus persons at an estimated annual payroll of \$450,000 or more.
4. AMA'S agrees to build a restaurant of approximately 4,800 sq. ft. with a dine-in/to-go kitchen with seating for up to 130 people in the restaurant and private banquet rooms that will qualify to produce significant sales tax revenues with an estimated capital investment of \$1.25 million, including all expenditures for the land, construction, furniture, fixtures, equipment, and other expenditures for the beginning of operation of a restaurant on the Property, hiring local people wherever possible.
5. AMA'S agrees to repay the incentive paid to AMA'S, if AMA'S substantially fails to perform the terms of this agreement. Hearne 4B shall give AMA'S written notice of any breach of the agreement and a reasonable opportunity to cure the breach. Any repayment due shall be proportionate to the part of the agreement breached in relation to the total agreement.
6. Hearne 4B agrees to pay to AMA'S the sum of \$40,000 pursuant to this agreement and for expenditures to purchase buildings and materials and labor for buildings, equipment, facilities, expenditures, and improvements on, at, in or for the Property to promote new business development, to wit: a restaurant on the Property.
7. Hearne 4B shall pay to AMA'S the funds pursuant to this agreement upon expenditures having been made by AMA'S and written documentation certified by AMA'S to Hearne 4B of the expenditures allowable under Section 4B of the Development Corporation Act of 1979. The funds pursuant to this agreement shall be disbursed upon review and approval of the receipts for the expenditure of funds allowable under Section 4B of the Development Corporation Act of 1979 on, at, in, or for the Property.

8. This agreement is effective upon approval by the City Council of the City of Hearne, Texas after the City Council adopts a resolution authorizing the project after giving the resolution at least two separate readings, upon approval by Hearne 4B and after 60 days after the first public notice of the project and after public hearing by Hearne 4B; and approval by AMA'S.

Signed effective January ____, 2008

By:

Sylvia Montelongo
Owner
AMA'S Authentic Mexican Restaurant

Bart Lockhart
Chairman
Hearne 4B Sales Tax Board

The City Council of the City of Hearne, Texas at its meeting on this date approves the Performance Agreement above and authorizes and approves the funds to be paid pursuant to the agreement.

Milton Johnson
Mayor, City of Hearne