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|---|---|---|
| **STATE OF TEXAS** | § | **TEXAS CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT** |
| | § | **BETWEEN** |
| | § | **THE CITY OF LAREDO AND GAB LAND HOLDINGS, LLC** |
| **COUNTY OF WEBB** | § | |

**RESOLUTION NO. 2021-R-163**

This Economic Development Grant Agreement (hereinafter referred to as the "Agreement", attached hereto as **Exhibit A**) is made and entered into by and between the **City of Laredo**, a municipal corporation of the State of Texas, hereinafter referred to as **"City"**, and through its City Manager or his designee, and **GAB Land Holdings, LLC ("Empacadora GAB")** of Laredo, Texas, hereinafter referred to as **"Company"**.

**WHEREAS,** Empacadora GAB is an international producer, developer, distributor and marketer of premium fresh vegetable and fruit products, such as broccoli, tomatoes, berries and lettuce, founded more than three decades ago with multiple operational locations in Mexico and the U.S. including a distribution facility in Laredo on I-35 since 1990; and

**WHEREAS,** it is the Company's mission to be leaders in the production, development, marketing, and distribution of agricultural products of the highest quality, both nationally and internationally, and maintain a commitment to provide excellent service to customers, staff, and suppliers inside and outside our organization with a vision to become the largest food producer in Latin America; and

**WHEREAS,** the Company is engaged in an economic development project consisting of investing at least $10,000,000.00 (Ten Million Dollars) which includes land acquisition, building a new approximately 45,000 square-feet facility for the purpose of establishing a distribution facility for fresh and frozen produce within the city limits of the City of Laredo (the "Project") at **102 VIDAL CANTU ROAD, LAREDO, TEXAS 78045** described in **Exhibit A.5** (the "Project Site") (page 15,16), all in accordance with the certain City of Laredo Tax Rebate Agreement for Real and Personal Property, between the CITY and the Empacadora GAB; and

**WHEREAS,** under Article III, Section 52-a of the Texas Constitution ("Texas Constitution") and Chapter 380 of the Texas Local Government Code ("Chapter 380") CITY may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic incentives for the Company and to stimulate business and commercial activity in City; and

**WHEREAS,** consistent with the Texas Constitution, Chapter 380 and other applicable law, City has made specific proposals to the Company, and or designated representatives, for the purpose of retaining the Empacadora GAB project in the City, and thereby advance the public purposes of developing and diversifying the economy of the state, eliminating unemployment or underemployment in the state, or expanding transportation or commerce in the state; and

**WHEREAS,** the project will include a $10,000,000.00 Million minimum total project investment, the retainment of at least 13 full-time permanent jobs and the creation of at least five new jobs with a minimum wage of $11.25 per hour with standard benefits, will serve as company's base for U.S. operations, and will continue the development of the cold storage and produce distribution industries in the City of Laredo and stimulate business and cross-border trade; and

**WHEREAS,** the City has identified funds in the form of real property tax rebate of 75% on Year 1 and 50% percent Years 2-5, for 5 years for a total of estimated rebate of $174,350 available as an economic development grant to use in deferring costs associated with the project; and

**WHEREAS**, the City would, over the 5-year agreement period, receive a projected $142,650 total in property tax revenue; the project would generate a projected $250,000 in bridge revenue; and generate an estimated 3.5 million in payroll earnings; and

**WHEREAS**, the parties agree that all conditions precedent for the Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings, if any, have been conducted in accordance with Texas law;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCL OF THE CITY OF LAREDO, TEXAS THAT:**

**SECTION 1. FINDINGS.** The foregoing recitals are hereby found to be true and correct and are hereby adopted by the City Council and made a part hereof for all purposes as findings of fact.

**SECTION 2. AUTHORIZATION.** The City Manager is hereby authorized to execute the Agreement attached hereto as Exhibit "A" and all documents necessary to accomplish the purposes of this resolution, provided said Agreement is first fully executed by an authorized representative of the Company.

**SECTION 3. OPEN MEETING.** It is hereby found and determined that the meeting at which this resolution as passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551, Texas Government Code.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect upon its adoption.

**PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS** 10th **DAY OF** August **2021.**

**PETE SAENZ**
**MAYOR**

**ATTEST:**

**JOSE A. VALDEZ, JR.**
**CITY SECRETARY**

**APPROVED AS TO FORM:**

**ALYSSA CASTILLON**
**INTERIM CITY ATTORNEY**

| | | |
|---|---|---|
| STATE OF TEXAS | § | TEXAS CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT |
| | § | BETWEEN THE CITY OF LAREDO AND |
| | § | GAB LAND HOLDINGS, LLC |
| COUNTY OF WEBB | § | |

EXHIBIT A

**CHAPTER 380 ECONOMIC DEVELOPMENT GRANT AGREEMENT**
**BETWEEN THE CITY OF LAREDO, TEXAS AND**
**GAB Land Holdings, LLC**

This Chapter 380 Economic Development Grant Agreement (the "Agreement") is made and entered into by and between the **CITY OF LAREDO**, a municipal corporation of the State of Texas, (the "City"), acting by and through its City Manager or his designee and GAB Land Holdings, LLC ("Empacadora GAB"), a Laredo-based corporation registered to transact business in the State of Texas, (the "Company"), acting by and through its duly authorized officers.

## ARTICLE I.
## RECITALS

The recitals set forth above are declared true and correct by the parties and are hereby incorporated as part of this Agreement.

## ARTICLE II.
## AUTHORITY AND TERM

1. **AUTHORITY.** This Agreement is entered into pursuant to:

   **A.** Article III, Section 52-a of the Texas Constitution ("Texas Constitution") and Chapter 380 of the Texas Local Government Code; Title 12, Subtitle A.

   **B.** City Council Resolution No. 2021-R-163 which specifically approved this Agreement and authorized execution hereof.

2. **TERM.** This AGREEMENT shall be effective as of the date of execution by all parties. This AGREEMENT will terminate on the date all obligations under this AGREEMENT have been fulfilled unless earlier terminated pursuant to Article IV, or otherwise extended by mutual written agreement of the Parties. COMPANY's eligibility for "grant" payments shall be limited to five (5) consecutive years (the "Grant Period") within the term of the Agreement. The Grant Period (the "Term") as to Real Property improvements shall be for a period of five (5) years from January 1, 2023 through December 31, 2027.

## DEFINITIONS

The following words shall have the following meanings when used in this Agreement.

1. **AGREEMENT.** The word "Agreement" means this Chapter 380 Economic Development Agreement, together with all exhibits attached to this Agreement.

2. **CITY.** The word "City" means the City of Laredo, Texas.

3. **COMPANY.** The word "Company" means GAB Land Holdings, LLC ("Empacadora GAB").

4. **FACILITY.** The word "Facility" means the approximate 45,000 square feet building for cold storage, distribution, packing, storage and office space located at **102 VIDAL CANTU ROAD, LAREDO, TEXAS 78045**, as more fully described on **Exhibit A.5,** which is attached hereto and incorporated herein for all purposes.

5. **FULL-TIME JOB.** The words "Full Time Job" mean a new employment position created by Company with such job being located at the Facility that provides a regular work schedule of at least forty (40) hours per week to a City of Laredo or area U.S. resident. This must include an allowance for vacation and sick leave, with full company benefits, including company paid health insurance.

6. **PROJECT.** The word "Project" means the investment by the Company of a minimum of $10 MILLION DOLLARS that includes improvements and to be installed at the facility to support the operation.

7. **GRANT PAYMENT.** The words "Grant Payment" mean a payment from the City to the Company on a yearly basis based on real property city taxes on the terms of this agreement so long as the Company is able to meet the minimum criteria regarding the number of new permanent full-time jobs, benefits, minimum improvement valuation and submits to annual certification.

8. **GRANT PERIOD.** The words "Grant Period" mean the period of five (5) years from January 1, 2023 through December 31, 2027 in which the Company is eligible to receive grant payments from the City.

9. **STANDARD BENEFITS.** The words "Standard Benefits" means benefits commonly offered in the workplace to employees in Texas such as health, dental and vision insurance coverage, paid time off/sick time and a retirement option.

## ARTICLE III.
## PROJECT REQUIREMENTS

**COMPANY'S OBLIGATIONS.** The obligation of the City to provide the "grant" payments to Empacadora GAB shall be conditioned upon the COMPANY'S continued compliance with and satisfaction of each of the following conditions set forth in this Agreement, as solely and finally determined by the City Council of the City of Laredo, Texas without recourse:

1. COMPANY will invest the aggregate estimated amount of at least **$10,000,000.00 MILLION DOLLARS** towards the construction and completion of an estimated **45,000 square feet** agricultural fresh and frozen storage, and distribution center to be located at Pinnacle Industry Center in the City of Laredo ("the Project"). The approximate capital costs for the Project **are $10,000,000.00 for real property,** i.e. building, parking lot, cold storage facilities, etc. The project improvements are more specifically described in **EXHIBIT A.4** (the "Capital Investment Plan") attached hereto (page 14) and made part hereof for all intents and purposes.

   A. Any investment condition that has been met will continue to be met throughout the term of Grant Payments for such investment condition for so long as the Total Taxable Assessed Value of the Project does not decrease less than twenty percent (20%) of its Total Taxable Assessed Value after the initial satisfaction of the 2023 Investment Condition (notwithstanding any provision in this Agreement to the contrary).

The term "Total Taxable Assessed Value" for a particular tax year means the "assessed value" by Webb County Appraisal District (within the meaning of chapter 26 of the Texas Tax Code) for property tax purposes, of the land, and improvements on the property for such tax year.

B. COMPANY shall own land and facility located at **102 VIDAL CANTU ROAD, LAREDO, TEXAS, 78045** ("Facility") by no later than July 31, 2021. COMPANY shall provide proof of ownership document to the CITY within thirty (30) days after purchase has been executed.

C. COMPANY will retain and then create no less than the following aggregate number of New Full-Time Jobs at the Laredo facility during the term of the Agreement (referred to as ***Employment Condition***) to achieve compliance. Company will be in compliance if it adds more jobs per year than required and achieves the cumulative or total number sooner than projected, however, the minimal cumulative levels must be maintained throughout the agreement.

**EXHIBIT A.1 – Jobs Table**

| | Number of permanent jobs retained | Number of permanent new jobs | Cumulative number of jobs by Oct. 1 of each year |
|---|---|---|---|
| Year 1 | 13 | 1 | 14 |
| Year 2 | N/A | 1 | 15 |
| Year 3 | N/A | 1 | 16 |
| Year 4 | N/A | 1 | 17 |
| Year 5 | N/A | 1 | 18 |

D. COMPANY, following completion of the Project and at the inception of operations, shall provide that all permanent full-time employees will be entitled to medical, dental, and vision insurance/benefits plans, sick time, and or vacation/time off throughout the term of this Agreement.

E. COMPANY, following completion of the Project and at the inception of operations, shall pay 100% of new full-time employees' wages (including seasonal workers) regardless of position at a minimum rate of at least $11.25 per hour. Eighty percent of new positions listed in this agreement must be prioritized for Laredo residents. Full position list/wage scale: **EXHIBIT A.2** (the "Jobs & Wage Scale") (page 13).

F. The Project shall be developed in accordance with the ordinances, rules, and regulations of CITY, subject to any variances, approvals, and applicable laws authorizing the Project to vary from any such regulations.

G. COMPANY shall be subject to an audit (by CITY or third-party designee) annually in the month of October for the term of this Agreement, in regard to the level of investment valuation (as assessed by the Webb County Appraisal District), number of employees, wages of employee positions created, filled and maintained, benefits and other applicable information only pertaining to conditional requirements as set in this Agreement.

H. Empacadora GAB shall not sell or lease any interest in the property to a member of the Laredo City Council, Planning & Zoning Commission or City officer as long as this Agreement is in effect.

I. COMPANY shall at all times comply with the City's building codes and zoning regulations in addition to all rules, regulations, and standards issued pursuant to the **Occupational Safety and Health Act of 1970.**

J. COMPANY shall maintain the fiscal and employment records and supporting documentation needed for agreement compliance and for all expenditures of funds to be paid on behalf of Company under this Agreement and in a manner that conforms to this Agreement through the end of the agreement period; and records must be accessible to CITY or its designee for annual compliance review in September or within 10 business days of request at any time.

**K.** CITY reserves the right to confirm Company's compliance with the terms and conditions of this Agreement. City will provide Empacadora GAB with a written report of the findings. If the monitoring notes deficiencies in the Company's performance under terms of Agreement, the monitoring report shall include corrections for such deficiencies by Company and a reasonable amount of time in which to attain compliance.

**2.** **CITY'S OBLIGATIONS.** As consideration for the COMPANY's performance of its obligations under this Agreement, during the Term of the Agreement, CITY shall provide COMPANY the following:

**A.** **GRANT PAYMENTS.** A "Grant," in the form of a tax rebate, payment be provided based on the formula of the subsection below to COMPANY if COMPANY satisfies Performance Conditions outlined in **Exhibit A.3 - Grant Payment Formula.**

**EXHIBIT A.3 – Grant Payment Formula**

| Term | Full-time Retained jobs | New Full-time Jobs | Cumulative Full-time Jobs | Minimum hourly wage per new position | Total assessed value: land and real property | Percentage tax rebate of total valuation |
|---|---|---|---|---|---|---|
| Year 1 | 13 | 1 | 14 | $11.25 | $10 million | 75% |
| Year 2 | N/A | 1 | 15 | $11.25 | $10 million | 50% |
| Year 3 | N/A | 1 | 16 | $11.25 | $10 million | 50% |
| Year 4 | N/A | 1 | 16 | $11.25 | $10 million | 50% |
| Year 5 | N/A | 1 | 16 | $11.25 | $10 million | 50% |

**B.** If Company fails to meet the minimum criteria stated above, in any year, regarding either the number or new permanent full-time jobs, cumulative number of jobs, minimum wages, required total assessed value – as per the Webb County Appraisal District – or fails to provide information to City for Annual Certification, then no "grant" payment will be considered and company would be considered non-compliant for that year.

**C.** The "grant" payment period (the "Term") as to Real Property Improvements, shall be for a period of five (5) years from January 1, 2023 through December 31, 2027. The Term will begin the calendar year after Company receives City Certificate of Occupancy. First grant rebate will occur after the full calendar year assessment and payment.

**D.** COMPANY shall pay to the CITY ad-valorem taxes assessed on the Real Property Improvements, in each year prior to the beginning of the Grant Payment Period. The correlating City taxes will be reimbursed in the form of "grant" payments annually by CITY to COMPANY. Each "grant" payment will be issued to COMPANY on or before the ninetieth (90th) day following the day the City, i.e. Economic Development Department, receives written notice from the COMPANY that such taxes have been paid in full. Prior to issuance of a Grant Payment, the CITY shall annually verify the Employment Conditions above. The written notice from COMPANY to the CITY that relevant property taxes have been paid in full shall include a copy of the paid tax receipt or other proof such taxes have been paid.

E. COMPANY acknowledges the total assessed value in each year during the term of this Agreement shall be the estimated taxable value of at least $10,000,000.00. Assessments may rise or decline during the agreement period. Empacadora GAB shall have the right to protest and/or contest appraisals of the land, the improvements and/or Personal Property thereon, over and above the required investments.

## ARTICLE IV
## ANNUAL CERTIFCATION

1. **ANNUAL CERTIFICATION.** Beginning September 1, 2023, and during the month of September of each calendar year thereafter during the Term of this Agreement, COMPANY shall submit to a review for annual certification to meet compliance with each applicable term of the Agreement. Such annual certification shall include personnel records and other documents that show:

    - Number of new jobs created
    - Number of cumulative jobs maintained
    - Employee benefits offered/used
    - Total assessed value of $10,000,000.00 million
    - Receipt of taxes paid
    - Other information relevant to the project's operation

    If COMPANY fails to timely submit to an Annual Certification for a particular year, the CITY may give COMPANY written notice of its failure to timely submit, and COMPANY shall have thirty (30) calendar days from the date on which such written notice is given in which to submit to such annual certification.

## ARTICLE V
## TERMINATION/RECAPTURE

1. **ACTS TRIGGERING TERMINATION**. During the Grant Payment Period covered by this Agreement, the CITY may declare a default of this Agreement by COMPANY if COMPANY:

    A. Refuses or neglects to comply with any of the terms of this Agreement; or

    B. Makes representation that is false or misleading in any material respect to any of the terms of this Agreement; or

    C. Substantially fails to satisfy the Investment Conditions hereof such that in any Year of the Grant Payment Period in Article III; or I, and I. A.

    D. Ceases conducting produce distribution and/or warehousing enterprise business during the Grant Payment Period at the location described in Article III.1 and **EXHIBIT A** of this Agreement for a period of six (6) months or more for any reason other than suspension due to fire, explosion, accident, natural disaster, acts of God, force majeure, pandemic, other casualty, or

    E. Fails to submit to City the Annual Certification as required by Article IV; or

    F. Allows the ad valorem taxes due on the Base Year Value of the Business Personal Property to become delinquent without timely and properly filing a protest under Chapter 41 of the Texas Property Tax Code; or

G. By mutual written agreement of the parties.

1. **NOTICE OF TERMINATION**. In the event that CITY makes a reasonable determination that COMPANY has defaulted under this Agreement, then CITY shall give COMPANY written notice of such. COMPANY has sixty (60) days following receipt of said written notice to reasonably cure such default or this Agreement may be terminated by CITY. Notice of default shall be in writing and shall be attempted or delivered by certified mail to COMPANY at the address provided in Section VII of this Agreement. If default is not cured with sixty (60) days from the date of such notice (the "***Cure Period***") then the Agreement may be terminated at CITY's sole option. However, in the case of default for causes beyond COMPANY'S reasonable control and which cannot, with due diligence, be cured within such sixty (60) day period, the Cure Period may be extended in the CITY's sole discretion if COMPANY:

   A. Immediately upon receipt of such notice, advises the CITY of the reasons the default is beyond COMPANY'S control and state COMPANY'S intention to institute all steps necessary to cure such default; and

   B. Institutes and thereafter carries to completion with reasonable dispatch all steps necessary to cure same.

2. **RECAPTURE.** All taxes by virtue of this Agreement shall be reinstated immediately after termination of this Agreement and shall accrue without abatement for all tax years thereafter. Upon Default by COMPANY of this Agreement, CITY shall have the right to terminate this Agreement, recapture from COMPANY the total amount of Grant Payments that were granted since the Effective Date of this Agreement, and to demand payment of such. Payment of recaptured taxes and fees shall become due sixty (60) days following receipt of such demand.

   The right of CITY to require recapture and demand payment, and the obligation of COMPANY to repay such, shall survive termination of this agreement. The City Attorney has the authority, on behalf of the City, to initiate any litigation against COMPANY necessary to pursue repayment of total amount of taxes abated and fees waived.

3. **EXCEPTION.** In the event, the Property, the Improvements and/or Business Personal Property are taken by the state or federal government through exercise of the power of eminent domain, this Agreement shall terminate to the extent the property is affected, however, the CITY shall not be entitled to recapture the amount taxes or fees waived.

## ARTICLE VI
## INDEMNIFICATION

1. COMPANY COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS, CITY AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, AND REPRESENTATIVES, INDIVIDUALLY AND COLLECTIVELY, FROM AND AGAINST ANY AND ALL COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, PROCEEDINGS, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND SUITS OF ANY KIND AND NATURE WHATSOEVER, INCLUDING BUT NOT LIMITED TO, PERSONAL INJURY OR DEATH AND PROPERTY DAMAGE, MADE UPON CITY DIRECTLY OR INDIRECTLY ARISING OUT OF, OR RESULTING FROM OR RELATED TO OWNER'S NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF OWNER, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF OWNER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, DIRECTORS AND REPRESENTATIVES WHILE IN THE EXERCISE OR PERFORMANCE OF THE RIGHTS OR DUTIES UNDER THIS AGREEMENT, ALL WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY AND UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW. THE PROVISIONS OF THIS INDEMNIFICATION ARE SOLELY FOR THE BENEFIT OF THE CITY AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

2. COMPANY SHALL PROMPTLY ADVISE CITY, IN WRITING OF ANY CLAIM OR DEMAND AGAINST CITY AND RELATED TO OR ARISING OUT OF OWNER'S ACTIVITIES UNDER THIS AGREEMENT AND SHALL SEE TO THE INVESTIGATION AND DEFENSE OF SUCH CLAIM OR DEMAND AT OWNER'S COST. CITY SHALL HAVE THE RIGHT, AT ITS OPTION AND AT ITS OWN EXPENSE, TO PARTICIPATE IN SUCH DEFENSE WITHOUT RELIEVING OWNER OF ANY OF ITS OBLIGATIONS UNDER THIS PARAGRAPH.

## ARTICLE VII
## GENERAL PROVISIONS

1. **NOTICE**. Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) placed in the United States Mail with postage prepaid, return receipt requested, properly addressed to such party at the address hereinafter specified; or (b) deposited into the custody of a nationally recognized overnight delivery service such as FedEx or UPS, addressed to such party at the address hereinafter specified. Any notice mailed in the above manner shall be effective upon its deposit into the custody of the United States Postal Service or such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. A party may designate a different address by giving the other party ten (10) days written notice. All notices must be filed with the City Tax Assessor-Collector.

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|---|---|
| **TO THE OWNER:** | **GAB Land Holdings, LLC**<br>ATTN: George Hughes<br>Sales Manager<br>9330 San Mateo Drive<br>Laredo, Texas 78045 |
| **TO THE CITY:** | **CITY OF LAREDO**<br>ATTN: Robert A. Eads<br>City Manager<br>1110 Houston Street<br>PO Box 579<br>Laredo, TX 78042-0579 |

A. **CONDITION.** This Agreement is conditioned entirely upon the approval of the Laredo City Council by the affirmative vote of a majority of the members at a scheduled meeting.

B. **ASSIGNMENT.** If COMPANY sells, assigns or exchanges the property, this agreement shall cease and property shall be subject to recapture of any real and or personal taxes abated by this Agreement in accordance with the provisions of the Texas Property Tax Code. However, City Council, at their discretion, may consider extending the Agreement to the new owner through an Amended Grant Payment Agreement or new application process. A written request must be made by the new owner to the City Tax Assessor-Collector.

C. **AMENDMENT.** This Agreement may be terminated, changed, modified, or amended in whole or in part by mutual written agreement between the Parties, their successors or assigns and as approved by the governing body of the CITY. No amendment, modification, or alteration of the terms hereof shall be binding unless in writing dated subsequent to the date of this Agreement and duly authorized by the parties. COMPANY acknowledges that City Council approval is required for any of these actions.

D. **SEVERABILITY.** In the event any section, subsection, paragraph, subparagraph, sentence, phrase or work herein is held invalid, illegal, or unenforceable, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties intended to delete said invalid section, subsection, paragraph, subparagraph, sentence, phrase or word. In such event there shall be substituted for such deleted provision that is valid, legal and enforceable. This Agreement constitutes the entire Agreement between the parties related to the subject matter herein and supersedes all prior, oral or written agreements, commitments or understandings with respect to the matters provided for herein.

E. **EMPLOYMENT OF UNDOCUMENTED WORKERS.** During the term of this Agreement, COMPANY agrees to not knowingly employ any undocumented workers and if convicted of a violation under U.S.C. Section 1324a(f) such action shall be an Event of Default and COMPANY shall be liable for repayment of taxes previously rebated and any other funds received by COMPANY from CITY, after the date of such violation. Such repayment shall be due within one-hundred and twenty (120) days after the date COMPANY is notified by CITY of such violation. COMPANY is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of COMPANY or by a person with whom COMPANY contracts provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which COMPANY enters into with any subsidiary, assignee, affiliate, or franchisee.

F. **OWNER STANDING.** COMPANY, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and OWNER shall be entitled to intervene in said litigation.

G. **GOVERNING LAW.** The laws of the State of Texas shall govern the Agreement; and this Agreement is fully performable in Laredo, Webb County, Texas with exclusive venue for any action concerning this Agreement being in a court of competent jurisdiction in Webb County, Texas.

H. **INDEPENDENT CONTRACTOR.** It is expressly understood and agreed by all Parties hereto that in performing their services hereunder, COMPANY at no time will be acting as an agent of CITY and that all consultants or contractors engaged by COMPANY respectively will be independent contractors of COMPANY; and nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties and any implication to the contrary is hereby expressly disavowed. The Parties hereto understand and agree that CITY will not be liable for any claims that may be asserted by any third party occurring in connection with services performed by COMPANY respectively under this Agreement, unless any such claims are due to the fault of CITY.

I. **ACCESS TO INFORMATION.** The COMPANY agrees to provide the CITY access to information directly related to the AGREEMENT during regular business hours upon reasonable notice. The CITY shall have the right to require the COMPANY to submit any necessary information, documents, invoices, receipts or other records, primarily related to employment, payroll, benefits, assessments and property and or business personal property taxes to verify the completion and compliance of the Project by COMPANY. During the Term of this Agreement, COMPANY shall allow designated representatives of the CITY access to limited to areas deemed pertinent to the agreement by the COMPANY during normal business hours and, upon reasonable notice to COMPANY, to inspect the Facility to determine if the terms and conditions of this Agreement are being met, as long as CITY representatives are accompanied by COMPANY's representative and as long as such inspections are conducted in such a manner as to: (i) not unreasonably interfere with the operation of the FACILITY; and (ii) comply with COMPANY's reasonable securing requirements.

J. **REMEDIES.** No right or remedy granted herein or reserved to the parties is exclusive of any right or remedy herein by law or equity provided or permitted; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without consent of the parties. Forbearance or indulgence by either party shall not constitute a waiver of any covenant or condition to be performed pursuant to this Agreement.

K. **HEADINGS.** The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

EXECUTED on this ______ day of ______________________________, 2021.

- FOR GAB LAND HOLDINGS, LLC

______________________________________________/DATE/ 8/6/21

Printed Name: George Hughes

Position: Sales Mgr.

- FOR CITY OF LAREDO

______________________________________________/DATE/ 8/9/21

Printed Name: Robert A. Eads

Position: City Manager

- ATTEST:

______________________________________________/DATE/ 8/10/21

Jose A. Valdez, Jr.
City Secretary

- APPROVED AS TO FORM:

______________________________________________/DATE 08/06/21

For: Alyssa Castillon
City Attorney

## EXHIBIT A.2 – Jobs & Wage Scale

| Position | Number of Existing Employees |
|---|---|
| Controller | 1 |
| Sales Manager | 1 |
| Sales Coordinator | 1 |
| Accounting Supervisor | 1 |
| Accounts Receivable Specialist | 2 |
| Accounts Payable | 1 |
| Administrative Assistant | 1 |
| Logistics Supervisor | 1 |
| Traffic Clerks | 2 |
| Forklift Drivers/Warehousemen | 2 |
| **Total employees** | **13** |

| Projected Jobs | Number of Employees | Wages |
|---|---|---|
| Traffic Clerk | 1 | $12.00/ hr |
| Forklift Drivers/Warehouseman | 3 | $11.25/ hr |
| Accounting Clerk | 1 | $11.50 /hr |
| **Total projected employees** | **5** | |

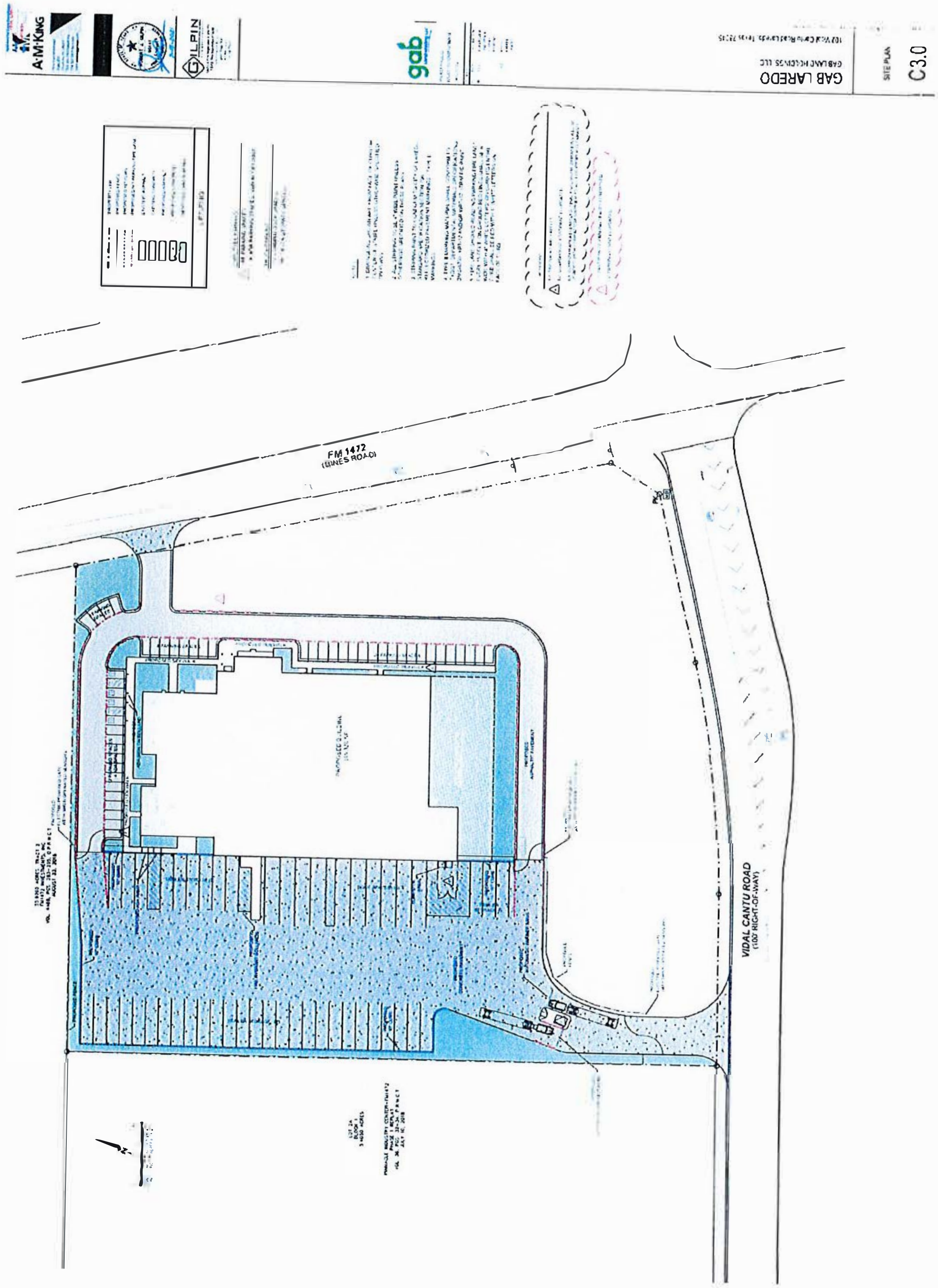
## EXHIBIT A.4 – Capital Investment Plan

**Laredo Capital Investment**

| **Phase 1** | **Description** | **Total** | |
|---|---|---|---|
| Building | 45,000 square feet | $ | 10,000,000 |
| Land | 7 acres | $ | 1,470,000 |
| **Total Cap Ex** | | **$** | **11,470,000** |

**Building:** 45,000 square feet, two-thirds of which will be frozen and fresh temperature controlled space with truck docks, office and support spaces. Additional improvements include multi-acre concrete truck parking lot, landscaping and multiple drive ways.

**EXHIBIT A.5 – Site Plan**

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