RESOLUTION NO. 2021-R-145

ADOPTING A PROGRAM UNDER TEXAS LOCAL GOVERNMENT CODE CHAPTER 380; AUTHORIZING THE CITY MANAGER TO EXECUTE AN ECONOMIC DEVELOPMENT GRANT AGREEMENT PURSUANT THERETO WITH WEST PAK AVOCADO, INC. RELATED TO THE DEVELOPMENT AND EQUIPPING OF AN AGRICULTURAL COLD STORAGE, MANUFACTURING, AND DISTRIBUTION FACILITY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, West Pak Avocado, Inc. (the "Company") is a California-based international grower, packer, shipper, distributor and marketer of premium avocados founded in 1982 and family owned, the company has five distribution centers in the United States and Mexico and sources avocados from 1,000 growers on 65,000 acres in the U.S., Mexico, Peru and Chile with more on the way; 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") the governing body of a municipality may establish and provide for the administration of a program for making loans and grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, the Company desires to establish a cold storage, manufacturing, and distribution facility within the city limits of the City at **Lot 6, Block 3, Unit 12, Pinnacle Industry Center, FM 1472** (the "Project"); and

WHEREAS, consistent with the Texas Constitution, Chapter 380 and other applicable law, the City of Laredo (the "City") adopts an economic development program, as set forth in the Chapter 380 Economic Development Grant Agreement between the City and the Company (the "Agreement," attached hereto as **Exhibit A**) for the purpose of inducing the Company to locate the 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 Company expects to invest approximately $17,900,000.00 (Seventeen Million, Nine-hundred Thousand Dollars) in the Project, which includes the costs for land acquisition, construction, and equipping of the Project in accordance with the Agreement; and

WHEREAS, over the term of the Agreement, the Project is expected to create at least 140 full-time permanent jobs with a minimum wage of $15.00 per hour with standard benefits and a robust paid internship program; and

WHEREAS, The City finds that the Company's investment in the Project will promote local economic development, continue the development of the cold storage and produce distribution industries in the City, stimulate business and cross-border trade, and create quality well-paying jobs in the City; and

WHEREAS, the City has identified lawfully available funds from which it may make grant payments annually to the Company in the amounts, based on the Company's City of Laredo real property and personal property taxes as determined in accordance with **Exhibit A,** for a period of 7 years to provide incentives for the Project; 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 COUNCIL 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. CHAPTER 380 PROGRAM. **Exhibit A,** attached hereto and incorporated by reference as if set out in full, is adopted as an Economic Development Program pursuant to Chapter 380 of the Texas Local Government Code.

SECTION 3. AUTHORIZATION. The City Manager is hereby authorized to execute the Agreement, substantially in the form attached hereto as **Exhibit A**, and to execute all documents necessary to accomplish the purposes of this resolution and administer the Program adopted hereby, provided said Agreement is first fully executed by an authorized representative of the Company.

SECTION 4. 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, Tex. Gov't. Code.

SECTION 5. EFFECTIVE DATE. This Resolution shall take effect upon its adoption.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON THIS 7 **DAY OF** June **2021**

PETE SAENZ
MAYOR

ATTEST:

JOSE A. VALDEZ, JR.
CITY SECRETARY

APPROVED AS TO FORM:

RENE C. BENAVIDES
CITY ATTORNEY

STATE OF TEXAS §
§
COUNTY OF WEBB §

EXHIBIT A

CHAPTER 380 ECONOMIC DEVELOPMENT GRANT AGREEMENT
BETWEEN THE CITY OF LAREDO, TEXAS AND
WEST PAK AVOCADO, INC.

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 WEST PAK AVOCADO, INC., a California corporation registered to transact business in the State of Texas, (the "Company"), acting by and through its duly authorized officers. The City and the Company may be individually referred to as a "Party" and jointly as the "Parties."

ARTICLE I
RECITALS

The recitals set forth in City Council Resolution No 21-R-145 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-145 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 V, or otherwise extended by mutual written agreement of the Parties. The Company's eligibility for Grant Payments (hereinafter defined) shall be limited to seven (7) consecutive years (the "Grant Period") within the term of the Agreement.

DEFINITIONS

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

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

4. BUSINESS PERSONAL PROPERTY. The words "Business Personal Property" mean any taxable tangible personal property, other than inventory, supplies, and/or office equipment, that is (i) subject to ad valorem taxation by the City; (ii) is located on the Facility and used in operation of the business; (iii) was not located on the Facility prior to the effective date of this agreement; and (iv) is owned or leased by the Company.

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

6. COMPANY. The word "Company" means West Pak Avocado, Inc.

7. FACILITY. The word "Facility" means the estimated 100,000 square feet agricultural cold storage manufacturing and distribution center, to be constructed by the Company on the below-defined Site.

8. FULL-TIME JOBS. A "Full Time Job" means a job with no predetermined end date (other than a retirement date), with a regular work week of 35 hours or more on average for the entire normal year of local Company operations, and with benefits substantially equivalent to other regular employees of the Company and that satisfies the requirements set forth in Article III, hereof.

9. PROJECT. The word "Project" means (i) the Facility and related improvements (collectively, the "Improvements") to be constructed by the Company on the Site, (ii) the Site described below on which the Improvements are to be constructed; and (iii) the Business Personal Property to be installed at the Facility to support the operation.

10. 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 and business personal property 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 the yearly annual certification.

11. GRANT PERIOD. The words "Grant Period" mean the period beginning on January 1 of Year 1 (hereinafter defined and continuing for seven (7) years during which the Company is eligible to receive Grant Payments from the City.

12. SITE. The word "Site" means the real property upon which the Improvements are to be constructed, located at Lot 6, Block 3, Unit 12, Pinnacle Industry Center, FM 1472 in the City, consisting of approximately 6.6 acres and more particularly described on **Exhibit A.6** attached hereto and incorporated herein by reference.

13. **Year 1**. The words "Year 1" shall mean the calendar year immediately following the earlier of the year in which (a) the Project is completed or (b) the Company has received a Certificate of Occupancy and has placed the Project into service or operation, but in no case shall Year 1 be later than 2023.

ARTICLE III
PROJECT REQUIREMENTS

COMPANY'S OBLIGATIONS. The obligation of the City to provide the Grant Payments to the Company shall be conditioned upon the Company's continued substantial compliance with and satisfaction of each of the following conditions set forth in this Agreement, as solely and finally determined by the City Council without recourse:

1. The Company will invest the aggregate estimated amount of at least **$17,900,000.00 MILLION DOLLARS** (the "Project Investment") towards the construction and completion of the Project. The approximate capital costs for the Project **are $1,465,000.00 for the Site and $16,465,000.00 for completion of the Improvements and installation of the Business Personal Property.** The expected project investment is more specifically described in **Exhibit A.5** attached hereto and made part hereof for all intents and purposes.

   A. Any Project Investment condition that has been met for any Year will continue to be met throughout the term of Grant Period for such Project Investment condition for so long as the Total Taxable Assessed Value of the Project does not decrease by more than twenty percent (20%) after the initial satisfaction of the Investment Condition for Year 1, which (notwithstanding any provision in this Agreement to the contrary) Total Taxable Assessed Value for any year may include the increases in the "assessed value" for such year the capital investment necessary for the replacement of Business Personal Property.

   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, improvements and personal property on the property for such tax year.

   B. The Company shall own the Site by no later than August 31, 2021. The Company shall provide proof of ownership document to the City within thirty (30) days after purchase has been executed.

   C. The Company will create and then maintain no less than the following aggregate number of new Full-Time Jobs at the Project during each year of the Grant Period (each, an "Employment Condition") to achieve compliance. The 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 Grant Period.

Exhibit A.1 - Jobs Table

	New Full-Time Jobs	Cumulative Full-Time Jobs (by Oct. 1 of Each Year)
Year 1	45	45
Year 2	20	65
Year 3	20	85
Year 4	20	105
Year 5	20	125
Year 6	8	133
Year 7	7	140

D. The Company, following completion of the Project and commencement of operations, shall provide that all employees filling a Full-Time Job will be entitled to medical, dental, and vision benefits, sick time, and vacation/time off, and that some benefits will be accessible to the employees' dependents throughout the term of this Agreement. The Parties agree that the benefits described in **Exhibit A.2** satisfy the Employment Conditions.

Exhibit A.2 - Benefits

Benefits	Cumulative Full-Time Jobs (by Oct. 1 of Each Year) Receiving Benefits						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Medical	45	65	85	105	125	133	140
Dental	45	65	85	105	125	133	140
Vision	45	65	85	105	125	133	140
Sick Time	45	65	85	105	125	133	140
Vacation	45	65	85	105	125	133	140
Time Off	45	65	85	105	125	133	140

E. The Company, following completion of the Project and commencement of operations, shall provide that all employees filling a Full-Time Job will be paid at a minimum rate of $15.00 per hour, regardless of position. The expected positions and wage scale is more specifically described in **Exhibit A.4** attached hereto and made part hereof for all intents and purposes. The Company shall prioritize hiring City of Laredo residents for eighty percent (80%) of such positions. The Parties agree that prioritizing hiring may include, without limitation, efforts such as local advertising, participation in job fairs, and coordination with the City's Office of Economic Development to engage City residents.

F. The Project shall be developed (and any obligations described herein, related to such) shall be in accordance with the ordinances, rules, and regulations of the City, subject to any variances, approvals, and applicable laws authorizing the Project to vary from any such regulations.

G. The Company shall be subject to an audit (by the City or the City's 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 pertaining to conditional requirements as set in this Agreement.

H. The Company 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. The Company shall at all times comply with the City's building codes and zoning regulations in addition to all applicable rules, regulations, environmental laws, land use covenants and other restrictions of record.

J. The 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 the City or its designee for annual compliance review in October or within 10 business days of request at any time.

K. The City reserves the right to confirm Company's compliance with the terms and conditions of this Agreement. City will provide the Company 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. An annual Grant Payment to the Company in the amounts, based on the Company's City of Laredo real property and personal property taxes as determined below (the "Grant Payment Formula") for Year the Company satisfies Performance Conditions.

EXHIBIT A.3 – "Grant Payment Formula"

Term	New Full-time Jobs	Cumulative Full-time Jobs	Minimum hourly wage per position	Total assessed value: real property, land and business personal property	Percentage tax rebate of total valuation
Year 1	45	45	$15.00	$17.9 million	100%
Year 2	20	65	$15.00	$17.9 million	75%
Year 3	20	85	$15.00	$17.9 million	75%
Year 4	20	105	$15.00	$17.9 million	75%
Year 5	20	125	$15.00	$17.9 million	75%
Year 6	8	133	$15.00	$17.9 million	60%
Year 7	7	140	$15.00	$17.9 million	60%

B. If the Company fails to satisfy any of the Employment Conditions or the Project Investment conditions included in Article III, or an Annual Certification reasonably acceptable to the City, then no Grant Payment will be considered and Company would be considered non-compliant.

C. The Grant period shall commence on Year 1. The City will make the first Grant Payment after the full calendar year assessment and payment pursuant to the timeline described in the following Section D.

D. The Company shall pay to the City ad-valorem taxes assessed on the Land, Improvements, and Business Personal Property in each year prior to the beginning of the Grant Payment Period. Commencing at Year 1, the City will annually issue each Grant Payment to Company on or before the ninetieth (90th) day following the City receiving written notice, as provided herein, 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. The Company acknowledges the Total Assessed Value described herein is estimated based on the Project Investment and that the Taxable Assessed Value may rise or decline during the Grant Period. The Company shall retain the right to protest and/or contest such appraisals.

ARTICLE IV
ANNUAL CERTIFICATION

1. ANNUAL CERTIFICATION. Beginning October 1 of Year 1, and during the month of October of each calendar Year thereafter during the Term, the Company 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 $17,900,000.00 million (after Year 1)
- Receipt of taxes paid
- Other information relevant to the project's operation

If the Company fails to timely submit to an Annual Certification for a particular year, the City may give the Company written notice of its failure to timely submit, and the 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, subject to the notice provisions below, declare a default of this Agreement by the Company if the 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, the Total Assessed Value is less than the minimum amount set for in Article, III(1)A; or

D. Materially breaches any of the terms or conditions of this Agreement and such default or breach is not cured as provided below following written notice thereof by the City; or

E. Ceases conducting produce distribution enterprise business during the Grant Payment Period at the Project for a period of six (6) months or more for any reason other than suspension due to fire, explosion, accident, natural disaster or other casualty, or

F. Fails to submit to City the Annual Certification as required by Article IV following notice of such failure; or

G. Allows the ad valorem taxes due on the Project to become delinquent without timely and properly filing a protest under Chapter 41 of the Texas Property Tax Code; or

H. By mutual written agreement of the parties.

2. NOTICE OF TERMINATION. In the event that the City makes a reasonable determination that the Company has defaulted under this Agreement, then City shall give Company written notice of such. Company shall have sixty (60) days following receipt of said written notice to reasonably cure such default or this Agreement may be terminated by the City. Notice of default shall be in writing and shall be attempted or delivered by certified mail to the Company at the address provided in Section VI 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 the City's sole option. However, in the case of default for causes beyond the 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 the Company:

A. Immediately upon receipt of such notice, advises the City of the reasons the default is beyond the 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.

3. 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 termination by the City, The City shall have the right to demand recapture from the Company for the total amount of any Grant Payment previously made while the Company was in default of its obligations hereunder. Payment of recaptured Grant Payments shall become due sixty (60) days following receipt of such demand.

The right of the 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 necessary litigation against the Company to pursue the City's remedy of recapture.

4. 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 Grant Payments related thereto.

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 THE COMPANY'S NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN ITS ACTIVITIES UNDER THIS AGREEMENT, INCLUDING ANY SUCH ACTS OR OMISSIONS OF THE COMPANY, ANY AGENT, OFFICER, DIRECTOR, REPRESENTATIVE, EMPLOYEE, CONSULTANT OR SUBCONSULTANTS OF THE COMPANY, 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.

TO THE COMPANY: WEST PAK AVOCADO, INC
ATTN: Trevor Newhouse,
Vice President Operations
38655 Sky Canyon Drive
Murrieta, CA 92563

TO THE CITY: CITY OF LAREDO
ATTN: Robert A. Eads
City Manager
1110 Houston Street
PO Box 579
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 the Company sells, assigns or exchanges the Project, this Agreement shall cease and any subsequent Grant Payments shall be subject to recapture. However, City Council, at their discretion, may consider Amending the Agreement to accommodate such new owner. 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. The 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, the 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 the Company shall be liable for repayment of taxes previously rebated and any other funds received by the Company from the City after the date of such violation. Such repayment shall be due within one-hundred and twenty (120) days after the date the Company is notified by the City of such violation. The Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of the Company or by a person with whom the Company contracts provided however that identical federal law requirements provided for herein shall be included as part of any

agreement or contract which the Company enters into with any subsidiary, assignee, affiliate, or franchisee.

F. COMPANY STANDING. The 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 the Company 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, the Company at no time will be acting as an agent of the City and that all consultants or contractors engaged by the Company respectively will be independent contractors of the 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 the City will not be liable for any claims that may be asserted by any third party occurring in connection with the obligations performed by the 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 related to the 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 to verify the completion of the Project by Company. During the Term of this Agreement, Company shall allow designated representatives of the City access to the Facility during normal business hours and, upon notice to Company, to inspect the Facility and Business Personal Property 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 29 day of July, 2021.

- WEST PAK AVOCADO, INC

/DATE/ 7/1/21

Printed Name: Galen Newhouse

Position: Vice President/Owner

/DATE/ 6/23/21

Printed Name: Mario Pacheco

Position: Chief Executive Officer

- FOR CITY OF LAREDO

/DATE/ 7/29/21

Printed Name: Robert A. Eads

Position: City Manager

- ATTEST:

/DATE/ 7/29/21

Jose A. Valdez, Jr.
City Secretary

APPROVED AS TO FORM:

/DATE/ 7/28/2021

Rene C. Benavides
City Attorney

EXHIBIT A.4 – Jobs and Wage Scale

Labor Forecast 2022

Last Name	First Name	Pay/Hr	Additional Increase	Annual Salary
Site	**Manager**	$ 33.65	$ 34.73	$ 70,000.00
Shipping	**Supervisor**	$ 19.23	$ 19.85	$ 40,000.00
Shipping	Coordinator	$ 16.00	$ 16.51	$ 33,280.00
Shipping	Coordinator	$ 16.00	$ 16.51	$ 33,280.00
Shipping	Coordinator	$ 16.00	$ 16.51	$ 33,280.00
Shipping	Coordinator	$ 16.00	$ 16.51	$ 33,280.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Shipping	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
		$ -	$ -	
Site	**Supervisor**	$ 26.44	$ 27.29	$ 55,000.00
Just Ripe	Lead	$ 18.00	$ 18.58	$ 37,440.00
Just Ripe	Coordinator	$ 16.00	$ 16.51	$ 33,280.00
Just Ripe	Ripening Inspector	$ 16.50	$ 17.03	$ 34,320.00
Just Ripe	Ripening Inspector	$ 16.50	$ 17.03	$ 34,320.00
Just Ripe	Ripening Inspector	$ 16.50	$ 17.03	$ 34,320.00
Just Ripe	Ripening Inspector	$ 16.50	$ 17.03	$ 34,320.00
		$ -	$ -	
Value Add	**Lead**	$ 18.00	$ 18.58	$ 37,440.00
Value Add	Bagging Operator	$ 16.50	$ 17.03	$ 34,320.00
Value Add	Bagging Operator	$ 16.50	$ 17.03	$ 34,320.00
Value Add	Forklift Driver	$ 15.50	$ 16.00	$ 32,240.00
Value Add	Packer/Sorter	$ 15.00	$ 15.48	$ 31,200.00
Value Add	Packer/Sorter	$ 15.00	$ 15.48	$ 31,200.00
Value Add	Packer/Sorter	$ 15.00	$ 15.48	$ 31,200.00
Value Add	Packer/Sorter	$ 15.00	$ 15.48	$ 31,200.00
Value Add	Packer/Sorter	$ 15.00	$ 15.48	$ 31,200.00
Procurement & Inventory Control	Inventory Lead	$ 16.00	$ 16.51	$ 33,280.00
Quality Control	FSQA Supervisor	$ 25.00	$ 25.80	$ 52,000.00
Quality Control	QC Leads	$ 17.50	$ 18.06	$ 36,400.00

Quality Control	QC Leads	$ 17.50	$ 18.06	$ 36,400.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
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Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Quality Control	QC Inspectors	$ 15.50	$ 16.00	$ 32,240.00
Compliance	Sanitation	$ 15.00	$ 15.48	$ 31,200.00
Compliance	Sanitation	$ 15.00	$ 15.48	$ 31,200.00
42001 WPA Salaries and Wages				$ 1,730,200.00
42020 WPA COGs Overtime				
OH + 25%				

Labor Forecast 2023

Last Name	First Name	Pay/Hr	Additional Increase	Annual Salary
Site	**Manager**	$ 34.73	$ 35.84	$ 69,843.58
Shipping	**Supervisor**	$ 19.85	$ 20.48	$ 39,910.62
Shipping	Coordinator	$ 16.51	$ 17.04	$ 33,205.63
Shipping	Coordinator	$ 16.51	$ 17.04	$ 33,205.63
Shipping	Coordinator	$ 16.51	$ 17.04	$ 33,205.63
Shipping	Coordinator	$ 16.51	$ 17.04	$ 33,205.63
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Shipping	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
		$ -	$ -	$ -
Site	**Supervisor**	$ 27.29	$ 28.16	$ 54,877.10
Just Ripe	Lead	$ 18.58	$ 19.17	$ 37,356.34
Just Ripe	Coordinator	$ 16.51	$ 17.04	$ 33,205.63
Just Ripe	Ripening Inspector	$ 17.03	$ 17.57	$ 34,243.31
Just Ripe	Ripening Inspector	$ 17.03	$ 17.57	$ 34,243.31
Just Ripe	Ripening Inspector	$ 17.03	$ 17.57	$ 34,243.31
Just Ripe	Ripening Inspector	$ 17.03	$ 17.57	$ 34,243.31
		$ -	$ -	$ -
Value Add	**Lead**	$ 18.58	$ 19.17	$ 37,356.34
Value Add	Bagging Operator	$ 17.03	$ 17.57	$ 34,243.31
Value Add	Bagging Operator	$ 17.03	$ 17.57	$ 34,243.31
Value Add	Forklift Driver	$ 16.00	$ 16.51	$ 32,167.96
Value Add	Packer/Sorter	$ 15.48	$ 15.98	$ 31,130.28
Value Add	Packer/Sorter	$ 15.48	$ 15.98	$ 31,130.28
Value Add	Packer/Sorter	$ 15.48	$ 15.98	$ 31,130.28
Value Add	Packer/Sorter	$ 15.48	$ 15.98	$ 31,130.28
Value Add	Packer/Sorter	$ 15.48	$ 15.98	$ 31,130.28
				$ -
Procurement & Inventory Control	Inventory Lead	$ 16.51	$ 17.04	$ 33,205.63
				$ -
Quality Control	**FSQA Supervisor**	$ 25.80	$ 26.63	$ 53,664.00
Quality Control	QC Leads	$ 18.06	$ 18.64	$ 37,564.80
Quality Control	QC Leads	$ 18.06	$ 18.64	$ 37,564.80
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68

Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Quality Control	QC Inspectors	$ 16.00	$ 16.51	$ 33,271.68
Compliance	Sanitation	$ 15.48	$ 15.98	$ 31,200.00
Compliance	Sanitation	$ 15.48	$ 15.98	$ 31,200.00
42001 WPA Salaries and Wages				$ 1,619,461.81
42020 WPA COGs Overtime				
OH +25%				

EXHIBIT A.5 – Capital Investment

Laredo capital investment

Phase 1	Description	Total	
Land	Pinnacles Unit 12 6.6 Acres	$	1,465,200
Building	Sprung Structure 100k Sqft	$	8,000,000
Building Front End	LEED Certified Offices	$	1,100,000
Coolers	2,000 pallets	$	2,000,000
Cold Dock	$1,000,000		
Ripening Rooms Rooms	6x28 Pallets	$	1,500,000
Packing Line	Bin Infeed System	$	110,000
	4 Lane Sizer	$	512,000
	Invision System	$	220,000
	Automated Tray Fillers	$	240,000
	Manual Exit Conveyor System	$	140,000
IT Related Items	Phone/Security/Sensaphone etc	$	270,000
Bagging Machines	4 Giro GB55HS, 1 CMSA	$	604,000
Dock Levelers	13 each	$	65,000.00
Eclipse Weather Shelters	13 each	$	91,000.00
Concrete Repairs		$	135,000.00
Electrical Upgrade		$	150,000.00
Forklifts	6 Toyota Lithium-ion Batteries	$	300,000
Pallet Jacks	2 Toyota Lithium-ion Batteries	$	28,000
Total CapEx		**$**	**17,930,200**

Labor 2022

Professionals from Outside Laredo	**5 Employees**	**$**	**231,812**
Local Recruitments	**52 Employees**	**$**	**1,201,435**
Total Labor Cost		**$**	**1,433,247**

Labor 2023

Professionals from Outside Laredo	**5 Employees**	**$**	**253,871**
Local Recruitments	**52 Employees**	**$**	**2,115,223**
Total Labor Cost		**$**	**2,369,095**

Exhibit A.6 – Site Plan

[In development]