FILED FOR RECORD
at 12:30 o'clock P M

DEC 28 2021

BECKY LANDRUM
County Clerk, Hunt County, Tex.
By

RESOLUTION 17,180

A RESOLUTION OF THE HUNT COUNTY COMMISSIONERS COURT, OF HUNT COUNTY, TEXAS, APPROVING A CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT WITH HP HOOD LLC (the "CHAPTER 381 AGREEMENT") PURSUANT TO THE REQUIREMENTS OF CHAPTER 381 OF THE TEXAS LOCAL GOVERNMENT CODE AND SETTING AN EFFECTIVE DATE.

WHEREAS, in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code, the County has the authority to make loans or grants of public funds for the purpose of promoting local economic development by stimulating business and commercial activity within the County for new, developing an expanding business; and

WHEREAS, HP Hood LLC intends to develop and use of certain real property located at the northwest corner of State Highway 66 and County Road 2100 in Hunt County as a dairy and plant-based product processing facility (the "Project") which development carries an estimated cost of improvement of approximately $200,000,000.00 to $360,000,000.00 and which property and Project are more particularly described in the Chapter 381 Agreement, and

WHEREAS, the Commissioners Court of Hunt County finds that the Project will increase the County's property tax base and HP Hood LLC's operations in the region will create employment opportunities for residents of Hunt County; and

WHEREAS, the Commissioners Court of Hunt County finds that entering into the Chapter 381 Agreement and providing a personal property tax rebate for the Project to HP Hood LLC promotes economic development in the County and, as such, meets the requirements under Chapter 381 of the Local Government Code and is in the best interest of the County; now therefore

BE IT RESOLVED BY THE COMMISSIONERS COURT OF HUNT COUNTY, TEXAS:

Section 1. Findings. The statements contained in the preamble to this Resolution are true and correct and are hereby adopted as findings of fact and as part of the operative provisions hereof.

Section 2. Chapter 381 Agreement. The Hunt County Commissioners Court hereby resolves to enter into the Chapter 381 Agreement, attached to this resolution as Exhibit "A," with respect to the development and use of the subject property as a dairy processing facility.

Section 3. Setting an Effective Date. This Resolution shall take effect immediately upon approval.

The foregoing Resolution was read and adopted on December 28, 2021.

County Judge
Hunt County, Texas

Commissioner, Precinct 1

Commissioner, Precinct 2

Commissioner, Precinct 3

Commissioner, Precinct 4

ATTEST:

County Clerk
Hunt County, Texas

COMMISSIONERS COURT OF HUNT COUNTY, TEXAS

EXHIBIT "A"

Chapter 381 Agreement

CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN HUNT COUNTY AND HP HOOD LLC

STATE OF TEXAS §

COUNTY OF HUNT §

This Chapter 381 Agreement (**"Agreement"**) is entered into on December 28, 2021 (the **"Effective Date"**) by and between **HUNT COUNTY**, Texas, (the **"County"**), duly acting herein by and through its County Judge, and **HP HOOD LLC** (the **"Company"**) acting herein by and through their duly authorized officers.

WITNESSETH:

WHEREAS, in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code under which the County has the authority to make loans or grants of public funds for the purposes of promoting local economic development by stimulating business and commercial activity within the County for new, developing, and expanding businesses; and

WHEREAS, the Company intends to develop real property and locate equipment and other personal property in the County which would increase the County's property tax base, and Company's operations in the region will create employment opportunities for residents of the County; and

WHEREAS, in order to encourage Company to locate an industrial state of the art dairy processing facility (the **"Project"**) in the County, County intends to provide Company a personal property tax rebate; and

WHEREAS, the County has concluded and hereby finds that this Agreement promotes economic development in the County and, as such, meets; the requirements under Chapter 381 and is in the best interests of the County; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of County and Company; and

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Company agree as follows:

1. **Definitions.** For the purposes of this Agreement, when not inconsistent with the context, words, used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural, and the use of any gender shall be applicable to all genders whenever the sense requires. The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined in this Agreement shall be given their common and ordinary meaning. The following words shall be given the meanings designated.

    a. *Baseline Date or Baseline* shall mean the date from which Company's capital assessed value requirements shall be measured, which shall be January 1, 2022, which the Parties agree is $0.

    b. *Property* shall refer to tangible personal property.

2. **Capital Investment.** The Company represents that it will use its best efforts to make a capital investment in the Project of at least one hundred million dollars ($100,000,000) by December 31, 2026.

3. **Grant of Personal Property Tax Rebate.** In consideration of Company making a capital investment in the County, the County agrees, subject to the terms and conditions contained herein, that the Property shall be entitled to a Personal Property Tax Rebate equivalent to the "Qualified Freeport Eligible Inventory Value" assessed by the other Taxing District Authorities for a term of

25 years beginning on January 1, 2026. Rebate Calculation shall be: Qualified Freeport Inventory Value (i.e., the value of any Property that qualifies for Freeport Exemption under § 11.251 of the Texas Tax Code. as certified by the Hunt County Chief Appraiser) divided by 100. times the County's property tax rate for the current year. The County and the Company intend for this language to specifically require a rebate of 100% of the Personal Property Tax paid each year on Qualified Freeport Eligible Inventory Value.

4. **Payment of Rebate.** All Property Tax Rebate payments subject to this Agreement shall be paid to Company by the County within 60 days of the date the County has received both (i) receipt of Company's payment of such property taxes; and (ii) certification by the Hunt County Chief Appraiser of the amount of Qualified Freeport Inventory Value.

5. **Facility Location.** The manufacturing plant must be located within the county of Hunt County at all times during the term of this Agreement.

6. **Compliance with Law.** Company agrees to abide by all applicable laws, ordinances, codes, rules, requirements, or regulations of the County and the State of Texas, and any subdivision, agency, or authority thereof in effect at the time of the development.

7. **Payment of Taxes and Assessments.** Company agrees to pay all property taxes that may be owed to the County or any other taxing entity prior to such taxes and/or assessments becoming delinquent; provided that Company shall have the right to contest in good faith the validity or application of any such property tax or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion.

8. **Submission of Reports**

    a. Company shall submit to the County, on an annual basis on or before March 31st of each year, the information or reports necessary for the monitoring of the performance criteria established in this Agreement for Company.

    b. Because of the highly competitive nature of the industry in which Company does business, the County agrees that the reports which Company is required to submit may contain information which Company considers to be valuable proprietary information. As such. the County agrees to keep any and all reports provided by Company as confidential information to the extent the documents are not public information under the Public Information Act. Chapter 552. TEXAS GOVERNMENT CODE, as amended.

8. **Default.** The County shall provide Company written notice of Company 's default. If such default is not cured within ninety (90) days from the date written notice is received by Company from the County, then the County may at the County's sole option, terminate this Agreement.

9. **Term.** The term of this Agreement shall be from the Effective Date through December 31, 2050.

10. **Miscellaneous.**

    a. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable under the present or future laws effective while this Agreement is in effect, such provision shall be automatically deleted from this Agreement and the legality, validity, and enforceability of the remaining provision, there shall be added automatically as part of this Agreement a provision that is similar in terms and substance to such deleted provision as may be possible and yet be legal, valid, and enforceable. The failure of the County to approve this Agreement does not affect the legality, validity or enforceability of this Agreement for the County or Company.

    b. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties created hereunder are performable in Hunt County, Texas. In the event of litigation, jurisdiction shall lie in Hunt County, Texas.

c. **Amendments.** No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.

d. **No Waiver.** No waiver by any party to this Agreement in any event of default, or breach of any covenant, condition or stipulation herein contained shall be treated as a waiver of any subsequent default or breach of the same or any other covenant, condition, or stipulation.

e. **Assignment.** Company may not assign this Agreement without the prior written consent of the County, which consent shall not be unreasonably withheld or delayed; provided, however, that Company may assign this Agreement to an Affiliate or to a party which acquires all or substantially all of the capital stock of Company, upon written notice to the County but without the requirement of prior consent. The collateral assignment of this Agreement to any lender(s) of Company shall not constitute an assignment.

f. **Binding.** This Agreement is binding on the parties herein their successor, assigns, parent corporations and subsidiaries.

g. **Notice.** All notices by this Agreement (i) shall be in writing. (ii) shall be addressed to the parties as set forth below unless notified in writing of a change in address, and (iii) shall be deemed to have been delivered either when personally delivered or, if sent by mail, in which event it shall be send by registered or certified mail, return receipt requested, three (3) business days after mailing. The addresses of the parties are as follows:

HP HOOD LLC
6 Kimball Ln., Suite 400
Lynnfield, MA 01940
Attention: Treasurer

With copy to:

HP Hood LLC
Attn: General Counsel
6 Kimball Lane, Suite 400
Lynnfield, MA 01950

HUNT COUNTY
2507 Lee Street
Greenville, Texas 75401
Attention: Hunt County Judge Bobby Stovall

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed by their duly authorized officials. this Agreement in multiple counterparts, each of equal dignity.

HP HOOD LLC

By: _____

Name: Gary R. Kaleb

Title: President

HUNT COUNTY

By: _____

Name: County Judge Bobby W. Stovall

Title: Hunt County Judge