CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN
ANDERSON COUNTY, TEXAS,
AND
LS TRACTOR USA, LLC

STATE OF TEXAS	§
	§
COUNTY OF ANDERSON	§

This Chapter 381 Economic Development Agreement (the "Agreement") is made and entered into by and between ANDERSON COUNTY, TEXAS, a political subdivision of the State of Texas located in Anderson County, Texas (the "County") and LS TRACTOR USA, LLC (the "LS Tractor"), hereinafter collectively referred to as the "Parties" and sometimes individually referred to as a "Party."

RECITALS

WHEREAS, the purpose of this Agreement is to promote state or local economic development and to stimulate business and commercial activity in the County; and

WHEREAS, LS Tractor shall, on or before February 29, 2024, purchase the property more particularly described by as 2002 Tile Factory Road, Palestine, Texas 75801("the Facility Property"); and

WHEREAS, the Facility Property and the Access Property shall be collectively referred to as "the Properties"; and

WHEREAS, the County desires for LS Tractor to acquire the Properties for the design, construction, and improvement of buildings, equipment, facilities and other related improvements found by the County to be required or suitable for use as a farm machinery and equipment distribution center, herein referred to as the "Project"; and

WHEREAS, the County finds for all constitutional and statutory purposes that the Project is owned, used, and held for a public purpose for and on behalf of the County; and

WHEREAS, in accordance with Chapter 381, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution, the County may establish and provide for the administration of a program for the making of loans or grants of public money and providing County personnel and services of the County to promote state or local economic development and to stimulate business and commercial activity in the County, and may administer a program by the use of County personnel, may contract with a nonprofit organization or any other entity for the administration of a program, and may accept contributions, gifts, or other resources to develop and administer a program; and

WHEREAS, consistent with Chapter 381, Texas Local Government Code, and Article III, Section 52-a, of the Texas Constitution and other applicable law, the County hereby establishes an

economic development program whereby the County will develop and administer the Project on the Properties, to promote state or local economic development and to stimulate business and commercial activity in the County (the "Program"); and

WHEREAS, the County hereby finds that this Agreement promotes economic development in the County; and, as such, meets the requirements under the law for an economic development program for which a grant of public money is allowed; and, further, is in the best interest of the County and the surrounding community; and

WHEREAS, LS Tractor has agreed to provide significant financial and other benefits to the Program as provided for herein; and

WHEREAS, the County has determined that it is duly authorized by the Constitution and laws of the State of Texas to enter into this Agreement, and LS Tractor has determined that it is duly authorized to enter into this Agreement, and each have further determined that the terms, provisions, and conditions hereof are mutually fair and advantageous to each; and

WHEREAS, on the Effective Date defined below, the commitments contained in this Agreement shall become legally binding obligations enforceable against the Parties; and

WHEREAS, the recitals as set forth above are declared true and correct and are hereby incorporated as part of this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the County and LS Tractor, each agree as follows:

ARTICLE I.
DEFINITIONS

1.1 The terms "Agreement," "LS Tractor," "County," "Program," "Project," and "Property" shall have the meanings provided for them in the Recitals above. Except as may be otherwise defined, or if the context clearly requires otherwise, capitalized terms and phrases as used in this Agreement shall have the meanings as follows:

"Event of Bankruptcy or Insolvency" means the dissolution or termination of LS Tractor's existence as an ongoing business, insolvency, the appointment of a receiver for any of LS Tractor's property or inventory and such appointment is not terminated within ninety (90) days after such appointment is initially made.

"Effective Date" means the date this Agreement is last executed by the County or LS Tractor.

"Purchase Date" means the date LS Tractor purchases the Facility Property.

"Undocumented Worker" means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

"Owners" mean the owners of the entity that owns the Properties or owns any interest in the entity holding any interest in the Project or Properties or both.

ARTICLE II.
TERM

2.1 This Agreement shall commence on the Effective Date designated pursuant to any provisions of this Agreement and shall terminate on the fifth (5th) Anniversary of the Purchase Date.

ARTICLE III.
Property Tax Rebates.

A. **Ad Valorem Tax Reimbursement Grant**. For each year during the Property Tax Rebate Period (as defined below) County shall pay to LS Tractor an Ad Valorem Tax Reimbursement Grant for the Properties in the percentage shown below over a 5-year period but in no event shall the total amount exceed $400,000 dollars.

Year 1	Year 2	Year 3	Year 4	Year 5
100%	100%	70%	50%	25%

(1) For purposes of this Agreement, the "***Property Tax Rebate Period***" shall be a five (5) year period commencing with the first tax year that follows written proof that LS Tractor has acquired the Facility Property for the operation of the farm machinery and equipment distribution center.

(2) For purposes of this Agreement, "***Ad Valorem Tax Collections***" means and includes all ad valorem property tax obligations imposed by County on the LS Tractor Properties; and "***Ad Valorem Tax Reimbursement Grant***" means any portion of Ad Valorem Tax Collections County receives in a fiscal year from the LS Tractor Properties and that is paid to LS Tractor pursuant to this Agreement.

(3) County shall pay to LS Tractor annually the Ad Valorem Tax Reimbursement Grant within ninety (90) days following County's receipt of a certificate issued by the Anderson County Tax Office verifying ad valorem taxes for the LS Tractor Properties that have been paid to the County for the applicable calendar year.

B. **Economic Development Funds.** For purposes of this Agreement, the "***Economic Development Funds***" shall mean the Ad Valorem Tax Reimbursement Grants.

ARTICLE IV.
OWNERSHIP AND MAINTENANCE OF BUILDINGS

5.1 During the term of this Agreement LS Tractor shall own and maintain the buildings of the farm machinery and equipment distribution center Project, provided that ownership of the Properties shall remain with LS Tractor and LS Tractor's use of the Property shall be subject to the laws and regulations of the County.

ARTICLE V.
LIABILITY

6.1 By this Agreement, LS Tractor assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the County is responsible that is not otherwise addressed by this Agreement. In addition, LS Tractor assumes no legal liability for the actions of the County through the execution of this Agreement. The County assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Project for which LS Tractor is responsible. In addition, the County assumes no legal liability for the actions of LS Tractor or a partner, branch, division, department, subsidiary, affiliate or franchisee of LS Tractor by virtue of its execution of this Agreement.

6.2 Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, partners, directors, officers, members, stockholders or trustees of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, partners, directors, officers, members, stockholders, or trustees.

ARTICLE VI.
DEFAULT AND TERMINATION

7.1 A Party shall be deemed in default under this Agreement or any other agreement affecting this Property, including, but not limited to the Economic Performance Incentive Agreement with the Palestine Economic Development Corporation, (which shall be deemed a breach hereunder), if such Party fails to materially perform, observe, or comply with any of its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement and such failure, breach or violation continues for ten (10) days after written notice by a non-defaulting Party to the defaulting Party of such failure, breach or violation.

72 LS Tractor shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if LS Tractor experiences an Event of Bankruptcy or Insolvency as that term is defined herein.

73 In the event of LS Tractor's default on or prior to termination of this Agreement, ownership of the Access Property shall revert to the County and LS Tractor shall repay the full amount of any Economic Development Funds LS Tractor received from the County under this Agreement not later than one hundred twenty (120) days after the date the breach or default occurs.

7.3 Any event of default by LS Tractor that triggers an obligation by LS Tractor to repay the County shall include an interest payment accruing from the later of the date any funds were paid to LS Tractor or the date of the violation giving rise to the right to recover such funds from LS Tractor, at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the County) as its prime or base commercial lending rate. The payment of interest shall be as if it had been accruing from the later of the date the funds were paid to LS Tractor or the date of the violation giving rise to the right to recover such funds until the date the funds are repaid to the County.

7.5 During the term of this Agreement, LS Tractor agrees not to knowingly employ any Undocumented Worker as defined herein and according to section 2264.001 of the Texas Government Code. If after receiving any public subsidy as defined by section 2264.001 and on or prior to termination of this Agreement, LS Tractor, or a partner, branch, division, or department of LS Tractor, is convicted of a violation under 8 U.S.C. § 1324a(f), LS Tractor shall repay the full amount of any funds received by LS Tractor from the County as of the date of such violation not later than one hundred twenty (120) days after the date LS Tractor is convicted.

ARTICLE VII.
NOTICES

8.1 Any notice given under this Agreement must be in writing and may be given (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified at the address set forth below, or at the last address for notice that the sending Party has for the receiving Party at the time of mailing, and with all charges prepaid; (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery," addressed to the Party to be notified and with all charges prepaid; (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement; or (iv) by facsimile with confirming copy sent by one of the other described methods for notice set forth in this sentence. Notice by United States mail as provided in (i) will be deemed delivered, whether or not actually received, three (3) days after the date of mailing. Payments to any Party shall be made by check at the address set forth below (without copies), unless timely notice of change of address is given to a Party in writing. For purposes of this Article VII, the addresses of the Parties will, until changed as provided in Section 8.2 below, be as follows:

LS Tractor:
LS Tractor USA, LLC
6900 Corporation Parkway
Battleboro, NC 27809
Attn: Evan Lee

County:
Anderson County, TX
Attn: County Judge
Anderson County Courthouse
701 N. Mallard, Ste. 101
Palestine, Tx 75801

Either Party may designate a different address by giving the other Party ten (10) days written notice.

ARTICLE VIII.
DISCLAIMER

9.1 Nothing herein shall confer upon any person, firm, or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

92 No rights, duties, obligations, interest, or options of a Party under this Agreement

may be assigned or otherwise made available to a third party.

ARTICLE IX.
SEVERABILITY AND SURVIVAL OF AGREEMENT

10.1 If any provision or application of this Agreement shall be held illegal, invalid, or unenforceable by any court with competent jurisdiction, the invalidity of such provision shall not affect or impair any of the remaining provisions of this Agreement.

ARTICLE X.
GOVERNING LAW & IMMUNITY

11.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Texas. It is further understood and agreed that any dispute arising out of or related to this Agreement shall be resolved in a court of competent jurisdiction in Anderson County, Texas. Nothing in this Agreement shall constitute a waiver by the County of its governmental or sovereign immunity. Nothing in this Agreement shall be construed as express or implied consent by the County to being sued.

ARTICLE XI.
MISCELLANEOUS PROVISIONS

12.1 Force majeure. In the event either Party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such force majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and wastewater systems hereunder, if any, and any other inabilities of any Party, whether similar to those enumerated or otherwise, which are not within the control of the Party claiming such inability, which such Party could not have avoided by the exercise of due diligence and care.

12.2 Approvals or Consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution, or minute order adopted by the governing body or board of the appropriate Party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

12.3 Parties in interest. This Agreement shall be for the sole and exclusive benefit of the

Parties hereto and shall not be construed to confer any rights upon any third parties.

12.4 Supplementation. In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this Agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions, or additions as necessary to this Agreement provided however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

12.5 Modification. This Agreement shall be subject to change or modification only with the mutual written consent of the County and LS Tractor.

12.6 Attorney's Fees. In the event it becomes necessary for a Party to file a suit to enforce this Agreement or any provisions of this Agreement, the Party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees and court costs incurred by same.

12.7 Reservation of rights. All rights, powers, privileges, and authority of the Parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the Parties and, from time to time, may be exercised and enforced by the Parties.

12.8 Merger. The terms contained in this Agreement represent the final agreement among and between the Parties with respect to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the Parties. The Parties agree that by entering into this Agreement they have not relied upon any representation other than those contained in this Agreement. The Parties agree that they have read this Agreement, sought the advice of counsel, understand the terms of this Agreement and have executed this Agreement voluntarily.

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SIGNATURE PAGE

LS TRACTOR USA, LLC

By: _____
Evan Lee, Chief Financial Officer

Date: 12/7/2023

ANDERSON COUNTY, TEXAS

By: _____
Carey G. McKinney, County Judge

Date: December 11, 2023

ATTEST:

_____
County Clerk

ANDERSON COUNTY TEXAS • COMMISSIONERS COURT

FILED FOR RECORD
at 9:57 o'clock A M.

DEC 11 2023

MARK STAPLES
County Clerk, Anderson County, Texas
By _____ Clerk