**STATE OF TEXAS** §
§
**COUNTY OF WEBB** §

**EXHIBIT A**

**CHAPTER 380 ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT BETWEEN THE CITY OF LAREDO, TEXAS AND LINEAGE LOGISTICS, LLC.**

This Chapter 380 Economic Development Performance 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 LINEAGE LOGISTICS, LLC., a limited liability company registered to transact business in the State of Texas and the subsidiaries or affiliated entities set forth below, (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. 2022-R-199 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. 2022-R-199 which specifically approved this Agreement and authorized execution hereof.

2. **TERM**. This Agreement shall take immediate effect as of the date of execution by all parties. "Agreement Year" shall mean each 12 calendar month-period beginning on January 1 of Year 1 (herein further defined in Article II Section 14). This Agreement will terminate on the date all obligations under this Agreement have been fulfilled, including the final Grant Payment installment made in the final Grant Payment Year (each term as defined in this Article II), unless earlier terminated pursuant to Article V, or otherwise extended by mutual written agreement of the Parties.

## 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. ANNUAL CERTIFICATION.** Herein also referred to as "certification," "Annual Certification" means the process in which the City reviews the Company's Obligations (as provided in Section 1 of Article III hereto) on a yearly basis in order to determine eligibility for Grant Payments, herein defined below in Article II, Section 11.

**5. BUSINESS PERSONAL PROPERTY**. The words "Business Personal Property" mean any taxable tangible personal property that is (i) subject to ad valorem taxation by the City; (ii) is legally considered to be located on the Facility (as the term is defined below) 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.

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

**7. COMPANY**. The word "Company" means Lineage Logistics, LLC, Lineage Logistics Services, LLC and Lineage Transportation, LLC and/or their successors or assigns (as provided in Section 1.B of Article VII hereto).

**8. FACILITY**. The word "Facility" means the estimated 247,844 square feet of combined building area (including cold storage facility, office space and dock area), to be constructed by the Company on the below-defined Site.

**9. FULL-TIME JOBS**. A "Full Time Job" means an at-will job provided by the Company that is located at or created in connection with the Facility with a regular work week of 35 hours or more on average for the entire normal year of the Company operations or for the entire time the position has been in existence (if less than one calendar year), and with benefits substantially equivalent to other regular employees of the Company and that satisfies the requirements set forth in Article III, hereof.

**10. 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 or located at the Facility to support the operation.

**11. GRANT PAYMENT**. The words "Grant Payment" means 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 Full-Time Jobs, benefits, minimum improvement valuation and submits the yearly annual certification. Company shall not be eligible to receive any Grant Payments during any year it is not compliant subject to the terms and conditions set forth herein.

**12. GRANT PERIOD**. The words "Grant Period" mean the period beginning on January 1 of Year 1 (hereinafter defined) and continuing for eight (8) years during which the Company is eligible to receive Grant Payments from the City. However, in no circumstance shall more than eight consecutive (8) years of Grant Payments be paid to the Company.

**13. SITE**. The word "Site" means the real property upon which the Improvements are to be constructed, located at **LOT 1, BLOCK 3, PORT LAREDO INDUSTRIAL PARK UNIT III** in the City, consisting of approximately 39 acres and more particularly described on **Exhibit A.6 and Exhibit A.7** attached hereto and incorporated herein by reference.

**14. Year 1.** "Year 1" begins January 1 of the full calendar year immediately following the year in which (a) the Project is completed and (b) the Company has received and submitted a copy of the Certificate of Occupancy to the City of Laredo and has placed the Project into service or operation. In no case shall Year 1 begin later than January 1, 2027.

**15. GRANT PAYMENT YEAR.** The words "Grant Payment Year" shall mean the calendar year immediately following Year 1 and each calendar year thereafter, ending the calendar year immediately following the Grant Period. Grant Payments will occur only after the Company complies with the Annual Certification and will be based on the previous Agreement Year as provided herein.

## 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 compliance with and satisfaction of each of the following conditions set forth in this Agreement, as reasonably determined by the City Council:

1. The Company will invest the aggregate estimated amount of at least Seventy-Eight Million Eight Hundred Thousand Dollars ($78,800,000.00) (the "Project Investment") towards the construction and completion of the Project. The approximate estimated capital costs for the Project **are $6,300,000 for the Site and $72,500,000 for completion of a cold storage and distribution facility improvements and installation of Business Personal Property.** The expected estimated Project Investment is more specifically described in **Exhibit A.5** attached hereto and made part hereof for all intents and purposes. If Company fails to make Project Investment of at least Seventy-Eight Million Eight Hundred Thousand Dollars ($78,800,000.00) on the Site, Company shall not be deemed to be in default under this Agreement, but the amount of the Grant shall be reduced proportionately based on the amount by which the Project Investment is less than Seventy-Eight Million Eight Hundred Thousand

Dollars ($78,800,000.00).

**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 Site, Improvements and Business Personal Property for such tax year.

**B.** The Company shall own the Site by no later than June 2024 if not already procured and owned by the Company at the time of application. The Company shall either provide proof of ownership document to the City within thirty (30) days after purchase has been executed, or within thirty (30) days of application if Company already owns the property.

**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. **See Exhibit A.1.** The Company's compliance is accepted 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 - Job Creation Table**

| | **New Full-Time Jobs** | **Cumulative Full-Time Jobs (by Dec.31 of Each Year)** |
|---|---|---|
| **Year 1** | **40** | **40** |
| **Year 2** | **37** | **77** |

**D.** [Reserved]

**E.** [Reserved]

**F.** The Company, following completion of the Project and commencement of operations, shall provide that all new employees filling a Full-Time Job as part of

this Project will be entitled to medical insurance, dental insurance, vision, workers compensation 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 Dec.31 of Each Year) Receiving Benefits | |
|---|---|---|
| | Year 1 | Year 2 |
| **Medical** | **40** | **77** |
| **Dental** | **40** | **77** |
| **Vision** | **40** | **77** |
| **Workman's Compensation** | **40** | **77** |

**G.** The Company, following completion of the Project and commencement of operations, shall ensure that all employees filling a new Full-Time Job will be paid the wage per position amount as more specifically described in **Exhibit A.3**, below.

**H.** The Project shall be developed at location described **Exhibit A.7** "Location Maps" (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.

**I.** 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. Company shall have the right to contest the appraised value of the Site and Facility as provided by law. However, Company covenants and agrees that during the term of this Agreement it shall not challenge or permit anyone else to take actions on its behalf to challenge any assessments by the Webb County Appraisal District at the Total Taxable Assessed Value for Year 1 or lower.

**J.** 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.

**K.** 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. Company shall be solely responsible for obtaining any permits, licenses, certificates, or any other required documentation or approvals for the operation of the business on the Site.

**L.** Company shall allow the City or its agents reasonable access and inspect operating records, accounting, books and any other records related to the economic development considerations and incentives described herein, which are in Company's, possession, custody or control, for purposes of verifying the expenditures generated by the Development and for audit, if so requested by the City. The confidentiality of such records will be maintained in accordance with and subject to all applicable laws including the Public Information Act, Chapter 552, Texas Government Code. Further, Company shall allow the City reasonable access to the subject property owned or controlled by Company for inspections during construction of the Facility. All inspections will be made only after giving at least twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operations of the Company or the Facility. For physical inspections, any inspection will be made with one (1) or more representatives of Company, and in accordance with its safety standards, if any.

**M.** 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**. Grant Payments are eligible for both Company's tax accounts for Real Property and Personal Property. 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. **See Exhibit A.3**

**Exhibit A.3 – "Grant Payment Formula"**

| Agreement Year | New Full-time Jobs | Cumulative New Full-time Jobs | Wage per position | Estimated assessed value: real property plus land | Percentage tax rebate of real property total valuation | Estimated assessment of equipment and tangible business property | Percentage tax rebate of personal business property total valuation |
|---|---|---|---|---|---|---|---|
| 1 | 40 | 40 | $15.38/hr -$25.48/hr | $50.9M | 100% | $7.5M | 50% |
| 2 | 37 | 77 | $15.38/hr -$25.48/hr | $50.9M | 80% | $7.5M | 50% |
| 3 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 80% | $7.5M | 50% |
| 4 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 80% | $7.5M | 50% |
| 5 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 80% | $7.5M | 50% |
| 6 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 50% | - | - |
| 7 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 50% | - | - |
| 8 | - | Retain 77 | $15.38/hr -$25.48/hr | $50.9M | 50% | - | - |

**B.** If the Company fails to substantially satisfy any of the Employment Conditions or does not reasonably demonstrate commitment to meet the Project Investment conditions included in Article III, Section 1.A; or if an Annual Certification is not found to be reasonably acceptable to the City, then no Grant Payment will be considered and Company would be considered non-compliant. If Company has been considered to be non-compliant during any Annual Certification of any Year for the Project, the City shall make good faith efforts and necessary arrangements to allow Company 60 days to cure such condition causing non-compliance and undergo reassessment for compliance.

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

**D.** The Company shall pay to the City ad-valorem taxes assessed on the Site, Improvements, and Business Personal Property for each year prior to the

beginning of the applicable Grant Payment Year. Commencing on the first Grant Payment Year, 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 shall show that relevant property taxes have been paid in full and Company shall provide a copy of the paid tax receipt or other proof showing 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 January 1 of the first Grant Payment Year, and during the month of January of each Grant Payment Year thereafter during the Term, the Company shall begin preparations to submit to a review for Annual Certification to meet compliance with each applicable Agreement Year. The Company shall submit all compliance documents to the City no later than May 1 of the Grant Payment Year. Annual Certifications require review of one (1) full Agreement Year, therefore the review will apply to the previous tax year. Grant Payments cannot occur until the Company has paid all tax accounts being considered under the Agreement and has provided proof of payment to the City. The City will then issue a Grant Payment based on eligible taxable values from the previous Agreement Year as provided in Article III, Section 2 above. Such Annual Certification shall include personnel records and other documents that show:

- Number of new jobs created
- Employee benefits offered/used
- Total Assessed Value after Year 1
- Receipt of taxes paid
- Other information relevant to the Project's operation as reasonably requested by the City

If the Company fails to timely submit to an Annual Certification for a particular year, the City shall 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 received in which to submit to such Annual Certification.

Concurrent with the submittal of the Annual Certification, Company will submit to the City, or its designee, documentation as may be reasonably necessary to verify the expenditures to date of the Project Investment which have not otherwise been verified as part of a prior certification. The City, or its designee, will provide to Company a written explanation for any expenditures that the City determines cannot be verified. Company may submit additional documentation to the City, or its designee, in order to obtain verification.

## 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 material terms of this Agreement; or

**B.** Knowingly makes a 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 material 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 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, pandemic, or other casualty or act of God, or any other event beyond the reasonable control of Company and not due to its own negligence; 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.

Notwithstanding the foregoing, this Agreement may be terminated as provided below:

**H.** By mutual written agreement of the parties; or

**I.** By the City for its convenience and without the requirement of an event of default by Company, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, or illegal, including any case law holding that a Chapter 381 Economic Development Agreement such as this Agreement is an unconstitutional debt; or

**J.** By Company if it does not own the Site by June 2024.

2. **NOTICE OF TERMINATION**. In the event that the City makes a reasonable determination that the Company has materially 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 Article VII, Section 1, below, 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 an event of default (which is not cured within the applicable time period) under Article V, Section 1.D above for failure to materially perform the material terms of this Agreement, the City shall have the right to demand recapture from the Company for the total amount of any Grant Payment received by Company for the year in which default occurred. Payment of recaptured Grant Payments shall become due one hundred eighty (180) 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:** **Lineage Logistics**
ATTN: Indirect Tax
46500 Humboldt Drive.
Novi, MI 48377

**With copy to:** **Lineage Logistics**
1 Park Plaza, Suite 550
Irvine, CA 92614
Attn: Legal Department

And:

**Lineage Logistics**
46500 Humboldt Drive
Novi, MI 48377
Attn: Real Estate

**TO THE CITY:** **CITY OF LAREDO**
ATTN: Joseph W. Neeb
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 and subject to review and approval by the City of Laredo for compliance with subdivision ordinance and land development code. This Agreement does not waive any requirements by the City of Laredo on the development for this Project.

**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. Notwithstanding the foregoing, Company may, without the prior consent of City, transfer and/or assign (in whole or in part) the rights, privileges, duties and obligations of Company under this Agreement to any affiliate or subsidiary of Company. In the event of such transfer and/or assignment (in whole or in part) to any such Company affiliate, Company will provide the City with written notice of same within sixty (60) days.

**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.

**[SIGNATURE PAGE FOLLOWS]**

**EXECUTED** on this 20th day of May, 2024.

- **Lineage Logistics, LLC, on behalf of itself and its affiliates**

/DATE/ 5/20/24

**Printed Name:** Robert Sangdahl

**Position:** VP Real Estate

Robert Sangdahl Digitally signed by Robert Sangdahl
Date: 2024.05.20 10:05:47 -04'00'

- **FOR CITY OF LAREDO**

/DATE/ 5/2/24

Steve E. Landin

**Printed Name:** FOR **Joseph W. Neeb**

**Position:** **City Manager**

- **ATTEST:**

/DATE/ 5-3-24

**Mario Maldonado, Jr.**
**City Secretary**

**APPROVED AS TO FORM:**

/DATE/ 5/1/24

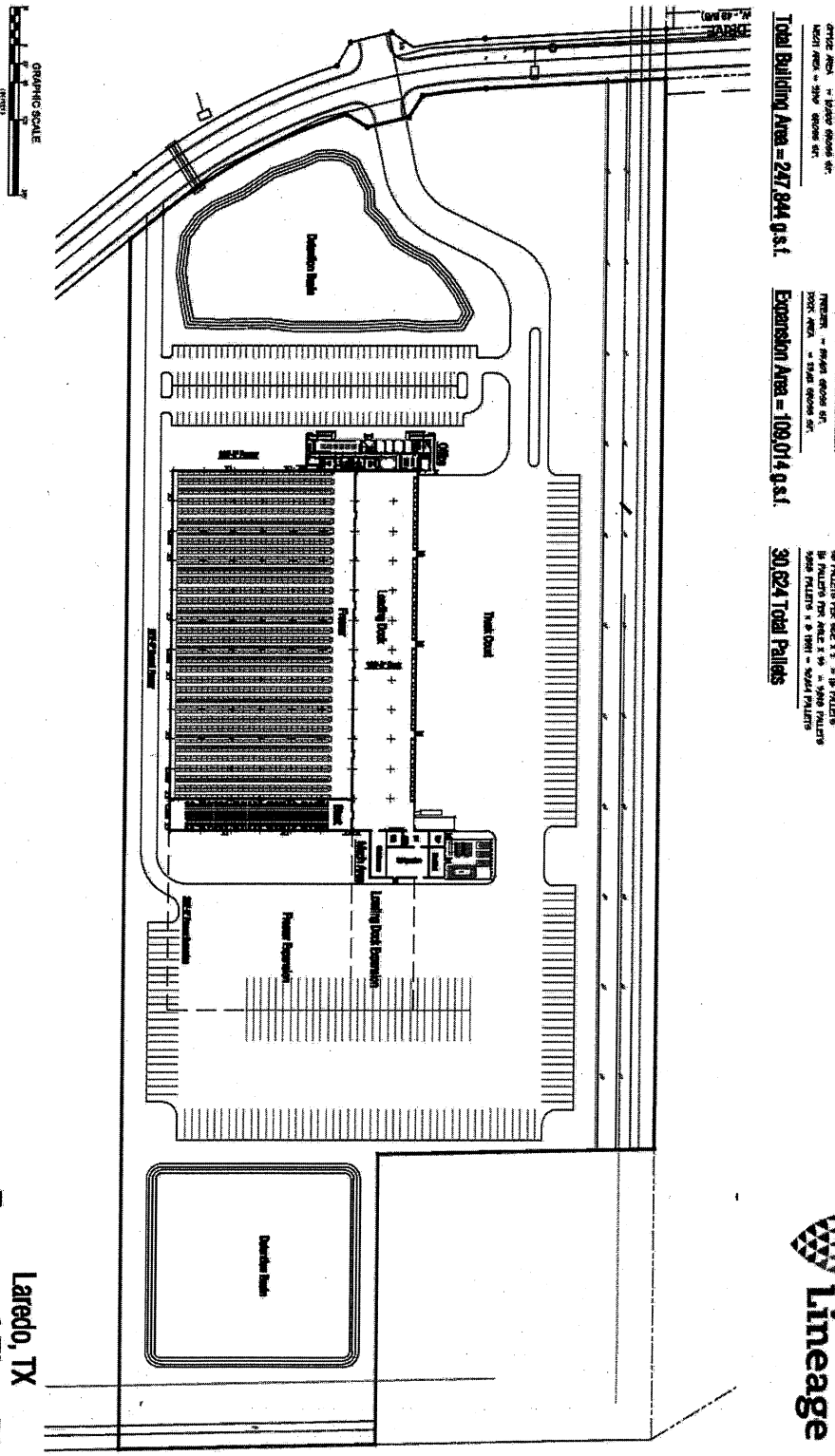
**Doanh T. Nguyen**
**City Attorney**

## EXHIBIT A.5 – Capital Investment

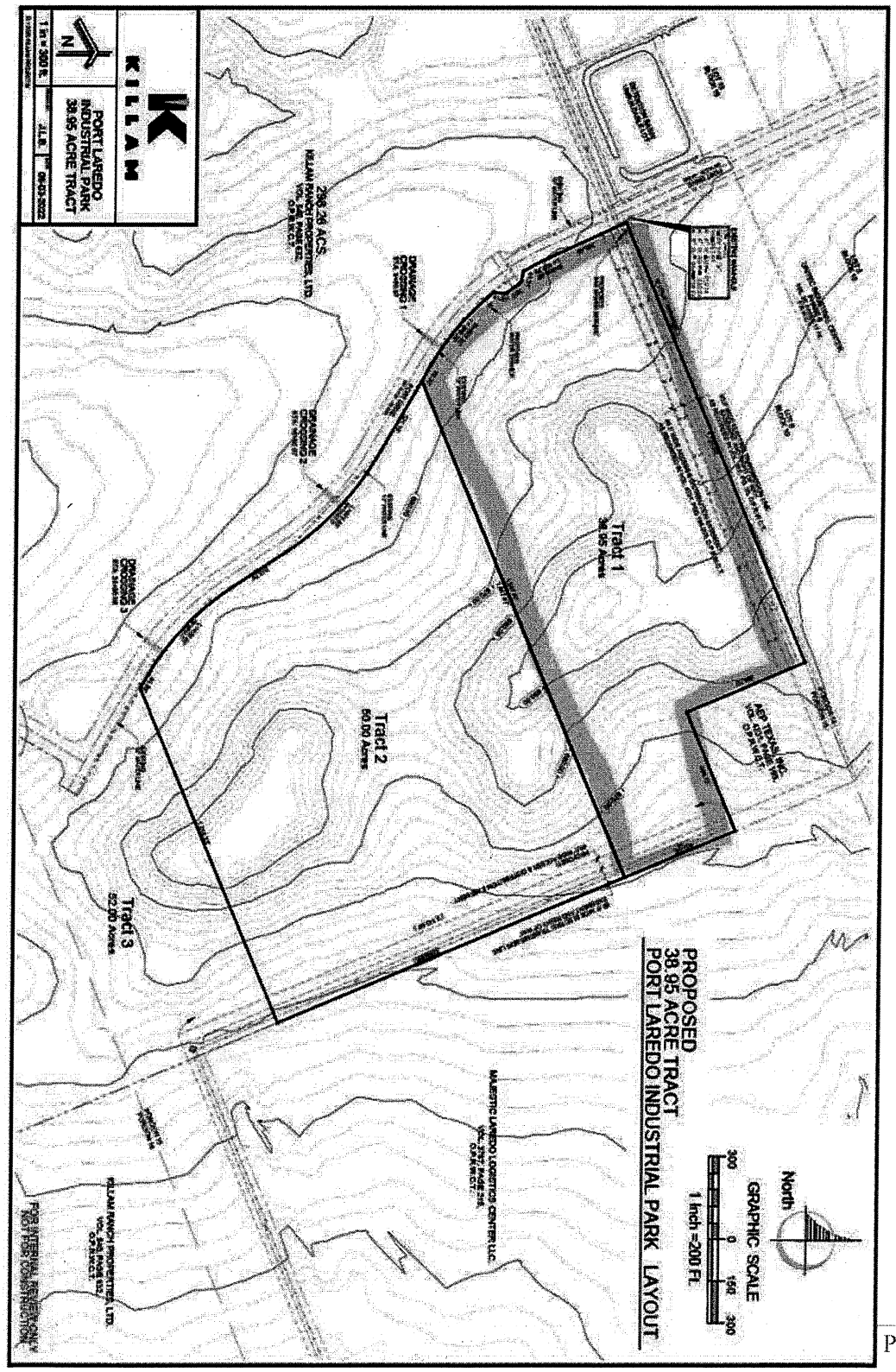
### Laredo capital investment

| Category | Total |
|---|---|
| Sitework: | |
| Sitework / Earthwork / Grading | $6,600,000 |
| Water / Sewer / Utilities | $1,400,000 |
| Other | $200,000 |
| **Sitework Subtotal** | **$8,200,000** |
| Building: | |
| Foundation / Structure | $27,300,000 |
| Fire Suppression / Plumbing | $4,800,000 |
| Electrical / HVAC | $5,300,000 |
| Refrigeration components | $9,900,000 |
| Construction labor | $8,300,000 |
| Engineering Design / Survey | $1,100,000 |
| Permits / Fees | $900,000 |
| **Building Subtotal** | **$57,600,000** |
| | |
| Personal property: | |
| Refrigeration equipment | $1,800,000 |
| Machinery and equipment (i.e. forklifts, pallets, charging station, etc.) | $3,500,000 |
| IT infrastructure | $1,000,000 |
| Furniture and fixtures | $500,000 |
| **Personal property Subtotal** | **$6,800,000** |
| | |
| | |
| Land | $6,300,000 |
| | |
| **Project Total** | **$78,900,000** |

**Exhibit A.6 – Site Plan**



## Exhibit A.7 – Location Maps



## Exhibit A.8 – Legal Description

**LEGAL DESCRIPTION**

**43,878.5855 acres of land, more or less, out of that certain 44,142.45 acres of land situated in Webb County, Texas, more particularly described as TRACT K-1 confirmed unto Killam Oil Company in that certain Clarification Conveyance and Confirmation of Ownership dated February 9, 1987, effective December 31, 1981, recorded in Volume 1219, pages 762 - 785, of the Records of Webb County, Texas, SAVE AND EXCEPT from said 44,142.45 acres, more or less, the following:**

**(1) 243.8645 acres of land, more or less, situated on the Mines Road, Northwest of the City of Laredo, Texas, and more particularly described in Warranty Deed dated December 13, 1988, from Killam Oil Company to Killam Industrial Development Partnership, Ltd., recorded in Volume 1333, pages 38 - 40, of the Records of Webb County, Texas; and**

**(2) 20.0 acres of land, more or less, out of Porcion 15, Jose P. Garcia, Original Grantee, A-53, and Porcion 16, Delores Garcia, Original Grantee, A-45, and more particularly described in Warranty Deed dated March 7, 1989, effective December 31, 1988, from Killam Oil Company to Radcliffe Killam and Sue Spivey Killam, recorded under County Clerk's File No. 405297 in the Records of Webb County, Texas, together with a Road Easement over 5.3374 acres as therein described,**

**LEAVING 43,878.5855 acres, more or less, conveyed to Radcliffe Killam and Sue Spivey Killam with remainder over to Killam Investments, but exclusive of all of the minerals and other valuable mineral substances of every kind and character, including, but not limited to, oil and gas and all related hydrocarbons, sulphur, coal, lignite, gold, copper, iron, zinc, lead, uranium, vanadium, plutonium, molybdenum, thorium and other fissionable minerals and materials, in, on and under and that may be produced from the above described 43,878.5855 acres and heretofore excepted therefrom in the aforesaid Clarification Conveyance and Confirmation of Ownership dated February 9, 1987, recorded in Volume 1219, pages 762 - 785, of the Records of Webb County, Texas.**