CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT BETWEEN ANDERSON COUNTY, TEXAS, and CALLIZO AROMAS LLC, AND PERFECT LIFE TX 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 Texas sovereign political subdivision of the state of Texas, ("County"), CALLIZO AROMAS LLC ("Callizo"), and PERFECT LIFE TX LLC ("Perfect Life"), 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, Perfect Life shall construct an aromatic ingredient manufacturing facility on the property more particularly described by metes and bounds in Exhibit A, attached hereto and incorporated herein by this reference, and commonly known as 2220 W Reagan St, Palestine, Texas 7580 I ("the Facility Property"); and

WHEREAS, Callizo shall, on or before March 31, 2025, receive its final certificate of occupancy for the Facility Property; and

WHEREAS, the County desires for Perfect Life to utilize the Facility Property 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 an aromatic ingredient manufacturing facility, 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 111, Section 52-a, of the Texas Constitution, the County may establish and provide for the administration of a program to promote state or local economic development and to stimulate business and commercial activity in the county; and

WHEREAS, consistent with Chapter 381, Texas Local Government Code, and Article 111, 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, Callizo and Perfect Life have 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 Callizo and Perfect Life have determined that they are 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, Callizo, and Perfect Life, each agree as follows:

ARTICLE I.

DEFINITIONS

1.1 The terms "Agreement," "Callizo," "Perfect Life," "County," "Program," "Project," and "Facility 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 Callizo's or Perfect Life's existences as ongoing businesses, insolvency, the appointment of a receiver for any of Callizo's or Perfect Life'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, Callizo, or Perfect Life.

"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 Facility Property or owns any interest in the entity holding any interest in the Project or Facility Property or both.

ARTICLE II.

TERM

2.1 This Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to any provisions of this Agreement, shall terminate on the tenth (10^{th}) anniversary from the date that Callizo receives its final certificate of occupancy for the Facility Property. During the
term of this Agreement, Callizo shall establish and maintain ongoing and uninterrupted business operations at the Property for a period of at least ten (I 0) years, beginning upon the Callizo's acquisition of a final certificate of occupancy for the Facility Property for the aromatic ingredient manufacturing facility, which in no case shall be later than March 31, 2025.

ARTICLE III.
CONDITIONAL ECONOMIC INCENTIVES

A. **Ad Valorem Tax Reimbursement Grant.** For each year during the Property Tax Rebate Period (as defined below), County shall pay to Perfect Life an Ad Valorem Tax Reimbursement Grant for the Facility Property in the amounts shown below over a 5-year period but in no event shall the total amount exceed $100,000 dollars.

Year I	Year 2	Year 3	Year 4	Year 5
Up to $20,000	Up to $20,000	Up to $20,000	Up to $20,000	Up to $20,000

(I) 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 Perfect Life has constructed and Callizo is operating the Facility Property for the operation of the aromatic ingredient manufacturing facility. In no event shall the Property Tax Rebate Period exceed the term of this Agreement.

(2) For the purposes of this Agreement, ***"Ad Valorem Tax Collections'***

means and includes all ad valorem property tax obligations imposed by County on the Facility Property; and ***"Ad Valorem Tax Reimbursement Grant'*** means any portion of Ad Valorem Tax Collections County receives in a fiscal year from the Facility Property and that is paid to Perfect Life pursuant to this Agreement.

(3) County shall pay to Perfect Life 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 Facility Property that have been paid to the County for the applicable calendar year.

ARTICLE IV.

OWNERSHIP AND MAINTENANCE OF BUILDINGS

4.1 During the term of this Agreement Perfect Life shall own and Callizo shall maintain and operate the buildings of the aromatic ingredient manufacturing facility Project, provided that ownership of the Facility Property shall remain with Perfect Life and Callizo's and Perfect Life's use of the Property shall be subject to the laws and regulations of the County.

4.2 Callizo and Perfect Life shall give written notice to the County upon any change in ownership or maintenance and operation obligations.

ARTICLE V.

LIABILITY

5.1 By this Agreement, Callizo and Perfect Life assume 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, Callizo and Perfect Life assume 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 Callizo or Perfect Life is responsible. In addition, the County assumes no legal liability for the actions of Callizo or Perfect Life or a partner, branch, division, department, subsidiary, affiliate or franchisee of Callizo or Perfect Life by virtue of its execution of this Agreement.

5.2 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

6.1 A Party shall be deemed in default under this Agreement or any other agreement affecting this Facility Property, including, but not limited to the *Economic Development 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 or the ***Economic Development Performance Incentive Agreement*** and such failure, breach or violation continues for ten (30) days after written notice by a non-defaulting Party to the defaulting Party of such failure, breach or violation. In the event Callizo or Perfect Life defaults on or causes a default of this Agreement, this Agreement may then be terminated by the County

6.2 Callizo and Perfect Life shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if Callizo or Perfect Life experiences an Event of Bankruptcy or Insolvency as that term is defined herein.

6.3 In the event of Callizo's or Perfect Life's default on or prior to termination of this Agreement, Perfect Life shall repay the full amount of any Economic Development Funds that Perfect Life received from the County under this Agreement not later than one hundred twenty (120) days after the date the breach or default occurs.

6.4 Any event of default by Callizo or Perfect Life that triggers an obligation by Perfect Life to repay the County shall include an interest payment accruing from the later of the date any funds were paid to Perfect Life or the date of the violation giving rise to the right to recover such funds from Perfect Life, 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 Perfect Life 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.

6.5 During the term of this Agreement, Callizo and Perfect Life agree 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, Callizo, Perfect Life, or a partner, branch, division, or department of either Callizo or Perfect Life, is convicted of a violation under 8 U.S.C. § 1324a(f), Perfect Life shall repay the full amount of any funds received by Perfect Life from the County as of the date of such violation not later than one hundred twenty (120) days after the date Callizo or Perfect Life

is convicted.

ARTICLE VII.

NOTICES

7.1 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:

Callizo:	Callizo Aromas LLC 2220 W Reagan St Palestine, TX 75801 Attn: Sergio Callizo
Perfect Life:	Perfect Life TX LLC 203 Homestead Dr. Palestine, TX 75801 Attn: Sergio Callizo
County:	County of Anderson 703 N. Mallard Palestine, TX 77581

7.2 Either Party may designate a different address by giving the other Party ten (I 0) days written notice.

ARTICLE VIII.

DISCLAIMER

8.1 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.

8.2 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

9.1 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.

ARTICLEX.

GOVERNING LAW & IMMUNITY

I0.1 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

11.1 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.

I 1.2 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.

I 1.3 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.

11.4 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.

11.5 Modification. This Agreement shall be subject to change or modification only with the mutual written consent of the County, Callizo, and Perfect Life.

11.6 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.

11. 7 Reservation of rights. Al I 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.

I 1.8 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.

11.9 Indemnity. CALLIZO AND PERFECT LIFE, IN PERFORMING THEIR OBLIGATIONS UNDER THIS AGREEMENT, ARE ACTING INDEPENDENTLY, AND THE COUNTY ASSUMES NO RESPONSIBILITIES OR LIABILITIES TO THIRD PARTIES IN CONNECTION WITH CALLIZO'S OR PERFECT LIFE'S PROPERTY, THE PREMISES, TENANT IMPROVEMENTS, OR ANY OTHER IMPROVEMENTS TO CALLIZO'S OR PERFECT LIFE'S PROPERTY. CALLIZO AND PERFECT LIFE AGREE TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE COUNTY, ITS OFFICERS, AGENTS, EMPLOYEES, AND VOLUNTEERS IN BOTH THEIR PUBLIC AND PRIVATE CAPACITIES FROM AND AGAINST CLAIMS, SUITS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, AND LIABILITY OF EVERY KIND, INCLUDING BUT NOT LIMITED TO EXPENSES OF LITIGATION OR SETTLEMENT, COURT COSTS, AND ATTORNEY'S FEES WHICH MAY ARISE DUE TO ANY DEATH OR INJURY TO A PERSON OR THE LOSS OF, LOSS OF USE OF, OR DAMAGE TO PROPERTY ARISING OUT OF OR OCCURRING AS A CONSEQUENCE OF THE PERFORMANCE OF THIS AGREEMENT, INCLUDING ANY ERRORS OR OMISSIONS, OR NEGLIGENT ACT OR OMISSION OF THE COUNTY, ITS OFFICERS, AGENTS, OR EMPLOYEES.

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SIGNATURE PAGE

IN WITNESS WHEREOF, and in acknowledgment that the Parties hereto have read and understood each and every provision hereof, the Parties have executed this Agreement on the date s subscribed below:

CALIZO AROMAS, LLC and
PERFECT LIFE TX, LLC

BY: _____
Sergio Callizo, Chief Executive Officer
Date of Execution: 09-24-2024

COMMISSIONERS COURT ANDERSON COUNTY TEXAS

COUNTY OF ANDERSON

_____
Carey G. McKinney, County Judge

Attest:

_____
Mark Staples, County Clerk

FILED FOR RECORD
at 3:25 o'clock P M.

SEP 25 2024

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