RESOLUTION NO. 12-17-2024A

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY OF GAINESVILLE, TEXAS, A CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT FOR SALES TAX REBATE WITH PEAK RENTALS, LLC.

WHEREAS, the City Council of the City of Gainesville, Texas has determined that entering into an agreement with Peak Rentals, LLC for an incentive payment equal to a percentage of the City of Gainesville taxes paid to the State by Peak Rentals, LLC on their Texas Sales and Use Tax Return is beneficial to the economy and surrounding area by providing employment, increasing sales tax revenue, and encouraging growth; and

WHEREAS, the City of Gainesville deems it to be in the best interest of the citizens of Gainesville to authorize said agreement; and

WHEREAS, the agreement enhances the City's fiscal ability to provide high quality municipal services for the safety, comfort, and enjoyment of Gainesville residents by increasing sales tax revenues; and

WHEREAS, the economic development agreement is in compliance with Chapter 380 of the Texas Local Government Code and with Gainesville's Chapter 380 Economic Development Program Policies and Procedures.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GAINESVILLE, TEXAS MEETING IN REGULAR SESSION ON DECEMBER 17, 2024:

That the Mayor is hereby authorized to execute on behalf of the City of Gainesville, Texas the attached Chapter 380 Economic Development Agreement for a Sales Tax Rebate between the City of Gainesville, Texas and Peak Rentals, LLC.

PASSED AND APPROVED THIS 17th DAY OF DECEMBER 2024 BY THE FOLLOWING VOTES:

7 **AYES,** 0 **NAYS,** 0 **ABSENT,** 0 **ABSTENTIONS**

TOMMY MOORE, MAYOR

ATTEST:

DIANA ALCALA, CITY SECRETARY

CITY OF GAINESVILLE, TEXAS SEAL COOKE COUNTY

CHAPTER 380 GRANT AGREEMENT BETWEEN THE CITY OF GAINESVILLE, TEXAS AND PEAK RENTALS, LLC FOR PROVIDING A SALES TAX REBATE

This **CHAPTER 380 GRANT AGREEMENT** ("Agreement") is made by and between The City of Gainesville, Texas, also referred to as ("City"), and Peak Rentals, LLC, a Texas Limited Liability Company registered in Texas as a domestic company ("Company"), (each a "Party "and collectively the "Parties"), acting by and through their respective authorized officers and representatives.

WHEREAS, the City Council of the City of Gainesville, Texas ("City Council") has investigated and determined that it is in the best interest of the City and its citizens to encourage programs, including programs for making loans and grants of public money to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"); and

WHEREAS, the City Council has investigated and determined that the Company meets the criteria for providing the grants (hereinafter defined), pursuant to Chapter 380, based on, among other things, the Company: (i) organizing operations whereby orders are accepted in City, and/or purchases are stored and/or used in City, which would require City taxes to be paid to the Texas Comptroller of Public Accounts; and (ii) creating employment opportunities for the citizens of Gainesville (collectively, the "Approved Project"); and

WHEREAS, the City has concluded that the Approved Project qualifies for a Grant under Chapter 380; and

WHEREAS, with the approval of this Agreement, the City hereby establishes a program authorized by Chapter 380 to encourage and induce Company move operations into the City; and

WHEREAS, the City has determined that making an economic development grant to the Company in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote local economic development and stimulate business and commercial activity in the City.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I
DEFINITIONS

1.01 For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Agreement" shall mean this Chapter 380 Grant Agreement, together with all exhibits, schedules, and attachments that are attached to this Agreement from time to time, if any.

"City" shall mean Gainesville, Texas.

"Company" shall mean Peak Rentals, LLC.

"Direct Payment Permit" also referred to herein as a "Texas Direct Payment Permit" shall mean that permit issued by the State of Texas authorizing Company to self-assess and pay applicable state and local use taxes directly to the State of Texas related to selected portions of Company's taxable purchases. Texas Rule 3.288 of the Texas Administrative Code defines the requirements and responsibilities of Texas Direct Payment Permit holders along with any amendments, permutations, or recodifications of such Code or Rules whether renaming such permits or otherwise modifying such provisions.

"Effective Date" shall mean the date upon which the last of the parties has approved and duly executed this Agreement.

"Event of Bankruptcy or Insolvency" shall mean the dissolution or termination (other than a dissolution or termination by reason of a Party merging with an affiliate) of a Party's existence as a going business, insolvency, appointment of receiver for any part of a Party's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a Party and in the event such proceeding is not voluntarily commenced by the Party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.

"Force Majeure" shall mean any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorism, governmental approvals, laws, regulations, or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the Party.

"Grant" shall have the meaning set forth in Sec. 3.01.

"Grant Period" shall mean consecutive three (3) month periods during the term of this Agreement. For illustration purposes, assume the Effective Date is January 1, 2025, then the first Grant Period would begin on January 1, 2025, and continue through and include March 31, 2025. The next Grant Period would begin on April 1, 2025, and continue through and include June 30, 2025. The final Grant Period for the initial five (5) year term of the Agreement would end on December 31, 2029.

"Impositions" shall mean all valid taxes, assessments, use and occupancy taxes, sales taxes, charges, ad valorem taxes, excises, license and permit fees, and other charges by public or governmental authority, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company, or any property or any business owned by Company within City.

"Program" shall mean the economic incentive program established by the City pursuant to Chapter 380 of the Texas Local Government Code together with any amendments, permutations, or recodifications of such Code provisions whether renaming such economic incentive or other modifications thereof.

"Taxable Items" shall have the same meaning assigned by Sections 151.010 and 151.0101, TEX. TAX CODE, as amended.

"Sales and/or Use Tax" shall have the same meaning assigned by Section 3.286 and Section 3.346, Title 34, Texas Administrative Code as the Texas state and local sales and/or use taxes required to be collected and/or paid by the seller and/or purchaser.

"Texas Sales and/or Use Tax Returns" shall mean the Texas Retailers Sales and Use Tax Return and/or the Texas Direct Pay Returns reasonably acceptable to the City setting forth the Company's collection of sales/use tax imposed by and received by the City from the State of Texas, for the sales and/or use of Taxable Items by Company in the City for the applicable calendar month during a Grant Period which are to be used to determine Company's eligibility for a Grant, together with such supporting documentation required herein, and as City may reasonably request.

"Sales and/or Use Tax Receipts" shall mean the City's net receipts from the State of Texas from the payment of one and one-quarter percent (1.25%) of the total one and one-half percent (1.5%) general City sales and/or use tax imposed by the City pursuant to Chapter 321 of the Texas Tax Code.

ARTICLE II
TERM

2.01 Term. The term of this Agreement shall begin on the Effective Date and continue for a five (5) year period.

2.02 This Agreement shall remain in effect until City has made the Grants set forth in Section 3 of the Agreement, or until otherwise terminated under the provisions of this Agreement.

2.03 This Agreement may be extended for an additional period of time on terms mutually acceptable to both Parties by a written agreement executed by both Parties.

ARTICLE III
ECONOMIC DEVELOPMENT GRANT

3.01 Grant. Subject to the Company's continued compliance with all the terms and conditions of this Agreement, the City will provide Company with an economic development grant from lawful available funds payable as provided herein in an amount equal to 40% of the Sales and/or Use Tax Receipts, as previously defined herein (the "Grant"). The Grant will be paid quarterly at the end of March, June, September, and the end of December, with the potential exception of the final Grant Period, during the five (5) year term following the execution of the Agreement, commencing on the Effective Date. The Grant will never include any monies the Company pays or owes to the State of Texas for any penalties for late payments, failures to report in a timely manner, and the like, related to the Sales and/or Use Tax Receipts.

3.02 Grant Payment. City shall pay the Grant for the applicable Grant Period after receiving all Sales and/or Use Tax Receipts pursuant to this section and Section 4.01. Company shall submit Texas Sales and/or Use Tax Returns to City within thirty (30) days following the end of the applicable Grant Period, beginning with the first Grant Period.

3.03 Amended Returns and Audits. In the event the Company files an amended use tax return, or report, or if additional use tax is due and owing, as a result of an audit conducted by the State of Texas that increases the Sales and/or Use Tax Receipts for a previous period covered within the term of this Agreement, the Grant payment for the Grant Period immediately following such State-approved amendment shall be adjusted accordingly, provided that City actually received the Sales and/or Use Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company shall provide City with a copy of such amended use tax report, tax return or audit adjustment, and the approval thereof by the State of Texas.

3.04 Refunds. In the event the State of Texas determines that the City erroneously received Sales and/or Use Tax Receipts, or that the amount of use tax paid to the City exceeds the correct amount of use tax for a previous Grant paid to the Company, the Company shall pay such amount to City, within thirty (30) days after receipt of written notification thereof from the City specifying the amount by which such Grant exceeded the amount to which the Company was entitled pursuant to such State of Texas determination. The City may at its option adjust the Grant payment for the Grant Period immediately following such State of Texas determination to deduct there from the amount of the overpayment. As a condition precedent to payment of such refund, the City shall provide Company with a copy of such determination by the State of Texas.

ARTICLE IV
DOCUMENTATION SUPPORTING THE ECONOMIC DEVELOPMENT GRANT

The conditions contained in this Article IV are conditions precedent to the City's obligation to make any Grant payment.

4.01 Texas Sales and/or Use Tax Returns. During the term of this Agreement, the Company shall within thirty (30) days after the end of each Grant Period, provide the City with the Texas Sales and/or Use Tax Returns relating to the Texas Sales and/or Use Tax Receipts paid during the Grant Period. The City shall have no duty to calculate the Texas Sales and/or Use Tax Receipts or determine Company's entitlement to any Grant for a Grant Period, or pay any Grant during the term of this Agreement, until such time as Company has provided the City the Texas Sales and/or Use Tax Returns for such Grant Period and the City has received the actual Texas Sales and/or Use Tax Receipts from the State of Texas attributable to such calendar months within the Grant Period. Company shall provide such additional documentation as may be reasonably requested by City to evidence, support and establish the use tax paid directly to the State of Texas pursuant to Company's Texas Sales and/or Use Tax Returns. The Texas Sales and/or Use Tax Returns for each Grant Period shall at a minimum contain, include or be accompanied by the following:

a. A copy of the Texas Retailers Sales and/or Use Tax Return and if applicable the Texas Direct Payment Return and supporting workpapers as necessary to verify the

city sales and/or use taxes paid by the Company during the applicable Grant Period, sales and/or use tax audit assessments or credits, including amended sales and/or use tax returns or reports, filed by the Company during the Grant Period showing use tax paid directly to the State of Texas related to Company's operations for the Grant Period; and

b. Information concerning any refund or credit received by the Company of sales and/or use tax paid by the Company, which has previously been reported by the Company as sales and/or use tax paid for a previous Grant Period within the term of this Agreement.

c. A spreadsheet with calculations showing the sales and/or use tax reimbursement due from the City.

Company will provide to City the tax support from time to time pursuant to the terms of the Agreement, which are confidential ("Confidential Information") and, except as otherwise provided herein, may not be disclosed to a third party without the Company's consent. To the extent that any disclosure of the Confidential Information may be required by law or court order, City will use reasonable efforts to inform Company of the request in sufficient time for Company to assert any objection it may have to such disclosure to an appropriate judicial or administrative body.

4.02 Company forfeits its right for payment if it fails to request reimbursement within 30 days after the end of any Grant Period.

4.03 City must have received the Texas Sales and/or Use Tax Returns for the months within the Grant Period for which payment of a Grant is requested, and City must have received the actual Texas Sales and/or Use Tax Receipts for all calendar months within the Grant Period.

4.04 If the Company obtains a Texas Direct Pay Permit, the Company intends to issue its Texas Direct Payment Permit to specific suppliers or vendors that provide large quantities of building materials or other tangible personal property.

4.05 The Company shall provide the City with a true and correct copy of its Texas Direct Payment Permit, which permit shall be kept in full force and effect throughout the term of the Agreement.

4.06 Company or the City shall not have an uncured material breach or default of this Agreement.

ARTICLE V
TERMINATION

5.01 This Agreement may be terminated upon any one of the following:

(a) by mutual written agreement of the Parties;

(b) by City or Company, respectively, if the other Party defaults or breaches any of the terms or conditions of this Agreement and such default or breach is not cured within thirty (30) days after written notice thereof by the City or Company, as the case may be;

(c) by City, if Company fails to organize operations whereby orders are accepted in City, and/or purchases are stored and/or used in City, which would require City taxes to be paid to the Texas Comptroller of Public Accounts; and (ii) hire and maintain 15 employees by January 1, 2027;

(d) by City, if any sales or use taxes or other Impositions owed to the City or the State of Texas by Company have become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such Impositions);

(e) by City, if Company suffers an Event of Bankruptcy or Insolvency;

(f) by City or Company, respectively, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable;

(g) by City or Company, respectively, if any current or future Federal or State legislation or any decision of a court of competent jurisdiction requires local use taxes captured by the Use Tax Receipts described herein to be sourced to another location by Company under this Agreement;

(h) by Company, if the City does not pay the applicable Grant amount within 45 days of receipt of the Use Tax Receipts as required herein covered by a valid Use Tax Certificate issued by Company or fails to cure this breach within an additional 30 days thereafter provided that the Company is not in default; or

(i) expiration of the term.

The rights, responsibilities and liabilities of the Parties under this Agreement shall be extinguished upon the termination of this Agreement except for any rights, responsibilities and/or liabilities that accrued prior to such termination.

ARTICLE VI
INDEMNIFICATION

THE COMPANY AGREES TO DEFEND, INDEMNIFY RELEASE AND HOLD THE CITY AND ITS RESPECTIVE OFFICERS, OFFICIALS, REPRESENTATIVES, CONSULTANTS, AGENTS AND EMPLOYEES (COLLECTIVELY, FOR THE PURPOSE OF THIS PARAGRAPH, THE "CITY") HARMLESS FROM AND AGAINST ANY AND ALL LIABILITIES, DAMAGES, CLAIMS, LAWSUITS, JUDGMENTS, ATTORNEY FEES, COSTS, EXPENSES, AND DEMANDS BY THE STATE OF TEXAS

THAT THE CITY HAS BEEN PAID ERRONEOUSLY, OVER-PAID OR INCORRECTLY ALLOCATED USE TAX RECEIPTS ATTRIBUTED TO THE SALE AND/OR USE OF TAXABLE ITEMS BY COMPANY CONSUMMATED WITHIN THE CORPORATE BOUNDARIES AND EXTRATERRITORIAL JURISDICTION OF THE CITY FOR ANY PERIOD DURING THE TERM OF THIS AGREEMENT (COLLECTIVELY, A "CLAIM"); IT BEING THE INTENTION OF THE PARTIES THAT THE COMPANY SHALL BE RESPONSIBLE FOR THE REPAYMENT OF ANY USE TAX GRANTS PAID TO THE COMPANY HEREIN BY THE CITY THAT INCLUDES USE TAX RECEIPTS THAT THE STATE OF TEXAS HAS DETERMINED WERE PAID ERRONEOUSLY, COLLECTED, DISTRIBUTED, OR ALLOCATED TO THE CITY. THIS INDEMNIFICATION SHALL NOT APPLY TO ANY LIABILITY RESULTING SOLELY FROM THE ERRORS OR OMISSIONS OF THE CITY. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE TERMINATION OF THIS AGREEMENT. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND DO NOT CREATE ANY OBLIGATIONS FROM, OR GRANT ANY CONTRACTUAL OR OTHER RIGHTS TO, ANY OTHER PERSON OR ENTITY, OTHER THAN OBLIGATIONS, IF ANY, THAT ARISE FROM COMPANY TO THE CITY TO PERFORM OBLIGATIONS CREATED BY THIS PARAGRAPH.

ARTICLE VII
MISCELLANEOUS

7.01 Binding Agreement. The terms and conditions of this Agreement are binding upon the Parties to this Agreement and their respective successors and permitted assigns. This Agreement may not be assigned without the express written consent of City, which consent shall not be unreasonably withheld or delayed.

7.02 Limitation on Liability. It is understood and agreed between the Parties that the Company and City, in satisfying the conditions of this Agreement, have acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions. **THE COMPANY AGREES TO RELEASE, DEFEND, INDEMNIFY AND HOLD HARMLESS THE CITY FROM ALL SUCH CLAIMS, SUITS, AND CAUSES OF ACTIONS, LIABILITIES AND EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES, OF ANY NATURE WHATSOEVER BY A THIRD PARTY ARISING OUT OF THE COMPANY'S PERFORMANCE OF THE CONDITIONS UNDER THIS AGREEMENT.** The Parties agree that in a suit against the City for breach of this Agreement, the total amount of money awarded is limited to actual damages in an amount not to exceed the balance due and owed by the City under this Agreement. The recovery of damages against a Party may not include consequential or exemplary damages. The Parties may not recover attorneys' fees and Company is not entitled to specific performance or injunctive relief against the City. An uncured default and breach by any Party shall not entitle any non-defaulting Party to recovery of any monetary damages other than an amount of any Grant allegedly owed under Articles III and IV of this Agreement and expressly excluding lost profits, all other consequential damages and exemplary damages.

7.03 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the Parties.

7.04 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

7.05 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered or sent via fax.

If intended for City, to:

Barry Sullivan
Gainesville City Manager
200 South Rusk
Gainesville, TX 76240

With a copy to:

Wm. Andrew Messer
Messer, Fort, & McDonald, PLLC
6371 Preston Road, Suite 200
Frisco, Texas 75034

If intended for the Company, to:

Peak Rentals, LLC
Attn: Lisa Curry
1820 North Interstate 35
Gainesville, Texas 76240

Copy representative:
Carolyn Shantz, Executive Vic President
Merit Advisors, LLC
801 E. California St, 4th floor
Gainesville, Texas 76240

7.06 Entire Agreement. This Agreement is the entire Agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the Parties that in any manner relates to the subject matter of this Agreement.

7.07 Force Majeure. Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to force majeure, to perform its obligations under this Agreement, then the obligations affected by the force majeure shall be temporarily suspended. Within ten (10) days after the occurrence of a force majeure, the Party claiming the right to temporarily suspend its performance, shall give notice to the other Party that includes a detailed explanation of the force majeure, a description of the action that will be taken to remedy the force majeure and resume full performance at the earliest possible time, and the length of time needed to resume full performance. The other Party may object in writing to the length of time claimed to be needed to resume performance by the Party suffering the event of force majeure if it provides a commercially reasonable explanation regarding how full performance could be reasonably resumed at an earlier date, in which case full performance shall resume at the earlier date.

7.08 Governing Law. The laws of the State of Texas shall govern the Agreement; and this Agreement is fully performable in Gainesville, Texas with exclusive venue for any action concerning this Agreement being in a court of competent jurisdiction in Cooke County, Texas.

7.09 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

7.10 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

7.11 Recitals. The recitals to this Agreement are incorporated herein.

7.12 No Third Party Beneficiaries. Nothing in this Agreement shall be construed to create any right in any third party not a signatory to this Agreement, and the Parties do not intend to create any third party beneficiaries by entering into this Agreement.

7.13 Miscellaneous Drafting Provisions. This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this Agreement.

7.14 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument and any such counterparts shall be deemed to be incorporated herein.

7.15 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

7.16 Governmental Immunity. The Parties agree that the City has not waived its governmental immunity by entering into and performing its obligations under this Agreement.

7.17 Dispute Resolution. Any controversy or claim arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any Party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The Parties shall endeavor to resolve their claims by mediation. City and Company shall share the costs of mediation equally. The mediation shall be held in Gainesville, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

7.18 No Israeli Boycott. To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Sections 2271.001-002 Texas Government Code, Contractor and its parent company, wholly or majority- owned subsidiaries, and other affiliates, if any, further certifies and verifies that it does not boycott Israel and agrees that it will not boycott Israel during the term of this Agreement. For purposes of this Agreement, the term "boycott" shall mean and include terminating business activities or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory. (Texas Government Code §§ 2270.001-.002, 808.001-.006, .051-.057, .101-.102) The foregoing verification is made solely to comply with Chapter 2271, Texas Government Code, to the extent the applicable provision in Chapter 2271.001, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott Israel" shall have the meaning assigned to such term in § 808.001(1), Texas Government Code. Contractor understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

7.19. Foreign Terrorist Organizations. The Company hereby represents that (i) it does not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153, Texas Government Code, as a company known to have contracts with or provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, "foreign terrorist organization" shall have the meaning given such term in Section 2252.151, Texas Government Code.

7.20 Energy Company Boycott. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, the Company hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section

2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001, Texas Government Code. The Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit.

7.21 Verification Regarding Discrimination Against Firearm Entity or Trade Association. To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislative Session, "SB 19"), Texas Government Code, as amended, the Company hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any:

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
(2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" shall have the meaning assigned to such term in Section 2274.001(3) (as added by SB 19), Texas Government Code. The Company understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Company and exists to make a profit.

7.22 Ethics Disclosure. Company represents that it has completed a Texas Ethics Commission ("TEC") form 1295 (Form 1295) generated by the TEC's electronic filing application in accordance with the provisions of Texas Government Code 2252.908 and the rules promulgated by the TEC. The Parties agree that, with the exception of the information identifying the City and the contract identification number, the City is not responsible for the information contained in the Form 1295. The information contained in the Form 1295 has been provided solely by the Company and the City has not verified such information.

7.23 No Permit. This Agreement does not constitute a permit pursuant to Chapter 245 of the Texas Local Government Code and or any City code or regulation and does not vest any rights to the Company pursuant thereto. The City does not, by entering into this Agreement, concede or agree that there are any developer rights or obligations arising under Chapter 245 of the Texas Local Government Code and the City reserves all rights and defenses against any such assertion.

7.24 Employment of Undocumented Workers. During the term of this Agreement, the Company agrees not to **knowingly** employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a(f), the Company shall repay the Grant herein and any other funds received by the Company from the City as of the date of such violation, plus interest at the rate of 6.0% compounded annually from the date of violation until paid. The Company is not liable

for a violation of this Section by a subsidiary, affiliate, or franchisee of the Company or by a person or entity with whom the Company contracts.

7.25 Report Agreement to Comptroller's Office. City covenants and agrees to report this Agreement to the State Comptroller's office within fourteen (14) days of the Effective Date of this Agreement, in accordance with Section 380.004 of the Texas Government Code, as added by Texas House Bill 2404, 87th Tex. Reg. Session (2021) (effective September 1, 2021).

7.26 Authority and Enforceability. The City represents and warrants that this Agreement has been duly adopted by official action of the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. Company represents and warrants that this Agreement has been approved by appropriate action of Company and that the individual executing this Agreement on behalf of Company has been duly authorized to do so.

[SIGNATURE PAGES FOLLOW]

EXECUTED as of the 14th day of January, 2025.

THE CITY OF GAINESVILLE, TEXAS

By: _____
Tommy Moore, Mayor

ATTEST:

_____
Diana Alcala, City Secretary

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CITY OF GAINESVILLE §

This instrument was acknowledged before me on the 14th day of January, 2025 by Barry Sullivan, City Manager of the City of Gainesville, Texas, on behalf of said City.

KARLEY SIMMONS
Notary Public, State of Texas
Comm. Expires 02-20-2027
Notary ID 13421025-4

_____
Name: Karley Simmons
Notary Public, State of Texas

My commission expires: 2-20-2027

EXECUTED as of the 6 day of January, 2025.

Peak Rentals, LLC.
By: Name, Title

By: _____
Name: LISA CURRY
Title: SR DIRECTOR, TAX

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CITY OF HOUSTON §

This instrument was acknowledged before me on the 6 day of January, 2025 by Name, Title, Peak Rentals, LLC.

FRANCES PEREZ
...tary Public, State of Texas
...mm. Expires 08-28-2028
Notary ID 130805869

_____
Name: Frances Perez
Notary Public - State of Texas

FRANCES PEREZ
Notary Public, State of Texas
Comm. Expires 08-28-2028
Notary ID 130805869