

**WEBB COUNTY ECONOMIC DEVELOPMENT GRANT  
& TAX ABATEMENT AGREEMENT**

**THIS WEBB COUNTY ECONOMIC DEVELOPMENT GRANT AND TAX ABATEMENT AGREEMENT** is made on the **26th day of JANUARY, 2015** (the "Effective Date") by and between the **WEBB COUNTY, TEXAS**, a political subdivision of the State of Texas ("WEBB") and **CELADON TRUCKING, INC. ("Celadon")**.

**WITNESSETH:**

**WHEREAS**, Webb County, has established a program in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code ("Chapter 381") under which the County has the authority to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the County of Webb; and

**WHEREAS**, on January 26th, 2015, the County adopted Resolution & Order No. \_\_\_\_\_ authorizing Webb County to make certain economic development grants to Celadon Trucking, Inc., in recognition of, conditioned upon and derived from the positive economic benefits that will accrue to Webb County through the Celadon Trucking, Inc.'s development of real and personal property investments in the approximate amount of Thirteen-Million Dollars (\$13,000,000.00); and

**WHEREAS**, in consideration of the development and construction of such facilities that will assist in stabilizing existing Property Tax Revenues and create at least TEN (10) new, full time jobs located there, the Webb County agrees to provide a reimbursement directly to Celadon in the amount described in this Agreement; and

**WHEREAS**, to ensure that the benefits the Webb County provides under this Agreement are utilized in a manner consistent with Article III, Section 52.-a of the Texas Constitution, Chapter 381 of the Texas Local Government Code and other law, Celadon has agreed to comply with certain conditions to the payment of those benefits; and

**WHEREAS**, the Webb County has concluded and hereby finds that this Agreement promotes economic development in the Webb County and, as such, meets the requirements under Chapter 381 of the Texas Local Government Code and Webb County's established economic development program, and, further, is in the best interests of the Webb County; and

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

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

## ARTICLE I

### GENERAL PROVISIONS

**1.1 Recitals.** The recitals to this Agreement are incorporated herein for all purposes.

**1.2 Purpose.** The specific purpose of this Agreement is to grant economic benefits in the form of tax abatement as described in Article III (3.1a&b), on an annual basis for a term of five (5) years, to Celadon as necessary to induce Celadon to build a capital investment project in the Webb County. This action will be a significant contribution toward a broader purpose to stimulate and encourage business and commercial activity in Webb County, to create more job opportunities, build the sales and property tax base and promote a partnership relationship with the private sector businesses that will bring additional employment projects into Webb County.

**1.3 Project Year.** Means each 12 month period from January 1st to December 31st during the term of the Agreement, with the first Project Year commencing on JANUARY 1, 2015 and ending on DECEMBER 31, 2027.

**1.4 Mandatory Compliance with Amended Guidelines and Criteria governing Tax Abatement Agreements.** This agreement is made expressly subject to the mandatory and full compliance with and independent County and/or Webb County Appraisal District (WEBB-CAD) verification of compliance with this agreement and the Amended Webb County Guidelines and Criteria governing tax abatement agreements attached hereto as Exhibit "A". Celadon full compliance therewith shall be a condition precedent to the Grant/Tax Abatements to be given by Webb County to Celadon.

## ARTICLE II

### OBLIGATIONS OF CELADON TRUCKING, INC.

**2.1** In consideration for the grant of public funds as set forth in Section 3.1 below, Celadon Trucking, Inc., agrees to:

a. Make a capital investment in real property improvements of at least THIRTEEN MILLION DOLLARS (\$13,000,000.00) by December 31, 2015, upon the following described real property situated in Laredo, Webb County, Texas; and

**Real Property Description:** A 50.20 (2,186,532 S.F.) acre tract of land, situated in Porcion 12, Santiago Sanchez, Original Grantee, Abstract 278, Webb County, Texas; being out of a tract known as N.D. Hachar Ranch containing 6,132.06 acres as recorded in Volume 303, Pages 164-173, Deed Records of Webb County, Texas, this 50.20 acre tract of land being more particularly described by metes and bounds description on attached Exhibit "A";

b. Create ten (10) new full-time jobs at the property located at the Real Property as described above and in Exhibit A, in Laredo, Webb County, Texas (the "Property") (see Exhibit A for legal description) with an average annual wage of at least \$2.00/hour above the U.S. minimum wage for Hourly Jobs in

effect on or by December 31, 2016. In addition, Celadon Trucking, Inc., shall be required to offer such employees Celadon Trucking, Inc.'s health care plan; and

c. "Celadon" represents that commencement of construction is scheduled to begin on or about March 1, 2015, with the completion of said building improvements to be completed no later than December 31, 2015; and

d. Occupy the Property on or before December 31, 2015 and continue operations in the County, for approximately twelve (12) calendar years, through December 2027. Occupancy shall be certified in a letter at the end of each year in which Celadon Trucking, Inc. is required to occupy the Property, which will be submitted with proof of full-time employees hired shall be confirmed by filing of the Annual Certification as described in Section 2.2; and

e. Retain the new employment level of at least ten (10) full-time jobs employed in Webb County through December 31, 2027; and

f. Maintain a capital investment of THIRTEEN MILLION DOLLARS (\$13,000,000) in the Webb County for a minimum of approximately twelve (12) calendar years beginning on January 26, 2015 and ending December 2027, for which investment Celadon Trucking, Inc., actually receives a grant as described in Article III (3.1a&b); and

**2.2** Celadon, agrees to provide Webb County an annual certification on or before April 30th after the end of each Project Year reporting to Webb County the capital investment, number of full-time jobs located at the Property, and the average annual wage of the full-time jobs in the County ("Annual Certification"). The first Annual Certification is due on or before April 30, 2016. Such Annual Certification shall be submitted to Webb County and shall satisfy any reasonably required reporting obligations issued by Webb County pertaining to this Agreement. The Annual Certification shall be a representation that Celadon is in compliance with each applicable term of this Agreement. Such Annual Certification shall be in a form reasonably satisfactory to the Webb County. Any failure of the Webb County to request or demand such Annual Certification shall not constitute a waiver of such Annual Certification or any future Annual Certification. The Webb County is not obligated to request the Annual Certification, and will not certify Celadon as compliant without receipt of the same. Certifications will be verified by the Webb County via Webb-CAD and actual payroll records as of June 30th of each project year.

## ARTICLE III

### ECONOMIC DEVELOPMENT GRANT

**3.1 Incentives.** Webb County shall provide Celadon, the following incentives in consideration for the performance of the obligations and covenants as set forth herein and the increased real and personal property values Celadon, is adding to our community:

- a. **A Texas Local Government Code Chapter 380, Section 381.004 Grant.**  
Conditioned on Celadon meeting the capital investment requirements

and new full-time job creation conditions set out in Section 2, Webb County shall extend Celadon a grant of public money for each Project Year (the "Grant"), equal to a percentage of the annual increase over the January 1, 2015 ad valorem real property taxes assessed against the business operated on the Property and paid to Webb County according to the below period and percentage of abatement sliding scale (the "Grant"):

**b. Period and Percentage of Abatement:**

**THE BASIC FORMULA:**

New Permanent Full Time Jobs	Added Value in Real Property, as assessed by Webb County Appraisal District	Percent of Abatement	Term
50 to 100 jobs	\$1 million up to \$2.5 million	25%	5 years
101 to 150 jobs	over 2.5 million up to \$5 million	50%	5 years
151 to 200 jobs	over \$5 million up to \$10 million	75%	5 years
Over 200 jobs	Over \$10 million	100%	5 years
New Permanent Full Time Jobs	Added Value in Real and Tangible Personal Property, as Assessed by Webb County Appraisal District	Percent of Abatement	Term
Over 200 Jobs	Over \$20 million	100%	5 years

In cases where the required additional investment exceeds \$10 million and the number of jobs is not expected to be met, an abatement may be allowed utilizing the following criteria:

New Permanent Full Time Jobs	Added Value in Real Property, as assessed by Webb County Appraisal District	Percent of Abatement	Term
At least 10 jobs	Over \$10 million	100%	Year 1
		80%	Year 2
		60%	Year 3
		40%	Year 4
		20%	Year 5
At least 5 jobs	Over \$50 million	60%	Years 1-5
		40%	Years 6-10

c. Living Wage Requirement: In order to count as a permanent full-time job under this tax abatement program, the job should pay employees wages at a minimum level which is equal to two dollars (\$2.00) above the U.S. minimum wage in effect at the time of the agreement, Additional compensation, such as commissions and mileage, will be taken into consideration and will be included in the wages. However, overtime will not be considered.

**3.2 Grant Payments.** All Grant/tax abatement credits/payment amounts subject to this Agreement shall be paid to Celadon by Webb County no later than 90 days following certification and verification from Celadon that it is in compliance with the project requirements and that such requirements have been verified by Webb County, as described in Section 2.1 and 2.2.

**3.3 Default/Recapture/Clawback Provisions.**

a. In the event Celadon fails to perform its obligations as set forth in Article II and such failure remains uncured as provided in Section 4.1 below ("Default"), which is not the result of an Event of Force Majeure, defined below, Celadon shall, as liquidated damages, refund to the Webb County all of the Grant and all prior tax abatements amounts shall be repaid and due and owing to Webb County, and shall remain as a priority lien in favor of Webb County, Texas until such Grant/tax abatement amounts have been re-paid in full, together with prejudgment and post judgment interest at the maximum rate allowed by law in the State of Texas.

b. Repayment of Grant funds/tax abatement amounts previously given to Celadon shall be due not later than Sixty (60) days after the date Webb County notifies Celadon of Default and it fails to cure the defaults and/or fails to perform and/or comply with its job creation and added property value obligations after such notice of default and failure to cure has been sent as provided for herein and Celadon remains in default due to their failure to cure or comply with the provisions set forth herein.

**3.4 Disclaimer.** CELADON , ACKNOWLEDGES THAT, EXCEPT FOR WEBB COUNTY'S REPRESENTATIONS CONTAINED WITHIN THIS AGREEMENT, NEITHER WEBB COUNTY NOR ANY .AFFILIATE OF COUNTY NOR ANY RELATED PARTY OF WEBB COUNTY HAS MADE ANY REPRESENTATION OR WARRANTY WHATSOEVER (WHETHER EXPRESS OR IMPLIED) REGARDING THE LEASED PROPERTY PROJECT, THE TEXAS GOVERNMENT CODE AND/OR THE TEXAS LOCAL GOVERNMENT CODE ("CODE"), ANY ACTIONS AUTHORIZED BY THE CODE, THE SUBJECT MATTER OF THIS AGREEMENT OR ANY EXHIBIT HERETO, OTHER THAN THE OBLIGATIONS EXPRESSLY CONTAINED IN THIS AGREEMENT.

## ARTICLE IV

### TERMINATION

**4.1 Termination.** In addition to the recapture and termination rights contained herein, this Agreement shall terminate upon the occurrence of any one or more of the following:

a. The Expiration Date for the five (5) years of tax abatements shall mean the date of completion by Celadon of the terms and conditions of this Agreement, and the granting of the form of tax abatements as described in Article III (3.1 a&b), on an annual basis for a term of five (5) years commencing on January 1, 2016 through December 31, 2021.

- b. The final expiration date shall be after the end of the five year tax abatement term which shall be on or before December 31, 2027. Celadon shall be required to occupy the Property and shall continue to maintain a capital investment of THIRTEEN MILLION DOLLARS (\$13,000,000) in Webb County for a minimum of approximately twelve (12) calendar years beginning on January 1, 2015 and ending December 31, 2027;
- c. The execution by all Parties of a written agreement terminating this Agreement;
- d. At the option of a Party in the event the other Party breaches any of the terms or conditions of this Agreement and such breach is not cured within thirty (30) days after written notice thereof, or, if such breach is not susceptible of cure within thirty (30) days, such period of time thereafter as the breaching party diligently pursues the cure thereof, but in any event if such breach is not cured within one hundred eighty (180) days after written notice thereof; or
- e. Any subsequent Federal or State legislation or any decision by a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable.

## ARTICLE V

### INDEMNIFICATION, ATTORNEYS FEES, & OTHER REMEDIES

5.1 CELADON , COVENANTS AND AGREES TO FULLY INDEMNIFY AND HOLD HARMLESS THE WEBB COUNTY AND THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS AND REPRESENTATIVES OF THE WEBB COUNTY, INDIVIDUALLY OR 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, INCLUDING BUT NOT LIMITED TO, PERSONAL OR BODILY INJURY, DEATH AND PROPERTY DAMAGE, MADE UPON THE WEBB COUNTY, TO THE EXTENT DIRECTLY ARISING OUT OF, RESULTING FROM OR RELATED TO PROTRANS'S NEGLIGENT ACTS OR OMISSIONS UNDER THIS AGREEMENT. PROTRANS FURTHER AGREES TO DEFEND, AT ITS OWN EXPENSE AND ON BEHALF OF WEBB COUNTY AND IN THE NAME OF WEBB COUNTY, ANY CLAIM OR LITIGATION BROUGHT AGAINST THE COUNTY AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND/OR REPRESENTATIVES, IN CONNECTION WITH ANY SUCH INJURY, DEATH, OR DAMAGE FOR WHICH THIS INDEMNITY SHALL APPLY, AS SET FORTH ABOVE. CELADON ' OBLIGATIONS UNDER THIS SUBSECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

**5.4 Waiver of Consequential Damages.** Each party waives all present and future claims for consequential damages against the other party and the appointed or elected officials, members,

5.2 **Independent Contractor.** It is expressly understood and agreed that Celadon. is and shall be deemed to be an independent contractor with no authority to contract for Webb County or in any way to bind or commit Webb County to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Webb County.

5.3 **Non Waiver of Remedies.** No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute.

5.4 **Waiver of Consequential Damages.** Each party waives all present and future claims for consequential damages against the other party and the appointed or elected officials, members, agents, employees, officers, directors and representatives of the other party arising from or related to this Agreement, and such waiver shall survive any termination of this Agreement.

## ARTICLE VI

### MISCELLANEOUS

6.1 **Binding Agreement; Assignment.** The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto. This Agreement may not be assigned by Celadon , without prior written consent of Webb County, which will not be unreasonably withheld. Notwithstanding the foregoing, Celadon may assign this Agreement to (1) an entity under common control with Celadon; or (ii) a parent company or subsidiary of, without the consent of Webb County.

6.2 **Force Majeure.** Except for the obligation to make payments when due, neither party shall be liable nor deemed to be in default for any delay or failure in performance under this Agreement resulting from the acts of God, civil or military authority, material change of law, acts of public enemy, war, accidents, fires, explosions, earthquakes, floods, failure of transportation, strikes or other work interruptions, or any similar or dissimilar cause beyond the reasonable control of either party (each an "Event of Force Majeure").

6.3 **Limitation on Liability.** It is understood and agreed among the parties that Celadon and Webb County, in satisfying the conditions of this Agreement, have acted independently, and assume no responsibilities or liabilities to third parties in. connection with these actions.

6.4 **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 among the Parties.

6.5 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received (i) three (3) days after deposit into the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or (ii) on the day actually received if sent by courier or otherwise hand delivered.

To Celadon Trucking, Inc.:

Celadon Trucking, Inc., attn;  
George Chasteen  
Vice President  
9503 E 33<sup>rd</sup> Street  
Indianapolis, IN 46235

To Webb County:

Attn: County Attorney's Office &  
Leroy Medford, Executive  
Adm. Hon. Judge Tano  
Tijerina Webb County, Texas  
1110 Washington St. Laredo,  
Texas 78040

**6.6 Governing Law.** This Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be exclusively in the State District Court of Webb County, Texas. The Parties agree to submit to the jurisdiction of said courts.

**6.7 Amendment.** This Agreement may only be amended by a written agreement executed by the Parties.

**6.8 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.

**6.9 Entire Agreement.** This Agreement, along with any exhibits, schedules and/ or attachments hereto, constitutes the entire agreement between the parties and supersedes any and all previous representations, understandings, discussions, or agreements between County and Celadon Trucking, Inc., as to the subject matter hereof.



APPROVED BY A MAJORITY OF THE WEBB COUNTY COMMISSINERS' COURT  
ON THIS 26<sup>th</sup> DAY OF JANUARY, 2015 and EXECUTED in multiple originals.

EXECUTED ON THIS \_\_ DAY OF \_\_\_\_\_, 2015.

WEBB COUNTY, TEXAS

By: 

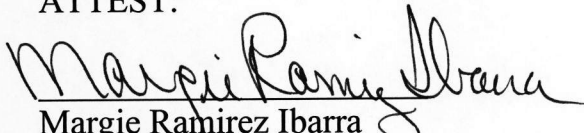
Tano E. Tijerina  
Webb County Judge

Celadon Trucking Inc.

By: 

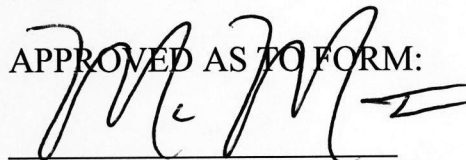
Vice President, Celadon Trucking, Inc.  
(Title)

ATTEST:

  
Margie Ramirez Ibarra  
Webb County



APPROVED AS TO FORM:

  
MARCO A. MONTEMAYOR  
Webb County Attorney

By law, the county attorney's office may only advise or approve contracts or legal documents on behalf of its clients. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).