

<b>STATE OF TEXAS</b>	<b>§</b>	
	<b>§</b>	<b>ECONOMIC DEVELOPMENT AGREEMENT</b>
<b>COUNTY OF DALLAS</b>	<b>§</b>	

This Economic Development Agreement (“Agreement”) is made by and between the City of Hutchins, Texas (“City”), and Global Fulfillment Solutions, Ltd., a Texas Limited Partnership, doing business as GFS Logistics (the “Company”) (each a “Party” and collectively the “Parties”), acting by and through their authorized representatives.

**W I T N E S S E T H:**

**WHEREAS**, Company owns or is under contract to purchase the real property located at 1220 Dowdy Ferry Road, Hutchins, Texas 75217, and described in **Exhibit “A”**, (the “Land”) and intends to construct or cause to be constructed thereon a building containing approximately 350,000 square feet of distribution space (hereinafter defined as the “Improvements”); and

**WHEREAS**, Company has advised City that a contributing factor that would induce Company to cause the construction of the Improvements would be an agreement by City to provide the Improvement Grants (hereinafter defined) to Company to defray a portion of the costs associated with the Improvements; and

**WHEREAS**, City has adopted programs for promoting economic development and this Agreement and the Improvement Grants set forth herein are given and provided by City pursuant to and in accordance with those programs; and

**WHEREAS**, City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in City; and

**WHEREAS**, City has determined that making the Improvement Grants to be provided to Company in accordance with this Agreement will further the objectives of City, will benefit City and City’s inhabitants, and will promote local economic development and stimulate business and commercial activity in City; this Agreement is in accordance with City’s economic development program and will: (i) further the objectives of City; (ii) benefit City and City’s inhabitants; and (iii) promote local economic development and stimulate business and commercial activity in City.

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

## **Article I Definitions**

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

“Appraisal District” shall mean the Dallas Central Appraisal District, or its successor.

“Bankruptcy or Insolvency” shall mean the dissolution or termination of Company’s existence, insolvency, employment of receiver for any part of Company’s property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors or the commencement of any proceedings under any bankruptcy or insolvency laws by or against Company and such proceedings are not dismissed within ninety (90) days after the filing thereof.

“City” shall mean the City of Hutchins, Dallas County, Texas.

“Commencement Date” shall mean the date a certificate of occupancy is issued by City for the occupancy of the Improvements by Company.

“Commencement of Construction” shall mean that: (i) the plans for the Improvements has been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Improvements; (ii) all necessary permits for the construction of the Improvements pursuant to the respective plans have been issued by all applicable governmental authorities; and (iii) grading of the Land and vertical construction have commenced.

“Company” shall mean Global Fulfillment Solutions, Ltd., a Texas Limited Partnership, doing business as GFS Logistics.

“Company Affiliate” shall mean any entity that owns or controls, is owned or controlled by, or is under common ownership or control with, Company, or any entity the ownership of which is substantially the same as the ownership of Company.

“Completion of Construction” shall mean: (i) the Improvements has been substantially completed; and (ii) the City has issued a certificate of occupancy for the occupancy of the Improvements by Company.

“Effective Date” shall mean the last date of execution hereof.

“Employment Period” shall mean each twelve (12) consecutive month period following the Commencement Date during the term of this Agreement.

“Employment Position(s)” shall mean FTE Positions which have been created and filled at the Improvements, and which are thereafter maintained during the term of this Agreement. In the event of voluntary or involuntary termination of an employee, which termination causes the number of Employment Positions to fall below the number required pursuant to this Agreement, Company shall not be in breach of this Agreement provided the required number of Employment Positions is re-established within ninety (90) days of such employee termination. The number of Employment Positions for an Employment Period shall be based on a weekly average count of Employment Positions working during each calendar week during the Employment Period.

“Expiration Date” shall mean date of payment of the last of Improvement Grants.

“Force Majeure” shall mean an occurrence of any contingency or cause beyond the reasonable control of a Party including, without limitation, (provided such delay is not the result of actions by Company), acts of God or the public enemy, war, riot, terrorism, civil commotion, insurrection, government or de facto governmental action, restrictions or interferences (unless caused by the intentional acts or omissions of the Party), fires, explosions, floods or other inclement weather, strikes, slowdowns or work stoppages, incidence of disease or other illness that reaches outbreak, epidemic, or pandemic proportions or similar causes affecting the area in which the Improvements are located that results in a reduction of labor force or work stoppage in order to comply with local, state, or national disaster orders, construction delays, shortages or unavailability of supplies, materials or labor, necessary condemnation proceedings, or any other circumstances which are reasonably beyond the control of the Party obligated or permitted under the terms of this Agreement to do or perform the same, regardless of whether any such circumstances are similar to any of those enumerated or not, in which case the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or performance shall be extended for a period of time equal to the period such Party was delayed, provided the Party whose performance is delayed provides written notice to the other Party not later than fifteen (15) business days after the last day of the month of the occurrence of the event(s) or condition(s) causing the delay or the date the Party whose performance has been delayed becomes aware or should have reasonably known of the event, describing such event(s) and/or condition(s) and the date on which such event(s) and/or condition(s) occurred.

“FTE Position” or “FTE” means one or more positions filled by individuals scheduled to work at the Improvements for a combined total of at least 2,080 hours, including any paid time off, during an Employment Period. The number of FTEs for an Employment Period shall be based on a weekly average count of FTEs working at the Improvements during each calendar week during the Employment Period.

“Grant Year” shall mean January 1 of the Tax Year except the “First Grant Year” shall mean the Tax Year following the calendar year in which the Commencement Date occurs.

“HEDC” shall mean the Hutchins Economic Development Corporation.

“Impositions” shall mean all taxes, assessments, use and occupancy taxes, charges, excises, license and permit fees and other charges, whether general or special, ordinary, or extraordinary, foreseen, or unforeseen, which are or may be assessed, charged, levied, or imposed by any public or governmental authority on Company with respect to the Improvements or any property or any business owned by Company within the City.

“Improvements” shall mean a building containing approximately 350,000 square feet of distribution space, including other ancillary facilities such as required parking and landscaping, to be constructed on the Land more fully described in the submittals filed by Company with City from time to time to obtain one or more building permits for construction of the Improvements.

“Improvements Grants” shall mean five (5) consecutive annual economic development grants to be provided by City to Company, each in an amount equal to fifty percent (50%) of the ad valorem taxes assessed by City against the Improvements and collected by City for the applicable Grant Year, to be paid as set forth herein.

“Land” shall mean the real property described in **Exhibit “A”**.

“Payment Request” shall mean a written request from Company to City for payment of the applicable Improvements Grant, which request shall be accompanied by copies of tax statements and/or receipt(s) and/or other evidence reasonably satisfactory to City to establish that the ad valorem taxes assessed by City against the Real Property have been timely paid for such Grant Year; and (ii) employment records and such other evidence reasonably requested by City to document the required Employment Positions.

“Real Property” shall collectively mean the land and the Improvements following Completion of Construction thereof.

“Related Agreements” shall mean any agreement (not including this Agreement) by and between City and/or HEDC, and Company and/or a Company Affiliate.

“Tax Year” shall have the meaning assigned to such term in Section 1.04 of the Texas Tax Code (i.e., the calendar year).

“Taxable Value” shall mean the appraised value as certified by the Appraisal District as of January 1 of the given Tax Year.

## **Article II**

### **Term**

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

### **Article III**

#### **Economic Development Grants**

3.1 Improvements Grants. Subject to the obligation of Company to repay the Improvement Grants pursuant to Article V herein, and the continued satisfaction of all the terms and conditions of this Agreement, and further provided the Taxable Value of the Improvements is at least \$30 Million (the “Minimum Taxable Value”) as of January 1 of each year during the term of this Agreement beginning with the First Grant Year, City agrees to provide Company with five (5) consecutive Improvement Grants, to be paid within thirty (30) days after City receipt of the applicable Payment Request following March 1 of each calendar year (or the immediately following business day if March 1 is not a business day), beginning with March 1 of the calendar year following the First Grant Year, provided City has timely received the ad valorem taxes assessed against the Real Property in full for the respective Grant Year (i.e., the tax year immediately preceding the year in which an Improvement Grant is to be made). Company shall submit a Payment Request for the Improvements Grants no earlier than March 1 of the calendar year that follows such Grant Year, but no later than 90-days thereafter, beginning March 1 of the calendar year, following the First Grant Year. Failure to timely submit a Payment Request for a given Grant Year shall operate as a forfeiture of the Improvements Grant for such Grant Year. The failure to achieve the Minimum Taxable Value for any Tax Year during the term of the Agreement shall not constitute a breach or default of this Agreement subject to termination and repayment of the Improvement Grants as provided in Article V hereof but shall operate as a forfeiture of such Improvements Grant. If such a forfeiture occurs Company will still be eligible to receive the remaining Improvements Grants for the remaining Grant Years provided Company is otherwise not in breach of or default of this Agreement or a Related Agreement.

3.2 Tax Protest. In the event, Company or another Party timely and properly protests or contests (including any motion to correct the appraisal roll) the Taxable Value and/or the taxation of the Improvements with the Appraisal District, the obligation of City to provide the applicable Improvements Grant for such Tax Year shall be abated until a final determination has been made of such protest or contest. In the event Company or another Party protests and/or contests results in a final determination that changes the appraised value and/or the Taxable Value of the Improvements or the amount of ad valorem taxes assessed and due for the Improvements (or portion thereof) after an Improvements Grant has been paid for such Tax Year, the Improvements Grant for such Tax Year shall be adjusted (increased or decreased as the case may be) accordingly on the date of payment of the next Improvements Grant or within thirty (30) days after such determination in the event no further Improvements Grants are due under the Agreement.

3.3 Refunds and Underpayments of Grants. In the event City reasonably determines that the amount of an Improvement Grant paid by City to Company exceeded the amount due to Company under this Agreement, the City notify the Company and request that the Company refund the amount of such Improvement Grant that exceeded the correct amount to which Company was entitled (together with such records, reports, and other information necessary to support such determination), (referred to as the “Excess Grant”). Company shall have thirty (30) days from receipt of City's written notification to pay the Excess Grant to City. In lieu of repaying City, Company may instruct City in writing to reduce the amount of the next Improvement Grant

payment immediately following Company's receipt of City's written notice of the Excess Grant by the amount of the Excess Grant. If City reasonably determines that the amount by which such Improvement Grant was less than the correct amount to which Company was entitled (together with such records, reports, and other information necessary to support such determination), City shall pay the adjustment to Company not later than thirty (30) days after making such determination.

3.4 Construction Schedule. Company agrees, subject to delays resulting from events of Force Majeure to (i) cause Commencement of Construction of the Improvements to occur on or before December 31, 2025, and (ii) cause Completion of Construction of the Improvements to occur on or before December 31, 2027.

3.5 Limitations of Grants. Under no circumstances shall the obligations of City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by Company. None of City's obligations under this Agreement shall be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution

3.6 Current Revenue. The Improvements Grants made hereunder shall be paid solely from lawfully available funds pursuant to Texas Constitution Article II, Section 52-a, and Texas Local Government Code Chapter 380. Consequently, notwithstanding any other provision of this Agreement, City shall have no obligation or liability to provide any Grants except as allowed by law.

#### **Article IV Conditions to Grants**

The obligation of the City to provide the Improvements Grants shall be conditioned upon the compliance and satisfaction by Company of the terms and conditions of this Agreement and each of the conditions set forth in this Article IV, provided however, the failure to meet a condition shall not prevent the payment of the applicable Grants prior to the specified deadline for satisfaction of the condition:

4.1 Payment Request. Company shall, as a condition precedent to the payment of each of the Improvements Grants, timely provide City with the applicable Payment Request.

4.2 Good Standing. Company shall not have an uncured breach or default of this Agreement or a Related Agreement.

4.3 Continuous Ownership and Occupancy. Company shall, beginning on the Commencement Date and continuing thereafter until the Expiration Date, continuously own and occupy the Improvements.

4.4 Employment Positions. Beginning on the second (2<sup>nd</sup>) anniversary of the Commencement Date and continuing thereafter until the Expiration Date not less than Twenty-

Five (25) Employment Positions shall have been created, filled, and maintained at the Improvements.

## **Article V**

### **Termination; Repayment**

5.1 Termination. This Agreement shall terminate upon any one or more of the following:

- (a) By written agreement of the Parties.
- (b) Expiration Date;
- (c) On the date set forth in a written notice, by either Party in the event the other Party breaches any of the terms or conditions of this Agreement, or a Related Agreement, and such breach is not cured within thirty (30) days after the nonbreaching Party sends written notice to the breaching Party of such breach;
- (d) On the date set forth in a written notice, by City, if Company suffers an event of Bankruptcy or Insolvency;
- (e) On the date set forth in a written notice, by City, if any Impositions owed to City or the State of Texas by Company shall become delinquent (provided, however, Company retains the right to timely and properly protest and contest any such Impositions); or
- (f) On the date set forth in a written notice, by either Party, 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.

5.2 Repayment. In the event the Agreement is terminated by City pursuant to Section 5.1 (c), (d), (e) or (f), Company shall within thirty (30) days after receipt of notice of termination refund to City an amount equal to the Improvements Grants paid by City to Company preceding the date of such termination, with interest 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 City) as its prime or base commercial lending rate) from the date on which each of the Improvement Grants are paid by City until each such Grant is refunded by Company. The repayment obligation of Company set forth in this section shall survive termination.

5.3 Right of Offset. City may at its option, offset any undisputed amounts due and payable under this Agreement against any debt (including taxes) lawfully due to City or HEDC from Company, regardless of whether the amount due arises pursuant to the terms of this Agreement, a Related Agreement or otherwise and regardless of whether the debt due City or HEDC has been reduced to judgment by a court.

## **Article VI Miscellaneous**

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties hereto.

6.2 Limitation on Liability. It is understood and agreed between the Parties that Company in satisfying the conditions of this Agreement has acted independently, and City assumes no responsibilities or liabilities to third parties in connection with Company's actions. Further, Company agrees to indemnify and hold harmless City from all claims, suits, demands, and causes of actions by a third party arising out of Company's actions and performance of the conditions under this Agreement.

6.3 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.

6.4 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.

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 received if sent by courier or otherwise hand delivered.

If intended for City, to:

City of Hutchins  
Attn: City Administrator  
321 N. Main Street  
Hutchins, Texas 75141

With a copy to:

Joseph J. Gorfida Jr.  
Nichols | Jackson  
1800 Ross Tower  
500 N. Akard  
Dallas, Texas 75201



If intended for Company, to:

Global Fulfillment Solutions, Ltd.,  
dba GFS Logistics  
Attn: Joe Kernodle, President

Before Commencement Date:  
3130 N Longhorn Dr., Suite 200  
Lancaster Texas 75134

After Commencement Date::  
1220 Dowdy Ferry Road  
Hutchins, Texas 75217

6.6 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, except as provided in any Exhibits attached hereto.

6.7 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 in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Amendment. This Agreement may only be amended by a written agreement executed by both Parties.

6.9 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.

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

6.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all the counterparts shall constitute one and the same instrument.

6.12 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.13 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.

6.14 Successors and Assigns. This Agreement may not be assigned by Company without the prior written consent of the City.

6.15 Employment of Undocumented Workers. During the term of this Agreement Company agrees not to knowingly employ any undocumented workers and if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the amount of the Improvement Grants and any other funds received by Company from City as of the date of such violation within one hundred twenty (120) days after the date Company is notified by City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Company is not liable for a violation of this section by a subsidiary, affiliate, or franchisee of Company or by a person with whom Company contracts.

6.16 Conditions Precedent. This Agreement is subject to, and the obligations of the Parties are expressly conditioned upon Company closing its purchase of the Land on or before December 31, 2025.

*(signature page to follow)*

**EXECUTED** on the \_\_\_\_ day of \_\_\_\_\_, 2025.

**CITY OF HUTCHINS, TEXAS**

By: \_\_\_\_\_  
Mario Vasquez, Mayor

**Attest:**

By: \_\_\_\_\_  
Cynthia Olguin, City Secretary

**Approved as to Form:**

By: \_\_\_\_\_  
Joseph J. Gorfida, Jr., City Attorney

**EXECUTED** on the \_\_\_\_ day of \_\_\_\_\_, 2025.

**GLOBAL FULFILLMENT SOLUTIONS, LTD.,  
dba GFS LOGISTICS**

By: \_\_\_\_\_  
Joe Kernodle, President

**EXHIBIT “A”  
Description of Land**