

**CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT
CORPORATION AND DETEX**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS
COUNTY OF COMAL §

THIS CONTRACTUAL AGREEMENT, is made and entered into by and between the New Braunfels Economic Development Corporation, a Non-Profit Corporation of the State of Texas, hereinafter referred to as "EDC", acting by and through its duly authorized officers, and DETEX CORPORATION, hereinafter referred to as "Company", acting by and through its officers.

W I T N E S S E T H:

WHEREAS, DETEX CORPORATION plans to construct a 50,000 square-foot addition to its current facility in New Braunfels that is anticipated to result in investments in the amount of approximately \$30,000,000 in the first ten years; and

WHEREAS, under the authority granted to the EDC by Texas Local Government Code §505.155 and upon the recommendation of the EDC, which was approved by the EDC on September 21, 2022, the City Council of New Braunfels on October , 2022, authorized payments of up to \$1,500,000 as financial incentives to Company for the retention and creation of jobs and an increase in Total Taxable Assessed Value resulting from the Company's capital investment.

The conditions of said allocation being as follows:

I. COMPANY'S OBLIGATIONS

- a. To demonstrate satisfaction with the employment requirements of this Agreement, the Company will be required to annually certify that the conditions above are being fulfilled. Company shall provide the previous two quarters of quarterly employment taxes paid to the IRS (Form 941) to verify employment and payroll. Company agrees that all records will be subject to inspection and possible audit by the City of New Braunfels (hereinafter "City") on behalf of the EDC with sufficient notice provided.
- b. Company agrees to indemnify, defend, and hold harmless the EDC, and its employees, agents, assigns, representatives, officials and officers (in their capacities as officials and officers), from and against any claims, losses, damages, causes of action, suits and liabilities arising out of any negligent act or omission of Company in its construction and operation of the Facility.
- c. The Company will agree not to knowingly employ any undocumented workers during the term of the Agreement. If the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the company shall repay the amount of the incentive with WSJ Prime Plus interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation. If convicted, the Company shall repay the amount of all incentive payments for the year(s) in which the violation(s) occurred.

II. INCENTIVES

- a. The EDC shall provide the Company a grant of up to \$500,000 to reimburse Company for applicable building permit, water, wastewater and roadway impact fees assessed through the development process by the City of New Braunfels (hereinafter "City") and New Braunfels Utilities for new construction at the Facility. Payment of the full grant amount will be issued

within 30 days of City or EDC receiving request for repayment from Company.

- b. The EDC shall provide the Company a grant of up to \$500,000 for the retention of 90 full-time employees for a period of three years from the effective date of this Agreement. For each full-time employee retained, up to ninety full-time employees, EDC shall pay Company \$1,851 for each full-time employee for the first three years of this Agreement. Payment of the grant amount will be made upon City or EDC's verification of employment.
- c. For each full-time employee the Company employs in addition to the 90 full-time employees referenced in the preceding section, the EDC shall provide the Company an additional grant of \$5,000 per year of full-time employment during the first three years of this Agreement, up to a total of no more than \$500,000, if Company's weighted average annual compensation, including bonuses and commissions, at Facility exceeds \$36,000 at the end of the first year of this Agreement, \$45,000 at the end of the second year of this Agreement, and \$46,500 at the end of the third year of this Agreement.
- d. In no event shall total reimbursement payments from the EDC to Company pursuant to this Agreement exceed \$1,500,000.
- e. For purposes of this Agreement, the term *full-time employee* means an employee at the Facility who works a minimum of thirty (30) hours per week at the Facility.

III.

In performance of this contract, Company shall not discriminate against any person because of his/her race, color, religion, national origin, sex, disability, or ancestry. Proven breach of this covenant may be regarded as a material breach of this contract causing its termination.

IV.

All communications between EDC and Company shall be addressed to the:

President
New Braunfels Economic Development Corporation
c/o City of New Braunfels
City Hall
550 Landa Street
New Braunfels, Texas 78130

Any communication to the Company shall be addressed to

_____, (position within company), at the following location:

V.

It is understood and agreed that in the event any provision of this contract is inconsistent with requirements of law, the requirements of law will control, and the parties shall revert to their respective positions, which would otherwise be enjoyed or occupied by the respective parties for the terms of this contract.

VI.

This Agreement cannot be assigned by Company without the prior written consent of the EDC, which consent may not be unreasonably denied, delayed, conditioned or withheld (it being understood that reasonable reasons for the EDC to deny such consent include, without limitation, the lack of financial viability of the assignee, the business reputation of the assignee, the assignee's engaging in a type of business that would reflect poorly on the EDC, the assignee's lack of compliance with City ordinances and other state or federal labor laws).

VII.

This Agreement shall be effective on the date of execution by both parties to this Agreement.

VIII.

The foregoing instrument in writing between the parties herein, constitutes the entire agreement between the parties, relative to the funds made the basis hereof, and any other written or oral agreement with the EDC being expressly waived by Company.

IN WITNESS WHEREOF, the parties hereto execute this agreement:

**NEW BRAUNFELS ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Kathy Meurin, President

By: _____
Jim Poage, Secretary

(SIGNATURES CONTINUE ON FOLLOWING PAGE)

DETEX CORPORATION

By: _____

Name: _____

Title: _____

STATE OF TEXAS

COUNT OF _____

Before me, _____, on this day personally appeared _____, know to me to be the person whose name is he/she executed the same as the act of DETEX CORPORATION, as its President for the purposes and consideration therein expressed.

Subscribed and sworn to before me this _____ day of _____, 2022.

(SEAL)

Notary Public, State of _____

My commission _____