

RESOLUTION NO. 2021-2

A RESOLUTION OF NAVARRO COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF A DEVELOPMENT AGREEMENT BY AND BETWEEN THE COUNTY OF NAVARRO, TEXAS AND PINCHAL & COMPANY, LLC, AND ITS ASSIGNEES, FOR THE DEVELOPMENT OF A COMMERCIAL/INDUSTRIAL PROPERTY, AND AUTHORIZING EXECUTION BY THE COUNTY JUDGE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Commissioner’s Court has been presented a proposed development project between Navarro County, the City of Corsicana, Texas and Pinchal & Company, LLC, a Texas limited liability company, and its assignees, providing for certain improvements, a copy of which is attached hereto and incorporated herein by reference (hereinafter called “AGREEMENT”); and

WHEREAS, upon full review and consideration of the AGREEMENT, and all matters attendant and related thereto, the Navarro County Commissioner’s Court is of the opinion that the terms and conditions thereof should be approved, and that the County Judge shall be authorized to execute it on behalf of the County of Navarro;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONER’S COURT OF NAVARRO COUNTY, TEXAS:

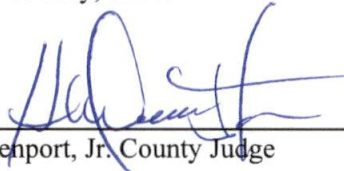
Section 1. The terms and conditions of the proposed AGREEMENT, having been reviewed by the Commissioner’s Court of the County of Navarro, Texas and found to be acceptable and in the best interest of the County of Navarro and its citizens, are hereby in all things approved.

Section 2. The County Judge is hereby authorized to execute the AGREEMENT and all other documents in connection therewith on behalf of the County of Navarro, substantially according to the terms and conditions set forth in the AGREEMENT.

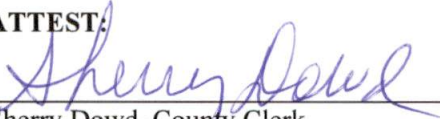
Section 3. That this approval and execution of the AGREEMENT on behalf of the County of Navarro is conditional upon approval and execution of a similar AGREEMENT by the City Council of the City of Corsicana, Texas.

Section 4. This Resolution shall become effective from and after its passage.

PASSED and **APPROVED** on this the 8th day of February, 2021.



H.M Davenport, Jr. County Judge

ATTEST:


Sherry Dowd, County Clerk



STATE OF TEXAS §

COUNTY OF NAVARRO §

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into by and between the City of Corsicana, Texas, a home rule city and municipal corporation of Navarro County, Texas, acting herein by and through its Mayor and the County of Navarro, acting herein through its County Judge and hereinafter referred as OWNERS and Pinchal & Company, LLC, a Texas limited liability company, and its assignees, and hereinafter referred to as DEVELOPER.

RECITALS:

WHEREAS, the OWNERS own industrial zoned land on Interstate 45, commonly referred to as the I-45 Industrial Park; and

WHEREAS, the I-45 Industrial Park is located in a Reinvestment Zone; and

WHEREAS, the DEVELOPER intends to develop approximately 26.5 acres of land and construct a 370,320 square foot industrial building as described in Exhibit "A" and Exhibit "B" (the "Property"); and

WHEREAS, in order to maintain and/or enhance the commercial economic and employment base of the Corsicana area to the long term interest and benefit of the City of Corsicana and Navarro County, it is in the best interest of the taxpayers for the City of Corsicana and Navarro County to enter into this Agreement; and

WHEREAS, the contemplated use of the Property, the contemplated Improvements to the Property in the amount as set forth in this Agreement, and the other terms hereof are consistent with encouraging development of the Reinvestment Zone.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for good and other valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties hereto do mutually agree as follows:

I. DEFINITIONS

Whenever used in this Agreement, the following terms shall have the meanings ascribed to them:

I.1 "Event of Bankruptcy or Insolvency" means the dissolution or termination 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) 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 such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

I.2 “Force Majeure” means any contingency or cause beyond the reasonable control of OWNER including, without limitation, acts of God or the public enemy, war, riot; civil commotion, insurrection, adverse weather, governmental or de facto governmental action (unless caused by acts or omissions of OWNERS), fires; explosions or floods, and strikes.

I.3 Other terms defined elsewhere in this Agreement shall have the meanings therein ascribed to those terms.

II. DEVELOPER’S OBLIGATIONS

2.1 The “Property” to be the subject of this Agreement shall be the property described herein in Exhibits “A” and “B” consisting of approximately 26.5 acres of land.

2.2 For the purposes of fulfilling this Agreement, the DEVELOPER shall make improvements to the Property. The project shall include the construction of an approximately~370,320 square foot manufacturing building including the required site work, storm water pollution prevention, streets, drainage, sewer, water, utilities, and platting/zoning/permitting fees needed to complete the project.

2.3 As good and valuable consideration for this Agreement, DEVELOPER agrees and covenants that it will diligently and faithfully pursue the completion of the Improvements in a good and workmanlike manner. DEVELOPER further covenants and agrees that all construction of the Improvements and use of the Property will be in accordance with all applicable State and local laws, codes, and regulations (or valid waiver thereof).

2.4 DEVELOPER shall provide or cause to be provided the “Security Deposit” in favor of Owners as described in Section 6.1.

III. OBLIGATION OF THE OWNERS

III.1 Upon the Effective Date of this Agreement and the posting of the Security Deposit as described in Section 6.1 the OWNERS shall convey to DEVELOPER the Property.

IV. TERM OF THE AGREEMENT

IV.1 The term of this Agreement (the “Term”) shall begin with the Effective Date and continue for the period outlined in Table 6.1 after the issuance of the Certificate of Occupancy, whichever is later.

IV.2 Prior to October 1st of each year during the Term of this Agreement, DEVELOPER shall certify to the OWNERS that DEVELOPER is in compliance with all of the terms and conditions of this Agreement.

V. DEFAULT; REMEDIES

V.1 In the event that (a) DEVELOPER fails to begin construction of the Improvements by January 1, 2022 for which this Property is being conveyed subject to extension of such time period(s) as a result of events of Force Majeure; (b) DEVELOPER has an Event of Bankruptcy or Insolvency (as defined in

Paragraph 1.2); or (c) DEVELOPER otherwise fails to comply with any of the terms, conditions, or obligations of this Agreement, the DEVELOPER shall be in default of this Agreement.

V.2 In the event of a default under Section 5.1(a) DEVELOPER shall convey the property to OWNERS lien free by special warranty deed within thirty (30) days after written notice of such default. In the event of a default under Section 5.1(b) or 5.1(c), OWNERS shall give the DEVELOPER written notice of such default and, if the DEVELOPER has not cured such default within thirty (30) days after said written notice, OWNERS may draw upon the then current Security Deposit as described in Section 6.1.

VI. GENERAL PROVISIONS

VI.1 DEVELOPER agrees to provide on the Effective Date and annually each year thereafter in accordance with the schedule set forth below, financial security in the form of a cash security deposit (the "Security Deposit") to the OWNERS. The Security Deposit will be in the amount of \$1,154,340.00 initially. The Security Deposit will be reduced annually and refunded as applicable by OWNERS to DEVELOPER as outlined in Table 6.1 below.

Table 6.1	
Security Deposit	
Initial Amount – Effective Date	\$1,154,340.00
Upon the Issuance of a Certificate of Occupancy (the "C.O.")	\$577,170.00
12 Months following the issuance of the C.O.	\$461,736.00
24 Months following the issuance of the C.O.	\$346,302.00
36 Months following the issuance of the C.O.	\$230,868.00
48 Months following the issuance of the C.O.	\$115,434.00
60 Months following the issuance of the C.O.	\$0.00

VI.2 The City of Corsicana represents and warrants that the Property does not include any property that is owned by a member of the City Council approving, or having responsibility for the approval of this Agreement.

VI.3 The County of Navarro represents and warrants that the Property does not include any property that is owned by a member of the Navarro County Commissioner's Court approving, or having responsibility for the approval of this Agreement.

VI.4 The terms and conditions of the Agreement are binding upon the successors and permitted assigns of all parties hereto. This Agreement may not be assigned by DEVELOPER without the prior written consent of the OWNERS, such consent to be at the sole discretion of the OWNERS; provided, however,

that upon written notice to the OWNERS, DEVELOPER may assign its rights under this Agreement to Corsicana BTS, LLC or another affiliate or subsidiary of DEVELOPER, subject to DEVELOPER remaining liable for all of its obligations hereunder.

VI.5 It is understood and agreed between the parties that the DEVELOPER, in performing its obligations hereunder, is acting independently, and the OWNERS assume no responsibility or liability in connection therewith to third parties and DEVELOPER agrees to indemnify and hold harmless the OWNERS therefrom. It is further understood and agreed among the parties that the OWNERS, in performing its obligations hereunder, is acting independently, and the DEVELOPER assumes no responsibility or liability in connection therewith to third parties and the OWNERS agrees to indemnify and hold harmless the DEVELOPER therefrom.

VI.6 Notices required to be given to any party to this Agreement shall be given personally or by certified mail, return receipt requested, postage prepaid, addressed to the party at its address set forth below, and given by mail, shall be deemed delivered as of the date personally delivered or three days after deposit in the United States mail:

For OWNERS by notice to:

City of Corsicana, Texas
Attention: City Manager
Corsicana Government Center
200 North 12th Street
Corsicana, Texas 75110

For DEVELOPER by notice to:

c/o Pinchal & Company, LLC
4400 Post Oak Parkway, Suite 2350
Houston, Texas 77027
Attention: Brian W. McMackin

Any party may change the address to which notices are to be sent by giving the other party written notice in the manner provided in this Section 6.6.

VI.7 This Agreement constitutes the entire and final expression of the agreement of the parties hereto with respect to the subject matter hereof. This Agreement can be modified or amended only by a written agreement executed by both parties.

VI.8 If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to recover from the other party reasonable attorneys' fees and costs of suit.

VI.9 This Agreement shall be governed by the laws of the State of Texas, without regard to its choice of law rules. This Agreement is performable in Navarro County, Texas. Exclusive venue for any litigation related to, or arising out of, this Agreement shall lie in Navarro County, Texas.

VI.10 In this Agreement, time is of the essence.

VI.11 This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

VI.12 This Agreement was authorized by resolution of the City Council at its regularly scheduled meeting on the 8th day of February, 2021, authorizing the Mayor to execute the Agreement on behalf of the City of Corsicana.

VI.13 This Agreement was authorized by resolution of the Commissioners Court of the County of Navarro on the 8th day of February, 2021, authorizing the County Judge to execute the Agreement on behalf of the County of Navarro.

VI.14 This AGREEMENT was entered into by DEVELOPER on the ____ day of _____, 2021, pursuant to authority granted by its members.

VI.15 This AGREEMENT shall constitute a valid and binding agreement between the OWNERS and DEVELOPER when executed in accordance herewith as of the Effective Date set forth below.

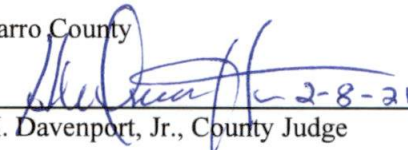
Witness our hands this ____ of February, 2021 (the "Effective Date").

APPROVED:

City of Corsicana

Don Denbow, Mayor

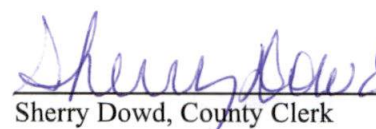
Navarro County



H.M. Davenport, Jr., County Judge

ATTEST:

Melissa Boyle, City Secretary



Sherry Dowd, County Clerk



APPROVED AS TO FORM:

Kerri Anderson Donica, City Attorney

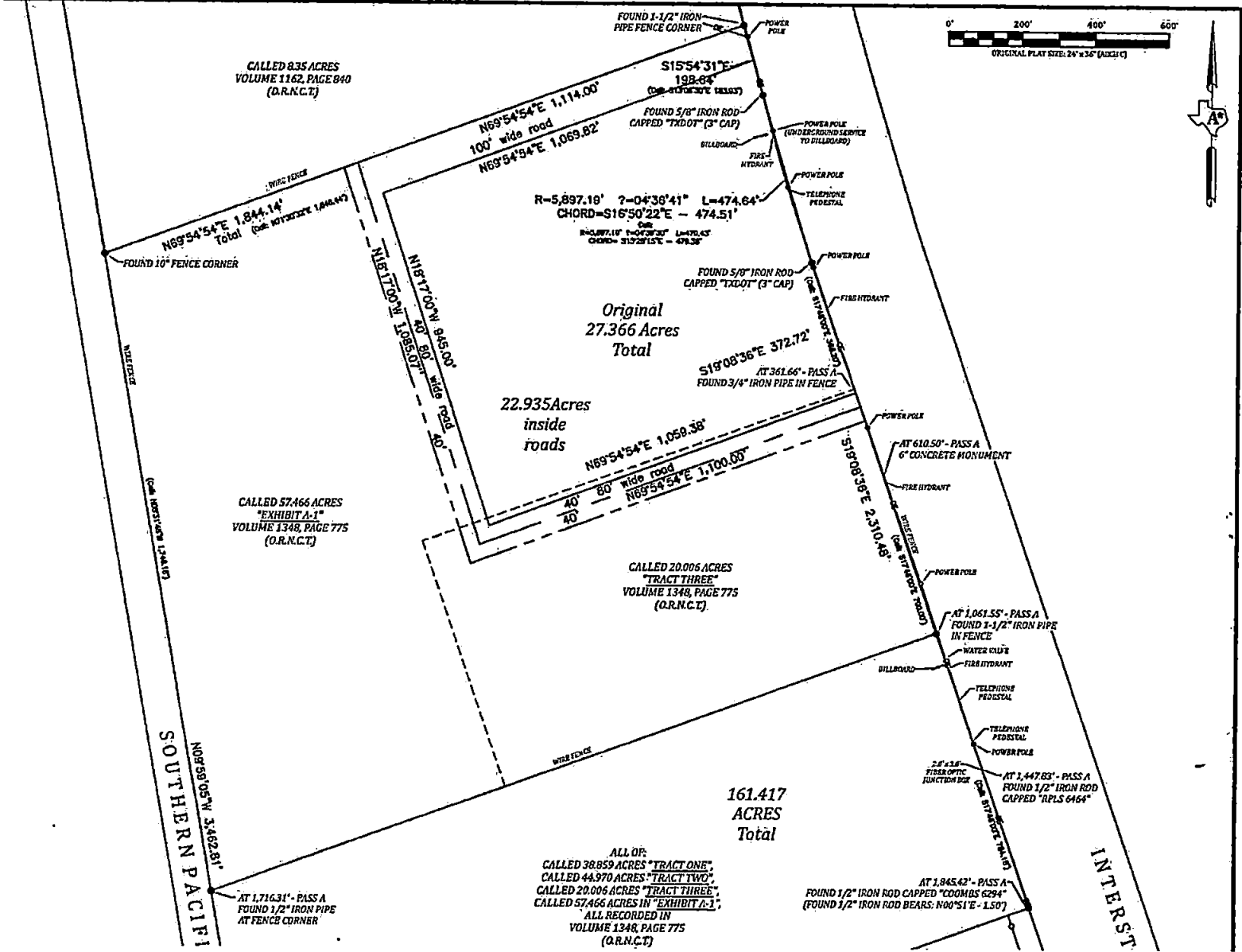
DEVELOPER:

Pinchal & Company, LLC

By: _____
Brian W. McMackin
Vice President

EXHIBITS ATTACHED:

"A" Survey and Description of Property
"B" Overhead Map of Property





CORSICANA TEXAS



Site 1 Acreage	34.57 AC
Expansion Acreage	12.32 AC
Total Acreage	46.89 AC
Building 1	763,839 SF
Expansion	243,040 SF
Car Parking	104
Car Parking Future	312
Trailer Parking	153
Trailer Parking Future	66
9' X 10' Dock Door	53
12' X 14' Ramp Door	2
Site 2 Acreage	21.16 AC
Building 2	355,320 SF
Car Parking	217
Trailer Parking	104
9' X 10' Dock Door	76
12' X 14' Ramp Door	4
Site 3 Acreage	18.85 AC
Building 3	304,560 SF
Car Parking	213
Trailer Parking	87
9' X 10' Dock Door	68
12' X 14' Ramp Door	4
Site 4 Acreage	26.50 AC
Building 4	355,320 SF
Building 4 Office	15,000 SF
Car Parking	250
Trailer Parking	200
9' X 10' Dock Door	40
12' X 14' Ramp Door	2
Site 6 Acreage	11.34 AC
Building 6	164,640 SF
Car Parking	204
9' X 10' Dock Door	42
12' X 14' Ramp Door	2

Exhibit B



Master Plan