

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF JOHNSON §

WHEREAS, the City of Cleburne, Texas (the "City") adopted Ordinance No. OR05-2001-35, designating Tax Reinvestment Zone No. One , City of Cleburne (referred to herein as the "Zone") under the provisions Title 3, Subtitle B, of Chapter 312 of V.T.C.A., Tax Code; and

WHEREAS, the City has entered into an agreement ("Agreement") with La Moderna Holdings Incorporated which owns the properties described herein located in said Zone in its own name or through its subsidiaries La Moderna Foods Incorporated and Interamerican Foods Corporation (all collectively referred to hereinafter as "LA MODERNA", as owner of the taxable real property for the abatement of ad valorem taxes pursuant to Section 312.204 of V.T.C.A., Tax Code and Ordinance No. OR03-2015-13 (the "Ordinance") of the City; and

WHEREAS, Johnson County, herein after referred to as the County, has determined that the proposed improvements, as described in this Agreement, are to be constructed by LA MODERNA, meet the requirements for eligibility for tax abatement under V.T.C.A. Tax Code and the "Ordinance"; and

WHEREAS, it is reasonably likely that this Agreement will contribute to the retention, expansion and creation of primary employment and will attract major investment in the Zone that would be a benefit to property within the Zone and that would contribute to the economic development of the County; and

WHEREAS, the County has determined that the Improvements are practical and are of benefit to the area within the Zone and to the County; and

WHEREAS, Commissioners Court of Johnson County, Texas (the "Commissioners Court") finds that the terms of this Agreement meet the applicable requirements of the Guidelines and Criteria for the Johnson County Tax Abatement Policy Statement, adopted by the Commissioners Court; and

WHEREAS, this Agreement shall become effective upon the approval by Johnson County and the execution of said agreement by both the County and LA MODERNA;

NOW, THEREFORE, the parties hereto, for and in consideration of the premises and mutual promises stated herein, agree as follows:

Section 1. The real property and improvements thereto shall be those constructed on the property constituting the Zone as described by the following legal description; That tract or parcel of land located at 1929 Sparks Drive, Cleburne, Texas, and more particularly described on Exhibit "A" that is attached hereto and incorporated by reference herein for all purposes.

Section 2. LA MODERNA desires to construct a new pasta manufacturing facility in Cleburne which would be its first such facility in the United States. LA MODERNA has 22 other facilities serving the global market in Mexico and Guatemala. The cost of the proposed improvement is \$40,000,000.00. The facility construction will create approximately 88 new jobs. LA MODERNA anticipates that the improvements will be completed by January 1, 2016.

Section 3. For purposes of this Agreement:

- (a) the "Abatement Property" means the Premises, the Improvements and the related items of tangible personal property described in Sections 1 hereof,
- (b) the "Effective Date of Abatement" means January 1, 2016; and
- (c) the "Abatement Period" means that period commencing in tax year 2016 and ending in tax year 2022.

Section 4. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the County, fifty percent (50%) of the appraised value for property tax purposes of the Abated Property (to the extent the appraised value of the Abated Property for each year exceeds its value as of January 1, 2015) shall be abated and exempted from taxation for a period of seven (7) years beginning with the first day of the Effective Date of Abatement. As a result, said abatement shall result in a reduction by fifty percent (50%) of the taxes that would otherwise be assessed upon that portion of the appraised value of the Abated Property that for each year of abatement exceeds its value as of January 1, 2015. It is the intent of the parties that the abatement granted hereby shall extend for a period of seven (7) years beginning with the first day of the Effective Date of Abatement, and shall apply only to all Improvements and items of tangible personal property constructed or placed on the Premises that resulted from this expansion. To the extent necessary, it is the intent of the parties that this Agreement shall not be amended to include such additional improvements and items of tangible personal property. A separate tax abatement agreement shall be entered into with respect to any additional property. It is also agreed that if the appraised value of the improvements should fall below \$35,000,001.00 the percent abated will be reduced per the table in the Guidelines and Criteria For Johnson County Tax Abatement Policy.

Section 5.

It is agreed that employees of the County shall have access to the premises for inspection to ensure that the Improvements are made according to the conditions of this Agreement and that the Improvements are of substantially the same character as described in Section 2 hereof (subject to the right of LA MODERNA, to revise the plans and specifications for the Improvements prior to and during construction). All inspections will be made only after giving LA MODERNA, at least twenty-four (24) hours advance notice and will be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the project. All inspections will be made with one or more representatives of LA MODERNA, and in accordance with LA MODERNA's safety standards.

LA MODERNA, shall indemnify, hold harmless and defend the County, its members, agents, officials, employees, from and against any and all obligations, claims, suits, damages, and liability, or alleged liability, including, but not limited to liability without fault and liability by virtue of the obligations of LA MODERNA, pursuant to this Agreement or the acts or omissions of LA MODERNA, its agents, contractors, employees, licensees, or invitees, on or with respect to the Premises, Improvements and/or equipment, including costs of suit, attorney fees and other related costs and expenses of whatever kind or character arising directly or indirectly from any cause whatsoever in connection with or incidental to this Agreement or such acts or omissions, provided, however, that LA MODERNA, shall not be required to indemnify and hold harmless any indemnified party for any such injury or harm caused by the gross negligence or willful misconduct of any indemnified party. The indemnity set forth herein shall specifically include, without limitation all actions, damages, claims and liabilities for personal injury, death or property damage occurring on, or arising out of or resulting from the use of premises, improvements and/or equipment by LA MODERNA, its sublessee or representative, agents, contractors, employees, licensees or invitees.

Section 6.

- (a) During the Abatement Period, the County may declare a default hereunder by LA MODERNA, only if LA MODERNA, fails to commence construction of the Improvements within two (2) years from the date this Agreement is executed, fails to construct the Improvements, or refuses or neglects to comply with any of the terms of this Agreement, or if any representation made by LA MODERNA, in this Agreement is false or misleading in any material respect, or if LA MODERNA, allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest.
- (b) Should the County determine LA MODERNA, to be in default of this agreement, the County shall notify LA MODERNA, in writing prior to the end of the abatement period, and if such default is not cured within one hundred twenty (120) days from the date of such notice (the "Cure Period"), then the Agreement may be terminated; provided, however, that in the case

of a default that, for causes beyond LA MODERNA's reasonable control, cannot with due diligence be cured within such one hundred twenty day period, the "Cure Period" shall be deemed extended if LA MODERNA, (i) shall immediately, upon the receipt of such notice, advise the County of LA MODERNA's intention to institute all steps necessary to cure such default, and (ii) shall institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

- (c) Except as provided in Subsection (d) below, if LA MODERNA, violates any of the terms and conditions of this Agreement and fails to cure during the Cure Period, this Agreement may then be terminated and all taxes previously abated by virtue of this Agreement will be recaptured and paid within one hundred twenty (120) days of the termination.
- (d) During the period of time when LA MODERNA, is constructing, renovating, repairing, or installing the improvements and/or equipment on the premises, and at all times thereafter, during the term of this Agreement, LA MODERNA, shall keep the improvements and equipment insured against all loss or damage by fire or any other casualty. LA MODERNA, shall furnish the County with all Certificates of Insurance that are required by this Agreement within thirty (30) days after the initiation of construction, repairs, or installation, and within thirty (30) days succeeding the renewal of each policy required herein.

In the event, improvements and/or equipment are damaged by fire or any other casualty, should LA MODERNA, decide not to repair, remodel, renovate or reinstall; or fails to begin repair, remodeling, renovation or reinstallation on the damaged Improvements and/or equipment within six (6) months of the fire and/or other casualty, then the abatement shall terminate and all taxes previously abated by virtue of this Agreement will be recaptured and paid within one hundred twenty (120) days of the termination.

Section 7. For purposes of this Agreement, the value of the Premises, the Improvements and all items of tangible personal property situated on the Premises shall be the same as the value of such property as determined annually by the Chief Appraiser of the Johnson County Appraisal District, subject to the appeal procedures set forth in the Texas Property Tax Code (V.T.C.A. Tax Code). Any reduction in the number of new employees hired and retained by LA MODERNA, during any tax year subject to this Agreement shall reduce the amount of abated tax per the table on page three (3) of the tax abatement policy for Johnson County.

Prior to October 1st of each year that this Agreement is in effect, LA MODERNA, shall certify to the County that LA MODERNA, is in compliance with each applicable term of this Agreement. This annual certification shall include a rendition of the property value.

LA MODERNA, is solely responsible for meeting any and all additional requirements for the completion of this Agreement. These additional requirements include the application for the Abatement which will need to be filed with the Central Appraisal District of Johnson County, Texas.

Section 8. If the County terminates this Agreement upon an event of default as defined in Section 6 hereof, it shall provide LA MODERNA, written notice of such termination. If LA MODERNA, believes that such termination was improper, LA MODERNA, may file suit in Johnson County District Courts appealing such termination within one hundred twenty (120) days after receipt from the County of written notice of the termination. If an appeal suit is filed, LA MODERNA, shall remit to the County, within one hundred twenty (120) days after receipt of the notice of termination, any additional and/or recaptured taxes as may be payable pursuant to Section 6 of this Agreement during the pendency of the litigation pursuant to the payment provisions of section 42.08, V.T.C.A. Tax Code. If the final determination of the appeal increases LA MODERNA, tax liability above the amount of tax paid, LA MODERNA, shall remit the additional tax to the County pursuant to section 42.42, V.T.C.A. Tax Code and this agreement. If the final determination of the appeal decreases LA MODERNA's tax liability, the County shall refund to LA MODERNA, the difference between the amount of tax paid and the amount of tax for which LA MODERNA, is liable pursuant to section 42.43, V.T.C.A. Tax Code, and this agreement.

Section 9. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the County or LA MODERNA, at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To LA MODERNA:
LA MODERNA HOLDINGS INC.
333 Clay St., Ste 4700,
Houston, TX 77002
Attention: Project Manager

To the County:

Johnson County Courthouse
2 Main Street
Cleburne, Texas 76031
Attention: Roger Harmon
County Judge

Any party may designate a different address by giving the other parties ten days' written notice.

Section 10. All provisions of this Agreement shall be executed in compliance with the Order of the Commissioners Court. A copy of the Order is attached hereto as Attachment I and incorporated herein by reference for all purposes.

Section 11. LA MODERNA, warrants to the best of its knowledge that the Premises do not include any property that is owned by a member of the Commissioners' Court or any board, commission or other governmental body approving, or having responsibility for the approval of this Agreement.

Section 12. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.


Section 13. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

Section 14. This Agreement was authorized by the Order adopted by the Commissioners Court of Johnson County, Texas, at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, V.T.C.A., government code, Chapter 551, and such Order authorizes the County Judge to execute this Agreement on behalf of the County. This Agreement shall constitute a valid and binding agreement between the County and LA MODERNA, upon (i) execution by the County and LA MODERNA. This Agreement shall constitute a covenant running with the land and shall be recorded upon execution in the Real Property Records of Johnson County, Texas. This agreement is performable in Johnson County, Texas, and venue over any action to enforce any of the provisions hereof shall lie exclusively in Johnson County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of this Agreement.

Section 15. This Agreement has been executed by the parties in multiple originals, each having full force and effect.

EXECUTED THE 27th, DAY OF April, 2015.

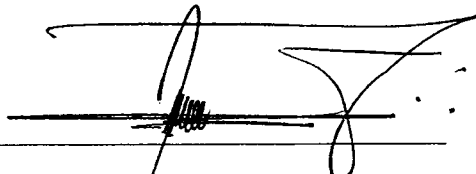
JOHNSON COUNTY, TEXAS

By: 
Roger Harmon
County Judge

This instrument was acknowledged before me on the 27th day of April, 2015, by Roger Harmon as County Judge

Alison L. Hitchcock
Notary Public Signature
My commission expires: 7/2/15

LA MODERNA

By: 
Title: CEO

State of
County of

This instrument was acknowledged before me on the 27th day of April, 2015, by Franca Antigue as CEO.

Alison L. Hitchcock
Notary Public Signature
My commission expires: 7/2/15

EXHIBIT A

Being an approximately 16.532 acre tract also known as Lot I-R, Block 1, Windmill Addition, an addition to the City of Cleburne, Johnson County, Texas according to the revised map or plat thereof recorded in Volume 10, Page 738, DRW F, Plat Records, Johnson County, Texas.

EXHIBIT "A"

Description of Premises

Property located at 1873 Sparks Drive, Cleburne, Texas with the following legal description - Being 5.5 acres out of Lot 2R, Block 1, Windmill Addition, Cleburne Industrial Park, West, an addition to the City of Cleburne, Johnson County, Texas, being a 5.5 acre tract, conveyed by Cleburne Economic Development Foundation, Inc. to SWL Linen Management, LLC by deed as recorded in Volume 10, page 596, Deed Records of Johnson County, Texas.

Description of Improvements

Construct 30,000 sq. ft. - new commercial industrial bldg . - Est. \$1 ,350,000 million
Estimated land cost - \$150,000
Equipment, fixtures and furniture - Est. \$1 .800,000
Estimated total project investment- \$3,300,000
Begin date - August 1, 2014
Estimated completion - April 30, 2015

EXHIBIT "A"

Description Of Premises

Property located at 2311 Pipeline Road, Cleburne, Texas with the following legal description - Being Lot 1, Block 1, Section One, Cleburne Industrial Park, an addition to the City of Cleburne, Johnson County, Texas, being a 60.0 acre tract, conveyed by Cleburne Industrial Foundation, Inc. to SACHEM, Inc. by deed as recorded in Volume 1418, page 772, Deed Records of Johnson County, Texas.

Description of Improvements

Construct 73,944 sq. ft. - new industrial bldg . - Est. \$1 ,660,000 million
Estimated labor, Engineering & Contract Services- \$4.5 million
Manufacturing & process Equipment - Est. \$9.6 million
Estimated total project investment- \$16,000,000
Begin date - May 15, 2014
Estimated completion -December 31 , 2015