

**CITY OF EL PASO, TEXAS  
AGENDA ITEM  
DEPARTMENT HEAD'S SUMMARY FORM**

**AGENDA DATE:** June 08, 2021  
**PUBLIC HEARING DATE:**  
**CONTACT PERSON(S) NAME AND PH. NUMBER:** Jessica Herrera, Director 915-212-1614  
Denisse Carter, Ed Contract Comp. Coord.  
915-212-1620  
**DISTRICT(S) AFFECTED:** 6  
**STRATEGIC GOAL:** Goal 1

**SUBGOAL:**

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

That the City Manager be authorized to sign a First Amendment to a Chapter 380 Economic Development Program Agreement between the City of El Paso, Texas, a Texas home rule municipal corporation, and SDI Technologies, Inc., a Delaware Corporation, KIDdesigns, Inc., a New Jersey corporation; and EL PASO GATEWAY, LLC, a Texas Limited Liability Company [formerly: SDI ABP LLC], to extend the deadlines by which Applicant must meet its Full-Time Employment requirements, in the City of El Paso, Texas.

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

On October 31, 2017, the City of El Paso entered into a 380 Economic Development program agreement with SDI Technologies, Incorporated, a Delaware Corporation, KIDdesigns, Inc, a New Jersey corporation; and EL PASO GATEWAY, LLC, a Texas Limited Liability Company [formerly: SDI ABP LLC] to build a new 276,000 SQ FT distribution facility, to employ and retain 88 full-time employees, and to invest \$15,000,000. In consideration, the City offered an incentive package totaling \$723,943 over the life of the agreement.

Due to the current pandemic, the company was affected, and staff in Economic Development understands the importance and benefits that full-time positions provide. Therefore, we are recommending an amendment to the original agreement. The Applicant will employ and retain 57 Full-time employment positions. In consideration, the property tax rebate incentive category is being reduced from \$547,443.92 to \$350,364.11.

Economic Development Staff is recommending approval as this will encourage increased economic development in the City of El Paso.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**  
Executive Session April 12, 2021

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**  
General Fund

**HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED?  YES  NO**

**PRIMARY DEPARTMENT:**

**SECONDARY DEPARTMENT:**



**\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\***

**Eduardo Garcia** Digitally signed by Eduardo Garcia  
Date: 2021.05.26 15:41:39 -06'00'

**DEPARTMENT HEAD:** \_\_\_\_\_

**(If Department Head Summary Form is initiated by Purchasing, client department should sign also)**

**RESOLUTION**

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized to sign a First Amendment to a Chapter 380 Economic Development Program Agreement between the City of El Paso, Texas, a Texas home rule municipal corporation, and SDI Technologies, Inc., a Delaware Corporation, KIDdesigns, Inc., a New Jersey corporation; and EL PASO GATEWAY, LLC, a Texas Limited Liability Company [formerly: SDI ABP LLC], to extend the deadlines by which Applicant must meet its Full-Time Employment requirements, in the City of El Paso, Texas.

**APPROVED** this \_\_\_\_ day of \_\_\_\_\_ 2021.

**CITY OF EL PASO:**

\_\_\_\_\_  
Oscar Leeser  
Mayor

**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Juan S. Gonzalez  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**

Eduardo Garcia Digitally signed by Eduardo Garcia  
Date: 2021.05.26 15:40:02 -06'00'  
\_\_\_\_\_  
Jessica Herrera, Director  
Economic & International Development

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

**FIRST AMENDMENT TO  
ECONOMIC DEVELOPMENT  
PROGRAM AGREEMENT**

This First Amendment to the Economic Development Program Grant Agreement ("First Amendment") is made this \_\_\_\_ day of \_\_\_\_\_, 2021, by the CITY OF EL PASO ("CITY"), a Texas home rule municipal corporation, and SDI Technologies, Incorporated, a Delaware Corporation; KIDdesigns, Inc, a New Jersey corporation; and EL PASO GATEWAY, LLC, a Texas Limited Liability Company, [formerly: SDI ABP LLC] ("APPLICANTS"). The parties mutually agree to an amendment as follows:

**WHEREAS**, on October 31, 2017, CITY and APPLICANT entered into an Economic Development Program Agreement (the "Agreement") a copy of which is attached and labeled as Exhibit "A-1" for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

**WHEREAS**, APPLICANT requested the economic development grant for the purpose of a consumer electronics distribution center be located in the City of El Paso, if so located, would stimulate increased economic development in the CITY; and

**WHEREAS**, CITY and APPLICANT now desire to amend the Agreement to extend the deadlines by which Applicant must meet its Full-Time Employment requirements.

**NOW, THEREFORE**, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **SECTION 1 (L)** is revised to read as follows:

**Full-Time Employment.** The words "Full-Time Employment" mean a job requiring a minimum of one thousand eight hundred twenty (1,820) hours of work averaged over a twelve (12) month period, including allowance for vacation and sick leave, with full company benefits, including company paid contributions to health insurance, for those employees that participate in the health insurance program, (Employee must not be required to pay more than fifty percent (50%) of the premium) with such jobs being located at the Development, within the City of El Paso, Texas. These requirements are more completely described in EXHIBIT B-1, which is attached hereto and incorporated herein for all purposes.

2. **SECTION 1 (M)** is revised to read as follows:

**Grant.** The word "Grant" means each annual payment to APPLICANT under the terms of this Agreement computed as (i) Property Tax Rebate, (ii) Construction Materials Sales Tax Rebate, and (iii) Building Construction Fee Rebate. The maximum, aggregated amount of Grant payments under the terms of this Agreement shall not exceed \$526,864.11.

3. **SECTION 1 (N) is revised to read as follows:**

**Grant Submittal Package.** The words "Grant Submittal Package" mean the documentation required to be supplied to City on a yearly basis as a condition of receipt of any Grant, with such documentation more fully described in **EXHIBIT B-1 and C-1**, which are attached hereto and incorporated herein for all purposes.

4. **SECTION 1 (S) is revised to read as follows:**

The words "**Property Tax Rebate**" means 40% rebate of the CITY's portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value for the Development and payable from the CITY's general revenue fund. For the purposes of this agreement, the maximum, aggregated amount of property tax to be rebated is **\$350,364.11**.

5. **SECTION 3 (B) is revised to read as follows:**

Applicant agrees that it, and its Affiliate companies, shall create, staff; and maintain the Full-Time Employment positions described in **EXHIBIT B-1** for the Development as of December 31 of the applicable year and shall maintain the Full-Time Employment positions for the Development through the entire Grant Period of this Agreement. Applicant will, when possible, work with Workforce Solutions Borderplex to source their employment positions. Applicant and its Affiliate shall maintain the Full-Time Employment positions for each quarter of each fiscal year with the total per day hours worked averaged over each fiscal quarter.

Applicant agrees to register and list all posting on the WorkInTexas.com website and the ability to utilize any of the services programs provided at no charge by Workforce Solutions Borderplex. Which include applicant screening, subsidized on the Job training, marketing, assessments/testing, and the use of conference rooms and interview rooms. Applicant will utilize if needed, participate in job/hiring fairs, State and Federal training funding, and work opportunity tax credits.

Applicant shall provide the City with an annual report by April 30th of each year during the term of this Agreement, certifying the status of compliance through the preceding year. Such annual report shall include the number of new jobs created and retained for the Development, information on any new investments in the Development, and any other information relevant to the Development and the City's economic development goals. Documentation for jobs may be in the form of quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. Applicant shall also provide the City with such other reports as may reasonably be required.

Applicant, during normal business hours, at its principal place of business in El Paso, and with two weeks written notice, shall allow the City or its agents reasonable access to Applicant's employment records and books, and other records that are related to the economic development considerations and incentives

described herein, to verify employment records and any other records related to the City's economic development considerations and incentives provided herein. In order to protect these records, the City shall maintain the confidentiality of such records in accordance with and subject to commercially reasonable practices and all applicable laws to the extent allowed by the Texas Open Records Act.

6. **SECTION 3 (C)** is revised to read as follows:

Unless otherwise agreed by the City and Applicant, each Grant Submittal Package shall be in the form provided in **EXHIBIT C-1**. A failure by Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant Year.

7. **SECTION 4 (D)** is revised to read as follows:

Under no circumstances shall the total aggregate of Grant payments exceed the lesser of: (1) **\$526,864.11** or (2) the total value of the City's portion of the incremental ad valorem property tax revenue generated by the subject property in the Development above the Base Year Value for the Grant Period and payable from the City's general revenue fund.

8. The first paragraph of **SECTION 7 (M)** is revised to read as follows:

**Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown below. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address. Applicant shall provide all required invoices and other required documentation to City electronically at the following address: **EDcompliance@elpasotexas.gov**

9. **EXHIBIT B** is deleted in its entirety and replace by **Exhibit B-1**, attached hereto.

10. **EXHIBIT C** is deleted in its entirety and replace by **Exhibit C-1**, attached hereto.

#### **TERMS AND CONDITIONS**

11. All terms and conditions of the agreement except as herein revised, shall remain in full force and effect.

***[SIGNATURES BEGIN ON THE FOLLOWING PAGE]***

IN WITNESS WHEREOF, the City and Applicant have executed this Amendment to the Agreement as of the date first written above.

CITY  
CITY OF EL PASO, TEXAS:

\_\_\_\_\_  
Tomás González  
City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

  
Juan S. González  
Senior Assistant City Attorney

Eduardo Garcia Digitally signed by Eduardo Garcia  
Date: 2021.05.26 15:39:20 -06'00'  
\_\_\_\_\_  
Jessica Herrera, Director  
Economic and International Development

**ACKNOWLEDGMENT**

STATE OF TEXAS     §  
                                          §  
COUNTY OF EL PASO §

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2021, by Tomás González, as City Manager of the City of El Paso, Texas (CITY).

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:  
\_\_\_\_\_

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

**APPLICANT:**

**SDI Technologies Inc.**  
A Delaware Corporation

By: 

Name: Isaac Ashkenazi

Title: CFO

**ACKNOWLEDGMENT**

STATE OF NY §  
                                          §  
COUNTY OF NY §

This instrument was acknowledged before me on the 26<sup>th</sup> day of May, 2021, by Isaac Ashkenazi, as CFO of SDI Technologies Incorporated (APPLICANT).

  
Notary Public, State of ~~Texas~~ New York

My Commission Expires:

12/4/2022

**MARCOS ZALTA**  
Notary Public - State of New York  
No. 82248051698  
Qualified in New York County  
My Commission Expires 12/4/2022

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**



**APPLICANT:**

**EL PASO GATEWAY, LLC.**  
A Texas Limited Liability Company

By: 

Name: Isaac Ashkenazi

Title: Manager

**ACKNOWLEDGMENT**

STATE OF NY §  
                                          §  
COUNTY OF NY §

This instrument was acknowledged before me on the 26<sup>TH</sup> day of May, 2021, by Isaac Ashkenazi, as Manager of EL PASO GATEWAY, LLC. (APPLICANT).

  
Notary Public, State of Texas New York

My Commission Expires:

12/4/2022

**MARCOS ZALTA**  
Notary Public - State of New York  
No. 022A6051698  
Qualified in New York County  
My Commission Expires 12/4/2022

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

**APPLICANT:**

**KIDdesigns, Inc.**  
A New Jersey Corporation

By: 


Name: Isaac Ashkenazi

Title: CEO

**ACKNOWLEDGMENT**

STATE OF NY §  
                                          §  
COUNTY OF NY §

This instrument was acknowledged before me on the 26<sup>th</sup> day of May, 2021, by Isaac Ashkenazi, as CEO of KIDdesigns, Inc. (APPLICANT).

  
Notary Public, State of ~~Texas~~ New York

My Commission Expires:

12/4/2022

**MARCOS ZALTA**  
Notary Public – State of New York  
No. 022A6051698  
Qualified in New York County  
My Commission Expires 12/4/2022

**[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]**

**EXHIBIT A-1**

**Executed Chapter 380 Economic Development Program Agreement**

15.1

CITY CLERK DEPT.

RESOLUTION

2017 OCT 24 AM 10:26

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:


That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement between the City of El Paso, Texas, a Texas home rule municipal corporation, and SDI Technologies, Incorporated, a Delaware Corporation, KIDdesigns, Inc, a New Jersey corporation; and SDI ABP, LLC, a Texas Limited Liability Company, to locate and construct a consumer electronics distribution center in the City of El Paso, Texas.

APPROVED this 31<sup>st</sup> day of October 20\_\_.

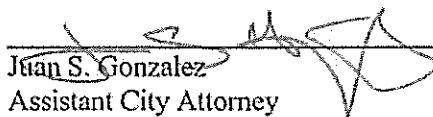
CITY OF EL PASO

  
Dee Margo, Mayor

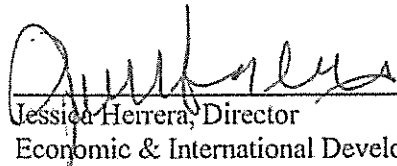
ATTEST:

  
Laura D. Prine  
Interim City Clerk

APPROVED AS TO FORM:

  
Juan S. Gonzalez  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
Jessica Herrera, Director  
Economic & International Development

15-1

CITY CLERK DEPT.

2017 OCT 24 AM 10:26

STATE OF TEXAS )
COUNTY OF EL PASO )
CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT

This Chapter 380 Economic Development Program Agreement ("Agreement") is made and entered into by and between the CITY OF EL PASO, TEXAS ("City"), a Texas home rule municipal corporation, and SDI Technologies, Incorporated, a Delaware Corporation, KIDdesigns, Inc, a New Jersey corporation; and SDI ABP, LLC, a Texas Limited Liability Company, ("Applicants") for the purposes and considerations stated below:

WHEREAS, the Applicant desires to enter into this Agreement pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380") and the Texas Constitution Article VIII, Section 52-a; and

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to Applicant to locate and construct Applicant's consumer electronics distribution center as more fully described below; and

WHEREAS, the City has the authority under Chapter 380 to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City of El Paso; and

WHEREAS, the City determines that a grant of funds to Applicant will serve the public purpose of promoting local economic development and enhancing business and commercial activity within the City; and

WHEREAS, the City and Applicant desire that Applicant's consumer electronics distribution center be located in the City of El Paso; and

WHEREAS, the Applicant's consumer electronics distribution center being located in El Paso, Texas will likely encourage increased economic development in the City, provide increases in the City's property tax revenues, and improve the City's ability to provide for the health, safety and welfare of the citizens of El Paso; and

WHEREAS, the City has concluded and hereby finds that this Agreement embodies an eligible "program" and promotes economic development in the City of El Paso and, as such, meets the requisites under Chapter 380 of the Texas Local Government Code and further, is in the best interests of the City and Applicant.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. **Affiliate.** The word “Affiliate” means with respect to any specified person or entity, any other person or entity that, directly or indirectly, controls, is under common control with, or is controlled by such specified person or entity. For purposes of this definition, the term “control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, through ownership of voting securities or through partnership interest.
- B. **Agreement.** The word “Agreement” means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached to this Agreement.
- C. **Applicant.** The words “Applicant or Applicants” means **SDI Technologies**, Incorporated, a Delaware Corporation; **KIDdesigns, Inc**, a New Jersey corporation; and **SDI ABP, LLC**, a Texas Limited Liability Company.
- D. **Base Year Value.** The words “Base Year Value” mean the value of the real and personal property on the rolls as of January 1<sup>st</sup> of the year in which this Agreement is executed with respect to the Development. However, under no circumstances shall the Base Year Value be interpreted to be equivalent or determinative for appraisal purposes or to be utilized in any way to determine market value. For the purposes of this Agreement, this amount is \$2,604,164.00.
- E. **Building Construction Fee Rebate.** The words “Building Construction Fee Rebate” means 100% of the certain building construction and planning fees will be rebated based on the fee schedule established in Ordinance 018581, but in no event will the total fee rebate amount exceed \$60,000.00.
- F. **City.** The word “City” means the City of El Paso, Texas.
- G. **Construction Materials Sales Tax Rebate.** The words “Construction Materials Sales Tax Rebate” means a 100% rebate of the CITY’s one percent (1%) Sales and Use Tax Receipts for materials and labor of Taxable Items used in the construction of the Development. For the Purposes of this Agreement, the maximum value of this rebate is \$116,500.00.
- H. **Development.** The word “Development” means Applicant’s warehouse and distribution center being located in El Paso, Texas as more fully described on **EXHIBIT A**, which is attached hereto and incorporated herein for all purposes.
- I. **Effective Date.** The date upon which both parties have fully executed this Agreement as set forth on the signature page hereof.
- J. **Event of Default.** This phrase shall have the meaning set forth in Section 5 hereof.
- K. **Event of Nonappropriation.** The phrase means the failure of the City to appropriate for any Fiscal Year, sufficient funds to pay the Grant payment, or the reduction of any previously appropriated money below the amount necessary to permit the City to pay the Grant payments from lawfully available funds.



- L. **Full-Time Employment.** The words “Full-Time Employment” mean a job requiring a minimum of one thousand eight hundred twenty (1,820) hours of work averaged over a twelve (12) month period, including allowance for vacation and sick leave, with full company benefits, including company paid contributions to health insurance (Employee must not be required to pay more than fifty percent (50%) of the premium) with such jobs being located at the Development, within the City of El Paso, Texas. These requirements are more completely described in **EXHIBIT B**, which is attached hereto and incorporated herein for all purposes.
- M. **Grant.** The word “Grant” means each annual payment to APPLICANT under the terms of this Agreement computed as (i) Property Tax Rebate, (ii) Construction Materials Sales Tax Rebate, and (iii) Building Construction Fee Rebate. The maximum, aggregated amount of Grant payments under the terms of this Agreement shall not exceed \$723,943.00.
- N. **Grant Submittal Package.** The words “Grant Submittal Package” mean the documentation required to be supplied to City on a yearly basis as a condition of receipt of any Grant, with such documentation more fully described in **EXHIBIT B** and **C**, which are attached hereto and incorporated herein for all purposes.
- O. **Minimum Appraisal Value.** The words “Minimum Appraisal Value” mean the value of the real and personal property and improvements of the Development after the construction of the Development below which Applicant and its Affiliate(s) cannot protest nor contest the appraised value of the Development with the El Paso Central Appraisal District during the term of this Agreement. The Minimum Appraisal Value may be adjusted annually for normal depreciation during the term of this Agreement. Under no circumstances shall the Minimum Appraisal Value be interpreted to be equivalent or determinative for appraisal purposes or be utilized in any way to determine market value. For the purposes of this Agreement, the Minimum Appraisal Value shall be \$14,482,000.00.
- P. **Minimum Investment:** The words “Minimum Investment” mean those costs incurred by APPLICANT or third parties in the acquisition, construction, or furnishing of the improvements for the Project, to include cash and in-kind contributions. For the purposes of this Agreement, the Minimum Investment amount shall be \$15,000,000.00.
- Q. **Project.** The word “Project” means the project more particularly described in **EXHIBIT A** attached hereto and incorporated herein by reference.
- R. **Property.** The word “Property” means approximately 276,000 square feet of building and 603,719 square feet of real property located at the Americas Business Park located in El Paso, Texas, more specifically described on **EXHIBIT A**.
- S. **Property Tax Rebate.** The words “Property Tax Rebate” means 40% rebate of the CITY’s portion of the incremental ad valorem property tax revenue generated by the subject property above the Base Year Value for the Development and payable from the CITY’s general





revenue fund. For the purposes of this agreement, the maximum, aggregated amount of property tax to be rebated is \$547,443.00.

- T. **Qualified Expenditures.** The words “Qualified Expenditures” means those costs incurred by Applicant in the acquisition, construction or furnishing of the Development. For the purposes of this Agreement, the Qualified Expenditures amount shall be \$15,000,000.00.

## SECTION 2. TERM AND GRANT PERIOD.

The term of this Agreement shall be 12 years from the Effective Date of this Agreement, including any renewal agreed upon by the parties. The Effective Date of this Agreement shall be the date upon which both parties have fully executed this Agreement, as noted below.

The Grant Period shall begin with the first tax year that begins after: (i) the issuance of the Certificate of Occupancy for the Development and, (ii) the Applicant having met all Full Time Employment job requirements noted in Exhibit B, which is attached hereto and incorporated herein for all purposes. Failure of the Applicant or its Affiliate to receive its Certificate of Occupancy and meet its Full Time Employment job requirements as noted in Exhibit B within two (2) years of the Effective Date of this Agreement, excluding the above-referenced tolling period, shall result in the immediate termination of this Agreement.

The Applicant’s eligibility for Grant payments shall be limited to 10 consecutive years (the “Grant Period”) within the term of this Agreement. The City shall review Applicant’s eligibility for Grant Payments on an annual basis in accordance with Exhibits B and C, during the Grant Period.

## SECTION 3. OBLIGATIONS OF APPLICANT.

During the term of this Agreement, Applicant shall comply with the following terms and conditions:

- A. Applicant agrees that it and its Affiliate will develop, construct, and operate the Development at its sole cost. Applicant and its Affiliate shall commence construction and or improvements of the Development within 6 months of the Effective Date of this Agreement. Moreover, during construction of the Development the Applicant and its Affiliate agree to hire and purchase goods and services from local manufacturers, suppliers, contractors and labor. Applicant and its Affiliate agree that it shall make, Qualified Expenditures of not less than \$15,000,000.00 in the Development. The City shall be permitted to review Applicant’s and it’s Affiliate’s receipts of Qualified Expenditures to evidence the minimum investment of \$15,000,000.00.
- B. Applicant agrees that it, and its Affiliate companies, shall create, staff, and maintain the Full-Time Employment positions described in **EXHIBIT B** for the Development as of December 31 of the applicable year, and shall maintain the Full-Time Employment positions for the Development through the entire Grant Period of this Agreement. Applicant will, when possible, work with Workforce Solutions Borderplex to source their employment positions. Applicant and its Affiliate shall maintain the Full-Time Employment positions






for each quarter of each fiscal year with the total per day hours worked averaged over each fiscal quarter.

Applicant agrees to register and list all posting on the WorkInTexas.com website and the ability to utilize any of the services programs provided at no charge by Workforce Solutions Borderplex. Which include applicant screening, subsidized on the Job training, marketing, assessments/testing, and the use of conference rooms and interview rooms. Applicant will utilize if needed, participate in job/hiring fairs, State and Federal training funding, and work opportunity tax credits.

Applicant shall provide the City with an annual report by April 30<sup>th</sup> of each year during the term of this Agreement, certifying the status of compliance through the preceding year. Such annual report shall include the number of new jobs created and retained for the Development, information on any new investments in the Development, and any other information relevant to the Development and the City's economic development goals. Documentation for jobs may be in the form of quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. Applicant shall also provide the City with such other reports as may reasonably be required.

Applicant, during normal business hours, at its principal place of business in El Paso, and with two weeks written notice, shall allow the City or its agents reasonable access to Applicant's employment records and books, and other records that are related to the economic development considerations and incentives described herein, to verify employment records and any other records related to the City's economic development considerations and incentives provided herein. In order to protect these records, the City shall maintain the confidentiality of such records in accordance with and subject to commercially reasonable practices and all applicable laws to the extent allowed by the Texas Open Records Act.

- C. Unless otherwise agreed by the City and Applicant, each Grant Submittal Package shall be in the form provided in **EXHIBIT C**. A failure by Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant Year. The City's determination of the amount of the Grant payment due to Applicant is final; provided, however, that the Applicant may appeal to the City Council within thirty (30) days of payment. The City Council shall hear the appeal within thirty (30) days of request for appeal and the City Council's determination of the amount of the Grant payment shall be final. Nothing herein shall limit (or be construed to limit) Applicant's rights and remedies as described in Section 5 of this Agreement.
- D. Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on the Development. The Applicant shall pay by January 31 of each year all of the real and business personal ad valorem taxes due for the previous tax year on any other property owned by the Applicant with the City of El Paso. The parties to this Agreement agree that the taxable value of the Development, after completion of all construction and improvements, will have a Minimum Appraisal Value as 

defined in Section 1 (O) above and thereafter as adjusted annually for normal depreciation during the term of this Agreement. Applicants shall have the right to contest the appraised value of the Development as provided by law. However, Applicant covenants and agrees that during the term of this Agreement it shall not challenge or permit anyone else to take action on its behalf to challenge any assessments by the Central Appraisal District equal to the Minimum Appraisal Value or lower. Any such action will be deemed an event of default that will result in the termination of this Agreement. This property value should in no way be interpreted to affect the values set by the Central Appraisal District for tax purposes. Upon the termination of this Agreement, Applicant agrees that neither this Agreement, nor the values contained within, will be utilized to contest appraisal values or in the determination of the market value of the Development.

#### SECTION 4. OBLIGATIONS OF CITY.

During the term of this Agreement and so long as an event of default has not occurred and is not continuing as set forth herein (provided, however, an event of default hereunder shall not be deemed to have occurred until after the expiration of the applicable notice and cure period), City shall comply with the following terms and conditions:

- A. The City agrees to approve or reject any Grant Submittal Package within ninety (90) days after its receipt. The City agrees to process any Grant Payments to Applicant within ninety (90) days after its approval of the Applicant's Grant Submittal Package.
- B. Pursuant to the City's "Incentives Policy – Guidelines and Criteria" and a cost/benefit calculation completed solely by and at the City's discretion, the City shall determine the total amount of Grant Payments due to the Applicant, if any, on an annual basis.
- C. The City shall determine the total amount of Grant payments due to the Applicant, if any, on an annual basis as provided in **EXHIBITS B and C**.
- D. Under no circumstances shall the total aggregate of Grant payments exceed the lesser of: (1) \$723,943.00, or (2) the total value of the City's portion of the incremental ad valorem property tax revenue generated by the subject property in the Development above the Base Year Value for the Grant Period and payable from the City's general revenue fund.

#### SECTION 5. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- A. **Failure to Maintain Development and Job Requirements.** Applicant's or its Affiliate's failure or refusal to operate the Development and maintain required Full Time Employment pursuant to this Agreement through the Grant Period, and Applicant's or its Affiliate's failure or refusal to cure within sixty (60) days after written notice from the City describing such failure, shall be deemed an event of default. If such failure cannot be cured within such sixty (60) day period in the exercise of all due diligence, but the Applicant and its Affiliate have commenced such cure within such sixty (60) day period and continue to thereafter diligently



prosecute the cure of such failure, such actions or omissions shall not be deemed an event of default.

- B. **False Statements.** In the event the Applicant or its Affiliate provides any written warranty, representation or statement under this Agreement or any document(s) related hereto that is/are false or misleading in any material respect, either now or at the time made or furnished, and Applicant or its Affiliate fails to cure same within thirty (30) days after written notice from the City shall be deemed an event of default. If such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, but the Applicant and its Affiliate commence such cure within such thirty (30) day period and continuously thereafter diligently prosecutes the cure of such violation, such actions or omissions shall not be deemed an event of default. Further, if Applicant or its Affiliate obtains actual knowledge that any previously provided warranty, representation or statement has become materially false or misleading after the time that it was made, and Applicant or its Affiliate fails to provide written notice to the City of the false or misleading nature of such warranty, representation or statement within thirty (30) days after Applicant or its Affiliate learns of its false or misleading nature, such action or omission shall be deemed an event of default. In the event this Agreement is terminated pursuant to this Section 5B, all Grant Payments previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant or its Affiliate within sixty (60) days from the date of such termination.
- C. **Insolvency.** The dissolution or termination of Applicant's or its Affiliate's existence as a going business or concern, Applicant's or its Affiliate's insolvency, appointment of receiver for any part of Applicant's or its Affiliate's portion of the Property, any assignment of all or substantially all of the assets of Applicant or its Affiliate for the benefit of creditors of Applicant or its Affiliate, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Applicant or its Affiliate, shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred.
- D. **Construction of Development.** Applicant's or its Affiliate's failure to comply with its construction obligations set forth in this Agreement and Applicant's or its Affiliate's failure to cure same within ninety (90) days after written notice from the City shall be deemed an event of default. If such failure cannot be cured within such ninety (90) day period and Applicant and its Affiliate fails or refuses to commence such cure within such ninety (90) day period, except to the extent such failure is caused by any act or failure to act on the part of the City, such actions or omissions shall be deemed events of default.
- E. **Property Taxes.** In the event Applicant or its Affiliate allows any property taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within thirty (30) days after written notice thereof from the City and/or El Paso Central Appraisal District, such actions or omissions shall be deemed an event of default. Subject to the restrictions noted herein, Applicant and its Affiliate shall have the right to contest the appraised value of the Development.



- F. **Other Defaults.** Failure of Applicant, its Affiliate, or City to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any related documents, and Applicant, its Affiliate or City fails to cure such failure within sixty (60) days after written notice from the other party describing such failure shall be deemed an event of default. If such failure cannot be cured within such sixty (60) day period in the exercise of all due diligence, and Applicant, its Affiliate, or City commences such cure within such sixty (60) day period and continuously thereafter diligently prosecute the cure of such failure, such act or omission shall not be deemed an event of default.
- G. **Failure to Cure.** If any event of default by Applicant, its Affiliate, or City shall occur, and after Applicant, its Affiliate, or City fails to cure same in accordance herewith, then this Agreement may be terminated without any further action required of the Applicant, its Affiliate, or City and the Applicant's, its Affiliate's, or City's obligations end at that time. If a default has not been cured within the time frame stated herein, the non-defaulting party shall have all rights and remedies under the law or in equity.
- H. **Liability.** In no event will either party be liable to the other party for any indirect, special, punitive, exemplary, incidental or consequential damages. In no event shall the liability of either party exceed the value of Grant Payments issued hereunder. This limitation will apply regardless of whether or not the other party has been advised of the possibility of such damages.

## SECTION 6. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT OF APPLICANT.

The City may terminate this Agreement for its convenience and without the requirement of an event of default by Applicant or its Affiliate, which shall become effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

## SECTION 7. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by all parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment of Applicant's Rights.** Applicant understands and agrees that the City expressly prohibits Applicant or its Affiliate from selling, transferring, assigning or



conveying in any way any rights to receive the Grant proceeds without the City's prior written consent. Any such attempt to sell, transfer, assign or convey without the City's prior written consent is void and may result in the immediate termination of this Agreement, with no ability for the Applicant to cure.

- D. **Applicant's or Affiliate's Sale or Transfer of the Development.** Prior to any sale or other transfer of ownership rights in the Development, Applicant and its Affiliate shall notify the City in writing of such sale or transfer within thirty (30) business days of the Applicant's or its Affiliate's knowledge of effectiveness of such sale or transfer. This provision is a material term of this Agreement and the failure to notify the City of such sale or transfer within the applicable period shall constitute an event of default.
- E. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. The individual executing this Agreement on Applicant's and its Affiliate's behalf warrants and represents that he or she has full authority to execute this Agreement and bind Applicant and Affiliate to the same.
- F. **Completion of Development.** As consideration for the agreements of the City as contained herein, Applicant and its Affiliate agrees that it will diligently and faithfully in a good and workmanlike manner pursue the completion of the Development and that the construction of same will be in accordance with all applicable federal, state and local laws and regulations.
- G. **Confidentiality Obligations.** The confidentiality of such records employment records and any other records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. Specifically, the City will maintain the confidentiality of any proprietary information to the extent permitted by law and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to such proprietary information is received. Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicant as a basis for nondisclosure.
- H. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- I. **Employment of Undocumented Workers.** During the term of this Agreement, Applicant and its Affiliate agree not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant and its Affiliate shall repay the amount of the Grant payments received by Applicant or its Affiliate from the City as of the date of such violation not later than one hundred twenty (120) days after the date Applicant or its Affiliate is notified by



City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant or its Affiliate, at the rate of seven percent (7%) per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicant or its Affiliate until the date the reimbursement payments are repaid to City. City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section.

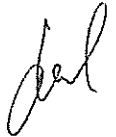
- J. **Execution of Agreement.** The City Manager has received authority to execute this Agreement on behalf of the City from the City Council through approval of a resolution.
- K. **Filing.** The City shall promptly file this Agreement in the deed records of El Paso County, Texas.
- L. **Force Majeure.** It is expressly understood and agreed by the parties to this Agreement that if the performance of any obligations hereunder is delayed beyond such party's reasonable control by reason of war, civil commotion, acts of God, severe weather, fire or other casualty, or court injunction, 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 requirement shall be extended for a period of time equal to the period such party was reasonably delayed.
- M. **Notices.** All notices required to be given under this Agreement shall be given in writing and shall be effective when actually delivered or when deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the addresses shown below. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, each party agrees to keep the other informed at all times of its current address.

CITY: City of El Paso  
City Manager  
P.O. Box 1850  
El Paso, Texas 79950-1850

Copy To: City of El Paso  
Director  
Economic Development Department  
P.O. Box 1850  
El Paso, Texas 79950-1850

APPLICANT: SDI Technologies/ KIDdesigns Inc. / SDI ABP LLC  
Attn: Ed Nehmad  
1299 Main Street  
Rahway, NJ 07065-5024

Copy To: SDI Technologies/ KIDdesigns Inc. / SDI ABP LLC  
Attn: Steve Schleifer



1299 Main Street  
Rahway, NJ 07065-5024

- N. **Ordinance Applicability.** The signatories hereto shall be subject to all ordinances of the City, whether now existing or in the future arising; provided however no ordinance shall reduce or diminish the contractual obligations contained herein. This Agreement shall confer no vested rights on the Development unless specifically enumerated herein.
  
- O. **Severability.** In the event any provision of this Agreement shall be determined by any court of competent jurisdiction to be invalid or unenforceable, the Agreement shall, to the extent reasonably possible, remain in force as to the balance of its provisions as if such invalid provision were not a part hereof.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

A handwritten signature in black ink, appearing to be 'C. J. ...', is located to the right of the signature line.

IN WITNESS WHEREOF, the parties have executed this Agreement on this 31<sup>st</sup> day of October, 2017.

CITY OF EL PASO, TEXAS

[Signature]  
Tomás González  
City Manager

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

[Signature]  
Juan S. González  
Assistant City Attorney

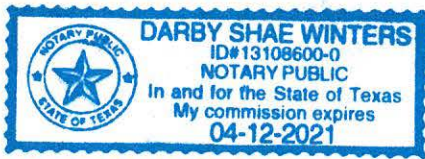
[Signature]  
Jessica Herrera, Director  
Economic and International Development

ACKNOWLEDGMENT

STATE OF TEXAS       §  
                                  §  
COUNTY OF EL PASO   §

This instrument was acknowledged before me on the 1<sup>st</sup> day of November, 2017, by Tomás González, as City Manager of the City of El Paso, Texas (CITY).

*Carly Westin for*



[Signature]  
Notary Public, State of Texas  
My Commission Expires:  
4.12.2021

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]



**APPLICANT:**

**SDI Technologies, Inc.**  
a Delaware Corporation

By: 

Name: ED NEHMAD

Title: V.P. OPERATIONS

**ACKNOWLEDGMENT**

STATE OF NY §

COUNTY OF KINGS §

This instrument was acknowledged before me on the 20<sup>th</sup> day of October, 2017,  
by Ed Nehmad, as V.P. Operation of **SDI Technologies,**  
**Incorporated.** (APPLICANT).

MARCOS ZALTA  
Notary Public, State of New York  
No. 02ZA6051698  
Qualified in New York County  
Commission Expires 12/04/2021

  
Notary Public, State of NY

My Commission Expires:  
12/4/2021

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

APPLICANT:

SDI ABP, LLC.

a Texas Limited Liability Company

By: [Signature]

Name: ED NEHMAD

Title: V.P. OPERATIONS

ACKNOWLEDGMENT

STATE OF NY §

COUNTY OF Kings §

This instrument was acknowledged before me on the 20<sup>th</sup> day of October, 2017,  
by Ed Nehmad, as VP operations of SDI ABP, LLC.  
(APPLICANT).

MARCOS ZALTA  
Notary Public, State of New York  
No. 02ZA6051698  
Qualified in New York County  
Commission Expires 12/04/2021

[Signature]  
Notary Public, State of NY

My Commission Expires:  
12/4/2021

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**APPLICANT:**

**KIDdesigns, INC.**  
a New Jersey corporation

By: 

Name: ED NEHMAD

Title: V.P. OPERATIONS

**ACKNOWLEDGMENT**

STATE OF NY §

COUNTY OF Kings §

This instrument was acknowledged before me on the 20<sup>th</sup> day of October, 2017,  
by Ed Nehmad, as VP operations of **KIDdesigns, Inc.**  
(APPLICANT).



Notary Public, State of NY

MARCOS ZALTA  
Notary Public, State of New York  
No. 02ZA6051698  
Qualified in New York County  
Commission Expires 12/04/2021

My Commission Expires:  
12/4/2021

EXHIBIT A

[Development & Legal Description]

Applicant will undertake the construction of an approximately 276,000 square foot distribution to support its position as a leading global manufacturer in the consumer electronics sector.

Viewer Map



October 16, 2017  
drawGraphics\_poly  
User drawn polygons  
Parcels

1:4,514  
0 0.035 0.07 0.14 mi  
0 0.0425 0.085 0.17 km  
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus, USDA, USDA, AeroGRID, IGN, and the GIS User Community  
Copyright 2014

*jsl*





**EXHIBIT B**  
**[Employment Requirements & Grant Payment Eligibility]**

**SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.**

In order for Applicant or its Affiliate to be eligible for any Grant Payments, Applicant or its Affiliate is required to create and maintain the Full-Time Employment position by December 31 of each full tax year during the Grant Period as follows:

Schedule of Full Time Employment						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6-10
<b>Total Full Time Employees</b>	45	55	66	77	88	88

**SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.**

Applicant or its Affiliate remains eligible for Grant Payments so long as Total Full Time Employees, as stated in this Exhibit B, are met on an annual basis.

Grant payments shall be contingent upon Applicant's certification that it has maintained at least ninety percent (90%) of the minimum jobs retention requirements during the full tax year, as required herein. Grant payments will be reduced by 10% for each percentage point under 100%. For illustrative purposes only:

During the first year Applicant maintains 95% (43 rounded up from 42.75) of the expected 45 FTE positions, Grant Payments would be reduced by 50% (10% per 1% of job retention percentage) for a maximum potential payment of \$24,231.54 (subject to the actual property tax paid by Applicant for the Grant Period in question).

Should Applicant fall below the 90% threshold, no Grant Payment will be owed to Applicant for that Grant Period.



**EXHIBIT C**

**[Grant Submittal Package Form]**

**SDI Technologies/KIDdesigns/SDI ABP**, believe that it has substantially met its obligations under the Chapter 380 Agreement dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ and signed by \_\_\_\_\_ of **SDI Technologies, KIDdesigns/SDI ABP**. Pursuant to the Agreement, **SDI Technologies/KIDdesigns/ SDI ABP** submit this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted.

1. Job Certification Annual Report plus attachment(s) (eligible attachments as referenced within Section 3(B) of the Agreement);
2. Proof of Applicant’s registration (initial year) and continuing registration (subsequent years) with Work In Texas;
3. Confirmation that new job postings were listed on the Work In Texas” website;
4. Documentation to evidence Minimum Investment; and
5. Property Tax Payment Receipt(s) showing proof of payment for tax year \_\_\_\_\_.

*[Signature Pages to Follow]*

It is understood by **SDI Technologies, Inc.** that the City of El Paso has up to ninety (90) days to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

**SDI Technologies, Inc.**



Name: ED NEHMAD

Title: VP. OPERATIONS


**ACKNOWLEDGMENT**

STATE OF NY §

COUNTY OF Kings §

This instrument was acknowledged before me on the 20<sup>th</sup> day of October, 2017, by Ed Nehmad, as VP Operations of **SDI Technologies Inc.(APPLICANT)**.

MARCOS ZALTA  
Notary Public, State of New York  
No. 02ZA6051698  
Qualified in New York County  
Commission Expires 12/04/20 21

  
Notary Public, State of NY

My Commission Expires: 12/4/2021

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]



It is understood by SDI ABP, LLC that the City of El Paso has up to ninety (90) days to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

SDI ABP, LLC



Name: ED NEHMAD

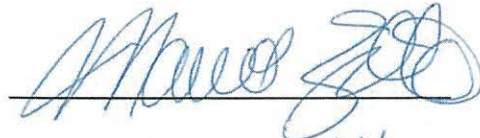
Title: V.P. OPERATIONS

ACKNOWLEDGMENT

STATE OF NY §

COUNTY OF Kings §

This instrument was acknowledged before me on the 26<sup>th</sup> day of October, 2017, by Ed Nehmad, as VP operations of SDI ABP, LLC (APPLICANT).



Notary Public, State of NY

My Commission Expires:

12/4/2021

WISDOMS ZALTA  
Notary Public, State of New York  
No. 027A051698  
Qualified in New York County  
Commission Expires 12/04/2021

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]



**EXHIBIT B-1**  
**[Employment Requirements & Grant Payment Eligibility]**

**SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.**

In order for Applicant or its Affiliate to be eligible for any Grant Payments, Applicant is required to create and maintain the Full-Time Employment position by December 31 of each full tax year during the Grant Period as follows:

Schedule of Full Time Employment									
	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Total Full Time Employees</b>	45	46	48	49	51	53	54	55	57

**SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.**

Applicant or its Affiliate remains eligible for Grant Payments so long as Total Full Time Employees, as stated in this Exhibit B-1, are met on an annual basis.

Grant payments shall be contingent upon Applicant's certification that it has maintained at least ninety percent (90%) of the minimum jobs retention requirements during the full tax year, as required herein. Grant payments will be reduced by 10% for each percentage point under 100%. For illustrative purposes only:

During the first year Applicant maintains 95% (43 rounded up from 42.75) of the expected 45 FTE positions, Grant Payments would be reduced by 50% (10% per 1% of job retention percentage) for a maximum potential payment of \$24,231.54 (subject to the actual property tax paid by Applicant for the Grant Period in question).

Should Applicant fall below the 90% threshold, no Grant Payment will be owed to Applicant for that Grant Period.

**EXHIBIT C-1**

**[Grant Submittal Package Form]**

**SDI Technologies/KIDdesigns/EL PASO GATEWAY**, believe that it has substantially met its obligations under the Chapter 380 Agreement dated the \_\_\_\_ day of \_\_\_\_, 20\_\_ and signed by \_\_\_\_\_ of **SDI Technologies, KIDdesigns/EL PASO GATEWAY**. Pursuant to the Agreement, **SDI Technologies/KIDdesigns/ EL PASO GATEWAY** submit this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

**As required by the Agreement, the following information is submitted.**

1. Job Certification Annual Report plus attachment(s) (eligible attachments as referenced within Section 3(B) of the Agreement);
2. Proof of Applicant's registration (initial year) and continuing registration (subsequent years) with Work In Texas;
3. Confirmation that new job postings were listed on the Work In Texas website;
4. Documentation to evidence Minimum Investment; and
5. Property Tax Payment Receipt(s) showing proof of payment for tax year\_\_\_\_\_.

*[Signature Pages to Follow]*

It is understood by SDI Technologies, Inc. that the City of El Paso has up to **ninety (90) days** to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

**SDI Technologies, Inc.**

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of SDI Technologies, Inc.  
**(APPLICANT.)**

\_\_\_\_\_

Notary Public State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]*

It is understood by EL PASO GATEWAY, LLC that the City of El Paso has up to **ninety (90) days** to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

**EL PASO GATEWAY, LLC.**

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of **EL PASO GATEWAY, LLC** (APPLICANT.)

\_\_\_\_\_

Notary Public State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]*

It is understood by **KIDdesigns, Inc.** that the City of El Paso has up to **ninety (90) days** to process this request and reserves the right to deny the Grant claim if the terms of the Agreement have not been complied with.

**KIDdesigns, Inc.**

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ACKNOWLEDGMENT**

STATE OF \_\_\_\_\_ §

§

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, as \_\_\_\_\_ of **KIDdesigns, Inc. (APPLICANT.)**

\_\_\_\_\_

Notary Public State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*[SIGNATURES CONTINUE ON THE FOLLOWING PAGES]*