

ECONOMIC DEVELOPMENT AGREEMENT

BY AND BETWEEN CITY OF ELGIN, TEXAS ECONOMIC DEVELOPMENT CORPORATION AND YERICO MANUFACTURING, INC.

This Economic Development Agreement ("Agreement") is made by and between the CITY OF ELGIN, TEXAS ECONOMIC DEVELOPMENT CORPORATION (the "EDC") and YERICO MANUFACTURING, INC (the "Company").

RECITALS:

WHEREAS, the Company desires to expand its business in Elgin with (1) construct an approximately 20,000 square foot building on approximately five (5) acres in the Elgin Business Park III at an approximate appraised value of \$1.5 million, and (2) and install approximately \$0.5 million in new equipment. Additionally, the Company will employ approximately 10 full- time employees with pay ranging from \$15 to \$20 per hour.

WHEREAS, the Company has advised the EDC that contributing factors that would induce the Company to expand their business and construct their building in the City would be an agreement with the EDC to provide a performance-based economic development agreement to the Company to defray a portion of the construction costs to be incurred by the Company as a consequence of providing approximately 10 full- time employees and

WHEREAS, the EDC has found and determined that the expansion of the Company will further the public interest and welfare and the potential economic benefits that will accrue to the EDC are consistent with the EDC's economic development objectives to increase sales and use tax revenues accruing to the EDC and attract additional jobs, and is necessary to promote or develop new business enterprises, and

WHEREAS, the EDC is authorized by Chapter 501 et. seq of the Texas Local Government Code, to establish economic development programs and to provide grants for economic development, and

WHEREAS, the EDC and the Company desire to set forth in this Agreement the terms and conditions of the performance based economic development payments to be made to the Company, its successors and assigns.

AGREEMENT

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

ARTICLE I

PURPOSE AND INTERPRETATION

Objectives. The Company hereby agrees to fund certain costs associated with the construction of the new building and to comply with the terms and conditions of this Agreement.

Concept and Structure. As authorized by Chapter 501 of the Texas Local Government Code, as amended, the EDC will make certain performance-based economic development grant payments as set forth in Article III of this Agreement to the Company for the purpose of reimbursing the Project Costs incurred by the Company for the development of the Property.

ARTICLE II DEFINITIONS

"Agreement" shall mean this agreement and all attachments hereto between the EDC and the Company.

"Land" shall mean approximately five (5) acres of land in the Elgin Business Park III

"EDC" shall mean the City of Elgin, Texas Economic Development Corporation

"Company" shall mean YERICO Manufacturing, INC or any successor thereto or assignee thereof under this Agreement.

"Project Costs" shall mean (i) cost of constructing a 20,000 sq. ft. building

"Project" shall mean (1) construction of approximately 20,000 square foot building on the Land at an approximate value of \$1.5 million, and (2) and install an estimated \$0.5 million in new equipment. Additionally, the Company will employ approximately 10 full- time employees with pay ranging from \$15 to \$20 per hour.

"State" shall mean the State of Texas.

ARTICLE III

A. **General Statement.** The duty of the EDC to make a land and financial grant to the Company for any purpose under this Agreement is limited in its entirety by the provisions of this Agreement. Any land sale made by the EDC pursuant to this Agreement shall be made pursuant to Chapter 501 of the Texas Local Government Code, as amended; and any other economic development or financing program authorized by applicable State law. No land or financial grant shall be made if the Company fails to materially comply with any terms and conditions of this Agreement, after being afforded an opportunity to cure, as stated herein.

B. **Land.** The EDC hereby agrees to sell five (5) acres, which is described as the approximate location of Lot 6 on EXHIBIT A attached("Land"). The Land will need to be platted.

C. **Purchase Price.** The Land will be sold for one dollar a sq. ft. or \$217,800.

D. **Street and / or Utility Extensions:** The EDC will be responsible for extending a road, if required, to provide Company access to the Land. This extension may be a temporary road that is capable of handling construction trucks and equipment. The EDC shall deliver adequate domestic water and sanitary sewer to the site. The road/temporary road and the utility extensions shall be delivered to the site within a mutually agreeable timeframe following the closing of the Land, which timeframe will include an adequate time for the EDC to design and construct new infrastructure. The parties shall agree upon a required completion date for these extensions.

E. **Offsite Regional Storm Water Detention Facility and Water Quality Pond:** EDC shall, at its sole cost and expense, develop an Offsite Regional Storm Water Detention Facility and Water Quality Pond (the "Detention Facility") for the non-exclusive use by the Company. EDC shall design, construct, manage, keep, and maintain the Facility with no construction cost to Company. EDC and the Company shall enter into an "Offsite Regional Storm Water Detention Facility Use Agreement" (the "Detention Facility Agreement") for use of the Detention Facility. The Detention Facility Agreement shall include, access for run-off from the Site to the Detention Facility. Company shall be allowed to flow storm water to the Detention Facility via above ground drainage.

ARTICLE V. COMPANY OBLIGATIONS

A. **General Statement.** The Land sale, as described above, are specifically conditioned upon the Company materially complying with all the terms and conditions of this Agreement, subject to an opportunity to cure, as stated herein. If the Company is in material default regarding any term or condition of this Agreement, and has failed to cure any default as required herein, the EDC has the right to purchase the Land back for the cost the Developer purchased the Land.

B. **Company Expansion.** The Company will (1) construct an approximately 20,000 square foot building on the Land at an approximate value of \$1.5 million, and (2) and install approximately \$0.5 million in new equipment. Additionally, the Company will employ approximately 10 full-time employees with pay ranging from \$15 to \$20 per hour.

C. **Expansion Timing** Company will contract a superintendent and or construction manager for building construction within (3) months of closing on property. Construction of the proposed building shall commence within (6) six months of signing the contract. The building should be completed within eighteen (18) months from the beginning of construction. A Certificate of Occupancy shall be issued by the City by July 2023. The design of the building will be approved by the Design Review Committee for the Business Park.

D. **Breach of Contract.** In the event Purchaser fails to substantially complete the building within eighteen (18) months of the effective date of the Contract, the Seller will have the option to reimburse the Purchaser the purchase price of the property and take ownership of the property. Purchaser specifically agrees to execute any and all documents needed to effectuate the reconveyance. If the improvements to the property are substantially complete, over seventy percent (70%), following the eighteen (18) month time of construction the Seller will grant the Purchaser six (6) additional months to complete the improvements. If the improvements are not completed after the six-month extension the Seller will have the option to reimburse the Purchaser, the Purchase Price of the property plus sixty percent (60%) of the construction costs incurred to date. It is Purchaser's obligation to present to the EDC all invoices which are directly related to the actual construction of the building. The EDC, in its sole discretion, shall determine the validity of each invoice. Seller will take ownership of the property and all improvements. after payment of construction costs.. Improvements are complete when a certificate of occupancy is issued by the City of Elgin Building Department. These provisions shall survive closing.

ARTICLE VI. PERSONAL LIABILITY OF PUBLIC OFFICIALS

To the extent permitted by State law, no employee of the EDC, or any EDC Board member or agent of the EDC, shall be personally responsible for any liability arising under or growing out of this Agreement.

**ARTICLE VII LAW
TO BE OBSERVED**

The Company at all times shall observe and comply with all federal and state laws, local laws, ordinances, orders, and regulations of the federal, state, county, or City governments.

**ARTICLE VIII
INFORMATION**

The Company shall, at such times and in such form as EDC may require, furnish periodic information concerning the status of the Company, and the performance of its obligations under this Agreement, and such other statements, certificates and approvals relative to the Company as may be requested in writing by the EDC.

**ARTICLE IX
FORCE MAJEURE**

If, by reason of Force Majeure, any party hereto shall be rendered wholly or partially unable to carry out its obligations under this Agreement, then such Party shall give written notice of the full particulars of such Force Majeure to the other Party and the obligations of such Party, to the extent affected by the Force Majeure, shall be suspended during the continuance of the Force Majeure, and such Party shall use commercially reasonable efforts to remove or overcome such Force Majeure with all reasonable dispatch. In the event of unforeseeable third party delays or Force Majeure and upon a reasonable showing by the Company that it has immediately and in good faith commenced and is diligently and continuously pursuing the correction, removal or abatement of such delays by using its commercially reasonable efforts, EDC may consent to and excuse any such delays, which consent and excuse shall not be unreasonably withheld. Failure by the Company to use its commercially reasonable efforts as required in this paragraph shall be a default under this Agreement. In the event of a Force Majeure arising from a delay in the completion by the EDC or its contractors of public infrastructure improvements to the Company Property, the EDC rather than the Company will be responsible for correcting, removing or abating such delay, and the Company's performance will be automatically approved and excused.

**ARTICLE X
ADDRESS AND NOTICE**

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the Company at the following address:

YERICO Manufacturing
C/O IHN-Hong Min
619 Magonye Lane
Elgin, TX 78621

With a copy to:

Insert YERICO attorney name and address

Any and all notices and communications under this Agreement shall be mailed by first-class mail, or delivered, to the EDC at the following address:

Owen Rock
Elgin Economic Development Corporation
P.O. Box 591
Elgin, Texas 78621

With a copy to:

Charles Crossfield
Sheets & Crossfield, PC
309 East Main Street
Round Rock, Texas 78664

ARTICLE XI APPLICABLE LAWS

THIS AGREEMENT IS MADE SUBJECT TO THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS AND IS PERFORMABLE BASTROP COUNTY, TEXAS. VENUE SHALL BE IN BASTROP COUNTY, TEXAS.

ARTICLE XII. CAPTIONS

The captions at the beginning of the Articles of this Agreement are guides and labels to assist in locating and reading such Articles and, therefore, will be given no effect in construing this Agreement and shall not be restrictive of the subject matter of any Article, Section, or part of this Agreement.

ARTICLE XIII. SUCCESSORS AND ASSIGNS

This Agreement shall bind and benefit the respective parties and their legal successors, and shall be assignable by the Company, in whole or in part to any party, upon written notice to the EDC.

ARTICLE XIV. TERM

This Agreement shall become effective, and its initial term shall begin, upon the first day of the Company operating in the City and shall end, subject to the Article III, upon the earlier of (i) four (4) years after the first day of operations or (ii) until all the Project Costs have been paid in full.

ARTICLE XV. AMENDMENT OR MODIFICATIONS

Except as otherwise provided in this Agreement, this Agreement shall be subject to change, amendment, or modification only by the mutual written consent of the parties hereto.

**ARTICLE XVI.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

**ARTICLE XVII
DEFAULT**

A. Notice and Opportunity to Cure If either party defaults in its obligations under this Agreement, the other party must, prior to exercising a remedy available to that party due to the default, give written notice to the defaulting party, specifying the nature of the alleged default and the manner in which it can be satisfactorily cured, and extend to the defaulting party at least thirty (30) days from receipt of the notice to cure the default,

B. Remedies for Default. If either party defaults under this Agreement and fails to cure the default within the applicable cure period, the non-defaulting party will have all rights and remedies available under this Agreement, including the right to institute legal action to cure any default, to enjoin any threatened or attempted violation of this Agreement or to enforce the defaulting party's obligations under this Agreement by specific performance or writ of mandamus. In the event of default by the Company, in addition to the other remedies stated herein the EDC may cease making any EDC Grant Payments as referenced herein. In the event of a default by the EDC, the Company will be entitled to seek a writ of mandamus, in addition to seeking any other available equitable remedies. All equitable remedies available to a party will be cumulative and the pursuit of one remedy will not constitute an election of remedies or a waiver of the right to pursue any other equitable remedy.

DATED as of the day of , 2021.

(signatures on following pages)

YERICO MANUFACTURING, INC.

By:
IHN-Hong Min, CEO

ACKNOWLEDGMENT

THE STATE OF *Texas*

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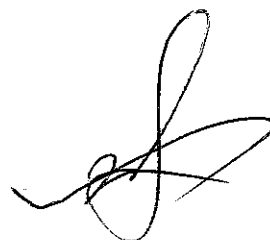
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COUNTY OF *Tarrant*

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This instrument was acknowledged before me on this the *9* day of the month of *July*, 2021, by IHN-Hong Min, President/Owner (Title), of YERICO MANUFACTURING, INC., known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of and on behalf of said entity and in the capacity and for the purposes and consideration therein expressed.

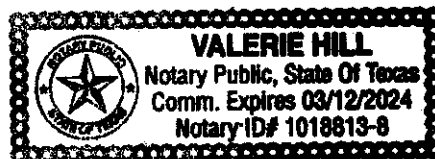
Signature



Printed Name

Ihn Hong Min

Notary Public, State of *TEXAS*



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CITY OF ELGIN, TEXAS, ECONOMIC DEVELOPMENT CORPORATION

By:
Owen Rock, Director

ACKNOWLEDGMENT

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COUNTY OF §

This instrument was acknowledged before me on this the _____ day of the month of _____, 2021, by Owen Rock, _____ {Title}, of City of Elgin, Texas Economic Development Company, known by me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of and on behalf of said entity and in the capacity and for the purposes and consideration therein expressed.

Signature

Printed Name

Notary Public, State of