

INCENTIVE AGREEMENT

This Incentive Agreement (the "Agreement") is entered into by and between the Lancaster Economic Development Corporation, a non-profit corporation chartered by the State of Texas, acting by and through its Board of Directors (hereinafter referred to as the "LEDC") and JDC HOLDINGS, LLC a Texas Limited Liability Company operating as a partnership, acting by and through its authorized officer, Dale Crownover, hereinafter referred to as (the "Company").

W I T N E S S E T H :

WHEREAS, the Lancaster Economic Development Corporation was established to promote enhanced business opportunities within the corporate limits of the City of Lancaster, Texas; and

WHEREAS, the LEDC recognizes the need to offer business incentives to develop real property within the City of Lancaster; and

WHEREAS, in order to maintain and enhance the economic and employment base within the City of Lancaster, it is in the best interests of the LEDC to enter into this Agreement in accordance with the terms provided herein; and

WHEREAS, the Company wishes to expand its operations as a viable economic project within the City thereby creating new business capital investment and new jobs in the City; and

WHEREAS, the Board of Directors of LEDC finds that the intended scope of the Project, hereinafter defined, is to own, construct and occupy approximately 36,000 square feet of manufacturing space on approximately six (6) acres in Lancaster owned by the Company.

NOW THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, including the expansion of employment, the attraction of major investment within the City which contributes to the economic development of Lancaster, and to the enhancement of the tax base for the City, the parties agree as follows:

I. EFFECTIVE DATE; TERM OF AGREEMENT

This Agreement shall become effective upon the Board of Directors of the LEDC approval of this agreement and confirmation of same by the City Council of the City of Lancaster authorizing the LEDC to enter into this Agreement with the Company and on the last date of execution of this Agreement by the LEDC and the Company.

II. DEFINITIONS

Whenever used in this Agreement, the following term shall have the meaning ascribed to it:

“City” shall mean the City of Lancaster, Texas.

“Certificate of Occupancy” shall mean the City issued permit confirming that all Improvements on the Premises have been completed and the Project is approved for Company business operations to commence.

“Company” shall mean JDC Holdings, LLC, a Texas corporation.

“Company Affiliate” shall mean any party which, directly or indirectly (including through one or more intermediaries), controls or is controlled by or is under common control with the Company, and “control” (including the correlative meanings of the terms “controlled by” and “under common control with”) shall mean the possession, directly or indirectly (including through one or more intermediaries), of the power to direct or cause the direction of the management and policies, through the ownership or control of voting securities, partnership interests or other equity interests or otherwise.

“Improvements” shall mean the construction and finish out work necessary to commence Company operations in its approximately 36,000 square foot manufacturing facility located on Company land described in Exhibit A, Lancaster, Texas.

“Premises” shall mean the property described in Exhibit A, attached hereto and made a part hereof for all purposes, including any improvements made thereto.

“Project” shall mean the improvements, related Infrastructure and occupancy activities associated with the location, construction, finish out and maintenance of the Company’s Improvements in Lancaster, Texas.

“Related Infrastructure” shall mean all City development and building code requirements related to site preparation, water, wastewater, storm water, building construction etc. necessary to receive a City issued “Certificate of Occupancy” for the Improvements.

III.

PROVISIONS RELATING TO INCENTIVE AGREEMENT

JDC Holdings, LLC’s Obligations:

- A. The Company will begin construction of the Improvements within six (6) months from the date of execution of this Agreement.
- B. The Premises and Improvements constructed thereon at all times shall be used in a manner that is consistent with the City of Lancaster’s Comprehensive Zoning Ordinance, as amended and other applicable state law and/or ordinances.
- C. The Company agrees to provide any and all documentation reasonably necessary to confirm data required to implement provisions of the incentive grant pursuant to this Agreement.

LEDC's Obligations:

- A. LEDC agrees to pay a grant to the Company for reimbursement of 40% of permit fees paid by the Company directly to the City of Lancaster for the construction of the Improvements, up to a maximum grant of \$25,000. The Company will pay the City of Lancaster the full cost of permit fees associated with the construction and finish out of the Improvements and present to LEDC copies of actual paid receipts for said fees subject to the provisions of this Agreement. LEDC will issue a reimbursement payment equivalent to forty percent (40%) of the actual paid permit fees, not to exceed a grand total of \$25,000 payable within thirty (30) days of submittal, after a final Certificate of Occupancy for the Improvements is issued to the Company.
- B. All grant of funds shall be made from available sales tax proceeds from the LEDC and is not pledged against future sales tax proceeds or the full faith and credit of LEDC or the City of Lancaster.

**IV.
DEFAULT; RECAPTURE OF GRANT FUNDS**

- A. In the event the Company (i) fails to commence construction of the Project and Improvements on property located in Lancaster, Texas within twelve (12) months of execution of this Agreement; (ii) fails to complete the Project in accordance with this Agreement; or (iii) materially breaches any of the terms or conditions of this Agreement, then the Company, after the expiration of the notice and cure periods described in Paragraph IV (B) below, shall be in default of this Agreement. As LEDC's sole and exclusive remedy under this Agreement in the event of such non-cured default, the Company shall refund to LEDC all grants previously paid by LEDC under this Agreement to the Company, which refund shall constitute liquidated damages owing to LEDC. The parties acknowledge that actual damages in the event of such a default would be speculative and difficult to determine. The parties further agree that the recapture of grant funds due LEDC as a result of the Company's default under this Agreement, shall be recoverable against the Company, its successors and assigns and shall continue as a lien on the Premises.
- B. Upon breach by the Company of any of its obligations under this Agreement, the LEDC shall notify the Company, in writing. The Company shall have ninety (90) days from receipt of the notice in which to cure any such default; provided, however, that if such breach or default cannot reasonably be cured within ninety (90) days, the Company shall have such additional time as is reasonably required to cure such breach or default.
- C. If the Company fails to cure the default within the time provided as specified in Paragraph IV(B) above, or, as such time period may be extended by written agreement of the parties, then the LEDC at its sole option and as its sole and exclusive remedy, shall have the right to demand repayment of the incentives it has made hereunder to the Company in accordance with this section IV.

- D. Upon the LEDC's election under the preceding paragraph, all incentives provided by LEDC to the Company under this Agreement shall be repaid as set forth in paragraph IV(A), and shall become due and payable ninety (90) days after notice to the Company of a non-cured default hereunder beyond the expiration of all applicable notice and cure periods. The LEDC shall have all remedies provided by law for the collection of such grant funds. The LEDC at its sole discretion has the option to provide a repayment schedule. The obligation of the Company to repay such grant funds to LEDC in the event of default shall survive the termination of this Agreement.

**V.
SUCCESSORS AND ASSIGNS**

This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns. This Agreement may not be assigned without the consent of the LEDC, except to a Company Affiliate. For purposes of this paragraph V, "Company Affiliate" shall mean any party which, directly or indirectly (including through one or more intermediaries), controls or is controlled by or is under common control with the Company, and "control" (including the correlative meanings of the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly (including through one or more intermediaries), of the power to direct or cause the direction of the management and policies, through the ownership or control of voting securities, partnership interests or other equity interests or otherwise.

**VI.
NOTICES**

All notices required by this Agreement shall be addressed to the following, or other such other party or address as either party designates in writing, by certified mail, postage prepaid or by hand delivery:

Texas Nameplate Company, Inc. to:

Dale Crownover
President/CEO
P.O. Box 150499
Dallas, Texas 75315

LEDC to:

Ed Brady
Lancaster Economic Development Corporation
P.O. Box 940
Lancaster, Texas 75146

**VII.
LEDC AUTHORIZATION**

This Agreement was authorized by resolution of the LEDC, approved by its Board of Directors, authorizing its officer to execute this Agreement on behalf of the LEDC.

**VIII.
SEVERABILITY**

In the event any section, subsection, paragraph, sentence, phrase or word herein is held invalid, illegal or unconstitutional, the balance of this Agreement shall be enforceable and shall be enforced as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase or word.

**IX.
APPLICABLE LAW**

THIS AGREEMENT SHALL BE CONSTRUED UNDER THE LAWS OF THE STATE OF TEXAS. Venue for any action under this Agreement shall be the State District Court of Dallas County, Texas. This Agreement is performable in Dallas County, Texas.

**X.
COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. Facsimile or .pdf signatures may be used in place of original signatures on this Agreement.

**XI.
ENTIRE AGREEMENT**

This Agreement embodies the complete agreement between the parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the parties. The provisions of this Agreement are hereby declared covenants running with the Premises and are fully binding on all successors, heirs, and assigns of the Company and the LEDC. While there is no obligation for the LEDC to fund future expansion beyond that contemplated by this Agreement, nothing herein precludes the Company from requesting further assistance on future projects.

**XII.
RECORDATION OF AGREEMENT**

A certified copy of this Agreement may be recorded in the Deed Records of Dallas County, Texas.

**XIII.
INCORPORATION OF RECITALS**

The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein and form a part of this Agreement.

**XIV.
EXHIBITS**

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

EXECUTED in triplicate originals this 01 day of March, 2016.

**LANCASTER ECONOMIC
DEVELOPMENT CORPORATION**

By: 

Vanessa Sheffield, President

JDC HOLDINGS, LLC

By: 

Dale Crownover, President/CEO

ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

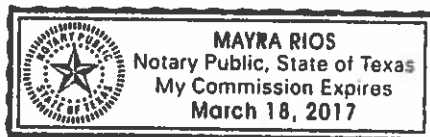
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Vanessa Sheffield, President of the Lancaster Economic Development Corporation, a Texas non-profit corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 7th day of February, 2016.

Mayra Rios

Notary Public, State of Texas

My Commission Expires:
March 18, 2017

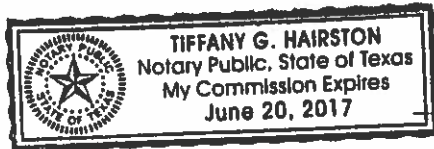


ACKNOWLEDGEMENT

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Dale Crownover, President/CEO of Texas Nameplate Company, Inc., a State of Texas corporation, known to me to be the person and agent whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said corporation, and that he executed the same as the act of said corporation for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND SEAL OF OFFICE this the 29th day of February, 2016.



Tiffany Hairston
Notary Public, State of Texas

My Commission Expires:
June 20, 2017

EXHIBIT "A" LEGAL DESCRIPTION

No.: 001281127

SITUATED in the City of Lancaster, in the Marady Parks Survey, Abstract No. 1120 of Dallas Texas County, and being a part of that certain called 77.49 acre tract of land described in a deed from- Ecanae, Inc. to 12, recorded in Volume 2003011, Page 6116, Deed Records, Dallas County, Texas (D.R.D.C.T.) and being more particularly described by metes & bounds as follows:

BEGINNING at a 1/2 inch iron rod, topped with a red plastic cap, stamped "RPLS 4701" (hereinafter referred to as "with cap"), found at the intersection of the south right-of-way line of Fabrication Drive (60' wide RO.W.) and the East right-of-way line of West longhorn Drive (60' wide RO.W.) as dedicated by a Street Dedication Plat, recorded Lu Volume 67205, Page 2752, Deed Records of Dallas County, Texas (O.R.D.C.T.);

THENCE: North 89 deg. 53 min. 14 sec. East, along the south line of said Fabrication Drive, a distance of 477.50 feet to a 112 inch iron rod, with cap, found for corner;

THENCE: South 00 deg. 06 min. 46 sec. East, departing from the south line of said Fabrication Drive, a distance of 505.00 feet to a 1/2 inch iron rod, with cap, found on the north right-of-way line of South longhorn Drive (60' wide ROW.);

THENCE: South 89 deg. 53 min. 14 sec. West, along the north line of said South Longhorn Drive, a distance of 452.50 feet to a 1/2 inch iron rod, with cap, found for corner at the beginning of a curve to the right having a radius of 25.00 feet and a chord that bears North.45 deg. 06 min. 46 sec. West...35.36

THENCE: Continuing along the north right-of-way of said South Longhorn Drive and along said curve to the right, through a central angle of 90 deg. 00 min. 00 sec and along an arc distance of 39.27 feet to a 1/2 inch iron rod, with cap, set for corner at the end of said curve, on the east right-of-way line of the above mentioned West Longhorn Drive;

THENCE: North 00 deg. 06 min. 46 sec. West, along the east line of said West Longhorn Drive, a distance of 480.00 feet to the POINT OF BEGINNING and containing 241,005 square feet or 5.533 acres land.