

## **PERFORMANCE AGREEMENT**

This **PERFORMANCE AGREEMENT** by and between the **CADDO MILLS ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the “EDC”), and \_\_\_\_\_, a Texas \_\_\_\_\_ (hereinafter referred to as “Developer”), is made and executed on the following recitals, terms and conditions.

**WHEREAS**, the EDC is a Type B economic development corporation, created pursuant to Chapter 505 of the Texas Local Government Code, as amended; and

**WHEREAS**, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

**WHEREAS**, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless EDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by EDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by EDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

**WHEREAS**, Developer has applied to EDC for financial assistance necessary to construct or cause to be constructed a \_\_\_\_\_ (hereinafter referred to as the “Qualified Expenditures”) generally located at \_\_\_\_\_, in the City of Caddo Mills, Texas (hereinafter referred to as the “Property”); and

**WHEREAS**, the EDC’s Board of Directors have determined the financial assistance to be provided to Developer is consistent and meets the definition of “project” as that term is defined in Section 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

**WHEREAS**, Developer agrees and understands that Section 501.073(a) of the Texas Local Government Code requires the City Council of the City of Caddo Mills, Texas, to approve all programs and expenditures of the EDC, and accordingly this Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

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

## SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

## SECTION 2. TERM.

This Agreement shall be effective as of the Effective Date, as defined herein, and shall continue thereafter until \_\_\_\_\_, **2026**, unless terminated sooner under the provisions hereof.

## SECTION 3. DEFINITIONS.

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

- (a) **Act.** The word “Act” means Chapters 501 to 505 of the Texas Local Government Code, as amended.
- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.
- (c) **Developer.** The words “Developer” mean \_\_\_\_\_, a Texas [limited partnership] [corporation] [limited liability company], its successors and assigns, whose address for the purposes of this Agreement is \_\_\_\_\_.
- (d) **EDC.** The term “EDC” means the Caddo Mills Economic Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 2313 Main Street, Caddo Mills, Texas 75135.
- (e) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and between the Developer and the EDC.
- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (g) **Full-Time Equivalent Employment Position.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of Two Thousand (2,000) hours of work averaged over a twelve (12) month period, earning a minimum of \$\_\_\_\_\_ .00 per hour, with such hours also to include any vacation and sick leave, with full benefits.
- (h) **Property.** The word “Property” means the approximately \_\_\_\_\_ acre tract or tracts of land generally located at \_\_\_\_\_, Caddo Mills, Hunt County, Texas, and as generally depicted in *Exhibit A* of this Agreement, which is attached hereto and

incorporated herein for all purposes.

- (i) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of the construction of a \_\_\_\_\_ to be located on the Property, and those expenditures which meet the definition of “project” as that term is defined in Section 501.103 of the Act, and meet the definition of “cost” as that term is defined in Section 501.152 of the Act.
- (j) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of this Agreement.

#### SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with EDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the EDC paid invoices, paid receipts, or other paid documentation of the Qualified Expenditures made to the Property in a form acceptable to the EDC prior to any reimbursement. Developer covenants and agrees to provide to the EDC said paid invoices, paid receipts, or other paid documentation by \_\_\_\_\_, 2026.
- (b) **Certificate of Occupancy.** Developer covenants and agrees to obtain or cause to be obtained by **December 31, 2026**, a Certificate of Occupancy from the City of Caddo Mills, Texas, for a minimum of \_\_\_\_\_ square feet of [restaurant] [manufacturing] space located on the Property.
- (c) **Operate \_\_\_\_\_ Facility.** Developer covenants and agrees to maintain and operate a minimum of \_\_\_\_\_ square feet \_\_\_\_\_ facility located on the Property during the Term of this Agreement.
- (d) **Job Creation and Retention.** Developer covenants and agrees by **December 31, 2026**, and during the Term of this Agreement to employ and maintain a minimum of (\_\_\_\_\_) Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees beginning on **February 1, 2027**, and during the Term of this Agreement, Developer shall deliver to EDC an annual compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the “Annual Compliance Verification”). The Developer covenants and agrees beginning on **February 1, 2027**, and annually thereafter during the Term of this Agreement, there will be a total of \_\_\_\_\_ (\_\_\_\_\_) Annual Compliance Verifications due and submitted to the EDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Annual Compliance Verifications shall include quarterly IRS 941 returns,

or Texas Workforce Commission Employer Quarterly Reports.

- (e) **Performance Conditions.** Developer agrees to make, execute and deliver to EDC such other promissory notes, instruments, documents and other agreements as EDC or its attorneys may reasonably request to evidence this Agreement.
- (f) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between the Developer and EDC.

## **SECTION 5. AFFIRMATIVE COVENANTS OF EDC.**

EDC covenants and agrees with Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Financial Assistance for Qualified Expenditures.** EDC covenants and agrees to submit reimbursement for Qualified Expenditures made by the Developer pursuant to Section 4(a) of this Agreement, in an amount not to exceed the lesser of \_\_\_\_\_ **Thousand and No/100 Dollars (\$ \_\_\_\_\_,000.00)** or the aggregate amount of said paid invoices, paid receipts, or other paid documentation submitted by the Developer to EDC within thirty (30) days of receipt of said documentation.
- (b) **Performance.** EDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements by and between the Developer and EDC.

## **SECTION 6. CESSATION OF ADVANCES.**

If the EDC has made any commitment to provide any financial assistance to Developer, whether under this Agreement or under any other agreement, the EDC shall have no obligation to advance or disburse the financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

## **SECTION 7. EVENTS OF DEFAULT.**

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

- (a) **General Event of Default.** Failure of Developer or EDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or EDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and EDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to EDC by

or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.

- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Developer is an Event of Default.
- (d) **Ad Valorem Taxes.** Developer allows its ad valorem taxes owed to the City of Caddo Mills, Texas, 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 within thirty (30) days after written notice thereof from EDC and/or Hunt County Central Appraisal District is an Event of Default.

## **SECTION 8. EFFECT OF AN EVENT OF DEFAULT.**

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by the EDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to the EDC.

## **SECTION 9. INDEMNIFICATION.**

**TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.**

## **SECTION 10. 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 the party or parties sought to be charged or bound by the alteration or amendment.
- (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 Hunt County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Hunt County, Texas.
- (c) **Assignment.** This Agreement may not be assigned without the express written consent of the other party.
- (d) **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Developer warrants and represents that the individual or individuals executing this Agreement on behalf of Developer has full authority to execute this Agreement and bind Developer to the same. EDC warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind it to the same.
- (e) **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of the Agreement.
- (f) **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.
- (g) **Notices.** Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by facsimile (with electronic information and a mailed copy to follow) or by hand or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to EDC:

Caddo Mills Economic Development Corporation  
2313 Main Street  
Caddo Mills, Texas 75135  
Attn: \_\_\_\_\_  
Telephone: \_\_\_\_\_

if to Developer:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Telephone: \_\_\_\_\_

- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of six percent (6%), not later than the 120<sup>th</sup> day after the date the EDC notifies Developer of the violation.

**[The Remainder of this Page Intentionally Left Blank]**

**DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS IS PROVIDED HEREIN.**

**EDC:**

**CADDO MILLS ECONOMIC  
DEVELOPMENT CORPORATION,**  
a Texas non-profit corporation

By: \_\_\_\_\_  
\_\_\_\_\_, President  
Date Signed: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
, Secretary

**DEVELOPER:**

\_\_\_\_\_,  
a Texas [limited partnership] [limited liability  
company] [corporation]

By: \_\_\_\_\_  
Name  
Title: \_\_\_\_\_  
Date Signed: \_\_\_\_\_



***Exhibit A***

Legal Description and/or Depiction of the Property