

**Performance Agreement for Loan to Business
(Hearne 4B and Judy Werlinger RV Park)**

HEARNE 4B SALES TAX BOARD ("Hearne 4A") and Judith Werlinger RV Park ("Business") with an address of 10979 FM 391, Hearne, Texas 77859 agree to this performance agreement pursuant to the Development Corporation Act including Texas Local Government Code Section 505.

1. The real property subject to this agreement ("Property") is a fee interest in 20 acres located at 732 FM 485 Hearne, Robertson County, Texas.
2. Hearne 4B agrees and certifies that the Board of Directors of Hearne 4B has found that the expenditures and improvements on, at, in or for the Property are to promote new business development, to wit: a recreational vehicle park on the property and/or the expenditures for land, buildings, equipment, facilities, targeted infrastructures and expenditures required or suitable for a recreational vehicle park that will provide "RV" park residents with services that will entice RV residents to stay and in turn spend money in the local economy including restaurants, laundry, dry cleaning, fuel, banking, mercantile, and parts and repair services.
3. Business agrees to the following schedule of additional payroll or jobs to be created, annual payroll and estimated capital investment:
At least one full time and one part time employee; and
At least an estimated capital investment of \$200,000.00 including all expenditures for land, improvements, recreational vehicle park, and other expenditures for the beginning of operation of a recreational vehicle park on the Property; and Business agrees to maintain such capital investment, staff and payroll for 3 years.
4. Business agrees to repay the incentive loaned to Business, if Business fails to perform the terms of this agreement. Hearne 4B shall give Business written notice of any breach of the agreement and a reasonable opportunity to cure the breach.
5. Hearne 4B agrees to loan to Business up to the sum of \$85,000.00 pursuant to this agreement and for Business' expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in, or for the Property to promote new business development, to wit: a recreational vehicle park as set forth above.
6. Hearne 4B shall loan to Business the funds pursuant to this agreement upon expenditures having been made by Business and written documentation certified by Business to Hearne 4B of the expenditures allowable under Section 505 of the Development Corporation Act, including expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in or for the Property to promote new business development, to wit: to promote and build a recreational vehicle park which will prompt residents to spend money in the local economy as set forth hereinabove.

7. The funds pursuant to this agreement shall be disbursed upon review and approval of the receipts for the expenditure of funds allowable under Section 505 of the Development Corporation Act on, at, in, or for the Property, including expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in or for the Property to promote new business development, to wit: a recreational vehicle park which will attract residents to the park and such residents will spend money in the local economy as set forth hereinabove.
8. At the first, second, and third anniversary of the loan, Business will provide Hearne 4B evidence of the capital investment, number of jobs created, and annual payroll. Upon evidence of compliance with this agreement at the first, second, and third anniversary of the loan, Hearne 4B will forgive 1/3 of the loan if the Business has complied with the agreement for the first year of the loan, and 1/3 of the loan if the Business has complied with the agreement for the second year of the loan, and 1/3 of the loan if the Business has complied with the agreement for the third year of the loan.
9. Business does not and will not knowingly employ an undocumented worker. Repayment of the subsidy with interest at the Texas judgment interest rate from the date of notice if the business is convicted of federal immigration violations under 8 U.S. Code Section 1324a(f), not later than the 120th day after receiving notice of the violation from HEARNE 4B SALES TAX BOARD.
10. Any approved funds not expended within one year of the date of the resolution that approved this agreement are deobligated.
11. Time is of the essence.
12. This agreement is effective upon approval by the City Council of the City of Hearne, Texas and upon approval by Hearne 4B as required by law; and approval by Business.

Signed effective 9-19, 2014.

Business:
Judith Werlinger RV Park

By *Judith Werlinger*
Judith Werlinger,
Managing Member and Owner

Hearne 4B:
Hearne 4B Sales Tax Board

By *Carroll Barton Lockhart*
Carroll Barton Lockhart
Chairman

APPROVAL OF CITY COUNCIL

The City Council of the City of Hearne, Texas at its meeting on May 20, 2014 approves the Performance Agreement above and authorizes and approves the expenditures to be paid pursuant to the agreement.

Signed September 29, 2014.

City of Hearne, Texas

By *Pee Wee Drake*
Pee Wee Drake, City Manager

