

**NOTICE OF REGULAR TOMBALL ECONOMIC DEVELOPMENT
CORPORATION MEETING**



**Tuesday, March 05, 2024
5:30 PM**

Notice is hereby given of a meeting of the Tomball Economic Development Corporation, to be held on Tuesday, March 05, 2024 at 5:30 PM, City Hall, 401 Market Street, Tomball, TX 77375, for the purpose of considering the following agenda items. All agenda items are subject to action. The Tomball Economic Development Corporation reserves the right to meet in a closed session for consultation with attorney on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

THE TOMBALL ECONOMIC DEVELOPMENT CORPORATION OF THE CITY OF TOMBALL, TEXAS, WILL CONDUCT THE MEETING SCHEDULED FOR MARCH 5, 2024, 5:30 PM, AT 401 MARKET STREET, TOMBALL, TEXAS, 77375. THIS MEETING AGENDA AND THE AGENDA PACKET ARE POSTED ONLINE AT:

<HTTPS://TOMBALLTX.GOV/ARCHIVE.ASPX?AMID=38>

A RECORDING OF THE MEETING WILL BE MADE AND WILL BE AVAILABLE TO THE PUBLIC IN ACCORDANCE WITH THE OPEN MEETINGS ACT UPON WRITTEN REQUEST.

The public toll-free dial-in numbers to participate in the telephonic meeting are any one of the following (dial by your location): +1 312 626 6799 US (Chicago); +1 646 876 9923 US (New York); +1 301 715 8592 US; +1 346 248 7799 US (Houston); +1 408 638 0968 US (San Jose); +1 669 900 6833 US (San Jose); or +1 253 215 8782 US (Tahoma) - Meeting ID: 827 0778 2135 Passcode: 166183. The public will be permitted to offer public comments telephonically, as provided by the agenda and as permitted by the presiding officer during the meeting.

- A. Call to Order
- B. Invocation
- C. Pledges
- D. Public Comments and Receipt of Petitions; *[At this time, anyone will be allowed to speak on any matter other than personnel matters or matters under litigation, for length of time not to exceed three minutes. No Council/Board discussion or action may take place*

Regular Tomball Economic Development Corporation Meeting

March 05, 2024 | Agenda

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on a matter until such matter has been placed on an agenda and posted in accordance with law - GC, 551.042.]

E. Reports and Announcements

F. Reports by TEDC Staff:

- [1.](#) Summer Youth Employment Program Update
- [2.](#) Community Career Fair – April 24th – 10:00 – 3:00 - Lone Star College Tomball – Beckendorf Conference Center
- [3.](#) TEDC to host Webinar #1 – Topic: E-Commerce, presented by Josh Orr with Capital Commerce – March 26th
- [4.](#) Downtown Workshop Meeting #2 held on Monday, February 26th
- [5.](#) TEDC Strategic Planning Retreat – April 3, 2024 – TISD Innovation Center - 11211 Farm to Market 2920 Building 3, Tomball, TX 77375

G. Approval of Minutes

H. New Business

- [6.](#) Presentation by Katherine Tapscott, Finance Director, regarding the Tomball EDC 2023-2024 Fiscal Year financial statements.
- [7.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with WR Transformers, Inc. to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the development of a corporate headquarters facility, located at 2013 S. Persimmon Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$12,072.00.

- Public Hearing
- [8.](#) Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Sylvia's Wood Fire Pizza, LLC, to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 306 Market Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.

- Public Hearing
- [9.](#) TEDC Quarterly update on 2023-2024 Strategic Work Plan.

Regular Tomball Economic Development Corporation Meeting

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10. EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.

- Section 551.087, - Deliberation regarding Economic Development negotiations.

11. Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

I. Adjournment

CERTIFICATION

I hereby certify that the above notice of meeting was posted on the bulletin board of City Hall, City of Tomball, Texas, a place readily accessible to the general public at all times, on the 1st day of March 2024 by 5:30 PM, and remained posted for at least 72 continuous hours preceding the scheduled time of said meeting.

Kelly Violette
Executive Director

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's office at (281) 290-1002 or FAX (281) 351-6256 for further information.

AGENDAS MAY BE VIEWED ONLINE AT www.ci.tomball.tx.us.

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

Summer Youth Employment Program Update

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: March 5, 2024

Topic:

Community Career Fair – April 24th – 10:00 – 3:00 - Lone Star College Tomball – Beckendorf Conference Center

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____

To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: March 5, 2024

Topic:

TEDC to host Webinar #1 – Topic: E-Commerce, presented by Josh Orr with Capital Commerce – March 26th

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____

To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

Downtown Workshop Meeting #2 held on Monday, February 26th

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____	Approved by _____
Staff Member-TEDC _____	Executive Director-TEDC _____
Date _____	Date _____

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

TEDC Strategic Planning Retreat – April 3, 2024 – TISD Innovation Center - 11211 Farm to Market
2920 Building 3, Tomball, TX 77375

Background:

Origination:

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

Presentation by Katherine Tapscott, Finance Director, regarding the Tomball EDC 2023-2024 Fiscal Year financial statements.

Background:

- Standard Balance Sheet
- Comparison Balance Sheet
- Profit & Loss to Actual
- Comparison Profit & Loss
- Active Project Grants
- Analysis of Project Grants
- Quarterly Investment Report
- Business Improvement Grants Overview
- Old Town Façade Improvement Grants Overview

Origination: Katherine Tapscott, Finance Director

Recommendation: Presentation item only.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____

To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

MEMORANDUM

Item 6.

TO: TEDC Board of Directors

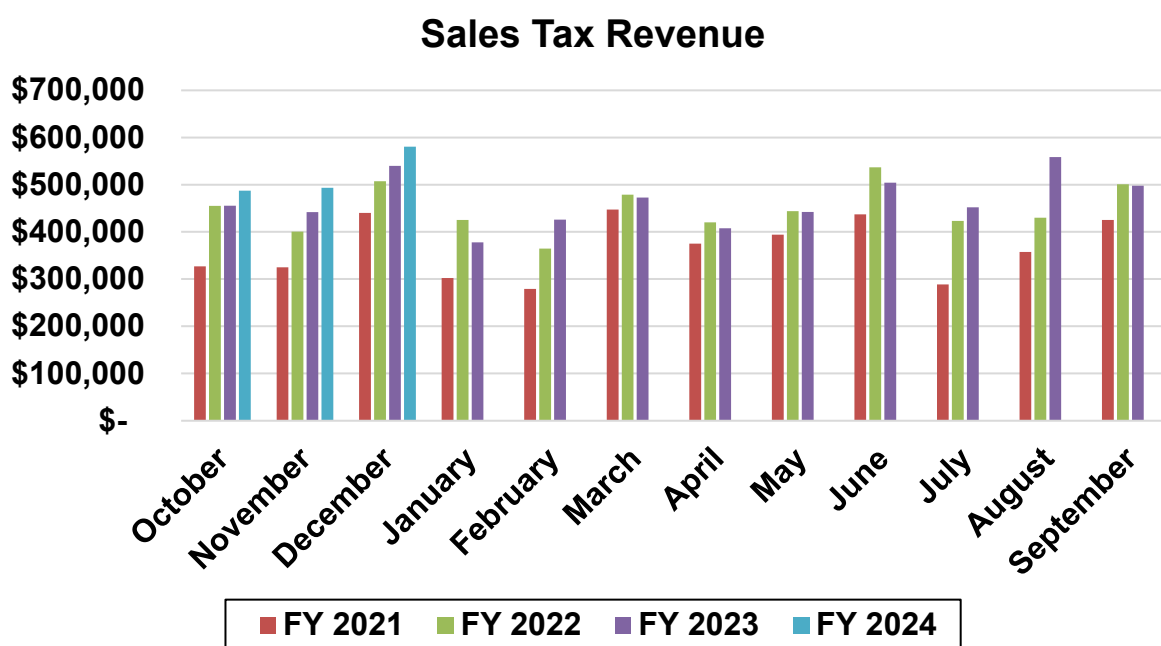
FROM: Katherine Tapscott, Finance Director

SUBJECT: Financial Information for Quarter Ending December 31, 2023

DATE: March 5, 2024

Attached is the financial information for the quarter ending December 31, 2023 for the Tomball Economic Development Corporation.

Total year-to-date (YTD) revenues were \$1,961,262, which was \$498,762 more than the budgeted amount of \$1,462,500. YTD sales tax revenues were \$1,560,996, which was \$310,996 more than the budgeted amount of \$1,250,000. The increase in revenues is primarily due to an increase in sales tax revenues. For fiscal year to date, sales tax revenues were up 8.6% over the previous year on an accrual basis. Interest income was \$320,471, which was \$107,971 more than budgeted for the quarter YTD.



Total administrative expenses for the quarter YTD were \$152,575, which was \$63,371 less than the budgeted amount of \$215,946. Indirect Economic Development costs for the quarter YTD were \$166,188, which was \$94,711 less than the budgeted amount of \$260,900.

Included in the financial information is a schedule of active project grants, which assists with tracking of TEDC grant commitments. The schedule is updated as project grants are added and prior commitments are paid. As of December 31, 2023, the TEDC had outstanding commitments for Board Approved Grants of \$2,450,943.

The Quarterly Investment Report is also included, which lists the details of the TEDC's investment portfolio. As of December 31, 2023, TEDC's cash and cash equivalents totaled over \$21.7 million. Additionally, TEDC held securities with a total market value of \$2,681,515 as of December 31, 2023.

Tomball Economic Development Corporation

Profit & Loss Budget vs. Actual

October through December 2023

	Oct - Dec 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Lease Revenue - FBC	7,500.00			
Lease Revenue - S Live Oak	72,294.98			
Sales Tax	1,560,996.02	5,000,000.00	-3,439,003.98	31.2%
Interest	320,471.34	850,000.00	-529,528.66	37.7%
Total Income	1,961,262.34	5,850,000.00	-3,888,737.66	33.5%
Gross Profit	1,961,262.34	5,850,000.00	-3,888,737.66	33.5%
Expense				
Administrative Expenditures				
Salaries and Benefits				
Salary-Executive Director	38,722.64	178,360.00	-139,637.36	21.7%
Salary- Assistant Director	29,503.19	137,290.00	-107,786.81	21.5%
Salary-Coordinator	17,467.75	80,940.00	-63,472.25	21.6%
Wages-Admin. Asst.	10,337.85	48,087.00	-37,749.15	21.5%
Overtime	795.23	3,000.00	-2,204.77	26.5%
Benefits-Executive Director	11,969.01	68,569.00	-56,599.99	17.5%
Benefits- Assistant Director	10,537.22	59,395.00	-48,857.78	17.7%
Benefits-Coordinator	5,122.22	27,316.00	-22,193.78	18.8%
Benefits-Admin. Asst.	5,247.31	29,528.00	-24,280.69	17.8%
Total Salaries and Benefits	129,702.42	632,485.00	-502,782.58	20.5%
Other Personnel Expenditures				
Auto Allowance-Exec.Director	2,700.00	10,800.00	-8,100.00	25.0%
Auto Allowance-Assistant Dir	1,500.00	6,000.00	-4,500.00	25.0%
Phone Allow.-Exec. Dir.	225.00	900.00	-675.00	25.0%
Phone Allowance- Assistant Dir	225.00	900.00	-675.00	25.0%
Phone Allowance-Coordinator	225.00	900.00	-675.00	25.0%
Dues and Subscriptions	1,286.22	13,100.00	-11,813.78	9.8%
Local Travel Expense	147.51	500.00	-352.49	29.5%
Seminar/Conference Registration		18,000.00	-18,000.00	
Travel and Training	3,150.90	30,000.00	-26,849.10	10.5%
Total Other Personnel Expenditures	9,459.63	81,100.00	-71,640.37	11.7%
Service and Supply Expenditures				
Insurance	548.00	30,000.00	-29,452.00	1.8%
Contract Administrative Service	6,250.00	25,000.00	-18,750.00	25.0%
Bank Charges & Postage	27.09	3,500.00	-3,472.91	0.8%
Computer Equip. and Maint.	136.75	10,000.00	-9,863.25	1.4%
Communications Services	779.54	5,200.00	-4,420.46	15.0%
Legal Fees	1,057.50	40,000.00	-38,942.50	2.6%
Lease Expense-GTACC	4,172.00	26,500.00	-22,328.00	15.7%
Office Supplies	442.02	10,000.00	-9,557.98	4.4%
Total Service and Supply Expenditures	13,412.90	150,200.00	-136,787.10	8.9%
Total Administrative Expenditures	152,574.95	863,785.00	-711,210.05	17.7%

Tomball Economic Development Corporation Profit & Loss Budget vs. Actual

October through December 2023

Item 6.

	Oct - Dec 23	Budget	\$ Over Budget	% of Budget
Indirect Economic Development				
Grow Tomball Initiative		20,000.00	-20,000.00	
Economic Impact Model License	4,698.00	4,698.00		100.0%
Promotional Items		10,000.00	-10,000.00	
Printing	210.84	6,500.00	-6,289.16	3.2%
Event Sponsorships	6,459.06	29,000.00	-22,540.94	22.3%
Chamber Guide		8,400.00	-8,400.00	
Marketing	76,796.00	175,000.00	-98,204.00	43.9%
Website and GIS	12,100.00	25,000.00	-12,900.00	48.4%
Professional Services	64,825.00	750,000.00	-685,175.00	8.6%
Miscellaneous	1,099.51	15,000.00	-13,900.49	7.3%
Total Indirect Economic Development	166,188.41	1,043,598.00	-877,409.59	15.9%
City Debt Service				
Medical Complex/Persimmon		222,222.00	-222,222.00	
Business Park Infrastructure		546,013.00	-546,013.00	
Total City Debt Service		768,235.00	-768,235.00	
Grants, Loans & Other Exp.				
Old Town Projects		1,500,000.00	-1,500,000.00	
First Baptist Church Expenses	759.53			
South Live Oak Redevelopment	14,280.22	5,000,000.00	-4,985,719.78	0.3%
Old Town Facade Grants- Prior Y		100,000.00	-100,000.00	
Old Town Facade Grants- Current		250,000.00	-250,000.00	
Businesss Park Expenses	1,292.37	350,000.00	-348,707.63	0.4%
Sales Tax Reimb.Grants (380)		11,400.00	-11,400.00	
Business Imp. Grants- Prior Yr.	73,183.78	250,000.00	-176,816.22	29.3%
Business Imp. Grants- Curr. Yr.	15,696.14	350,000.00	-334,303.86	4.5%
Project Grants	28,565.42	3,500,000.00	-3,471,434.58	0.8%
Property Acquisition	343,636.60	3,000,000.00	-2,656,363.40	11.5%
Total Grants, Loans & Other Exp.	477,414.06	14,311,400.00	-13,833,985.94	3.3%
Total Expense	796,177.42	16,987,018.00	-16,190,840.58	4.7%
Net Ordinary Income	1,165,084.92	-11,137,018.00	12,302,102.92	-10.5%
Net Income	1,165,084.92	-11,137,018.00	12,302,102.92	-10.5%

5:02 PM

02/26/24

Accrual Basis

Tomball Economic Development Corporation
Profit & Loss Prev Year Comparison
October through December 2023

Item 6.

	Oct - Dec 23	Oct - Dec 22	\$ Change	% Change
Ordinary Income/Expense				
Income				
Lease Revenue - FBC	7,500.00	0.00	7,500.00	100.0%
Lease Revenue - S Live Oak	72,294.98	72,019.95	275.03	0.4%
Sales of Business Park Property	0.00	128,088.82	-128,088.82	-100.0%
Sales Tax	1,560,996.02	1,437,052.48	123,943.54	8.6%
Interest	320,471.34	188,196.45	132,274.89	70.3%
Total Income	1,961,262.34	1,825,357.70	135,904.64	7.5%
Gross Profit	1,961,262.34	1,825,357.70	135,904.64	7.5%
Expense				
Administrative Expenditures				
Salaries and Benefits				
Salary-Executive Director	38,722.64	35,960.78	2,761.86	7.7%
Salary- Assistant Director	29,503.19	27,096.79	2,406.40	8.9%
Salary-Coordinator	17,467.75	16,126.95	1,340.80	8.3%
Wages-Admin. Asst.	10,337.85	9,412.38	925.47	9.8%
Overtime	795.23	62.56	732.67	1,171.2%
Benefits-Executive Director	11,969.01	11,817.33	151.68	1.3%
Benefits- Assistant Director	10,537.22	11,534.59	-997.37	-8.7%
Benefits-Coordinator	5,122.22	5,596.22	-474.00	-8.5%
Benefits-Admin. Asst.	5,247.31	6,559.74	-1,312.43	-20.0%
Total Salaries and Benefits	129,702.42	124,167.34	5,535.08	4.5%
Other Personnel Expenditures				
Auto Allowance-Exec.Director	2,700.00	2,700.00	0.00	0.0%
Auto Allowance-Assistant Dir	1,500.00	1,500.00	0.00	0.0%
Phone Allow.-Exec. Dir.	225.00	225.00	0.00	0.0%
Phone Allowance- Assistant Dir	225.00	225.00	0.00	0.0%
Phone Allowance-Coordinator	225.00	225.00	0.00	0.0%
Dues and Subscriptions	1,286.22	2,318.70	-1,032.48	-44.5%
Local Travel Expense	147.51	112.19	35.32	31.5%
Seminar/Conference Registration	0.00	270.00	-270.00	-100.0%
Travel and Training	3,150.90	3,629.32	-478.42	-13.2%
Total Other Personnel Expenditures	9,459.63	11,205.21	-1,745.58	-15.6%
Service and Supply Expenditures				
Insurance	548.00	549.00	-1.00	-0.2%
Contract Administrative Service	6,250.00	6,250.00	0.00	0.0%
Bank Charges & Postage	27.09	6.27	20.82	332.1%
Computer Equip. and Maint.	136.75	307.25	-170.50	-55.5%
Communications Services	779.54	1,079.59	-300.05	-27.8%
Legal Fees	1,057.50	2,756.50	-1,699.00	-61.6%
Lease Expense-GTACC	4,172.00	6,168.00	-1,996.00	-32.4%
Office Supplies	442.02	3,191.80	-2,749.78	-86.2%
Total Service and Supply Expenditures	13,412.90	20,308.41	-6,895.51	-34.0%
Total Administrative Expenditures	152,574.95	155,680.96	-3,106.01	-2.0%

5:02 PM

02/26/24

Accrual Basis

Tomball Economic Development Corporation
Profit & Loss Prev Year Comparison
October through December 2023

Item 6.

	Oct - Dec 23	Oct - Dec 22	\$ Change	% Change
Indirect Economic Development				
Economic Impact Model License	4,698.00	4,561.00	137.00	3.0%
Promotional Items	0.00	1,640.05	-1,640.05	-100.0%
Printing	210.84	241.50	-30.66	-12.7%
Event Sponsorships	6,459.06	9,598.04	-3,138.98	-32.7%
Marketing	76,796.00	65,096.00	11,700.00	18.0%
Website and GIS	12,100.00	12,100.00	0.00	0.0%
Professional Services	64,825.00	60,893.72	3,931.28	6.5%
Miscellaneous	1,099.51	1,196.03	-96.52	-8.1%
Total Indirect Economic Development	166,188.41	155,326.34	10,862.07	7.0%
Grants, Loans & Other Exp.				
First Baptist Church Expenses	759.53	0.00	759.53	100.0%
South Live Oak Redevelopment	14,280.22	14,918.96	-638.74	-4.3%
Old Town Facade Grants- Prior Y	0.00	0.00	0.00	0.0%
Businesss Park Expenses	1,292.37	27,303.84	-26,011.47	-95.3%
Business Imp. Grants- Prior Yr.	73,183.78	107,017.83	-33,834.05	-31.6%
Business Imp. Grants- Curr. Yr.	15,696.14	3,612.50	12,083.64	334.5%
Project Grants	28,565.42	110,280.05	-81,714.63	-74.1%
Property Acquisition	343,636.60	0.00	343,636.60	100.0%
Total Grants, Loans & Other Exp.	477,414.06	263,133.18	214,280.88	81.4%
Total Expense	796,177.42	574,140.48	222,036.94	38.7%
Net Ordinary Income	1,165,084.92	1,251,217.22	-86,132.30	-6.9%
Other Income/Expense				
Other Income				
Other Income				
Unrealized Gains/Losses on Inv.	9,887.58	4,863.89	5,023.69	103.3%
Other Income - Other	0.00	1,824.85	-1,824.85	-100.0%
Total Other Income	9,887.58	6,688.74	3,198.84	47.8%
Total Other Income	9,887.58	6,688.74	3,198.84	47.8%
Net Other Income	9,887.58	6,688.74	3,198.84	47.8%
Net Income	1,174,972.50	1,257,905.96	-82,933.46	-6.6%

Tomball Economic Development Corporation
Balance Sheet Prev Year Comparison
As of December 31, 2023

	Dec 31, 23	Dec 31, 22	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Wells Fargo, checking	134,630.79	402,199.22	-267,568.43	-66.5%
TexasCLASS	1,046,872.02	993,532.67	53,339.35	5.4%
TexPool	20,596,037.81	16,107,922.48	4,488,115.33	27.9%
Total Checking/Savings	21,777,540.62	17,503,654.37	4,273,886.25	24.4%
Accounts Receivable				
Lease Receivable	712,316.00	833,221.00	-120,905.00	-14.5%
Accounts Receivable - Other	672,831.48	482,200.90	190,630.58	39.5%
Accounts Receivable	1,083,924.51	992,041.27	91,883.24	9.3%
Total Accounts Receivable	2,469,071.99	2,307,463.17	161,608.82	7.0%
Other Current Assets				
Lease Interest Receivable	2,417.00	2,638.00	-221.00	-8.4%
Investment Securities	2,681,515.10	6,287,378.70	-3,605,863.60	-57.4%
Total Other Current Assets	2,683,932.10	6,290,016.70	-3,606,084.60	-57.3%
Total Current Assets	26,930,544.71	26,101,134.24	829,410.47	3.2%
Fixed Assets				
Right-To-Use Lease - Accum Dep	-35,689.00	0.00	-35,689.00	-100.0%
Right-To-Use Lease Bldgs/Impr	37,176.00	0.00	37,176.00	100.0%
Buildings and Improvements				
Accumulated Depreciation	-842,228.25	-525,593.38	-316,634.87	-60.2%
Buildings and Improvements - Other	8,451,365.90	4,233,067.57	4,218,298.33	99.7%
Total Buildings and Improvements	7,609,137.65	3,707,474.19	3,901,663.46	105.2%
Land	4,023,570.51	3,573,659.34	449,911.17	12.6%
Total Fixed Assets	11,634,195.16	7,281,133.53	4,353,061.63	59.8%
Other Assets				
Leasing Commissions	16,401.51	0.00	16,401.51	100.0%
Total Other Assets	16,401.51	0.00	16,401.51	100.0%
TOTAL ASSETS	38,581,141.38	33,382,267.77	5,198,873.61	15.6%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
Accounts Payable	168,571.49	313,230.96	-144,659.47	-46.2%
Total Accounts Payable	168,571.49	313,230.96	-144,659.47	-46.2%

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02/27/24

Accrual Basis

Tomball Economic Development Corporation
Balance Sheet Prev Year Comparison
As of December 31, 2023

Item 6.

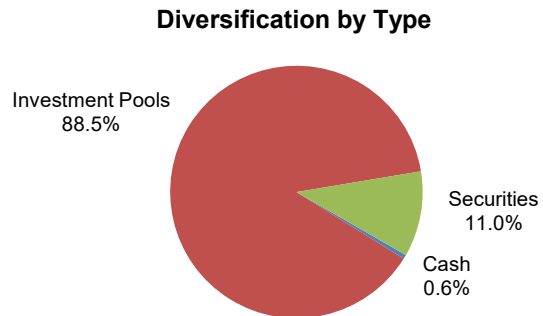
	Dec 31, 23	Dec 31, 22	\$ Change	% Change
Other Current Liabilities				
Lease Liability	1,505.00	0.00	1,505.00	100.0%
Refundable Deposit	10,869.00	10,869.00	0.00	0.0%
Total Other Current Liabilities	12,374.00	10,869.00	1,505.00	13.9%
Total Current Liabilities	180,945.49	324,099.96	-143,154.47	-44.2%
Long Term Liabilities				
Deferred Inflows - Leases	676,887.00	811,840.00	-134,953.00	-16.6%
Total Long Term Liabilities	676,887.00	811,840.00	-134,953.00	-16.6%
Total Liabilities	857,832.49	1,135,939.96	-278,107.47	-24.5%
Equity				
Fund Balance				
Board Approved Grants	2,450,943.43	1,738,406.57	712,536.86	41.0%
Fund Balance - Other	28,286,643.76	25,371,389.47	2,915,254.29	11.5%
Total Fund Balance	30,737,587.19	27,109,796.04	3,627,791.15	13.4%
Retained Earnings	5,810,749.20	3,878,625.81	1,932,123.39	49.8%
Net Income	1,174,972.50	1,257,905.96	-82,933.46	-6.6%
Total Equity	37,723,308.89	32,246,327.81	5,476,981.08	17.0%
TOTAL LIABILITIES & EQUITY	38,581,141.38	33,382,267.77	5,198,873.61	15.6%

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
ACTIVE PROJECT GRANTS (BOARD APPROVED GRANTS)
AS OF DECEMBER 31, 2023

GRANTEE	APPROVED		ADDITIONS/DELETIONS		PAID		REMAINING AMOUNT
	DATE	AMOUNT	EXPIRATION DATE	DATE	AMOUNT	AMOUNT	
Dancing Falls Development, LLC	11/14/2017	50,925.00		1/14/2020	15,277.50		
				3/5/2021	5,092.50		
				9/1/2021	12,731.25		
				3/22/2022	5,092.50		12,731.25
				12/14/2022	105,646.82		81,053.18
ARC Management, LLC	5/15/2018	186,700.00					135,591.00
JDR Cable Systems, Inc.	12/17/2019	135,591.00	2/23/2024				84,894.00
Houston Poly Bag I, Ltd	5/28/2020	84,894.00	8/3/2024				25,136.00
The Hutson Group	1/12/2021	48,800.00	3/9/2023	2/28/2023	23,664.00		20,529.00
TECHSICO Wireless	11/9/2021	20,529.00	1/16/2024				105,100.00
GK Hospitality Development, LLC	11/9/2021	105,100.00	7/16/2024				580,864.00
Project Hanks/Macy's Inc.	1/11/2022	580,864.00	3/20/2024				16,077.00
Della Casa Pasta LLC	11/15/2022	16,077.00	1/10/2024				4,450.00
Persimmon Global Logistics	1/10/2023	16,920.00	3/11/2025	9/26/2023	12,470.00		122,722.00
Hufsmith-Kohrville Business Park, LLC	1/10/2023	122,722.00	9/11/2024				426,639.00
Church Holdings, Inc.	1/10/2023	426,639.00	9/11/2024				123,094.00
BCS Tomball Main, LLC	1/10/2023	123,094.00	9/11/2024				4,063.00
STUDIO a28, LLC	1/10/2023	4,063.00	3/11/2024				10,000.00
The Garza Agency	9/12/2023	10,000.00	11/11/2024				8,820.00
T & R Harmon, LLC DBA Craving Kernels	11/14/2023	8,820.00	1/18/2025				64,721.00
First Community Credit Union	11/14/2023	64,721.00	7/18/2025				522,000.00
IC Star Solar (USA), LLC	11/14/2023	522,000.00	1/18/2029				102,459.00
Headquarters TOO, LLC	11/14/2023	102,459.00	7/18/2025				
Total		<u>\$ 2,630,918.00</u>			<u>\$ -</u>	<u>\$ 237,669.85</u>	<u>\$ 2,450,943.43</u>

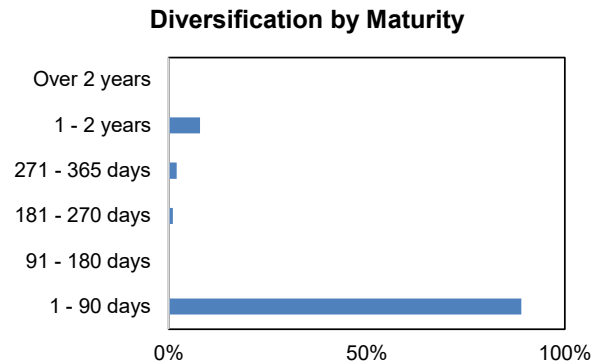
TOMBALL ECONOMIC DEVELOPMENT CORPORATION
QUARTERLY INVESTMENT REPORT
December 31, 2023

	Market Value		
	9/30/2023	12/31/2023	Change
Cash	\$ 143,988	\$ 134,631	\$ (9,357)
Investment Pools	20,754,794	21,642,910	888,116
Securities	2,586,628	2,681,515	94,887
Total Portfolio	\$ 23,485,410	\$ 24,459,056	\$ 973,646



Safety of principal is the first priority of any Public investing portfolio. The Tomball Economic Development Corporation invests in securities of federal, state and local governments, and investment pools. These investments are in securities with a rating of A-1/P-1 or higher and pools with Standard & Poor's highest rating of AAAm.

	Current Market Value	Percent Portfolio
1 - 90 days	\$ 21,777,541	89%
91 - 180 days	-	0%
181 - 270 days	252,975	1%
271 - 365 days	493,940	2%
1 - 2 years	1,934,600	8%
Over 2 years	-	0%
Total Portfolio	\$ 24,459,056	



Ensuring adequate liquidity is available to cover all expenditures is the second priority of any public investing program. The Tomball Economic Development Corporation staff forecasts cash flow and matches the maturity of investments with future cash needs. A portion of funds are kept in overnight investments as a buffer for any unexpected expenditures. These overnight investments (TexPool, Texas CLASS) have been performing according to market in terms of yield as well as providing liquidity.

This report is in compliance with the investment strategies as approved and the Public Funds Investment Act.

K. Tapscott

Katherine Tapscott
Finance Director

TOMBALL ECONOMIC DEVELOPMENT CORPORATION
INVESTMENTS IN SECURITIES
12/31/2023

SECURITY DESCRIPTION		CUSIP NUMBER	MATURITY DATE	COUPON YIELD	PAR VALUE	MARKET VALUE	DAYS AFTER 12/31/23	INDIVIDUAL MARKET VALUE/TOTAL	WAM DAYS x PERCENT	Callable
1	Royse City Tx Cert of Obl	780860MK5	8/15/2024	5.000%	\$ 250,000	\$ 252,975	228	9.43%	22	N
2	Texas State TXBL- Pub Fin Auth	882724GV3	10/1/2024	3.225%	\$ 500,000	\$ 493,940	275	18.42%	51	N
3	Texas St TXBL-Public Finance Auth Lease	882724GV3	2/2/2025	2.000%	\$ 500,000	\$ 484,461	399	18.07%	72	N
4	Federal Home Loan Bank	3130AX3R7	3/11/2025	5.580%	\$ 500,000	\$ 499,608	436	18.63%	81	Y
5	Federal Home Loan Bank	3130AMTK8	6/30/2025	1.000%	\$ 1,000,000	\$ 950,531	547	35.45%	194	Y
TOTAL				3.361%	\$ 2,750,000	\$ 2,681,515	377	100.00%	419	

**TOMBALL ECONOMIC DEVELOPMENT CORPORATION
CASH AND CASH EQUIVALENTS**

December 31, 2023

FUNDS	CASH AND CASH EQUIVALENTS				INVESTMENTS	
MAJOR FUNDS	TEXAS CLASS	TEXPOOL	OPERATING ACCOUNTS	TOTAL CASH AND CASH EQUIVALENTS	TOTAL INVESTMENTS	TOTAL CASH, CASH EQUIVALENTS AND INVESTMENTS
General	\$ 1,046,872	\$ 20,596,038	\$ 134,631	\$ 21,777,541	\$ 2,681,515	\$ 24,459,056
TOTAL	\$ 1,046,872	\$ 20,596,038	\$ 134,631	\$ 21,777,541	\$ 2,681,515	\$ 24,459,056

Business Improvement Grant Program

Fiscal 2023-2024	Project Amount		TEDC Grant	Date Approved	Date Funded	Amount Funded	\$350,000.00
Beefy Marketing	\$5,295.00	Signage	\$2,500.00	10/2/2023			\$347,500.00
403 Eats (mural)	\$17,550.00	Façade	\$8,775.00	10/4/2023	12/19/2023	\$6,235.00	\$338,725.00
Tejas Chocolate and Barbecue	\$136,108.00	Façade	\$10,000.00	10/11/2023	1/16/2024	\$10,000.00	\$328,725.00
Tejas Chocolate and Barbecue	\$29,000.00	Property	\$10,000.00	10/11/2023	1/16/2024	\$10,000.00	\$318,725.00
GREVIS Properties	\$18,476.65	Property	\$9,238.33	10/17/2023	11/7/2023	\$8,961.14	\$309,486.67
Lawrence Street Health Care Center	\$14,512.37	Façade	\$7,256.18	10/17/2023			\$302,230.49
Lawrence Street Health Care Center	\$7,850.00	Landscape	\$3,925.00	10/17/2023			\$298,305.49
First Community Credit Union	\$59,537.50	Property	\$10,000.00	10/23/2023			\$288,305.49
Holderrieth Commercial Properties	\$11,740.22	Property	\$5,870.11	10/23/2023			\$282,435.38
CKM Properties	\$1,000.00	Signage	\$500.00	10/30/2023	12/21/2023	\$500.00	\$281,935.38
SanRon Investments, LLC	\$20,000.00	Landscaping	\$10,000.00	11/13/2023			\$271,935.38
The Weird Sister, LLC	\$18,803.00	Façade	\$9,401.50	11/16/2023	2/27/2024	\$7,848.00	\$262,533.88
The Weird Sister, LLC	\$16,586.80	Property	\$8,293.40	11/16/2023	2/27/2024	\$8,293.40	\$254,240.48
The Weird Sister, LLC	\$9,897.59	Signage	\$2,500.00	11/16/2023	2/27/2024	\$2,500.00	\$251,740.48
Hee Haw's	\$9,747.00	Landscaping	\$4,873.50	11/20/2023	1/9/2024	\$4,673.50	\$246,866.98
Cheers	\$7,968.00	Property	\$3,984.00	11/20/2023	1/9/2024	\$3,984.00	\$242,882.98
Pecos Grilling	\$20,413.00	Landscaping	\$10,000.00	12/21/2023	2/13/2024	\$10,000.00	\$232,882.98
Paradigm Brewing Co.	\$2,006.97	Landscaping	\$1,003.48	1/4/2024	1/16/2024	\$1,003.48	\$231,879.50
Della Casa Pasta	\$48,650.00	Signage	\$2,500.00	1/11/2024			\$229,379.50
Billiard Factory	\$45,994.24	Landscaping	\$10,000.00	1/19/2024			\$219,379.50
Paradigm Brewing Co.	\$3,100.00	Property	\$1,550.00	1/26/2024	2/20/2024	\$1,550.00	\$217,829.50
Houston Motor & Control, Inc	\$11,795.37	Signage	\$1,000.00	2/2/2024			\$216,829.50
Coats Orthodontics	\$2,950.00	Property	\$1,475.00	2/8/2024			\$215,354.50
Graze	\$2,683.66	Façade	\$1,341.83	2/9/2024	2/27/2024	\$1,341.83	\$214,012.67
LOMA Health & Wellness	\$1,350.00	Signage	\$675.00	2/19/2024			\$213,337.67

\$136,662.33

Business Improvement Grant Program

Fiscal 2022-2023	Project Amount		TEDC Grant	Date Approved	Date Funded	Amount Funded	\$350,000.00
BK Graham, Ltd	\$30,000.00	Property	\$10,000.00	10/18/2022			\$340,000.00
Ideaco Investments, LLC	\$4,375.00	Façade	\$2,187.50	11/2/2022			\$337,812.50
Ideaco Investments, LLC	\$19,400.00	Property	\$9,700.00	11/2/2022			\$328,112.50
CKM Property Management, Inc.	\$2,170.42	Signage	\$1,085.21	11/9/2022	5/9/2023	\$566.44	\$327,027.29
KJ FIVE, LLC	\$9,173.26	Façade	\$4,586.63	11/9/2022	1/30/2023	\$3,760.05	\$322,440.66
KJ FIVE, LLC	\$1,135.67	Property	\$567.83	11/9/2022	1/30/2023	\$567.83	\$321,872.83
KJ FIVE, LLC	\$5,372.73	Landscape	\$2,686.36	11/22/2022	1/30/2023	\$2,497.23	\$319,186.47
Manna Bread from Heaven	\$2,625.00	Signage	\$1,312.50	11/22/2022	2/6/2023		\$317,873.97
Manna Bread from Heaven	\$15,025.00	Façade	\$7,512.50	11/22/2022	2/6/2023	\$7,512.50	\$310,361.47
Manna Bread from Heaven	\$20,794.44	Landscape	\$10,000.00	11/22/2022	2/6/2023	\$3,369.72	\$300,361.47
Manna Bread from Heaven	\$35,850.00	Property	\$10,000.00	11/22/2022	2/6/2023	\$5,845.83	\$290,361.47
Coats Orthodontics	\$2,868.63	Signage	\$1,434.31	11/22/2022	1/13/2023	\$1,434.31	\$288,927.16
The Bluebonnet Tasting Room	\$16,190.00	Façade	\$8,095.00	11/22/2022	12/22/2022	\$8,095.00	\$280,832.16
The Bluebonnet Tasting Room	\$7,700.00	Property	\$3,850.00	11/22/2022			\$276,982.16
The Bluebonnet Tasting Room	\$625.00	Landscape	\$312.50	11/28/2022	12/14/2022	\$312.50	\$276,669.66
The Bluebonnet Tasting Room	\$2,576.35	Signage	\$1,000.00	11/28/2022	3/2/2023	\$1,000.00	\$275,669.66
Bella Antiques, LLC	\$1,017.55	Signage	\$508.77	11/28/2022			\$275,160.89
The Covey Apparel Company, LLC	\$11,846.00	Façade	\$5,923.00	11/30/2022			\$269,237.89
The Covey Apparel Company, LLC	\$6,722.33	Signage	\$2,500.00	11/30/2022	4/4/2023	\$1,399.50	\$266,737.89
Texas Star Gymnastics	\$1,126.95	Property	\$563.47	12/27/2022	1/30/2023	\$563.47	\$266,174.42
Jonah's Movers, LLC	\$72,214.36	Property	\$10,000.00	1/10/2023	6/27/2023	\$10,000.00	\$256,174.42
Jonah's Movers, LLC	\$14,765.30	Signage	\$1,000.00	1/10/2023	6/27/2023	\$1,000.00	\$255,174.42
BCS Tomball Main, LLC	\$100,625.00	Property	\$10,000.00	1/26/2023			\$245,174.42
Khurram Hafiz	\$2,200.00	Property	\$1,100.00	1/26/2023	3/13/2023	\$1,100.00	\$244,074.42
Texas Professional Building	\$137,430.95	Property	\$10,000.00	3/15/2023	6/14/2023	\$10,000.00	\$234,074.42
SWRT Group, Inc.	\$1,306.60	Signage	\$653.30	3/28/2023	8/8/2023	\$653.30	\$233,421.12
Tubular Products of Texas, Inc.	\$1,306.60	Signage	\$653.30	3/28/2023	8/8/2023	\$653.30	\$232,767.82
Heritage Films, LLC	\$1,306.60	Signage	\$653.30	3/28/2023	8/8/2023	\$653.30	\$232,114.52
Gatewood & Associates	\$1,306.60	Signage	\$653.30	3/28/2023	TERMINATED -		\$231,461.22
Matthew J Coats, DDS, MS, PC	\$1,306.60	Signage	\$653.30	3/28/2023		\$653.30	\$230,807.92
1 Top Tool	\$25,880.00	Façade	\$10,000.00	3/28/2023			\$220,807.92
Hilltop Tool Rental	\$20,220.00	Property	\$10,000.00	3/28/2023			\$210,807.92
The Nook Grill	\$15,485.00	Façade	\$7,742.50	3/30/2023	6/6/2023	\$7,742.50	\$203,065.42
Pathway Counseling Services	\$1,306.60	Signage	\$653.30	4/4/2023	8/8/2023	\$653.30	\$202,412.12
Beefy Marketing	\$1,306.60	Signage	\$653.30	4/4/2023	8/8/2023	\$653.30	\$201,758.82
CORE Integrated Wealth	\$1,306.60	Signage	\$653.30	4/4/2023	8/8/2023	\$653.30	\$201,105.52
403, LLC	\$205,390.19	MEGA	\$50,000.00	4/12/2023	10/24/2023	\$50,000.00	\$151,105.52

Bluebonnet Therapy Services, PLLC	\$1,306.60	Signage	\$653.30	4/12/2023	8/8/2023	\$596.19	\$150,452.22
Goodson's Café	\$7,395.50	Signage	\$2,500.00	4/12/2023			\$147,952.22
ADIM Media, LLC	\$1,306.60	Signage	\$653.30	4/13/2023	8/8/2023	\$653.30	\$147,298.92
The Hutson Group (307 W Main)	\$19,590.00	Property	\$9,795.00	4/18/2023	9/4/2023	\$7,679.84	\$137,503.92
70/70 Offices, LLC	\$28,620.00	Landscape	\$10,000.00	4/18/2023	6/6/2023	\$10,000.00	\$127,503.92
Willow Wellness, PLLC	\$23,950.00	Property	\$10,000.00	4/18/2023	5/9/2023	\$10,000.00	\$117,503.92
Hufsmith Kohrville Business Park LLC	\$89,465.00	Landscape	\$10,000.00	5/10/2023			\$107,503.92
Hufsmith Kohrville Business Park LLC	\$67,555.00	Signage	\$1,000.00	5/10/2023			\$106,503.92
70/70 Offices, LLC	\$398.33	Façade	\$199.16	5/15/2023	8/22/2023	\$199.16	\$106,304.76
Tubular Products of Texas, Inc.	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$106,105.60
Heritage Films, LLC	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$105,906.44
Gatewood & Associates	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$57.11	\$105,707.28
Matthew J Coats, DDS, MS, PC	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$105,508.12
Pathway Counseling Services	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$105,308.96
Beefy Marketing	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$105,109.80
CORE Integrated Wealth	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$104,910.64
ADIM Media, LLC	\$398.33	Façade	\$199.16	5/15/2023	8/8/2023	\$199.16	\$104,711.48
Persimmon Global Logistics	\$14,350.00	Property	\$7,175.00	5/18/2023	9/26/2023	\$7,175.00	\$97,536.48
Persimmon Global Logistics	\$10,590.00	Landscape	\$5,295.00	5/18/2023	9/26/2023	\$5,295.00	\$92,241.48
Holiday Inn Express & Suites	\$24,000.00	Façade	\$10,000.00	6/19/2023	8/8/2023	\$10,000.00	\$82,241.48
The Nook Grill	\$2,200.00	Property	\$1,100.00	6/20/2023	8/1/2023	\$1,100.00	\$81,141.48
SanRon Investments, LLC	\$32,200.00	Façade	\$10,000.00	6/28/2023	10/10/2023	\$10,000.00	\$71,141.48
Holiday Inn Express & Suites	\$20,690.00	Property	\$10,000.00	6/28/2023	9/4/2023	\$10,000.00	\$61,141.48
Holiday Inn Express & Suites	\$20,009.64	Landscaping	\$10,000.00	6/28/2023	7/11/2023	\$10,000.00	\$51,141.48
SWRT Group, Inc.	\$1,085.00	Façade	\$542.50	7/27/2023	9/26/2023	\$542.50	\$50,598.98
Paradigm Brewing Company, LLC	\$8,424.45	Landscaping	\$4,212.22	8/2/2023	8/22/2023	\$4,212.22	\$46,386.76
Matthew J Coats, DDS, MS, PC	\$3,440.00	Landscaping	\$1,720.00	8/7/2023	8/22/2023	\$1,720.00	\$44,666.76
Ella's Garden	\$7,342.00	Property	\$3,671.00	8/10/2023	9/8/2023	\$3,671.00	\$40,995.76
The Bridal Brocante, LLC	\$700.00	Signage	\$350.00	8/10/2023	10/3/2023	\$350.00	\$40,645.76
Laramie & Co.	\$1,732.00	Signage	\$866.00	8/10/2023	9/26/2023	\$866.00	\$39,779.76
Hoelscher Weatherstrip	\$28,439.22	Landscaping	\$10,000.00	9/7/2023	10/10/2023	\$10,000.00	\$29,779.76
JPH Properties, LLC - 300 Florence	\$1,175.00	Façade	\$587.50	9/7/2023			\$29,192.26
JPH Properties, LLC - 300 Florence	\$3,481.29	Landscape	\$1,740.64	9/7/2023			\$27,451.62
JPH Properties, LLC - 333 S. Cherry St	\$770.00	Façade	\$385.00	9/14/2023			\$27,066.62
JPH Properties, LLC - 333 S. Cherry St	\$432.99	Property	\$216.49	9/14/2023			\$26,850.13
JPH Properties, LLC - 333 S. Cherry St	\$7,775.04	Landscaping	\$3,887.52	9/14/2023			\$22,962.61
JPH Properties, LLC - 333 S. Cherry St	\$170.93	Signage	\$85.46	9/14/2023			\$22,877.15
Worthen Properties, LLC dba Ella's Garden	\$4,125.00	Property	\$2,062.50	9/14/2023	11/21/2023	\$2,062.50	\$20,814.65
The Garza Agency	\$31,060.00	Façade	\$10,000.00	9/29/2023			\$10,814.65
The Garza Agency	\$17,500.00	Property	\$8,750.00	9/29/2023			\$2,064.65
The Garza Agency	\$12,200.00	Landscaping	\$6,100.00	9/29/2023			(\$4,035.35)

The Garza Agency	\$8,990.83	Signage	\$1,000.00	9/29/2023				(\$5,035.35)
Clearhope Counseling	\$1,542.56	Signage	\$771.28	9/29/2023	10/10/2023	\$771.28		(\$5,806.63)

\$1,308,457.55	\$355,806.63
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Old Town Façade Improvement Grant Program

Fiscal 2023-2024	Project Amount	Score	TEDC Grant	Date Approved	Date Funded	Amount Funded	\$250,000.00
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Old Town Façade Improvement Grant Program

Fiscal 2022-2023	Project Amount	Score	TEDC Grant	Date Approved	Date Funded	Amount Funded	\$250,000.00
Grazeables, LLC	\$40,485.75	37	\$20,242.87	3/15/2023	7/5/2023	\$20,242.87	\$229,757.13
Sylvia's Wood Fire Pizza, LLC	\$95,105.97	46	\$47,552.98	6/28/2023			
	\$40,485.75		\$20,242.87				

Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: March 5, 2024

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with WR Transformers, Inc. to make direct incentives to, or expenditures for, the creation or retention of primary jobs associated with the development of a corporate headquarters facility, located at 2013 S. Persimmon Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$12,072.00.

- Public Hearing

Background:

WR Transformers is a leading manufacturer of dry-type electrical transformers operating in Quebec, Canada since 2012. The company's service area is across all five continents and is used to support a wide range of industries from commercial to industrial. Their range capabilities will be from 15 KVA to 20 MVA and up to 69,000 volts. They would like to be the first dry-type of transformer company to manufacture 100% of its product in Texas.

The company intends to lease approximately 20,000 square-foot from the Billiard Factory facility in the Tomball Business and Technology Park located at 2103 S. Persimmon Street, Tomball, Texas 77375.

Per the attached request letter, Christian Roberge, President of WR Transformers, Inc. is proposing to bring fifteen (15) full time employees to this location and plans to create an additional fifteen (15) full time employees over the next 1-2 years.

An economic impact analysis is included with the agreement to show the impact of this project on Tomball's economy. Per the analysis, the 5-year net benefit of this project on Tomball economy is \$40,241.00.

Origination: Christian Roberge, President, WR Transformers, Inc.

Recommendation: Staff recommends approval of the proposed Performance Agreement with WR Transformers, Inc.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # _____

To account # _____

Signed _____

Approved by _____

Staff Member-TEDC Date

Executive Director-TEDC Date



Tomball Economic Development Corporation (TEDC)
 401 W. Market Street
 Tomball, TX 77375

Dear Board,

We are seeking some assistance from TEDC to launch a new manufacturing plant in Tomball. More than \$500 000 in capital for leasehold improvements will be needed for our projected facility of 20 000 sq feet located at 2013 S. Persimmon St. Tomball. In adder to these improvements, WR Transformer will be investing over \$1,5M in equipment for the first 2 years.

WR Transformers is a manufacturer of dry type transformers operating in Canada since 2012. We will be the first dry type transformer company to manufacture 100% of its products in Texas. Our range capabilities will be from 15 kVA to 20 MVA and up to 69 000 Volts. Our industrial market brought us to Houston as many of our customers operate in this area. Our product is considered as a very good alternative solution to liquid filled transformers as no oil is used therefore, it reduces several environmental issues such as spills, risk of fire, manipulation etc....

As a founder of WR Transformers, I have always valued human resources. We could not have been successful for all these years without a strong team. As of today, WR Transformers employs over sixty employees in our 50 000 sq ft plant in Qc, Canada. We are also very proud to say that our hourly average salary is slightly under \$29/hr even though most of our employees do not retain a degree in high school. We also hire skill employees such as electrical engineers, electricians, mechanical designers.

We do not believe in low-wage countries to grow our business, we believe in people, we believe that developing equipment for automation is the way to a great success. Over the past years, WR Transformer invested a lot of money in R&D which will result in a fully automated production line in a short-term horizon. When ready, this production line will be implemented in our facility in Tomball.

Since May 2023, the majority of the Shares (75%) of WR Transformer were sold to a Private Equity Fund Company named NCP and represented by M. Mario Jacob. The choice of this partner was for two main reasons: **1.** We shared the same vision and values for Human Resources **2.** Easier growth to support our numerous projects.

The four founders of WR still operate and run the business daily. Last June, I moved my family to Houston so I will be running the operations in the USA for WR Transformers. As soon as our Phase 1 is completed, we want to startup or Phase 2 in which larger sums of money will be

invested to manufacture larger dry type transformers. At this time, a larger lot and building will be required for these operations.

Since the beginning, WR has always been grateful for our community. We donated a lot for schools in need in our community in Quebec, Canada. We also provided AED machines to several institutions in our neighborhood and contributed to buying personal protection equipment during the Pandemic for elderly retired housing in our region.

We started looking for our operations in the US more than a year ago. We were introduced to several places around Houston to establish our facility but since we saw the Tomball region, we loved it. Then I met with Kelly Violette in March of 2023 which confirmed our choice. We see Tomball as a young, dynamic, and structured city with a great historical background, a place to live, a place to work. WR Transformers is willing to be part of and grow in this type of community.

Our goal is to bring WR Transformers operations to Tomball, Tx as our main headquarters to supply the US market. We will offer good quality of job and benefits to our workers from the Tomball region. Achieving this goal will easily bring up to eighty jobs in our midterm vision.

Sincerely

A handwritten signature in black ink, appearing to read 'C. Roberge', with a stylized flourish at the end.

Christian Roberge
President



WR Transformers - Impact Report

Scenario 1 with Client Data

Project Type: New Construction - Industrial
Industry: Manufacturing
Prepared By: Tomball EDC

Purpose & Limitations

This report presents the results of an economic and fiscal analysis undertaken by Tomball EDC using Impact DashBoard, a customized web application developed by Impact DataSource, LLC.

Impact DashBoard utilizes estimates, assumptions, and other information developed by Impact DataSource from its independent research effort detailed in a custom user guide prepared for Tomball EDC.

This report, generated by the Impact DashBoard application, has been prepared by Tomball EDC to assist economic development stakeholders in making an evaluation of the economic and fiscal impact of business activity in the community. This report does not purport to contain all of the information that may be needed to conclude such an evaluation. This report is based on a variety of assumptions and contains forward-looking statements concerning the results of operations of the subject firm. Tomball EDC made reasonable efforts to ensure that the project-specific data entered into Impact DashBoard reflects realistic estimates of future activity. Estimates of future activity involve known and unknown risks and uncertainties that could cause actual results, performance, or events to differ materially from those expressed or implied in this report.

Tomball EDC and Impact DataSource make no representation or warranty as to the accuracy or completeness of the information contained herein, and expressly disclaim any and all liability based on or relating to any information contained in, or errors or omissions from, this information or based on or relating to the use of this information.

Introduction

This report presents the results of an economic impact analysis performed using Impact DashBoard, a model developed by Impact DataSource. The report estimates the impact that a potential project will have on the local economy and estimates the costs and benefits for local taxing districts over a 10-year period.

Economic Impact Overview

The table below summarizes the economic impact of the project over the first 10 years in terms of job creation, salaries paid to workers, and taxable sales.

SUMMARY OF ECONOMIC IMPACT OVER 10 YEARS IN CITY OF TOMBALL			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Jobs	30.0	14.5	44.5
Annual Salaries/Wages at Full Ops (Yr 2)	\$1,189,215	\$509,739	\$1,698,954
Salaries/Wages over 10 Years	\$5,586,973	\$2,394,770	\$7,981,743
Taxable Sales/Purchases in City of Tomball	\$700,166	\$29,935	\$730,101

Totals may not sum due to rounding

The Project may result in new residents moving to the community and potentially new residential properties being constructed as summarized below.

SUMMARY OF POPULATION IMPACT OVER 10 YEARS IN CITY OF TOMBALL			
IMPACT	DIRECT	SPIN-OFF	TOTAL
Workers who will move to City of Tomball	0.8	0.4	1.2
New residents in City of Tomball	2.1	1.0	3.1
New residential properties constructed in City of Tomball	0.1	0.1	0.2
New students to attend local school district	0.4	0.2	0.6

Totals may not sum due to rounding

The new taxable property to be supported by the Project over the next 10 years is summarized in the following table.

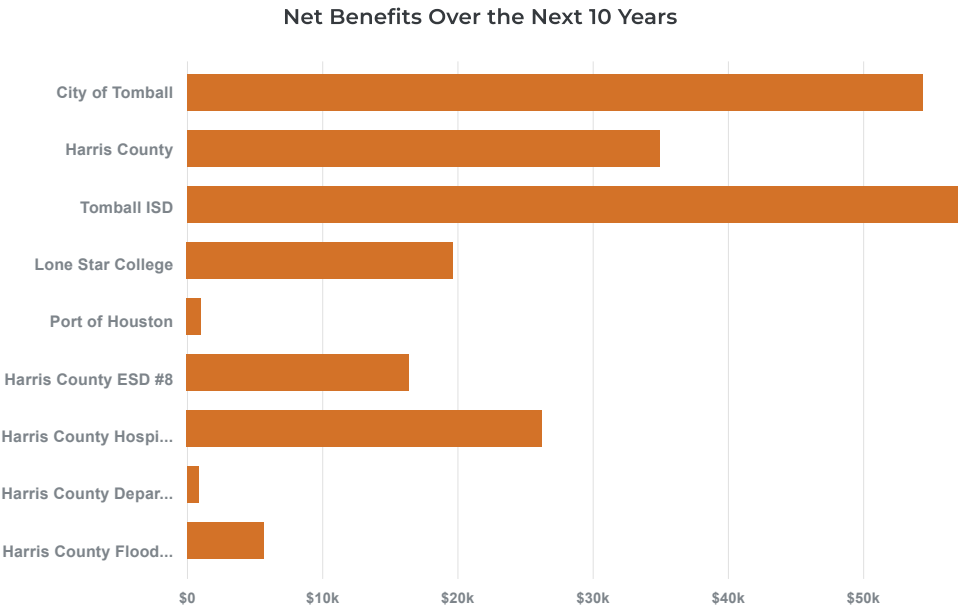
SUMMARY OF TAXABLE PROPERTY OVER THE FIRST 10 YEARS IN CITY OF TOMBALL							
YR.	NEW RESIDENTIAL PROPERTY	LAND	BUILDINGS...	FF&E	INVENTORIES	NON-RESIDENTIAL PROPERTY	TOTAL PROPERTY
1	\$21,046	\$0	\$400,000	\$1,100,000	\$300,000	\$1,800,000	\$1,821,046
2	\$42,935	\$0	\$508,000	\$1,390,000	\$360,000	\$2,258,000	\$2,300,935
3	\$43,793	\$0	\$518,160	\$1,240,000	\$0	\$1,758,160	\$1,801,953
4	\$44,669	\$0	\$528,523	\$1,090,000	\$0	\$1,618,523	\$1,663,193
5	\$45,563	\$0	\$539,094	\$940,000	\$0	\$1,479,094	\$1,524,656
6	\$46,474	\$0	\$549,876	\$790,000	\$0	\$1,339,876	\$1,386,350
7	\$47,403	\$0	\$560,873	\$640,000	\$0	\$1,200,873	\$1,248,277
8	\$48,352	\$0	\$572,091	\$490,000	\$0	\$1,062,091	\$1,110,442
9	\$49,319	\$0	\$583,532	\$340,000	\$0	\$923,532	\$972,851
10	\$50,305	\$0	\$595,203	\$300,000	\$0	\$895,203	\$945,508

Fiscal Impact Overview

The Project will generate additional benefits and costs, a summary of which is provided below. The source of specific benefits and costs are provided in greater detail for each taxing district on subsequent pages.

FISCAL NET BENEFITS OVER THE NEXT 10 YEARS				
	BENEFITS	COSTS	NET BENEFITS	PRESENT VALUE*
City of Tomball	\$381,064	(\$326,652)	\$54,412	\$45,559
Harris County	\$92,307	(\$57,361)	\$34,946	\$28,709
Tomball ISD	\$159,235	(\$102,036)	\$57,200	\$45,810
Lone Star College	\$19,694	\$0	\$19,694	\$15,594
Port of Houston	\$1,051	\$0	\$1,051	\$832
Harris County ESD #8	\$16,440	\$0	\$16,440	\$13,017
Harris County Hospital District	\$26,252	\$0	\$26,252	\$20,787
Harris County Department of Education	\$879	\$0	\$879	\$696
Harris County Flood Control	\$5,683	\$0	\$5,683	\$4,500
Total	\$702,604	(\$486,048)	\$216,556	\$175,504

*The Present Value of Net Benefits expresses the future stream of net benefits received over several years as a single value in today's dollars. Today's dollar and a dollar to be received at differing times in the future are not comparable because of the time value of money. The time value of money is the interest rate or each taxing entity's discount rate. This analysis uses a discount rate of 5.0% to make the dollars comparable.



Public Support Overview

A summary of the total Public Support modeled in this analysis is shown below.

VALUE OF PUBLIC SUPPORT UNDER CONSIDERATION		
	NON-TAX INCENTIVE	TOTAL
City of Tomball	\$12,072	\$12,072
Harris County	\$0	\$0
Tomball ISD	\$0	\$0
Lone Star College	\$0	\$0
Port of Houston	\$0	\$0
Harris County ESD #8	\$0	\$0
Harris County Hospital District	\$0	\$0
Harris County Department of Education	\$0	\$0
Harris County Flood Control	\$0	\$0
Total	\$12,072	\$12,072

City of Tomball Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by City of Tomball over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: CITY OF TOMBALL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Sales Taxes	\$12,607	\$1,995	\$14,602
Real Property Taxes	\$15,708	\$0	\$15,708
FF&E Property Taxes	\$24,404	\$0	\$24,404
Inventory Property Taxes	\$1,936	\$0	\$1,936
New Residential Property Taxes	\$0	\$1,290	\$1,290
Hotel Occupancy Taxes	\$911	\$0	\$911
Building Permits and Fees	\$0	\$0	\$0
Utility Revenue	\$185,587	\$18,207	\$203,794
Utility Franchise Fees	\$10,659	\$1,041	\$11,700
Miscellaneous Taxes and User Fees	\$97,182	\$9,536	\$106,719
Benefits Subtotal	\$348,994	\$32,070	\$381,064
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$93,107)	(\$9,110)	(\$102,217)
Cost of Utility Services	(\$204,397)	(\$20,039)	(\$224,435)
Costs Subtotal	(\$297,504)	(\$29,148)	(\$326,652)
Net Benefits	\$51,490	\$2,922	\$54,412

Annual Fiscal Net Benefits for City of Tomball



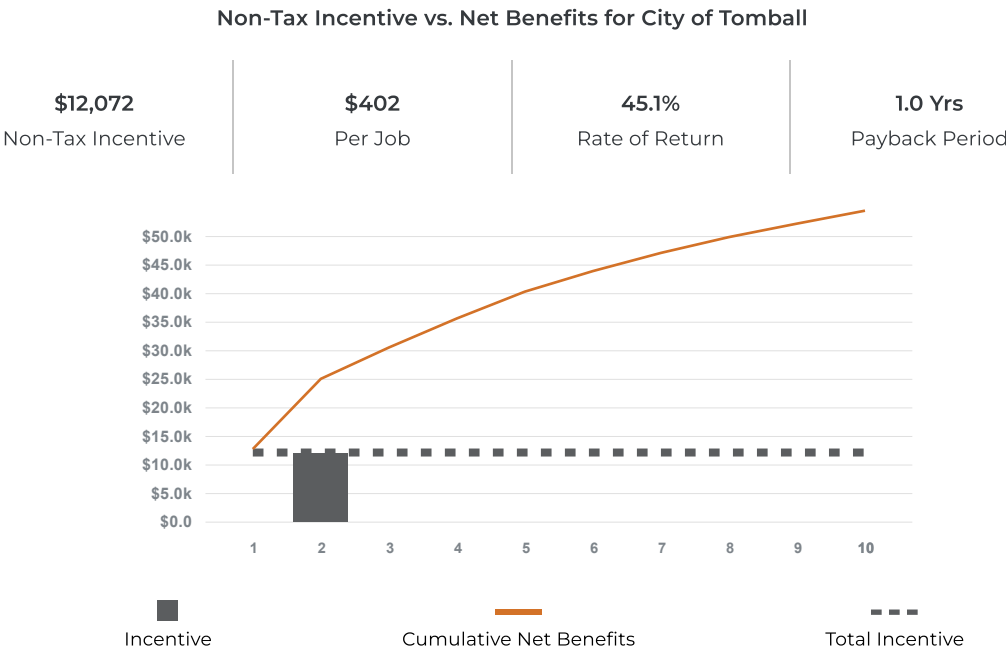
City of Tomball Public Support

Non-Tax Incentives

City of Tomball is considering the following non-tax incentives for the Project.

NON-TAX INCENTIVES UNDER CONSIDERATION	
YEAR	NON-TAX INCENTIVE
1	\$0
2	\$12,072
Total	\$12,072

The graph below depicts the non-tax incentives modeled in this analysis versus the cumulative net benefits to City of Tomball. The intersection indicates the length of time until the incentives are paid back.

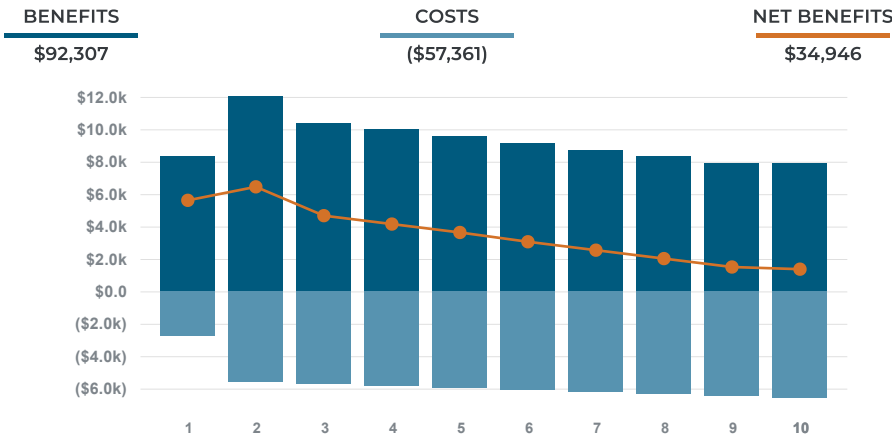


Harris County Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$18,747	\$0	\$18,747
FF&E Property Taxes	\$29,126	\$0	\$29,126
Inventory Property Taxes	\$2,310	\$0	\$2,310
New Residential Property Taxes	\$0	\$13,890	\$13,890
Hotel Occupancy Taxes	\$260	\$0	\$260
Miscellaneous Taxes and User Fees	\$12,853	\$15,119	\$27,972
Benefits Subtotal	\$63,297	\$29,009	\$92,307
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost of Government Services	(\$26,333)	(\$31,027)	(\$57,361)
Costs Subtotal	(\$26,333)	(\$31,027)	(\$57,361)
Net Benefits	\$36,964	(\$2,018)	\$34,946

Annual Fiscal Net Benefits for Harris County

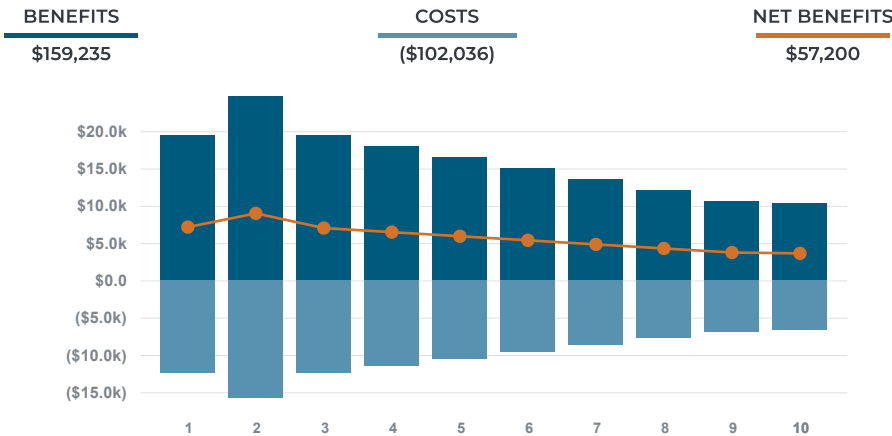


Tomball ISD Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Tomball ISD over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: TOMBALL ISD			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$57,045	\$0	\$57,045
FF&E Property Taxes	\$88,625	\$0	\$88,625
Inventory Property Taxes	\$7,030	\$0	\$7,030
New Residential Property Taxes	\$0	\$1,497	\$1,497
Addtl. State & Federal School Funding	\$0	\$5,038	\$5,038
Benefits Subtotal	\$152,700	\$6,535	\$159,235
COSTS	PROJECT	HOUSEHOLDS	TOTAL
Cost to Educate New Students	\$0	(\$4,891)	(\$4,891)
Reduction in State School Funding	(\$96,201)	(\$943)	(\$97,144)
Costs Subtotal	(\$96,201)	(\$5,834)	(\$102,036)
Net Benefits	\$56,499	\$701	\$57,200

Annual Fiscal Net Benefits for Tomball ISD



Lone Star College Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Lone Star College over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: LONE STAR COLLEGE			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$5,762	\$0	\$5,762
FF&E Property Taxes	\$8,952	\$0	\$8,952
Inventory Property Taxes	\$710	\$0	\$710
New Residential Property Taxes	\$0	\$4,269	\$4,269
Benefits Subtotal	\$15,425	\$4,269	\$19,694
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$15,425	\$4,269	\$19,694

Annual Fiscal Net Benefits for Lone Star College



Port of Houston Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Port of Houston over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: PORT OF HOUSTON			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$307	\$0	\$307
FF&E Property Taxes	\$478	\$0	\$478
Inventory Property Taxes	\$38	\$0	\$38
New Residential Property Taxes	\$0	\$228	\$228
Benefits Subtotal	\$823	\$228	\$1,051
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$823	\$228	\$1,051

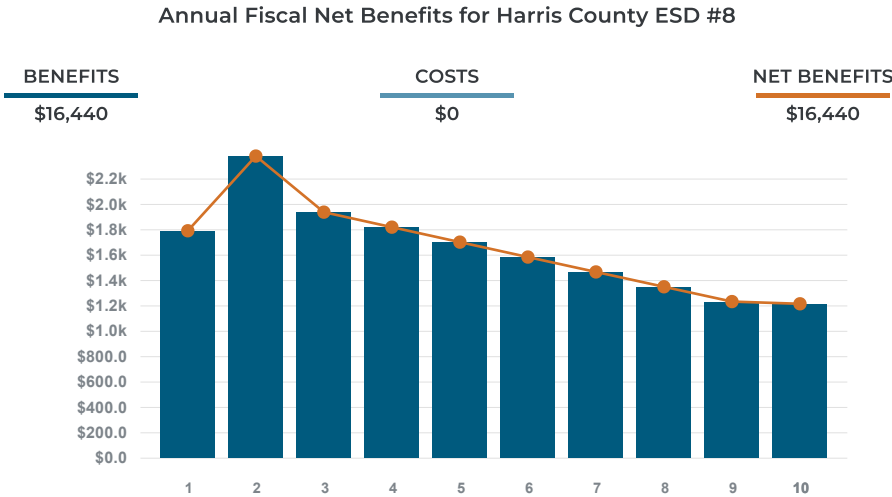
Annual Fiscal Net Benefits for Port of Houston



Harris County ESD #8 Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County ESD #8 over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY ESD #8			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$4,810	\$0	\$4,810
FF&E Property Taxes	\$7,473	\$0	\$7,473
Inventory Property Taxes	\$593	\$0	\$593
New Residential Property Taxes	\$0	\$3,564	\$3,564
Benefits Subtotal	\$12,876	\$3,564	\$16,440
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$12,876	\$3,564	\$16,440

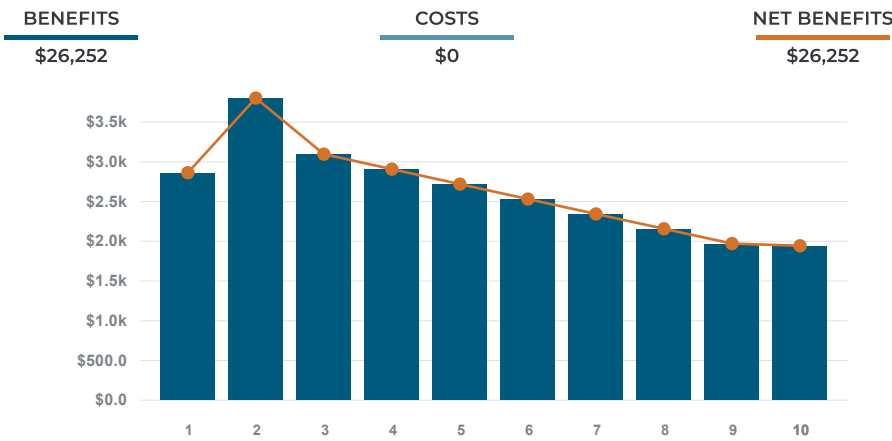


Harris County Hospital District Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Hospital District over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY HOSPITAL DISTRICT			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$7,681	\$0	\$7,681
FF&E Property Taxes	\$11,933	\$0	\$11,933
Inventory Property Taxes	\$947	\$0	\$947
New Residential Property Taxes	\$0	\$5,691	\$5,691
Benefits Subtotal	\$20,561	\$5,691	\$26,252
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$20,561	\$5,691	\$26,252

Annual Fiscal Net Benefits for Harris County Hospital District

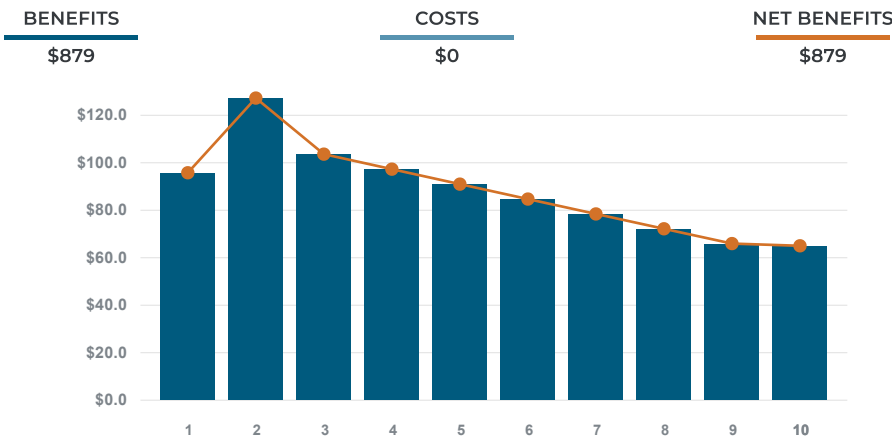


Harris County Department of Education Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Department of Education over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY DEPARTMENT OF EDUCATION			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$257	\$0	\$257
FF&E Property Taxes	\$399	\$0	\$399
Inventory Property Taxes	\$32	\$0	\$32
New Residential Property Taxes	\$0	\$190	\$190
Benefits Subtotal	\$688	\$190	\$879
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$688	\$190	\$879

Annual Fiscal Net Benefits for Harris County Department of Education



Harris County Flood Control Fiscal Impact

The table below displays the estimated additional benefits, costs, and net benefits to be received by Harris County Flood Control over the next 10 years of the Project.

NET BENEFITS OVER 10 YEARS: HARRIS COUNTY FLOOD CONTROL			
BENEFITS	PROJECT	HOUSEHOLDS	TOTAL
Real Property Taxes	\$1,663	\$0	\$1,663
FF&E Property Taxes	\$2,583	\$0	\$2,583
Inventory Property Taxes	\$205	\$0	\$205
New Residential Property Taxes	\$0	\$1,232	\$1,232
Benefits Subtotal	\$4,451	\$1,232	\$5,683
COSTS	PROJECT	HOUSEHOLDS	TOTAL
None Estimated	\$0	\$0	\$0
Costs Subtotal	\$0	\$0	\$0
Net Benefits	\$4,451	\$1,232	\$5,683

Annual Fiscal Net Benefits for Harris County Flood Control



Methodology

Overview of Methodology

The Impact DashBoard model combines project-specific attributes with community data, tax rates, and assumptions to estimate the economic impact of the Project and the fiscal impact for local taxing districts over a 10-year period.

The economic impact as calculated in this report can be categorized into two main types of impacts. First, the direct economic impacts are the jobs and payroll directly created by the Project. Second, this economic impact analysis calculates the spin-off or indirect and induced impacts that result from the Project. Indirect jobs and salaries are created in new or existing area firms, such as maintenance companies and service firms, that may supply goods and services for the Project. In addition, induced jobs and salaries are created in new or existing local businesses, such as retail stores, gas stations, banks, restaurants, and service companies that may supply goods and services to new workers and their families.

The economic impact estimates in this report are based on the Regional Input-Output Modeling System (RIMS II), a widely used regional input-output model developed by the U. S. Department of Commerce, Bureau of Economic Analysis. The RIMS II model is a standard tool used to estimate regional economic impacts. The economic impacts estimated using the RIMS II model are generally recognized as reasonable and plausible assuming the data input into the model is accurate or based on reasonable assumptions. Impact DataSource utilizes adjusted county-level multipliers to estimate the impact occurring at the sub-county level.

Two types of regional economic multipliers were used in this analysis: an employment multiplier and an earnings multiplier. An employment multiplier was used to estimate the number of indirect and induced jobs created or supported in the area. An earnings multiplier was used to estimate the amount of salaries to be paid to workers in these new indirect and induced jobs. The employment multiplier shows the estimated number of total jobs created for each direct job. The earnings multiplier shows the estimated amount of total salaries paid to these workers for every dollar paid to a direct worker. The multipliers used in this analysis are listed below:

335311 POWER, DISTRIBUTION, AND SPECIALTY TRANSFORMER MANUFACTURING		CITY OF TOMBALL
Employment Multiplier	(Type II Direct Effect)	1.4824
Earnings Multiplier	(Type II Direct Effect)	1.4286

Most of the revenues estimated in this study result from calculations relying on (1) attributes of the Project, (2) assumptions to derive the value of associated taxable property or sales, and (3) local tax rates. In some cases, revenues are estimated on a per new household, per new worker, or per new school student basis.

The company or Project developer was not asked, nor could reasonably provide data for calculating some other revenues. For example, while the city will likely receive revenues from fines paid on speeding tickets given to new workers, the company does not know the propensity of its workers to speed. Therefore, some revenues are calculated using an average revenue approach.

This approach uses relies on two assumptions:

1. The taxing entity has two general revenue sources: revenues from residents and revenues from businesses.
2. The taxing entity will collect (a) about the same amount of miscellaneous taxes and user fees from each new household that results from the Project as it currently collects from existing households on average, and (b) the same amount of miscellaneous taxes and user fees from the new business (on a per worker basis) will be collected as it collects from existing businesses.

In the case of the school district, some additional state and federal revenues are estimated on a per new school student basis consistent with historical funding levels.

Additionally, this analysis sought to estimate the additional expenditures faced by local jurisdictions to provide services to new households and new businesses. A marginal cost approach was used to calculate these additional costs.

This approach relies on two assumptions:

1. The taxing entity spends money on services for two general groups: revenues from residents and revenues from businesses.
2. The taxing entity will spend slightly less than its current average cost to provide local government services (police, fire, EMS, etc.) to (a) new residents and (b) businesses on a per worker basis.

In the case of the school district, the marginal cost to educate new students was estimated based on a portion of the school's current expenditures per student and applied to the headcount of new school students resulting from the Project.

Additionally, this analysis seeks to calculate the impact on the school district's finances from the Project by generally, and at a summary level, mimicking the district's school funding formula.

According to the Texas Education Agency, any property added to local tax rolls, and the local taxes that this generates, reduces the amount of state funding equivalent to local taxes collected for maintenance and operations. The school district retains local taxes received for debt services and the corresponding state funding is not reduced. However, according to the Texas Education Agency, the school district will receive state aid for each new child that moves to the District. The additional revenues for the school district are calculated in this analysis.

About Impact DataSource

Established in 1993, Impact DataSource is an Austin, Texas-based economic consulting firm. Impact DataSource provides high-quality economic research, specializing in economic and fiscal impact analyses. The company is highly focused on supporting economic development professionals and organizations through its consulting services and software. Impact DataSource has conducted thousands of economic impact analyses of new businesses, retention and expansion projects, developments, and activities in all industry groups throughout the U.S.

For more information on Impact DataSource, LLC and our product Impact DashBoard, please visit our website www.impactdatasource.com



Scenario 1 with Client Data

AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **WR Transformers Inc.** (the “Company”), 8111 Ashlane, Suite 206, The Woodlands, TX 77354.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to endeavor to attract industry, create and retain primary jobs, expand the growth of the City of Tomball (the “City”), and thereby enhance the economic stability and growth of the City; and

WHEREAS, the Company proposes to relocate its corporate headquarters to a 20,000 square-foot lease space in an existing office and warehouse space located at 2013 S. Persimmon Street, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company also proposes to relocate fifteen (15) full-time positions to Tomball within its first year of operation and plans to increase employment to thirty (30) full-time positions within the first two years of operation at the Property; and

WHEREAS, the TEDC agrees to provide to the Company the sum of Twelve Thousand Seventy-Two Dollars (\$12,072.00) to assist in the location of its business operations and job creation at the Property; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

WHEREAS, this expenditure is found by the Board of Directors of the TEDC to be required or suitable for the promotion and development of new or expanded business enterprises and in furtherance of creation and retention of primary jobs; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

The Company covenants and agrees that it will operate and maintain the proposed business on the Property for a term of at least five (5) years, and will for such term, except as provided by paragraph 4 hereof, create thirty (30) full-time positions at the Property.

2.

The Company also covenants and agrees that construction of the Improvements, the relocation of fifteen (15) employees and the addition of fifteen (15) new jobs, and obtaining all necessary occupancy permits from the City shall occur within the first two years of operations from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at

the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company up to Twelve Thousand Seventy-Two Dollars (\$12,072.00) as a performance incentive to assist in the location of its business operations and the creation of thirty (30) employment positions to the Property. The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the improvements to the Property, if applicable; (b) proof that the company has retained and added the number of employees indicated above to the Tomball operation as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service form 941; (c) a letter from the City acknowledging that all necessary plats, plans, and specifications have been received, reviewed, and approved; (d) an affidavit stating that all contractors and subcontractors providing work and/or materials in the construction of the Improvements have been paid and any and all liens and claims regarding such work have been released; and (e) Proof of payment to all contractors and subcontractors providing work and/or materials in the construction of the Improvements, proof of payment must include copies of canceled checks and/or credit card receipts and copies of paid invoices from all contractors and subcontractors. Payments may be made in annual increments.

In the event the number of jobs originally projected is not met or maintained, the amount of the funding provided to the Company by TEDC will be reduced on a pro-rata basis to reflect the actual number of jobs at the time of the request for disbursement of funds.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus $\frac{1}{2}\%$ per annum, within 120 days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus $\frac{1}{2}\%$ per annum, within 120 days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds. Such reimbursement shall be due and payable thirty (30) days after the Company receives written notice of default accompanied by copies of all applicable invoices.

It is understood and agreed by the parties that, in the event of a default by the TEDC on any of its obligations under this Agreement, the Company's sole and exclusive remedy shall be limited to either a) the termination of this Agreement or b) a suit for specific performance.

6.

Personal Liability of Public Officials: To the extent permitted by law, no director, officer, employee or agent of the TEDC, and no officer, employee or agent of the City of Tomball, shall be personally responsible for any liability arising under or growing out of this Agreement.

7.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

8.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City:

Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company:

WR Transformers, Inc.
8111 Ashlane, Suite 206
The Woodlands, TX 77354
Attn: Christian Roberge, President

9.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

10.

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

11.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance.

12.

This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

13.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be

deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2024 (the "Effective Date").

WR Transformers, Inc.

By: _____

Name: Christian Roberge

Title: President

ATTEST:

By: _____

Name: _____

Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: _____

Name: William E. Sumner Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____
 2024, by Christian Roberge, President of WR Transformers, Inc., for and on behalf of said
 company.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____
 2024, by Gretchen Fagan, President of the Board of Directors of the Tomball Economic
 Development Corporation, for and on behalf of said Corporation.

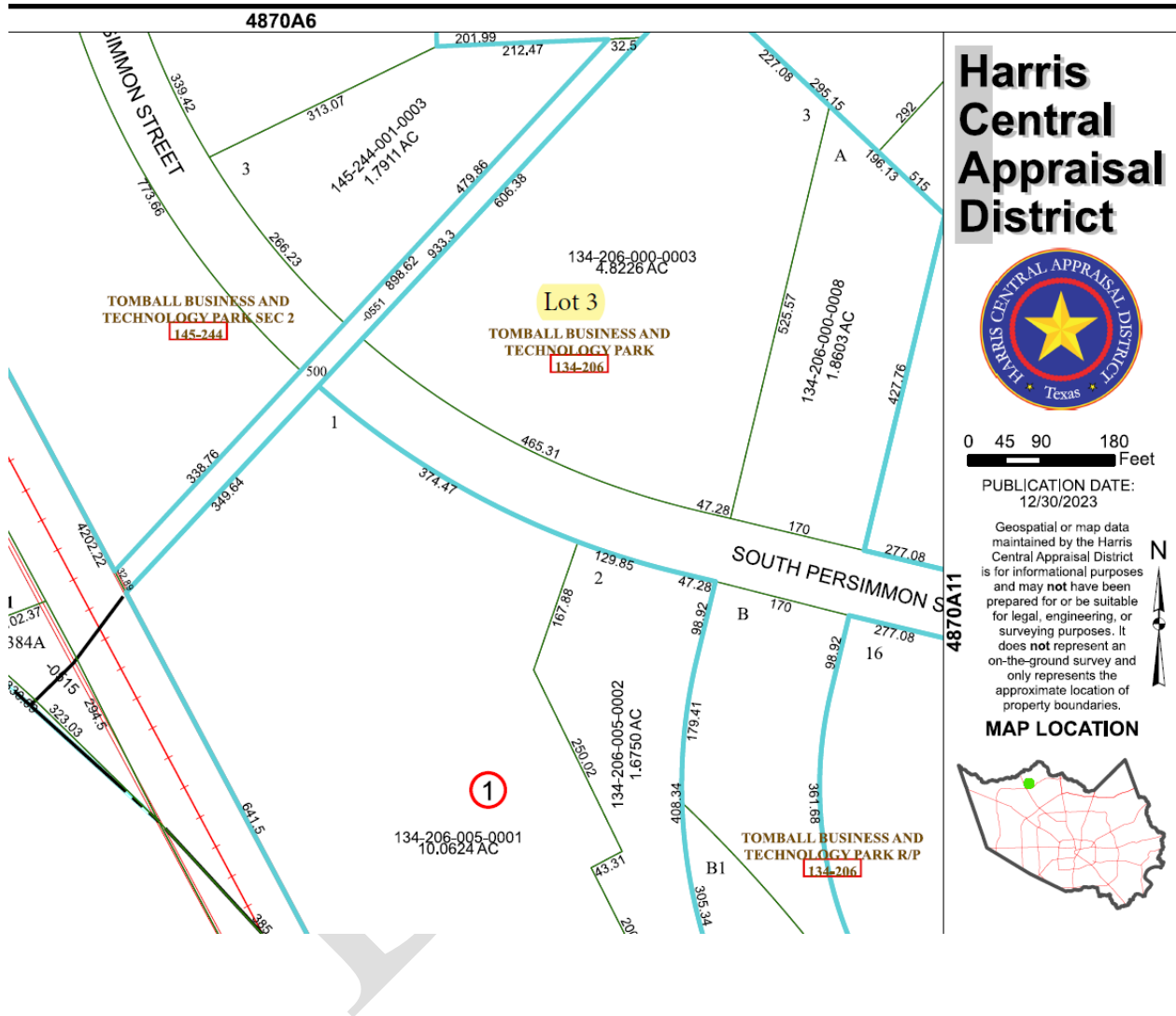
 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Exhibit A **Legal Description of Property**

Lot 3 Tomball Business & Technology Park



Regular Tomball EDC

Agenda Item

Data Sheet

Meeting Date: March 5, 2024

Topic:

Consideration and possible action by Tomball EDC to approve, as a Project of the Corporation, an agreement with Sylvia's Wood Fire Pizza, LLC, to make direct incentives to, or expenditures for, rental assistance for new or expanded business enterprise to be located at 306 Market Street, Tomball, Texas 77375. The estimated amount of expenditures for such Project is \$10,000.00.

- Public Hearing

Background:

The Tomball Economic Development Corporation has received a request from Bruce Kissinger, Owner of Sylvia's Wood Fire Pizza, LLC for funding assistance through the TEDC's Rental Incentive Program.

Sylvia's Wood Fire Pizza is a start up business looking to locate in a 2,280 square foot lease space located at 306 Market Street in Tomball. The owners of Sylvia's Wood Fire Pizza also own Fire Ant Brewpub which will conveniently be located next door. The business will serve unique pizza, sandwiches, and salads.

The goal of the TEDC's Rental Incentive Program is to assist in the establishment of new businesses in existing vacant spaces and to stimulate commercial investment in the City of Tomball. In accordance with the Rental Incentive Program Policy, the proposed performance agreement is for 25% of the base monthly rent for the first year of operation only.

The lease agreement that was submitted in conjunction with the request letter shows a three-year lease commitment with a monthly rent amount of \$4,950.00 for the first 12 months. The proposed grant amount is \$10,000.00, payable after the first year of operation based on landlord verification of rents paid and meeting the performance agreement criteria.

Although this project does not create primary jobs, it does promote the development and expansion of business enterprise, which is considered a permissible project as outlined in Texas Economic Development Legislation. If this project is approved, it will go to the Tomball City Council for final approval by resolution at two separate readings.

Origination: Bruce Kissinger, Owner, Sylvia's Wood Fire Pizza, LLC

Recommendation: Staff recommends approval of the proposed Performance Agreement with Sylvia's Wood Fire Pizza LLC.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____If yes, specify Account Number: #Project Grants

If no, funds will be transferred from account # _____

To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

March 1, 2024

Kelly Violette

Executive Director

Tomball Economic Development Corporation

Good morning,

Delayed opening due to bad weather has extended our opening date. The Oven manufacturer was impeding the progress, due to part delays and shipping delays. This caused revenue loss that would have impacted our local economy.

Sylvia's Wood Fire Pizza, will be a one of a kind establishment that Tomball's community and surrounding areas are already talking about. Our business will attract a new crowd, which will impact the small businesses around Tomball. We will be providing employment for around 30 individuals.

We are also putting a focus on local artists, young and up and coming entrepreneur's that will have a pivotal role in our restaurant. This will also help with highlighting the amazing people and businesses in the Greater Tomball area. We greatly appreciate your consideration.

With regards,

A handwritten signature in black ink, appearing to read 'B. Kissinger', with a long horizontal flourish extending to the right.

Bruce Kissinger

Owner

Sylvia's Wood Fire Pizza

306 Market Street Tomball, Texas

TOMBALL

ECONOMIC DEVELOPMENT CORP.

NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART A - BUSINESS OWNER APPLICATION

The New Business Rental Incentive Program seeks to reduce area vacancies and facilitate the establishment of new businesses in previously underutilized areas of the City. The intent of the program is to facilitate business growth and expansion by assisting businesses in leasing space. All grant award decisions of the Tomball Economic Development Corporation (TEDC) Board of Directors are discretionary and final. Through the Program, the TEDC will provide up to 25% of the base monthly rent for the first year of operation only, not to exceed \$10,000 per business.

Business Owner Applicant Information

Name of Business: Sylvia's Wood Fire Pizza LLC
 Current Business Physical Address: 306 Market St
 City, State & Zip: Tomball, TX 77375
 Mailing Address: PO BOX 431
 City, State & Zip: Tomball TX 77377
 Business Phone: 346 808 5791
 Business Website: NA
 Business Owner Name: Bruce Kissinger
 Applicant's Name (if different): _____
 Position /Title: Owner
 Phone and Email: 281-222-9326 Bruce@FireantBrewing.com
 Nature of Business: Sylvia's Wood Fire Pizza LLC
 NAICS Code: 722511
 Legal Form of Business:

☐ Sole Proprietor
☐ Partnership Number of Partners _____
☐ Corporation
☒ Limited Liability Corp
☐ Other _____

Business Start/Opening Date _____

Days and Hours of Operation
 Days Open: T, W, Th, F, Sat & Sunday
 Hours Open: 11-8
11-9 Fri & Sat
closed Monday

Sylvia@FireantBrewing.com

EmployeesFull Time Employees (40 hours per week): 10Part Time Employees (less than 40 hours per week): 8

Does the Business Owner Have any Relationship to the Property Owner/Landlord?

No ☒ Yes ☐ (please explain)**Moving and Space Improvement Cost and Funding Information**Investment Data

Tenant Space Improvement (finish)	\$ <u>100,000.-</u>
Landlord Space Improvement (finish)	\$ <u>0</u>
Equipment and Display	\$ <u>175,000.-</u>
Product Stock (for Opening)	\$ <u>10,000.-</u>
Marketing (First Year)	\$ <u>10,000.-</u>

Sources of Funding for Move/Expansion

Funds invested by owner	\$ <u>275,000.-</u>
Funds from other sources*	\$ <u>0</u>
Total estimated cost to move/expand	\$ <u>300,000.-</u>

* Source of Funding and Amounts _____

New Lease Property InformationAddress of space to be leased: 304 Market St Tomball TX 77375Total amount of square feet to be leased and occupied: 2280 SqftTerm of lease (minimum 3 years): 3 yearsGross rental rate \$ 4950.- per month \$ 2.17 per s.f.Additional lease terms and other monthly charges: N/AIndicate any rate increases: N/A

FINANCIAL NEED DEMONSTRATION: Acceptance into the Rental Incentive Program requires an acceptable explanation of financial need. Use the lines below to explain why and how the rent subsidy is an important factor in opening your business.

Delayed opening due to Weather,
 OEM manufacturer was impeding
 the progress due to parts delays.
 This cause revenue less that
 would have impacted our local
 economy.

Explain how your business will benefit and enhance the area in which you are locating and how your business will complement other businesses within the area:

Sylvia's Wood Fire Pizza LLC, we are a
 one of a kind establishment that
 the community is already talking about.
 Our business will attract a new crowd
 which will impact the small businesses around
 us in a very positive way. We are putting the focus
 on local artists/young entrepreneurs and
 incorporating into our business to highlight
 our awesome community.

Certification

By signing below, the Business Owner of record (applicant) understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the business owner's knowledge. Business owner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The business is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.
6. The APPLICANT hereby certifies that the APPLICANT does not and will not knowingly employ an undocumented worker. An "undocumented worker" shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States; or (b) authorized under the law to be employed in that manner in the United States. APPLICANT understands and agrees that if, after receiving a Grant, APPLICANT is convicted of a violation under 8 U.S.C. Section 1324a(f), the APPLICANT shall be required to reimburse to the TEDC the grant amount received. Payments must be paid in full within thirty (30) days after the date of written notification by the TEDC. The form of such payment shall be a cashier's check or money order, made payable to the Tomball Economic Development Corporation. The TEDC has the right to recover court costs and reasonable attorney's fees as a result of any civil action required to recover such repayment.

Bruce Kissinger

Printed Name of Principal Owner

3/1/24

Signature

2/29/24

Date

Please submit the completed application along with a copy of the Proposed Lease Agreement to:

Kelly Violette

Tomball Economic Development Corporation

29201 Quinn Road, Suite B

Tomball, TX 77375

For further questions about the Program, please contact Kelly Violette, Executive Director, at 281.401.4086 or kviolette@tomballtxedc.org.



NEW BUSINESS RENTAL INCENTIVE PROGRAM

PART B – PROPERTY OWNER/LANDLORD APPLICATION

Complete all items carefully and accurately to the best of your knowledge and return with a copy of Proof of Ownership to:

Kelly Violette

Tomball Economic Development Corporation

29201 Quinn Road, Suite B

Tomball, TX 77375

Property Address: 306 Market St Tomball Tx 77375

Property Owner of Record: Bryan HUTSON

Mailing Address: 108 S PINE ST

City, State & Zip: TOMBALL TX 77375

Phone: 713 304 0595 Email: b.hutson@hutsongroup.com

Name(s) of Authorized Signatories: Bryan Hutson

Name of Management Company: _____

Name of Representative/Contact Person: _____

Management Company Address: _____

City, State & Zip: _____

Phone: _____ Email: _____

Name of proposed business at site:

Sylvia's Wood Fire Pizza LLC

Name of business owner:

Bruce Kissinger

DOES THE BUSINESS OWNER OR THE BUSINESS HAVE ANY RELATIONSHIP TO THE
PROPERTY OWNER/LANDLORD? NO ☒ YES ☐ Please explain

SITE & LEASE INFORMATIONTotal amount of square feet to be leased and occupied by business: 2280Term of lease: 3 yearsGross rental rate \$4950 per month \$2.17 per s.f.Additional lease terms and other monthly charges: N/AIndicate any rate increases: N/AIs the subject space currently vacant? Yes ☐ No ☒

If yes, how long has the space been vacant? _____ months

Name of previous tenant: N/APrevious Rental Rate: \$ N/A Per Month \$ N/A Per Square Foot**CERTIFICATIONS****Are all real estate and personal property taxes due the City of Tomball paid in full?**Subject Property: YES ☒ NO ☐ (Please explain on supplemental sheet)Other Properties: YES ☒ NO ☐ N/A ☐**Are all City of Tomball water and sewer bills due paid in full?**Subject Property: YES ☒ NO ☐ (Please explain on supplemental sheet)Other Properties: YES ☒ NO ☐ N/A ☐**Have you been cited for any existing zoning, building or property maintenance code violations that remain uncorrected?**Subject Property: YES ☐ NO ☒ (Please explain on supplemental sheet)Other Properties: YES ☐ NO ☒ N/A ☐**Are you involved in any litigation with the City of Tomball?**☐ YES (Please explain on supplemental sheet)☒ NO

By signing below, the Landlord/Property Owner of record understands and agrees to the following:

1. All information contained in this application, the attached exhibits and other materials submitted in connection with this application are true and accurate to the best of the land owner's knowledge. Landowner understands and agrees that false or untruthful information may be grounds for the TEDC to stop processing this application or to withdraw any approval previously obtained based in whole or in part on such false or untruthful statements.
2. The TEDC is under no obligation to approve the request contained in the application. No promises of approval are conveyed with the acceptance of this application.
3. All tax obligations to the City of Tomball are current.
4. The property is currently in good standing with the City, and has no pending municipal code violations.
5. The business is not currently occupying the space with or without a lease in place.

Bryan Hutsen
Printed Name of Property Owner/Landlord

[Signature]
Signature

2/29/2024
Date

COMMERCIAL LEASE AGREEMENT TOMBALL HISTORIC DISTRICT (MARKET ST)

This lease agreement (**Lease**), is entered into by and between **Rodney K Hutson, (Landlord)**, and **Bruce Kissinger** (the "**Tenant**") whose address for notice purposes is **306 Market St, Tomball, TX 77375**.

PREMISES, RENT PAYMENT, COMMON AREA AND REAL PROPERTY TAX

- Lease Term and Payment.** The begin and end dates below represent each **Lease Period**, unless terminated earlier by the terms and conditions of this Lease. The begin date of the first Lease Period shall be the lease **Commencement Date**. The end date of the last Lease Period shall be the lease **Expiration Date**. **Total Rent / Month** shall be the total monthly amount Tenant shall pay to Landlord. **Total Tenant Liability** shall be the total amount Tenant shall be liable to Landlord at this signing of this Lease, payable in monthly installments per the **Lease Payment Schedule**. **Lease Period Begin Date shall be delayed (if any) according to BUILDING UPDATE AND RENOVATION provisions elsewhere within this Lease.**

Lease Payment Schedule

Lease Period	Lease Period Begin Date	Lease Period End Date	Base Rent / Month	Common Area Maintenance	Property Tax / Month	Property Insurance / Month	Total Rent / Month
1	6/1/23	5/31/24	\$4,330	\$50	\$570	\$0	\$4,950

- Place of Payment.** All checks shall be made payable and delivered each month to:

Rodney K Hutson
9431 Rosie Lane
Magnolia, TX 77354-3703

Landlord may designate a different place as necessary from time to time in writing.

- Premises.** The leased building(s), suite(s) and/or outdoor area(s) (collectively, **Premises**) shall be as follows:

Premises

Lease Period	Address	Premises is part of a Center	Interior SQFT	Interior Rent / SQFT	Base Rent / Month
1	306 Market St	Yes	2,280	\$1.90	\$4,330

- Condition of Premises.** Tenant acknowledges its own responsibility to determine the present or future suitability of the Premises for the intended use and has not relied upon any representations made by Landlord nor Landlord's agent. Landlord hereby disclaims any representations or warranties. **Tenant accepts delivery of the Premises from Landlord in as-is condition, subject to BUILDING UPDATE AND RENOVATION provisions elsewhere in this Lease.**
- Common Area Maintenance.** For any Premises that is a part of a multi-building shopping village or a single-building shopping center (both referred to as the **Center**), Tenant agrees to pay Tenant's pro rata share of expenses for (1) exterior common area maintenance and (2) landlord real property insurance (collectively, **Common Area Maintenance** or **CAM**). Landlord's common area maintenance responsibility does not include any interior portion of the Premises nor any exterior area under Tenant's exclusive control, regardless of whether the exterior area is included as exterior square footage (if any) in this Lease.

6. **Real Property Tax.** Tenant agrees to pay its pro rata share of real property tax for the Premises as stated in the **Real Property Tax Schedule** below:

Real Property Tax Schedule

Period	Tax Account	Account SQFT	Tenant SQFT	Tenant SQFT %	Account Property Tax (2022)	Tenant Tax Portion / Year	Tenant Tax Portion / Month
1	352590140021	13,620	2,280	16.74%	\$40,852	\$6,839	\$570

7. **Default Deposit.** Tenant has paid to Landlord the amount(s) specified below in the **Deposit** table, which shall constitute the **Default Deposit** to secure the faithful performance by Tenant of all the terms, covenants, and conditions of this Lease. **Tenant shall not be allowed to use Default Deposit to satisfy monthly rent for any month without Landlord's permission.**

Deposit

Date	Address	Amount
6/1/23	306 Market St	\$4,950

8. **Common Area.** For any Premises that is a part of a Center, the term **Common Area** means all areas of the Center not leased to Tenant or any other tenant of that Center, including any areas dedicated or belonging to any governmental authority which are required to be maintained by or at the expense of Landlord. ***Tenant accepts the condition of the Common Area in as-is condition.***
9. **Determination of Square Footage for Calculating CAM Fees.** Common Area Maintenance (CAM) fees, if applicable, shall be calculated based upon total leased interior square feet of the Premises (**Interior SQFT**).

BUILDING UPDATE AND RENOVATION - NEW TENANTS ONLY

10. **Initial Buildout.** Landlord shall perform no buildout. All buildout is Tenant's responsibility. Tenant and Landlord have discussed the current state of the building regarding any deferred maintenance issues, and Tenant agrees to take the Premises as-is, where-is.
11. **Occupancy Changes.** This building is a Type M Retail building within the City of Tomball Zone Old Town/Mixed Use District. Any occupancy designation changes needed as a result of Tenant's use of the building shall be the sole responsibility of Tenant.
12. **New Lease Cancellation Prior to Commencement Date:** For initial new leases between Landlord and Tenant for the Premises, either Landlord or Tenant shall have the right to cancel this lease in writing and delivered to the other party at any time prior to the date Tenant receives keys to the Premises (1) regardless of Commencement Date, (2) without cause and (3) in either party's sole discretion. Tenant shall only be entitled to a full refund of all amounts paid at lease signing and only after delivering keys back to Landlord. This provision shall not apply to renewal leases on the same Premises.
13. **Buildout Credit.** New tenants shall be credited one month rent for purposes of Tenant build-out. All interior remodeling and buildout are at Tenant's discretion with Landlord approval. Tenant shall not perform any exterior remodeling or building without Landlord's explicit written approval and submission of detailed building plans to Landlord.

RENT DUE DATE, GRACE PERIOD AND DELINQUENCY

14. **Date of Accrual.** Rent shall accrue beginning from the Commencement Date.

15. **Monthly Payment Due Date.** Tenant agrees to pay to Landlord the Total Lease Value in monthly installments as stated in the Lease Payment Schedule on the first day of each month. If the Commencement Date is a day other than the first day of the month, then the monthly rent installments for that month shall be prorated and paid in advance.
16. **Monthly Payment Grace Period.** Monthly rent payments shall not be considered late if received by Landlord on or before the third day of each month (**Grace Period**). Payments that are mailed must be postmarked **on or before the 3rd day of each month** to be considered timely and not delinquent.
17. **Delinquent Payments.** If Landlord receives Tenant's monthly rent payment after expiration of the Grace Period, Tenant agrees to pay to Landlord a service charge equal to **twenty-five percent (25%) of the Total Rent/Month** due for that month.
- All service charges relating to delinquent rent are for purposes of covering Landlord's additional expenses involved in handling delinquent payments. Tenant agrees that these amounts are charged as additional rent for the purpose of defraying Landlord's expenses incident to the processing of such overdue payments and not as penalty or interest.
18. **Insufficient Funds.** Tenant agrees to pay a **\$25 processing fee for any check written to Landlord that is returned unpaid** from Tenant's bank due to insufficient funds or any other problem with Tenant's bank account. Tenant agrees that the processing fee shall be charged as additional rent for the purpose of defraying Landlord's expenses incident to the processing of the unpaid check and not as penalty or interest.
19. **Surrender.** Promptly on the Expiration Date or upon earlier termination of this Lease, Tenant shall peaceably and quietly leave, surrender, and yield to Landlord the Premises, broom-clean and in good condition, reasonable wear and tear excepted. Tenant shall then surrender to Landlord all keys to the Premises.
20. **Holding Over.** In the event Tenant remains in possession of the Premises after the Expiration Date of this Lease without the execution of a new lease, Tenant shall be deemed to be occupying the Premises as a month-to-month tenant at a rent equal to twice the Total Rent/Month as of the Expiration Date. Tenant's monthly tenancy shall be subject to all terms, covenants and conditions of this Lease as are applicable to a month-to-month tenancy.
21. **Landlord-Tenant Relationship.** Landlord and Tenant agree that in no event they are to be construed or held to be partners, joint ventures or associates of each other in the conduct of each others business. Landlord be not be liable for any debts incurred by Tenant in the conduct of Tenant's business. The relationship is that of Landlord and Tenant, and at all times shall remain so.

PERSONAL PROPERTY TAXES

22. Tenant shall pay and be liable for all taxes levied against personal property and trade fixtures placed by or on behalf of tenant in the Premises (**Personal Property Taxes**). If any Personal Property Taxes for which Tenant is liable are levied against Landlord or Landlord's property and if the Landlord elects to pay the same or if the assessed value of Landlord's property is increased by inclusion of personal property and the fixtures placed by or on behalf of Tenant in the Premises and Landlord elects to pay the taxes based on such increase, Tenant shall pay the Landlord on demand, the amount of any such levy against Tenant's personal property and trade fixtures and the amount of any increase attributable to personal property and trade fixtures. Personal Property Taxes are sometimes referred to as Fixture, Furnishings and Equipment (FF&E) Taxes by some taxing authorities and are different taxes than Real Property Taxes levied against the real estate containing the Premises.

INSURANCE, INDEMNITY AND LIABILITY

23. **Indemnification.** Tenant agrees to and shall indemnify and hold Landlord harmless from and against any and all claims, liabilities, losses, damages, expenses of every kind or character, causes of action (including court costs and reasonable attorneys' fees) arising from and relating to (1) Tenant's occupation of the Premises, use of the Premises and Common Areas of the Center, conduct of its business, or any other activity permitted or suffered

by Tenant in and about the Premises, (2) any default, breach, violation or nonperformance of this Lease or any of its terms, covenants and conditions, and (3) any act, omission or negligence of Tenant or any officer, agent, employee, guest, customer, subtenant, assignee, or invitee of Tenant, including without limitation, any act, omission, or negligence resulting in injury or death. Tenant, upon notice from Landlord, shall defend any claim at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, assures all risk of damage to property or injury to persons in, upon or about the Premises from any cause other than Landlord's gross negligence or intentional illegal acts. Tenant waives all claims against Landlord. Tenant shall give immediate notice to Landlord in case of casualty or accidents in or about the Premises within 24 hours after the casualty or accident. Additionally, Tenant shall indemnify and hold Landlord harmless from and against any penalty, damage, or charge incurred or imposed by reason of any violation of law, statute, ordinance or government rule, regulation, or requirement now or hereafter in force, by Tenant, or any officer, agent, employee, guest, customer, subtenant, assignee or invitee of Tenant.

24. **Tenant Liability Insurance.** Tenant shall procure and maintain at its sole cost and expense at all times, a policy or policies of insurance insuring Landlord, as well as Tenant, from all claims, demands, or actions arising out of Tenant's use and occupancy of the Premises. **TENANT'S INSURANCE COVERAGE SHALL COVER BODILY INJURY AND PROPERTY DAMAGE WITH COMBINED SINGLE LIMIT COVERAGE OF NOT LESS THAN ONE MILLION DOLLARS (\$1,000,000) PER EACH OCCURRENCE. THIS LIABILITY INSURANCE REQUIREMENT IS A MATERIAL CONDITION OF THIS LEASE. ANY LAPSE OF TENANT'S LIABILITY INSURANCE OR PROCUREMENT OF AN INSURANCE POLICY IN AN AMOUNT LESS THAN THE AMOUNT REQUIRED IN THIS PROVISION SHALL BE CONSIDERED A MATERIAL BREACH OF THIS LEASE AND SHALL SUBJECT TENANT TO IMMEDIATE EVICTION AT LANDLORD'S SOLE DISCRETION.**
25. **Tenant Window Glass Insurance.** At Tenant's option, Tenant shall procure and maintain an insurance policy covering window glass of the Premises. Under no circumstances shall Landlord be responsible for repair or replacement of any window glass.
26. **Waiver of Subrogation.** Landlord and Tenant agree to release any and all claims against each other for any loss covered by either party's insurance, including negligence claims. Landlord and Tenant further agree that their respective insurance companies shall have no right of subrogation against the other party.
27. **Non-Liability for Certain Events.** Neither Landlord nor its agents shall be liable for any loss or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, rain or water from any source, or any other cause whatsoever, including acts or omissions of other tenants in the Center unless wholly caused by or due to the gross negligence of Landlord or Landlord's agents, servants or employees. Landlord or its agents shall not be liable for interference with the light or air or for any latent defect in the Premises, and any interference with air or light shall not affect this Lease nor give Tenant any right to withhold rent.
28. **Landlord Not Liable for Special Damages.** In no event shall Landlord or the interest of Landlord be liable to Tenant for direct, indirect, special or consequential damages under any provisions of this Lease.
29. **Landlord Not Liable for Tenant's Property.** Tenant agrees to use and occupy the Premises and to use other portions of the Center (if applicable) at its own risk. Landlord shall have no responsibility or liability for any loss of or damage to fixtures, inventory, or other property of Tenant or Tenant's employees, invitees, or customers.
30. **Limitation of Landlord Personal Liability.** Tenant agrees that Landlord shall not be personally liable for any judgment which Tenant may obtain against Landlord or for any other claim, liability or obligation. Tenant shall look solely to Landlord's interest in the Premises or Center (if applicable) for the recovery of any such judgment, claim or obligation. Landlord's limitation of liability shall not limit any right Tenant may otherwise have to obtain injunctive relief against Landlord or in any suit or action in connection with enforcement or collection of amounts which may become owing or payable to Tenant under or on account of insurance maintained by Landlord.

UTILITIES

31. Tenant shall be responsible for all costs and expenses for the connection of all utility services to the Premises, including, without limitation, the payment of utility deposits and gas pressure testing fees. Tenant shall promptly pay all charges for any and all electricity, water, gas, telephone, Internet and all other utilities furnished to the

Premises. Landlord shall not be liable for any interruption whatsoever in utility services. No interruption shall be construed as either a constructive or actual eviction of Tenant, nor give Tenant any right to withhold rent, nor relieve Tenant from fulfilling any term, covenant or condition contained in this Lease.

TENANTS BUSINESS

32. **Permitted Uses.** The Premises may be used and occupied only for Tenant's primary and related secondary products and services as initially approved by Landlord at lease signing.
33. **Trade Name.** Tenant may operate its business in the Premises only under its registered trade name, company name or d/b/a. Tenant shall not operate its business under any name that misleads the public as to the true nature of Tenant's business.
34. **Changes.** Tenant may not change the use of the Premises or its trade name without Landlord's prior written consent.
35. **Continuous Operation.** Tenant shall at all times operate its business at the Premises as a full-time commercial business with operating hours comparable to typical businesses similar to Tenant's business. Tenant shall not at any time leave the Premises vacant. Tenant agrees and understands that any breach of this provision shall constitute a material breach of this Lease, unless Landlord gives prior written consent.
36. **Permits and Licenses.** Tenant shall obtain and maintain at its sole cost and expense, all permits and licenses required for the transaction of its business in the Premises. Tenant shall fully comply with any applicable law, ordinance or governmental regulation affecting the Premises at any time during this Lease.
37. **Prohibited Uses.** Tenant shall keep the Premises free from waste and nuisance at all times. Tenant shall keep the Premises clean throughout, (including, but without limitation, floors, light fixtures and all glass). Tenant shall not, without Landlord's prior consent, locate or install or cause to be located or installed on the sidewalks or service area (if any) immediately adjoining the Premises any bike racks, newspaper holder stands, vending machines of any kind, mailboxes, telephone booths, "No parking" signs or any other device of a similar nature which would impede or obstruct the sidewalk or service area. Tenant shall not, without Landlord's prior written consent, perform or fail to perform any act, keep anything within the Premises, or use the Premises for any purpose which increases the insurance premium cost or invalidates any insurance policy carried on either the Premises or on other parts of the center. If Landlord does give such written consent to Tenant, then Tenant shall be responsible, at its sole cost and expense for the amount of any increase in the casualty or liability insurance premium cost. Tenant shall not, without Landlord's prior written consent, conduct or permit to be conducted within the Premises any auction or bankruptcy sales nor permit any objectionable or unpleasant odors or loud noises to emanate from the Premises, nor place or permit any radio, television or other antennae, loud speaker or amplifiers, or flashing lights or searchlights on the roof or outside the Premises or where the same can be seen or heard outside the building; nor take any other action which would disturb or endanger other Tenants of the Center (if applicable) or unreasonably interfere with their use of their respective premises or the Common Area.
38. **Obstruction of Walkways.** Tenant shall not place merchandise, furniture or any other obstructions on any walkways, porches or Common Areas at any time without Landlord consent. Landlord consent may be granted or revoked at any time in Landlord's sole discretion.
39. **Ventilation and Pest Control.** Tenant shall be responsible for exhausting and/or containing all food, chemical or other objectionable odors resulting from Tenant's operation and use of the Premises. Tenant shall be responsible for maintaining all traps, vents and exhausts. Tenant shall further be responsible for any and all pest control throughout the Premises, including all exterior areas under exclusive control of Tenant.
40. **Use of Common Areas and Parking Areas.** Tenant and its employees, customers and invitees shall have the non-exclusive right to use the Common Area in common with the Landlord, other tenants of the Center and other persons entitled to use the same, subject to reasonable rules and regulations governing its use as Landlord may from time to time prescribe. Tenant shall neither solicit any business nor conduct any business activity within the Common Area or any adjacent city sidewalks, or take any action which would interfere with the rights of other

persons to use the Common Area. Landlord may temporarily close any part of the Common Area for such periods of time as may be necessary to make repairs and alterations or to prevent a dedication to the public from obtaining prescriptive rights. Landlord may restrict employee use of the Common Area and may regulate employee parking by designating employee parking area(s). Landlord shall have the right, but no obligation, to maintain and operate lighting facilities on all the parking areas, to police all the parking and other common areas and to discourage non-customer parking.

41. **Alterations and Fixtures.** All repairs, replacements, alterations, additions, improvements, plate glass, exterior doors, overhead, sprinkler systems (if any), floor coverings, and fixtures (other than unattached, movable trade fixtures), including all air conditioning, heating, electrical, mechanical and plumbing machinery equipment which may be made or installed by either party whether in the interior or exterior of the Premises, shall become the property of Landlord without credit or compensation to Tenant at the termination of this Lease for any reason whatsoever, and at the termination of this Lease shall remain upon and be surrendered with the Premises, unless Landlord requests their removal, in which event, Tenant shall remove the same and restore the Premises to its original condition, normal wear and tear excepted, at Tenant's expense.
42. **Signs and Store Fronts.** Tenant shall not, without Landlord's prior written consent (1) make any changes to the exterior of the Premises or Tenant's store front, including architectural changes and exterior painting, (2) install any exterior lighting, shades or awnings, or any exterior decorations or paintings, (3) place or install any reflective material on the doors, windows or store front, or (4) erect or install any signs, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Use of the roof is reserved to Landlord.
43. **Community Sign.** Tenant shall have the right to place a sign panel on the community sign, if any, provided by Landlord. Expenses for installation and maintenance of the sign panel shall be paid by Tenant. The community sign, except for sign panels for individual tenants, shall be deemed to be part of the Common Area maintenance. All expenses in connection with the lighting maintenance thereof shall be included as part of the Tenants CAM obligation. No sign panel may be installed on the community sign until Landlord has approved, in writing, the design of the panel. Landlord reserves the right to charge Tenant for use of the Community Sign in Landlord's sole discretion.
44. **Rules and Regulations.** Tenant shall comply with all rules and regulations which Landlord may produce from time to time with respect to Tenant's use of the Premises. Tenant agrees that rules and regulations are intended for the protection of Tenant and Center as well as to ensure the Center is aesthetically maintained, and Landlord reserves the right to edit, delete or add any regulations upon 30 days notice to Tenant. Tenant's failure to comply with such rules and regulations shall constitute a material breach of this Lease.
45. **Quiet Enjoyment.** Tenant, on payment of rent and observing all terms of this Lease, rules and regulations, shall lawfully, peaceably, and quietly hold, occupy and enjoy the Premises without hindrance or ejection by any persons lawfully claiming under the Landlord.
46. **Waiver of Warranties.** LANDLORD EXPRESSLY DISCLAIMS ANY WARRANTY OF HABITABILITY WHICH MAY OTHERWISE HAVE ARISEN BY OPERATION OF LAW. LANDLORD DOES NOT WARRANT THAT THE PREMISES IS HABITABLE AND FIT FOR LIVING, OR THAT THERE ARE NO LATENT DEFECTS IN THE FACILITIES THAT WILL RENDER THE PREMISES UNSAFE, UNSANITARY OR OTHERWISE UNFIT. TENANT EXPRESSLY AGREE TO LEASE THE PROPERTY AS-IS, WHETHER HABITABLE OR NOT, AND EXPRESSLY WAIVES THE IMPLIED RIGHT OF HABITABILITY.

MAINTENANCE AND REPAIR

47. **Maintenance by Landlord.** Landlord shall only be responsible for reasonable maintenance of the foundation, the exterior walls (except window glass), and roof of the Premises. Landlord shall not be required to make any repairs occasioned by the act, omission or negligence of Tenant, its agents, invitees, contractors, or employees. It is Tenant's sole obligation to make roof repairs arising out of any damage or injury in any way caused by maintenance work on Tenant's air conditioning or ventilation equipment. In the event that the Premises should become in need of repairs required to be made by Landlord, Tenant shall give immediate notice of the needed repairs to Landlord. Landlord shall not be responsible in any way for failure to make any such

repairs until a reasonable time shall have elapsed after delivery of such written notice or for any consequential or other resulting damages.

48. **Maintenance by Tenant.** Tenant shall keep the Premises, including windows, signs and sidewalks and service ways and loading areas adjacent to the Premises in good, clean, garbage-free condition, free from waste and nuisance at all times. **Tenant shall have sole responsibility for maintenance, repair or replacement of all air conditioning/heating systems servicing the Premises.** Tenant shall make all needed repairs, including without limitation, maintenance of all direct utility connections and replacement of cracked or broken glass, except for repairs required to be made by Landlord. Tenant shall have sole responsibility for the sprinkler system (if any), and the water meter and shall at Tenant's sole cost and expense, repair and replace all or any part thereof as may be necessary from time to time to keep such items in good working condition at all times. Tenant shall comply, at its sole cost and expense, with all governmental laws, ordinances, and regulations applicable to the Premises. Tenant shall not be obligated to make any structural changes or alterations to the Premises in order to comply with governmental laws, ordinances and regulations unless made necessary by the act or omission of Tenant. Tenant shall perform any such changes or alterations at its expense and in accordance with plans and specifications approved by Landlord. If any repairs required to be made by Tenant are not made within ten days after written notice delivered to Tenant by Landlord, Landlord may, at its option, make such repairs without liability to Tenant for any loss or damage which may result to its business by reason of such repairs. Tenant shall pay to Landlord the cost of such repairs upon demand, plus an amount equal to eighteen percent (18%) of such cost as compensation for Landlord's administrative expenses.
49. **Common Area Maintenance.** The Common Area shall be operated and maintained by Landlord in such manner as Landlord, in its sole discretion, shall determine.

CASUALTY

50. Tenant shall give immediate written notice to Landlord of any damage caused to the Premises by fire or other casualty. In the event that (1) all or any portion of the Premises is damaged or destroyed by fire or other casualty, or (2) in excess of twenty-five percent (25%) of the gross leasable area in the Center is destroyed or rendered untenable, Landlord shall have the election to terminate this Lease prior to repair so it may restore the Premises to the condition in which it existed immediately prior to such damage or destruction. In the event Landlord desires to terminate this Lease, Landlord shall deliver written notice to Tenant on or before thirty days following receipt of Tenant's written notice of the damage to the Premises. In the event that Landlord elects to terminate this Lease, Landlord shall refund to Tenant any prepaid rent not accrued as of the date of damage or destruction, less any sum owed to Landlord by Tenant. If Landlord has elected to repair and reconstruct the Premises, this Lease shall continue in full force and effect and such repairs will be made within a reasonable time. Upon written notice to Tenant, Landlord may elect to extend the lease Expiration Date by a period of time equal to the period of such repair and reconstruction. Tenant agrees that during the period of reconstruction or repair of the Premises, it will continue operating its business within the Premises to the best of its ability.

CONDEMNATION

51. **Termination Option After Condemnation.** In the event that all or any portion of the Premises or in excess of twenty-five percent (25%) of the parking area of the Center should be appropriated or taken by any public or quasi-public authority under the power of eminent domain, this Lease may be terminated by either Landlord or Tenant by the delivery of written notice of such election. Such notice shall be delivered at least sixty (60) days prior to the date title vests pursuant to such taking or acquisition, and termination shall be effective as of the date title vests pursuant to such taking or acquisition, and all rent payments must be paid up to that date. Landlord may also terminate this Lease upon thirty (30) days prior written notice delivered on or before one hundred twenty (120) days after possession, taken or appropriated by the condemning authority if, in Landlord's judgment, the remainder of the Center is unsuitable for retail use. A termination under this provision shall be effective thirty (30) days following delivery of notice.
52. **Lease Obligation After Condemnation.** In the event that all or any portion of the Premises is appropriated or taken by any public or quasi-public authority under the power of eminent domain and this Lease is not terminated by Landlord or Tenant, Landlord shall repair any structural damage to the Premises caused by the

appropriation or taking. The monthly rent payable during the unexpired portion of this Lease shall be recalculated using the following equation:

$$\text{Revised Monthly Rent} = (\text{Original Monthly Rent} / \text{Original Total Square Feet}) \times \text{Revised Total Square Feet}$$

- *Revised Monthly Rent* = new monthly rent due for the affected portion of the Premises (interior or exterior) for the remainder of the unexpired portion of this Lease
- *Original Monthly Rent* = monthly rent amount that was due immediately prior to the condemnation for that portion (interior or exterior) leased by Tenant
- *Original Total Square Feet* = total square feet of the portion of the Premises (interior or exterior) leased by Tenant prior to condemnation
- *Revised Total Square Feet* = total square feet of the portion of the Premises (interior or exterior) leased by Tenant after being reduced by condemnation

If condemnation affects only exterior leased portions of the Premises, then Revised Monthly Rent calculations shall only include exterior portions of the total rent due under this Lease. If the condemnation affects only interior leased portions of the Premises, then Revised Monthly Rent calculations shall only include interior portions of the total rent due under this Lease. In the event both interior and exterior leased portions of the Premises are subject to condemnation, then two separate calculations shall be made each for interior and exterior revised monthly rent.

53. **Voluntary Conveyance in Lieu of Condemnation.** In the event that any authority having the power of eminent domain requests that Landlord convey to such authority all or any portion of the Center or all or any portion of the Premises, Landlord shall have the right to make a voluntary conveyance to such authority of all or any portion of the Center or the Premises whether or not proceedings have been filed by such authority. In the event of any such voluntary conveyance, it shall be deemed for the purpose of interpreting this Lease that there has been a condemnation and taking under the power of eminent domain.
54. **Condemnation Awards.** In the event of a condemnation or taking, whether whole or partial, all awards of compensations shall belong to Landlord. Tenant expressly waives any claim or right to any such award, except that Tenant shall be allowed to recover from such authority, but not from any portion of any award to Landlord, at Tenant's own cost and expense, the unamortized cost of Tenant's improvements and trade fixtures.

DEFAULT AND REMEDIES FOR DEFAULT

55. **Eviction for Failure or Lapse of Tenant Liability Insurance.** TENANT AGREES AND UNDERSTANDS THAT TENANT'S FAILURE TO PROCURE LIABILITY INSURANCE FOR ITS BUSINESS AND PREMISES IN THE AMOUNTS REQUIRED UNDER THE *INSURANCE, INDEMNITY AND LIABILITY* SECTIONS OF THIS LEASE SHALL BE AN EVICTION CONDITION OF THIS LEASE. ANY LAPSE OF TENANT'S LIABILITY INSURANCE OR PROCUREMENT OF AN INSURANCE POLICY IN AN AMOUNT LESS THAN THE AMOUNT REQUIRED IN THIS PROVISION SHALL BE CONSIDERED A MATERIAL BREACH OF THIS LEASE AND SHALL SUBJECT TENANT TO IMMEDIATE EVICTION AT LANDLORD'S SOLE DISCRETION.
56. **Tenant Default.** The following shall be deemed to be events of default by Tenant under this Lease:
- (a) Tenant fails to pay any installment of rent or any other payment required pursuant to this Lease when due.
 - (b) Tenant abandons any substantial portion of the Premises or fails to operate Tenant's business continuously in accordance with the terms of this Lease or if goods, equipment or other property, in amounts substantial enough to indicate a probable intent to abandon the premises is being, or has been, removed from the Premises, and the removal is not within the normal course of the Tenant's business.
 - (c) Tenant fails to comply with any term, covenant or condition of this Lease, other than the payment of rent, and fails to cure such failure within fifteen (15) days after the receipt of written notice by Landlord.
 - (d) Tenant files a petition or be adjudged bankrupt or insolvent under any Federal or State law; or a receiver or trustee is appointed for all or substantially all of the assets of Tenant; or Tenant makes a fraudulent transfer to creditors or makes an assignment for the benefit of creditors; or

- (e) Tenant does or permits to be done any act which results in a lien being filed against the Premises or the Center and does not discharge of record or bond against said lien within fifteen (15) days following written notice by Landlord to Tenant of the filing.

57. **Remedies.** In the event of Tenant default and in addition to all other remedies provided by this Lease or by operation of law:

- (a) Landlord may immediately enter and take possession of the Premises and of the personal property of Tenant on which it has a contractual lien and/or statutory landlord lien without any previous notice of intention to enter, and may remove all persons and property from the Premises and may take full and exclusive possession of the Premises. Landlord may secure and lock up the Premises, cut off utility services, and attempt to relet the Premises, or without any of such actions being deemed a trespass or an election on Landlord's part to terminate this Lease. If, however, any such default on Tenant's part should be fully corrected and cured before Landlord exercises an option to terminate this Lease, and if Landlord has not relet the Premises, then the Premises shall be returned to Tenant, and Tenant may continue in possession under this Lease. Tenant expressly waives any and all damages by reason of reentry by Landlord under this Lease;
- (b) If Landlord elects to reenter the Premises without terminating the Lease, then Tenant shall be liable for and shall pay to Landlord all rent and other indebtedness accrued to that date, plus rent required to be paid by Tenant to Landlord during the remainder of the Primary Term until the date this Lease expires, diminished by the amount received by Landlord through reletting the Premises during said period (after deducting all expenses incurred by Landlord to relet the Premises). Landlord shall not be obligated to relet the Premises or any part thereof, but may do so to any person or persons for such rent and for such terms and conditions as Landlord deems appropriate. In no event shall Tenant be entitled to any excess of any rent obtained by reletting over and above the rent herein reserved and in no case shall Landlord be liable for failure to relet the Premises or to collect the rent due under such reletting. Actions to collect amounts due by Tenant as provided in this section may be brought from time to time, on one or more occasions, without the necessity of Landlord's waiting until the Expiration Date of this Lease.
- (c) Notwithstanding any prior election not to terminate, Landlord may at any time, including subsequent to a reentry as above provided, elect to terminate this Lease on account of such default. Upon termination, Tenant shall be liable to Landlord for the sum of all rent and other indebtedness accrued to the date of such termination, plus, as damages, amount equal to the rent for the remaining portion of the Primary Term if such term has not already been terminated by Landlord prior to expiration of the same.
- (d) In case of default, Tenant shall also be liable for and shall pay to Landlord, in addition to any sum provided to be paid above: (a) broker's fees incurred by Landlord in connection with reletting the whole or any part of the Premises; (b) the cost of removing and storing Tenant's or other occupant's property; (c) the cost of repairing altering, remodeling, renovating or otherwise putting the Premises into condition acceptable to a new tenant or tenants; and (d) all reasonable expenses incurred by Landlord in enforcing Landlord's remedies, including reasonable attorney's fees.

58. **Contractual Landlord's Lien and Security Interest.** IN THE EVENT OF DEFAULT BY TENANT TO SECURE THE PAYMENT OF ALL RENT OR ADDITIONAL RENT DUE AND TO BECOME DUE HEREUNDER AND THE FAITHFUL PERFORMANCE OF ALL OF THE OTHER COVENANTS OF THE LEASE REQUIRED OF THE TENANT TO BE PERFORMED, TENANT GIVES TO LANDLORD AN EXPRESS CONTRACTUAL LIEN ON AND SECURITY INTEREST IN AND TO ALL MERCHANDISE WHICH MAY BE PLACED IN THE PREMISES AND ALSO TO ALL PROCEEDS OF ANY INSURANCE WHICH MAY ACCRUE TO TENANT BY REASONS OF DAMAGE OR DESTRUCTION OF ANY SUCH PROPERTY. ALL EXEMPTION LAWS ARE HEREBY WAIVED BY TENANT. THIS LIEN AND SECURITY INTEREST MAY BE FORECLOSED WITH OR WITHOUT COURT PROCEEDINGS, BY PUBLIC OR PRIVATE SALE, WITH OR WITHOUT NOTICE, AND LANDLORD SHALL HAVE THE RIGHT TO BECOME PURCHASER UPON BEING THE HIGHEST BIDDER AT SUCH SALE. UPON REQUEST OF LANDLORD, TENANT AGREES TO EXECUTE UNIFORM COMMERCIAL CODE FINANCING STATEMENTS RELATING TO SUCH SECURITY INTEREST. LANDLORD, AS SECURED PARTY, SHALL BE ENTITLED TO ALL THE RIGHTS AND REMEDIES AFFORDED A SECURED PARTY UNDER SAID UNIFORM COMMERCIAL CODE WHICH RIGHTS AND REMEDIES SHALL BE IN ADDITION TO AND CUMULATIVE OF THE LANDLORD'S LIENS AND RIGHTS PROVIDED BY LAW OF OR BY THE TERMS AND PROVISIONS OF THIS LEASE. TENANT SHALL NOT

PERMIT ANY MECHANIC'S OR OTHER LIENS TO BE FIXED OR PLACED AGAINST THE PREMISES AND AGREES TO IMMEDIATELY DISCHARGE (EITHER BY PAYMENT OR BY FILING OF THE NECESSARY BOND OR OTHERWISE) ANY SUCH LIEN WHICH IS ALLEGEDLY FIXED OR PLACED AGAINST THE PREMISES. THIS CONTRACTUAL LIEN IS IN ADDITION TO ANY AND ALL STATUTORY OR COMMON LAW LIENS PROVIDED FOR BY LAW.

59. **Statutory Landlord's Lien.** IN ADDITION TO LANDLORD'S CONTRACTUAL LIEN PROVIDED BY THIS LEASE, TENANT FURTHER AGREES AND ACKNOWLEDGES LANDLORD'S STATUTORY LANDLORD'S LIEN PROVIDED BY CHAPTER 54, SUBSECTION B OF THE TEXAS PROPERTY CODE, WHICH PARTIALLY STATES AS FOLLOWS:

Sec. 54.021. LIEN. A person who leases or rents all or part of a building for nonresidential use has a preference lien on the property of the tenant or subtenant in the building for rent that is due and for rent that is to become due during the current 12-month period succeeding the date of the beginning of the rental agreement or an anniversary of that date. (Acts 1983, 68th Leg., p. 3559, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1985, 69th Leg., ch. 200, Sec. 2, eff. Aug. 26, 1985.)

Sec. 54.024. DURATION OF LIEN. The lien exists while the tenant occupies the building and until one month after the day that the tenant abandons the building. (Acts 1983, 68th Leg., p. 3560, ch. 576, Sec. 1, eff. Jan. 1, 1984.)

Sec. 54.025. DISTRESS WARRANT. The person to whom rent is payable under a building lease or the person's agent, attorney, assign, or other legal representative may apply to the justice of the peace in the precinct in which the building is located for a distress warrant if the tenant:

- (1) owes rent;
- (2) is about to abandon the building; or
- (3) is about to remove the tenant's property from the building.

(Acts 1983, 68th Leg., p. 3560, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1993, 73rd Leg., ch. 48, Sec. 10, eff. Sept. 1, 1993.)

60. **Default Deposit.** If Tenant fails to pay Monthly Rent when due, the Default Deposit may, at Landlord's option, be applied to any rent due and unpaid, or other amounts payable to Landlord by Tenant. If Tenant violates any of the terms, covenants and conditions of this Lease, the Default Deposit may be applied to any damages suffered by Landlord as a result of Tenant's default to the extent of the amount of the damages suffered. Should any of the Default Deposit be used to pay rent due for any reason, and if this Lease is kept in full force and effect at Landlord's option, Tenant shall reimburse Landlord the amount of said depletion within ten (10) days after notice to Tenant by Landlord of such depletion. Nothing contained in this section shall in any way diminish or be construed as waiving any of Landlord's other remedies provided by this Lease or by law or equity. Should Tenant comply with all of the terms, covenants and conditions of this Lease and promptly pay Monthly Rent when due and all other sums payable by Tenant to Landlord, the remaining balance of the Default Deposit, without interest, shall be returned to Tenant within sixty (60) days after the first day of the month after Tenant vacates the Premises.
61. **Landlord Default.** Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event less than thirty (30) days after written notice by Tenant to Landlord, specifying that Landlord has failed to perform such obligations. However, if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes completion of same.

TRANSFERS AND LIENS

62. **Subordination and Attornment.** This Lease and the rights of Tenant under this Lease are subject and subordinate to (1) any prior ground or master leases affecting the land, including renewals and extensions, and (2) any mortgage or Deed of Trust, together with all renewals, modifications, consolidations, replacements and extensions, which may now or later encumber the Center and the real property on which it is located. Tenant agrees to execute any further documents as may be necessary for subordinating this lease to any mortgage, Deed of Trust or master or ground leases, as the case may be, and further agrees to execute any other document of attornment and non-disturbance required by Landlord's mortgagees. Tenant irrevocably constitutes

and appoints Landlord as Tenant's attorney-in-fact to execute any such instruments for and on behalf of Tenant, giving and granting unto said attorney full power and authority to do everything in Tenant's name, place and stead as fully and effectual to all intents and purposes as Tenant might or could do if personally present, ratifying all that said attorney shall lawfully do or cause to be done by virtue of those present. This power of attorney is coupled with an interest, and therefore shall survive the death, dissolution, or termination of Tenant. Tenant agrees to that it shall not undertake any act which will cause a lien to be filed against the Premises. Tenant acknowledges that it has no power to encumber or cloud Landlord's title to the land or Premises. Tenant further agrees that if, because of any act or omission of Tenant, any mechanics lien or other lien, charge, or order for the payment of money shall be filed against Tenant or any portion of the Premises, or upon the right, title, an interest of Tenant created by this Lease, Tenant shall, at its own cost and expense cause the same to be discharged of record or bonded within fifteen (15) days after written notice by Landlord to Tenant of the filing thereof; and Tenant hereby agrees to indemnify and hold harmless Landlord from and against all costs, liabilities, suits, penalties, claims, and demands resulting therefrom.

63. **Assignment and Subletting.** Tenant may assign this Lease or sublet the Premises only with the prior written consent of Landlord. Tenant acknowledges that this Lease is personal to Tenant for the use specified herein, and that Landlord may withhold its consent arbitrarily and for any reason whatsoever, and may further condition any consent on an increase in rent or any other changes in the terms, covenants, or conditions hereof. The consent by Landlord to any transfer, assignment, or subletting shall not be deemed to be a waiver on the part of Landlord of its rights regarding any future transfers, assignments or subletting. If Landlord consents to any assignment or subletting, such consent shall not be effective unless and until Landlord approves in writing the executed assignment or sublease agreement, which agreement shall provide for Landlord's consent to any amendment, and for the assignee or sublessee to assume all of the obligations and liabilities of Tenant under this Lease, without relieving Tenant of its obligations under this Lease.
64. **Transfer of Landlord's Interest.** In the event of any sale of the Premises or transfer of Landlord's interest under this Lease, Landlord shall be and is hereby entirely freed and relieved from all liability under any and all of the terms, covenants, and conditions contained in or derived from this Lease, arising out of any act, occurrence, or omission occurring after the consummation of such sale. The purchaser at such sale or any subsequent sale of the Premises shall be deemed, without further agreement between the parties in any such purchase, to have assumed and agreed to carry out any and all of the terms, covenants, and conditions obligating Landlord under this Lease. Any security given by Tenant to secure performance of its obligations hereunder, including the required Default Deposit, may be assigned and transferred by Landlord to the purchaser. Tenant, at Landlord's request, shall execute promptly any appropriate certificate or instrument, properly acknowledged, which shall certify to Landlord, any purchaser or any other person specified by Landlord, reasonable information required by Landlord, including whether or not this Lease is unmodified and in full force and effect, whether or not Tenant contends that Landlord is in default under this Lease in any respect, whether or not there are then existing set-offs or defenses against the enforcement of any right or remedy of Landlord, or any duty or obligation of Tenant, the amount of deposits held by Landlord, the date to which rent and other charges have been paid, and stating that Tenant has no right or interest in the Premises or the Center, other than as a Tenant under this Lease.
65. **Landlord's Assignment as Security.** With reference to any assignment by Landlord of its interest in this Lease or the rents payable under this Lease, conditional in nature or otherwise, which assignment is made to or held by the holder of a Deed of Trust on all or any part of the property or the Center including the Premises, Tenant agrees:
- (a) That the execution by Landlord and the acceptance by the holder of such Deed of Trust shall never be deemed an assumption by such holder of any of the obligations of Landlord, unless such holder shall, by written notice to Tenant, specifically otherwise elect; and
 - (b) That, except as stated above, such holder shall be treated as having assumed Landlord's obligations only upon acquiring title to all or any part of the Land or the Center, including the Premises, through foreclosure of such holder's Deed of Trust or acceptance of a deed in lieu of foreclosure subject to this Lease and the taking of possession of such acquired property which includes the Premises.

ACCESS TO PREMISES

66. **Access for Premises.** Landlord shall have the right to enter the Premises at all reasonable hours for the purpose of inspection, making repairs to the Premises or making repairs, alterations, or additions to any adjacent premises, or curing any default of Tenant hereunder that Landlord elects to cure. In the event that Landlord is required to enter the Premises at a time other than during the Tenant's business hours, Landlord shall not be liable to Tenant for any expense, loss, or damage from any such entry. No entry by Landlord permitted under the terms of this Lease shall be deemed a breach by Landlord of Tenant's right to quiet enjoyment of the Premises as set forth in this Lease. Tenant shall permit Landlord during the thirty (30) day period preceding the expiration of this Lease to place usual or ordinary "For Lease" signs in clearly visible locations within the Premises and to enter upon the Premises during normal business hours to exhibit same to prospective tenants.

INTERPRETATION, NOTICES AND MISCELLANEOUS

67. **Applicable Law.** The enforcement of the Lease shall be governed under the laws and ordinances of the city of Tomball, Harris County, Texas, and this Lease shall be construed, interpreted, and enforced in accordance with the laws of the State of Texas.
68. **Successors and Assigns.** The terms, covenants and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties and their respective heirs and/or successors-in-interest and legal representatives, except as otherwise expressly provided.
69. **Force Majeure.** In the event that Landlord is delayed, hindered or prevented from performing any action required by this Lease, Landlord shall not be liable or responsible if the delay is due to strike, riot, plague, pestilence, act of God, shortage of labor or materials, war, governmental laws, regulations, or other restrictions or any other causes of any kind which are beyond the reasonable control of Landlord, and the period for the performance of such act shall be extended for a period equivalent to the period of delay.
70. **Partial Invalidity.** Any provision of this Lease which shall prove to be illegal, invalid, or unenforceable under present or future laws shall in no way affect, impair or invalidate any other provision, and this Lease shall be interpreted as if it had been entered into without such illegal, invalid, or unenforceable provision.
71. **Waiver.** The waiver by Landlord of any remedy for the breach of any term, covenant, or condition shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained in this Lease. The subsequent acceptance of rent by Landlord shall not be deemed to be a waiver of any preceding default by Tenant of any term, covenant, or condition of this Lease, other than failure of the Tenant to provide the particular rent payments so accepted, regardless of Landlord's knowledge of such preceding default at the time of acceptance of such rent.
72. **Merger of Estates.** The voluntary or other surrender of this Lease by Tenant or a mutual cancellation of this agreement shall not cause a merger, but, at Landlord's option, either (1) shall terminate all or any existing sublease or subtenancies, or (2) may operate as an assignment to Landlord of Tenant's interest in any or all subleases or subtenancies.
73. **Construction.** Whenever in this Lease a singular number or word is used, the same shall include the plural, and the neutral gender shall include the feminine and masculine genders. The captions used in this Lease are for convenience only, do not constitute a part of the Lease, and shall have no effect upon the construction or interpretation of any term, covenant, or condition.
74. **Notices.** All notices or requests required by or provided for in this Lease must be in writing and must be given by hand delivering or depositing the same in the United States mail, addressed to the party to be notified, postage prepaid. Notices by mail shall be deemed received upon receipt. Notices shall be sent to the address designated in this Lease or at other address specified in writing by the parties. In the event that more than one party is acting as either Landlord or Tenant under this lease, the parties shall agree upon a common location for the receipt of notices and any notice sent to said designated location shall bind each party acting as either Landlord or Tenant as if each party acting in said capacity had received such notice.

75. **Entire Agreement.** This Lease, together with any attached exhibits, set forth all agreements between Landlord and Tenant relative to the Premises and Center, if applicable. All prior negotiations and agreements are merged within this Lease, and no subsequent agreement relative to this Lease shall be binding unless reduced to a writing signed by both parties.
76. **Reimbursement for Legal Expenses.** In the event Tenant defaults in the performance of any of the terms, agreements or conditions of this Lease and Landlord places (1) the enforcement of this Lease, (2) the collection of any rent due or to become due and/or (3) recovery of the possession of the Premises in the hands of any attorney, Tenant shall reimburse Landlord on demand for any reasonable legal and administrative fees and expenses incurred by Landlord. If Tenant shall request anything of Landlord which requires preparation or review of documents by Landlord's counsel, and if Landlord agrees to such request, Tenant shall reimburse Landlord on demand any reasonable legal and administrative fees and expenses incurred by Landlord.
77. **Tenant's Certificates.** Recognizing that both Landlord and Tenant may find it necessary to establish to third parties such as accountants, banks, mortgagees, or the like, the then current status of performance under this Lease, either party upon written request to the other, shall promptly furnish a written affidavit on the status of this Lease consisting of statements, if true, (1) that this Lease is in full force and effect, (2) the date through which rentals have been paid, (3) the Commencement Date, (4) the nature of any amendments or modifications to this Lease, (5) that no default, or state of facts which, with the passage of time or notice would constitute a default, exists on the part of either party, (6) the names and addresses of corporate or management officers and personnel, and (7) the dates on which rent payments are due under the terms of this Lease. Tenant specifically agrees upon the Commencement Date or upon receipt of a written request from Landlord after the Commencement Date, to notify Landlord in writing of the Commencement Date and acknowledge satisfaction of the requirements with respect to Landlord's work and other matters by Landlord, save and except any matters which Tenant may wish to set forth specifically in said statement.
78. **Discharge of Mechanic's Lien.** Tenant agrees within fifteen (15) days after receipt of notice of filing to discharge of record by payment, filing of the necessary bond, order of a court of competent jurisdiction, or other means acceptable to Landlord, any mechanic's lien or other lien against the Premises and/or Landlord's or Tenant's interest in the Premises or any portion of the Center when such liens arise out of work performed or claimed to have been performed in or on the Premises. The liens may arise out of any payment due for, or purported to be due for, any labor, services, materials, supplies, or equipment alleged to have been furnished to or for Tenant in, upon, or about the Premises. In the event that Tenant contests any such mechanic's lien, Tenant shall, at Landlord request, (1) deposit with Landlord an amount equal to the claims made by such lien, together with interest as it may from time to time become due, as security for the payment and discharge prior to execution or (2) deliver to Landlord a bond of a recognized surety authorized to write surety bonds in Texas, assuring the payment and removal of such lien, together with any interest or penalty, and naming Landlord as a co-obligee. Any judgment or other proceeds issued in such a contest shall be paid and discharged before execution. If Tenant fails to keep this covenant, then in addition to all other remedies available to Landlord under this lease, Landlord may, at its option, purchase a surety bond at twice the amount of the lien, securing such lien, and Tenant agrees to pay Landlord, as additional rent, one and one half times the cost thereof, to compensate Landlord for its expenses attorney's fees, and damages.
79. **Short Form Lease.** Tenant agrees not to record this Lease or any other document which sets forth the rental or other charges payable by Tenant under this Lease.
80. **Landlord Not Liable for Interest.** Tenant agrees that Landlord shall not be liable or accountable to Tenant for interest on any sum of money deposited by Tenant under the terms of this Lease.
81. **When Lease Becomes Binding.** This lease shall become effective and binding only upon the execution and delivery by both Landlord and Tenant. All negotiations, considerations, representations and understandings between Landlord and Tenant are incorporated within this Lease and may be modified or altered only by agreement in writing between Landlord and Tenant, and no act or omission of any employee or agent of Landlord shall alter, change, or modify any of the provisions.

82. **Tenant Not a Beneficiary of Other Leases.** In the event that Landlord, in its sole discretion, shall effect other tenancies in the Center, if applicable, Tenant shall not be deemed to be a beneficiary of any agreement between Landlord and such other tenants. Tenant shall have no right whatsoever, either express or implied, under any agreement between Landlord and other tenants or under any of the terms or provisions of such agreements. Tenant shall have no right to enforce any such agreements, terms, or provision on behalf of itself or any other party including Landlord.
83. **Contracts Between Landlord and Third Parties.** In the event that Landlord shall enter into any contract with third parties in any way connected to the Premises or Center (if applicable), Tenant shall not be deemed to be a beneficiary of any such contract. Tenant shall have no right whatsoever, either express or implied, under any such contract or under any of the terms or provisions of such contract; and Tenant shall have no right to enforce such contract, term, or provision on behalf of itself or any other part, including Landlord.

LANDLORD	LANDLORD ADDRESS FOR NOTICE AND RENT PAYMENT
_____ RODNEY K HUTSON	RODNEY K HUTSON 9431 ROSIE LN MAGNOLIA, TEXAS 77354
_____ DATE	FOR LEASE OR FINANCIAL INQUIRIES, PLEASE CONTACT TERESA H LATSIS (503) 348-0718 T.LATSIS@HUTSONGROUP.COM
	FOR ALL OTHER ISSUES, PLEASE CONTACT BRYAN H HUTSON (713) 678-0152 B.HUTSON@HUTSONGROUP.COM
TENANT	TENANT ADDRESS FOR NOTICE
_____ BRUCE KISSINGER	306 MARKET ST TOMBALL, TEXAS 77375
_____ DATE	PHONE: (281) 222-9326 (MOBILE) EMAIL: BRUCE@FIREANTBREWING.COM

AGREEMENT

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
 COUNTY OF HARRIS §

This Agreement (the “Agreement”) is made and entered into by and between the **Tomball Economic Development Corporation**, an industrial development corporation created pursuant to Tex. Rev. Civ. Stat. Ann. Art. 5190.6, Section 4B, located in Harris County, Texas (the “TEDC”), and **Sylvia’s Wood Fire Pizza, LLC** (the “Company”), 306 Market Street, Tomball, TX 77375.

WITNESSETH:

WHEREAS, it is the established policy of the TEDC to adopt such reasonable measures from time-to-time as are permitted by law to promote local economic development and stimulate business and commercial activity within the City of Tomball (the “City”); and

WHEREAS, the Company proposes to lease a 2,280 square foot existing office space located at 306 Market Street, Tomball, Texas 77375 (the “Property”), and more particularly described in Exhibit “A,” attached hereto and made a part hereof; and

WHEREAS, the Company proposes to open a Wood Fire Pizza and Sandwich shop at the Property; and

WHEREAS, the Company proposes to create Ten (10) full-time jobs in Tomball in conjunction with the new location; and

WHEREAS, the TEDC agrees to provide to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Ten Thousand Dollars (\$10,000.00), in accordance with an established Rental Assistance Incentive; and

WHEREAS, the Company has agreed, in exchange and as consideration for the funding, to satisfy and comply with certain terms and conditions; and

NOW, THEREFORE, in consideration of the premises and the mutual benefits and obligations set forth herein, including the recitals set forth above, the TEDC and the Company agree as follows:

1.

Except as provided by paragraph 3, the Company covenants and agrees that it will operate and maintain the proposed business for a term of at least three (3) years within the City of Tomball.

2.

The Company also covenants and agrees that construction of the Improvements, the addition of the Ten (10) new employees, and obtaining all necessary occupancy permits from the City shall occur within twelve (12) months from the Effective Date of this Agreement. Extensions of these deadlines, due to any extenuating circumstance or uncontrollable delay, may be granted at the sole discretion of the Board of Directors of the TEDC.

3.

The Company further covenants and agrees that it does not and will not knowingly employ an undocumented worker. An “undocumented worker” shall mean an individual who, at the time of employment, is not (a) lawfully admitted for permanent residence to the United States, or (b) authorized by law to be employed in that manner in the United States.

4.

In consideration of the Company's representations, promises, and covenants, TEDC agrees to grant to the Company an amount equal to twenty-five percent (25%) of the base monthly rent for the first 12 consecutive months of operation not to exceed Ten Thousand Dollars (\$10,000.00). The TEDC agrees to distribute such funds to the Company within thirty (30) days of receipt of a letter from the Company requesting such payment, which letter shall also include: (a) a copy of the City's occupancy permit for the Property; (b) proof that the Company has added the number of employees indicated above to its business operations on the Property, as evidenced by copies of Texas Workforce Commission form C-3 or Internal Revenue Service Form 941; and, (c) an affidavit from the landlord of the Property stating that all rents have been paid in accordance with the terms of the lease agreement for the first twelve consecutive months of operation.

5.

It is understood and agreed by the parties that, in the event of a default by the Company on any of its obligations under this Agreement, the Company shall reimburse the TEDC the full amount paid to the Company by the TEDC, with interest at the rate equal to the 90-day Treasury Bill plus $\frac{1}{2}\%$ per annum, within thirty (30) days after the TEDC notifies the Company of the default. It is further understood and agreed by the parties that if the Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the Company will reimburse the TEDC the full amount paid to the Company, with interest at the rate equal to the 90-day Treasury Bill plus $\frac{1}{2}\%$ per annum, within thirty (30) days after the TEDC notifies the Company of the violation.

The Company shall also reimburse the TEDC for any and all reasonable attorney's fees and costs incurred by the TEDC as a result of any action required to obtain reimbursement of such funds.

6.

This Agreement shall inure to the benefit of and be binding upon the TEDC and the Company, and upon the Company's successors and assigns, affiliates, and subsidiaries, and shall remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all or any part of the Property and the agreements herein contained shall be held to be covenants running with the Property for so long as this Agreement, or any extension thereof, remains in effect.

7.

Any notice provided or permitted to be given under this Agreement must be in writing and may be served by (i) depositing the same in the United States mail, addressed to the party to be notified, postage prepaid, registered or certified mail, return receipt requested; or (ii) by delivering the same in person to such party; or (iii) by overnight or messenger delivery service that retains regular records of delivery and receipt; or (iv) by facsimile; provided a copy of such notice is sent within one (1) day thereafter by another method provided above. The initial addresses of the parties for the purpose of notice under this Agreement shall be as follows:

If to City: Tomball Economic Development Corporation
401 W. Market Street
Tomball, Texas 77375
Attn: President, Board of Directors

If to Company: Sylvia's Wood Fire Pizza, LLC
306 Market Street
Tomball, TX 77375
Attn: Bruce Kissinger, Owner

8.

This Agreement shall be performable and enforceable in Harris County, Texas, and shall be construed in accordance with the laws of the State of Texas.

9.

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

10.

The failure of any party to insist in any one or more instances on the performance of any of the terms, covenants or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, or condition, or right with respect to further performance. This Agreement shall bind and benefit the respective Parties and their legal successors and shall not be assignable, in whole or in part, by any party without first obtaining written consent of the other party.

11.

In the event any one or more words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement, or the application thereof to any person, firm, corporation, or circumstance, shall be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, then the application, invalidity or unconstitutionality of such words, phrases, clauses, sentences, paragraphs, sections, or other parts of this Agreement shall be deemed to be independent of and severable from the remainder of this Agreement, and the validity of the remaining parts of this Agreement shall not be affected thereby.

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the parties on this _____ day of _____ 2024 (the “Effective Date”).

SYLVIA’S WOOD FIRE PIZZA, LLC

By: _____

Name: Bruce Kissinger

Title: Owner

ATTEST:

By: _____

Name: _____

Title: _____

TOMBALL ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: Gretchen Fagan

Title: President, Board of Directors

ATTEST:

By: _____

Name: Bill Sumner Jr.

Title: Secretary, Board of Directors

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the ____ day of ____ 2024, by Bruce Kissinger, Owner of Sylvia's Wood Fire Pizza, LLC, for and on behalf of said company.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
 COUNTY OF HARRIS §

This instrument was acknowledged before me on the _5th____ day of _March____ 2024, by Gretchen Fagan, President of the Board of Directors of the Tomball Economic Development Corporation, for and on behalf of said Corporation.

 Notary Public in and for the State of Texas

My Commission Expires: _____

(SEAL)

Exhibit “A”
Legal Description of Property

Property Address: 306 Market Street, Tomball, TX 77375

DRAFT

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

TEDC Quarterly update on 2023-2024 Strategic Work Plan.

Background:

Origination: Kelly Violette, Executive Director

Recommendation: Presentation item only.

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date

2023 – 2024 STRATEGIC PLAN: QUARTERLY UPDATE

GOAL 1: BUSINESS RETENTION & EXPANSION (BRE)

To continually engage and assist in the success of Tomball businesses.

1. Conduct 12 BRE on-site or virtual visits per quarter and report feedback from visits to board.
2. Conduct an annual online business survey to identify and manage business needs.
3. Continue the Grow Tomball initiative to highlight and promote local businesses.
 - (a) Share success stories on the Tomball EDC website.
 - (b) Support Tomball EDC podcasts.
 - (c) Develop video success stories to be added to the Tomball EDC website.
 - (d) Expand reach using YouTube, Google SEO, Instagram Reels, and paid ads.
 - (e) Explore creative ways to increase public exposure.
4. Produce programming that meets the needs of the existing industry leaders in Tomball.
 - (a) Host 2 networking events.
 - (b) Host 1 Outlook Luncheon.
5. Activate the “Made in Tomball” Initiative.
6. Explore programming and financial incentives to help existing industries expand.

STATUS/UPDATES

- 47 site visits have been conducted with the necessary follow-up from each visit.
- A Business Retention and Expansion (BRE) Survey will be sent out Q2 of 2024.
- 7 new success stories have been added to the TEDC website. These are updated quarterly.
 - Lovett Industrial & Interchange 249

- Manna Bread from Heaven
 - Boatman Construction
 - Veolia Water Technologies & Solutions
 - French Inspection
 - Grazeables
 - Moffett Productions
- Staff is working with Beefy Marketing on dates regarding TEDC Sponsored Podcasts. The two podcast success stories will be:
 - Peter Licata with The Field and Headquarters Too
 - Shane Nobles with Pain Train Salsa
 - 1 new video success story (Veolia Water Technologies & Solutions) has been uploaded to the TEDC website. Two additional success stories are scheduled for production in March (Houston Poly Bag and Aloha Nails).
 - The Annual Economic Outlook Luncheon was held on October 18th.
 - Business networking event ("Mix N Jingle") was held December 7th at Paradigm Brewing Co.
 - Visit Tomball website has been launched with a specific "Made in Tomball" page.

GOAL 2: ATTRACTION & RECRUITMENT

Recruit and secure new businesses/industry that are suitable for Tomball.

1. Enhance Tomball's image as a community of choice through marketing and branding efforts.
 - (a) Use creative approaches to tell Tomball's story.
2. Continue developing and maintaining relationships with businesses, site selectors, brokers, and developers, and maintain an awareness of available real estate properties within the community.

3. Support infill and redevelopment opportunities to attract new private sector investment.
 4. Explore public financing tools including Tax Increment Reinvestment Zones (TIRZ) to finance infrastructure improvements and encourage quality development/redevelopment projects.
 5. Support local and emerging entrepreneurs.
 - (a) Provide workshops emphasizing financial literacy, business management, marketing, networking, recruitment, etc. that will help their businesses grow or be more profitable.
 6. Create an Incentives Policy to guide the TEDC in offering economic incentives.
 7. Initiate a direct marketing campaign for target industries.
 - (a) Produce a one-page marketing summary for each target industry.
 - (b) Create a database of target companies and contacts.
 - (c.) Participate in key industry events.
-

STATUS/UPDATES

- Marketing and Branding efforts continue to be updated to reflect a “We Mean Business” theme.
- Continued working with a marketing firm on a TEDC Social Media Campaign to strengthen identity and resources.
 - 44% increase in followers from Q4 - 2022 to Q4 – 2023 and over 50K Impressions
- Ongoing coordination with COT regarding needed infrastructure in target areas.
- Staff attended the Texas Downtown Association Annual Conference.
- TEDC is hosting a 4-part webinar series to help emerging entrepreneurs and existing business owners to be more profitable. The first webinar will be E-Commerce centered and presented by Josh Orr with Capital Commerce on March 26th.

GOAL 3: DEVELOPMENT/REDEVELOPMENT OF OLD TOWN

To encourage quality investment in Tomball's Old Town

1. Partner with the City of Tomball on targeted infrastructure improvements (alleyways, parking, wayfinding, etc.)
 - (a.) Partner with stakeholders to help minimize construction disruption and to provide additional marketing assistance for those businesses who do experience disruption.
2. Continue to plan for and improve parking and pedestrian access.
 - (a.) Consider needed improvements.
 - (b.) Install signage on TEDC lots.
 - (c.) Fund wayfinding in Old Town directing people to parking.
3. First Baptist Church Project:
 - (a.) Initiate planning process.
4. Create a project and financing plan for the redevelopment of the South Live Oak Business Park.
5. Continue to promote incentives and explore additional ways to encourage upgrades to properties in Old Town.
6. Continue to partner with Old Town business owners to further develop and support the Shop and Stroll.

STATUS/UPDATES

- Initial construction/phase 1 of alleyway enhancements have started as of September 2023.
- TEDC Board of Directors approved Alleyway Amenity package with City of Tomball for alleyway project.
- Ongoing communication and meetings held with COT Staff regarding parking projects/opportunities.
- Free Parking signage has been installed at the parking lots at First Baptist Church.
- Purchase of ancillary site adjacent to the First Baptist Church has been made to expand TEDC ownership.
- Staff continues to work with Synchro on the vision/planning of the First Baptist Church site.

- TEDC completed the grant with Sip Hip Hooray that incentivized the successful monthly Shop & Stroll's that were held in Old Town Tomball.
- Multiple meetings held with Old Town Merchants regarding the future of the Shop and Stroll events.
- Texas Downtown Association to be in Tomball on November 15th to complete a Downtown Assessment that will help guide the Downtown Merchants on how to best move forward for future Downtown events.
- Texas Downtown Association completed its Downtown Assessment for Old Town Tomball, the results were presented at the first Workshop of a series of three to Old Town Merchants on January 29th. A second Workshop was held on February 26th and the third Workshop will be held in the coming months.

GOAL 4: EDUCATION & WORKFORCE DEVELOPMENT

Partner with local/regional education institutions, City of Tomball, Greater Tomball Area Chamber of Commerce, and local industries to further develop youth workforce programs and initiatives.

1. Continue to serve on the P-TECH Steering Committee with Lone Star College-Tomball, TISD, and HCA officials.
 - a. Research grant funding opportunities for the P-TECH program.
2. Continue to serve on the TISD – CTE Advisory Board to create pathways for CTE students to enter the workforce and gain work-based learning credentials with industry partners.
3. Work with our Regional Workforce Board and Texas Workforce Commission on available resources for local industries.
4. Continue to work with local/regional education institutions to support a Grow Tomball – Youth Program.
 - (a) Work with education institutions to host job/career fairs.
 - (b) Create and maintain a job board for High School and College Students on the TEDC Website.
 - (c) Research funding partners for Internship/Apprenticeship Program.

- (d) Launch the 2023-2024 Internship/Apprenticeship Program.
- (e) Work with TISD to launch a Teacher Externship Program.

STATUS/UPDATES

- Serve on the Tomball ISD – CTE Advisory Board (Semi-Annual) Meetings to ensure that Tomball ISD and industry needs are promoting the 21st century skills that students will need.
- Serve on the Lone Star College-Tomball Designer in Residence 2.0 Regional Design Team-Accelerating Pathways in Dual Enrollment.
- Serve on the TISD P-TECH Committee Meetings to further the partnership between TISD, LSC-Tomball, and HCA.
- Working with TISD and Industry partners to develop a 2023/2024 apprenticeship/internship pilot program.
 - Launched Summer Youth Employment Program February 2024.
 - Currently have 9 businesses enrolled in the program offering 17 internship opportunities.
- Working with Lone Star College-Tomball to host a community Career Fair: April 24th from 10am-3pm.
- Created a "Youth Employment Program" featured on the TEDC website for area businesses to list available job openings for Tomball youth.
- Worked with TISD to launch "Teacher Tuesdays" the first Teacher Externship Program.
 - Six CTE Teachers representing both high school and junior high campuses participated in externships with eight local businesses Summer 2023.
 - Working with TISD and Industries for the 2nd Annual Teacher Tuesdays – Summer 2024.

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

EXECUTIVE SESSION: The Tomball Economic Development Corporation Board will meet in Executive Session as authorized by Title 5, Chapter 551, Texas Government Code, The Texas Open Meetings Act, for the following purpose:

- Section 551.072, - Deliberations regarding real property: Deliberate the purchase, exchange, sale, lease, or value of real property.
- Section 551.087, - Deliberation regarding Economic Development negotiations.

Background:

Origination: Kelly Violette, Executive Director, Tomball Economic Development Corporation

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed _____

Staff Member-TEDC

Date

Approved by _____

Executive Director-TEDC

Date

Regular Tomball EDC Agenda Item Data Sheet

Meeting Date: March 5, 2024

Topic:

Reconvene into regular session and take action, if necessary, on items discussed in Executive Session.

Background:

Origination: Kelly Violette, Executive Director

Recommendation:

Party(ies) responsible for placing this item on agenda: Kelly Violette

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed	_____	Approved by	_____
	Staff Member-TEDC		Executive Director-TEDC
	Date		Date