

STATE OF TEXAS §
COUNTY OF CLAY §

KNOWN ALL MEN BY THESE PRESENTS

**COMMUNITY AND BUSINESS AGREEMENT FOR INFRASTRUCTURE PROJECT,
TEXAS CAPITAL FUND #7214292**

DATES AND PARTIES: The effective date of this agreement is the 10th day of December, 2014 and the parties are the following:

COMPANY: Triangle Brick Company

CONTRACTOR: Clay County, Texas

MAIN CONTACTS: For the Company:

Scott Mollenkopf, President & CEO
Triangle Brick Company
6523 NC Hwy 55
Durham, NC 27713

For the Contractor:

Kenneth Liggett, County Judge
Clay County
214 North Main Street
Henrietta, Texas 76365

PURPOSE:

THE PURPOSE OF THIS ECONOMIC DEVELOPMENT PROJECT IS TO PROVIDE INFRASTRUCTURE ACTIVITIES IN THE FORM OF AN ELECTRICAL SUBSTATION AND ADMINISTRATIVE SERVICES IN SUPPORT OF THE COMPANY. THE COMPANY WILL BE CONSTRUCTING A NEW BRICK MANUFACTURING AND CLAY MINING FACILITY. THE INFRASTRUCTURE ACTIVITIES SHALL ALLOW THE COMPANY TO EXPAND ITS OPERATIONS IN CLAY COUNTY, TEXAS. THE COMPANY IS A MANUFACTURER OF BRICKS. NATIONAL OBJECTIVE OF THIS CDBG ECONOMIC DEVELOPMENT PROGRAM IS TO PRIMARILY BENEFIT LMI PERSONS THROUGH PERMANENT JOB CREATION. THE COMPANY WILL CREATE THIRTY EIGHT (38) JOBS AS A DIRECT RESULT OF THIS PROJECT.

RESPONSIBILITIES: The Company and Contractor shall complete the responsibilities stated below:

1. JOB CREATION

As a result of this project, Company agrees to create thirty eight (38) permanent jobs. Fifty-one percent (51%) or twenty (20) of these jobs shall be held by LMI persons prior to Date of Contract Termination. In the event more than the obligated number of permanent jobs are created, at least fifty-one percent (51%) of all permanent jobs created during the contract period will be held by LMI persons. Any employee transferring from another Company location or related business operation shall be identified and may not be considered as a created permanent job. Request to train employees at an alternate location prior to beginning work at the Company Project Site must have prior written approval from the Department. A low to moderate income person is defined by the current U.S. Department of Housing and Urban Development Section 8 Housing Assistance Program for Existing Housing income guidelines for the County of Clay, Texas as follows (these limits are for year 2014 and may be updated yearly with more current income limits):

Family Size/Income Limits

Family Size	One Person	Two Persons	Three Persons	Four Persons	Five Persons	Six Persons	Seven Persons	Eight Persons
Low Income Limit (80%)	\$30,750	\$35,150	\$39,550	\$43,900	\$47,450	\$50,950	\$54,450	\$57,950
Very Low Income Limit (50%)	\$19,250	\$22,000	\$24,750	\$27,450	\$29,650	\$31,850	\$34,050	\$36,250
Extremely Low Income Limit (30%)	\$11,670	\$15,730	\$19,790	\$23,850	\$27,910	\$31,850	\$34,050	\$36,250

Company agrees to provide to Contractor a copy of the Family Income/Size Certification Form (Form D7) for each LMI employee.

2. COMPANY PAYROLL REPORTS

Starting Payroll Report:

Company agrees to submit to Contractor a copy of the Company's starting payroll verifying the number of persons employed at the Clay County, Texas, location and any other Company facility within a 60 mile radius as of December 10, 2014 to establish a starting benchmark. At a minimum, the payroll report shall provide the following employee information:

- the employee's full name,
- the employee's unique identification number per location,
- the employee's gender and ethnicity, and
- an indication of whether the employee is full time or part time as defined in the current version of the TxCDBG Project Implementation Manual (for each part time job, employer must document total hours worked per week).

Ending Payroll Report:

In addition, Company agrees that an ending payroll report shall be submitted for the Clay County location with the closeout documents, to document the number of permanent jobs created and identify the LMI persons as specified in the TxCDBG Project Implementation Manual.

3. OTHER REPORTING REQUIREMENTS

Company agrees to submit to Contractor the Employee Certification Report, the first page of the Texas Workforce Commission Quarterly Report and payroll information if the Company has another facility in Texas, a Quarterly Payroll Report, no later than the fifth (5th) day of the second (2nd) month after the calendar quarter end.

4. CONTRACT ACTIVITIES

Economic Development Financial Assistance to For-Profits Contractor shall provide utility improvements to enable the Company to begin operations on US Hwy 287.

a. **Electrical Improvements**

Contractor shall install an electrical substation, and all associated appurtenances. Construction shall take place in the following location:

STREET	FROM	TO
US Hwy 287	Approximately 6500' south of Hapgood Road	Approximately 288' east

b. **Engineering**

Contractor shall ensure that the amount of Department funds expended for all eligible project-related engineering services, including preliminary and final design plans and specification, all interim and final inspections, and all special services does not exceed the amount specified for engineering in the Budget.

c. **General Administration**

Contractor shall ensure that the amount of Department funds expended for all eligible project related administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for administration in the Budget.

d. **Project Objectives**

Contractor certifies that the activities carried out under this contract will meet the National Objective of benefitting low- and moderate-income (LMI) persons through permanent job creation and/or retention with at least 51% of the beneficiaries qualifying as LMI.

5. COMPANY'S FINANCIAL COMMITMENT

Company shall provide to Contractor evidence that it has expended a minimum of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) in this project in the form of working capital and employee wages.

6. COMPANY LIABILITY

The Company hereby agrees to be liable for and shall repay to the Contractor any and all Texas Capital Fund grant funds expended by the Contractor in an amount not to exceed Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00), in the event the Company does not fulfill its responsibilities under this agreement. Company further agrees to be liable for and shall repay to Contractor any grant funds expended by Contractor which are determined to be ineligible expenditures; provided, however, Company shall not be

liable for any such ineligible expenditures expended by Contractor in violation of this Agreement or not in compliance with the Texas Department of Agriculture's requirements of Texas Capital Fund grants.

7. TRANSFER OF ASSETS

The Company assets located at the site being serviced by this TCF project are restricted from being transferred out of the Company without the Department's written consent except during the normal course of business (i.e., cash, fixed assets used in the production process and accounts receivable) during the contract period.

8. TAXES

The Company hereby certifies that all federal taxes and taxes originating in Texas are currently paid or shall be paid within thirty (30) days of date of execution and all future taxes shall be paid when due. Contractor or Department may require at any time and from time to time, at its option, that the Company provide timely proof of payment.

9. ON-SITE VISITS

The Company shall allow the Department and/or Contractor access and make on-site visits to the Company to assess or monitor progress toward job creation and requiring the Company to provide to local officials of the Contractor at the time of on-site visits information regarding job creation and any other information deemed necessary by the Contractor or the Department to administer the TCF contract and this agreement.

10. RECORDS

The Company shall keep records and reports regarding documentation of low to moderate income job creation and percentages, LMI benefit and beneficiaries by race, ethnicity, gender, and disability status in the same manner and to the same extent as required in the agreement between the Texas Department of Agriculture and the Contractor.

11. COMPANY OWNERSHIP

The Company's principals are restricted from reducing their proportionate Company ownership without prior written approval from the Contractor and the Department during the contract period.

12. COMPANY PERMITS

The Company is required to obtain any and all applicable permits or approvals required by any federal, state, or local entity or regulatory agency with jurisdiction.

13. COMPANY CERTIFICATION OF UNDOCUMENTED WORKERS

The Company certifies that it does not and will not knowingly employ any undocumented worker who is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in the United States or authorized under the law to be employed in the United States. If, after receiving any public subsidy from Contractor, the Company is convicted of a violation under 8 U.S.C. 1324a(f), the Company shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Subtitle F, Title 10 of the Texas Government Code Sec. 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the Company of the violation.

14. SECURITY DOCUMENT

The Company shall provide to the Contractor a copy of a contract or performance bond, letter of credit, or an irrevocable line of credit issued by a US Chartered financial institution ("Security Document") in the minimum amount of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00). The Company agrees to obtain the Security Document.

The Security Document must contain provisions that indicate, at a minimum:

1. The benefitting parties to the document;
2. The dollar amount covered by the security document;
3. The manner in which the benefitting party may make a claim for failure to meet the contract requirements, which includes failure to meet job creation requirements or termination of the TCF contract;
4. The length of duration of the security document must extend 90 days past contract termination date;
5. Specific reference to the TCF contract and the Department; and
6. Notice to the Contractor in the event the security document is terminated or the dollar value is reduced.

15. GENERAL WAIVER BY COMPANY

Company hereby waives and releases Contractor from any and all claims for loss or damage caused by any act or omission of Contractor, its employees, or agents, except for negligence or willful misconduct.

16. INDEMNITY

In the event that any demand is made by the State of Texas or Texas Department of Agriculture for indemnity or repayment of any kind related to the Grant or Project, Company agrees to pay the amount demanded in full. If Company does not pay the demand for indemnity in full within fourteen (14) business days of receipt of written demand from Contractor, then Contractor may rescind its responsibilities under this contract without breaching same.

17. VIOLATION OF LAW

Company shall not use the infrastructure improvements under the agreement between the Texas Department of Agriculture and the Contractor in violation of any Texas laws or regulations.

18. DEFINITION OF TERMS

Unless the context otherwise indicates, all terms used herein which are defined in the Texas Uniform Commercial Code shall have the meaning herein stated.

19. SUCCESSORS

This agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties.

20. IF UNENFORCEABLE

If any provision of this agreement proves unlawful or unenforceable by a court having jurisdiction over the parties or the subject matter, such provision shall be severable for the other provision of this agreement, and all remaining provisions shall be fully enforceable.

21. GOVERNING LAW AND VENUE

This agreement shall be governed by the laws of Texas, which state shall also be deemed the place where this agreement was entered into and the place of performance and

transaction of business of the parties. In the event of litigation pertaining to the agreement, the exclusive forum, venue and place of jurisdiction shall also be in Clay County and the State of Texas unless otherwise designated in writing by the Contractor.

22. SPECIAL CONDITIONS

Any other relevant details or special conditions placed on this agreement as outlined in Texas Capital Fund Contract between Contractor and the Texas Department of Agriculture, to include all program related compliance responsibilities shall be incorporated into this agreement as if they were written here.

23. TERM OF AGREEMENT

The term of this agreement shall commence on December 10, 2014 and shall be completed 90 days past the date the project is satisfactorily closed by the Texas Department of Agriculture. The current Grant Contract Period End Date is December 9, 2017. If the Grant Contract Period is extended by the Texas Department of Agriculture, the term of this agreement will automatically adjust to coincide with the Extended Grant Contract Period.

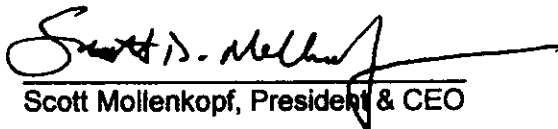
24. PROPERTY ACQUISITION

The Company agrees to donate to Brazos Electric Cooperative the portion of land, where the Electrical Substation will be located and any and all permanent easements related to the Electrical Substation. See Exhibit A.

IN WITNESS HEREOF, the Company and Contractor have executed this Agreement as of the dates indicated below.

COMPANY:

Triangle Brick

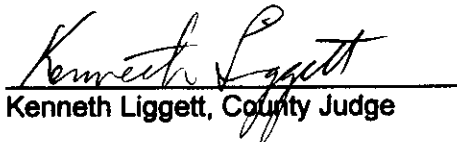


Scott Mollenkopf, President & CEO

1/20/15
Date

CONTRACTOR:

Clay County



Kenneth Liggett, County Judge

1-20-15
Date

**TEXAS DEPARTMENT OF AGRICULTURE
TEXAS CAPITAL FUND
CONTRACTOR/COMPANY CONTRACT AGREEMENT CERTIFICATION**


I, Kenneth Liggett, Judge, Clay County, Texas, certify that the following requirements have been included in this agreement between Clay County, hereinafter referred to as the "Contractor" and Triangle Brick Company, hereinafter referred to as the "Company."

Contractor shall use blanks below to cross-reference the location of items in this agreement.

Cross-reference

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|-------------------------------|-----|---|
| <u>Sec 1 pg 2</u> | 1. | JOB CREATION – refer to Texas Capital Fund (TCF) contract § Exhibit A page 2 |
| <u>Sec 2 pg 2</u> | 2. | COMPANY PAYROLL REPORT – refer to TCF contract § Exhibit D page 1 |
| <u>Sec 3 pg 3</u> | 3. | REPORTS – refer to TCF contract § Exhibit D page 1 |
| <u>Sec 4 pg 3</u> | 4. | CONTRACT ACTIVITIES – refer to TCF contract § Exhibit A page 1 |
| <u>Sec 6
pg 3 & 4</u> | 5. | COMPANY LIABILITY – refer to TCF contract § Exhibit D page 1 |
| <u>Sec 7 pg 4</u> | 6. | TRANSFER OF ASSETS – refer to TCF contract § Exhibit D page 1 |
| <u>Sec 8 pg 4</u> | 7. | TAXES – refer to TCF contract § Exhibit D page 1 & 2 |
| <u>Sec 9 pg 4</u> | 8. | ON-SITE VISITS – refer to TCF contract § Exhibit D page 2 |
| <u>Sec 10 pg 4</u> | 9. | RECORDS – refer to TCF contract § Exhibit D page 2 |
| <u>Sec 11 pg 4</u> | 10. | COMPANY OWNERSHIP - refer to TCF contract § Exhibit D page 2 |
| <u>Sec 12 pg 4</u> | 11. | COMPANY PERMITS - refer to TCF contract § Exhibit D page 2 |
| <u>Sec 13 pg 4</u> | 12. | COMPANY CERTIFICATION FOR UNDOCUMENTED WORKERS - refer to TCF contract § Exhibit D page 2 |

I hereby certify that all the items listed above have been included in this agreement, pursuant to TCF contract # 7214292 between the Texas Department of Agriculture, hereinafter referred to as the "Department," and the Contractor. I understand that an incorrect certification of items included may be grounds for termination of the contract by the Department. If I have indicated above that any of the items listed were not included in this agreement or if additional items are incorporated in this agreement that conflict with any of the required items, I further certify that the Contractor recognizes that this may result in termination of this TCF contract and additional liability for the Contractor, and that the exclusion or inclusion of such items was approved by resolution(s) of the Contractor and are attached to this agreement.



 Kenneth Liggett, County Judge
 Clay County

1-26-2015

 Date