



MINUTES OF MEETING
THURSDAY, SEPTEMBER 20, 2018, 4:00 P.M.
DENISON DEVELOPMENT ALLIANCE
311 W. WOODARD STREET, DENISON, TEXAS

MEMBERS PRESENT: Robert Brady, Brett Evans, Matthew Looney, David Spindle, Robert Sylvester

MEMBERS ABSENT: None

STAFF PRESENT: Tony Kaai, CEcD – President, Loretta Rhoden – VP of Operations, William Myers, CEcD – VP of Business Development

VISITORS PRESENT: Robert Crawley

MEETING WAS CALLED TO ORDER BY DAVID SPINDLE, CHAIRMAN AT 4:00 P.M.

- I. AWARD PRESENTATION TO ROBERT BRADY FOR 9 YEARS OF DEDICATED SERVICE TO THE DENISON DEVELOPMENT ALLIANCE.**
- II. REVIEW AND CONSIDER APPROVAL OF THE REGULAR CALLED MEETING MINUTES HELD AUGUST 16, 2018:** Reviewed by members. Robert Sylvester motioned to approve the regular called meeting minutes as submitted by staff. Brett Evans seconded. Motion was unanimously approved.
- III. REVIEW AND CONSIDER APPROVAL OF THE JULY 2018 FINANCIAL REPORTS.** Discussed among staff and Board members. Matthew Looney moved to approve the July financial reports as submitted by Veronica Davis, CPA. Robert Brady seconded, and the motion was unanimously approved.
- IV. CONSIDER APPROVAL OF COVENANT DEVELOPMENT'S REQUEST TO PROVIDE AN ADDITIONAL THREE (3) MONTH EXTENSION ON THEIR INCENTIVE AGREEMENT:** Staff informed members of Covenant Development's request for an additional three (3) month extension on their incentive contract, expiring September 8, 2018. Robert Sylvester motioned to approve the three (3) month extension to the incentive contract, making the new expiration date December 8, 2018. Brett Evans seconded the motion, and the motion was unanimously approved.
- V. CONSIDER APPROVAL OF INCENTIVE CONTRACT FOR MAINSTREET LUMBER (ATTACHEMENT A).** Robert Brady moved to incentivize/reimburse Main Street Lumber for the actual cost of services provided by the Texas Manufacturing Assistance Center, to develop a plant layout and provide training on LEAN manufacturing, not to exceed a total of ten thousand dollars (\$10,000). Brett Evans seconded. Motion was unanimously approved.

VI. REVIEW MONTHLY INVESTMENT REPORT: Loretta Rhoden, VP of Operations, reported the minor changes to this month's investment report was the accrued interest and obligated incentive payments made during the month. Reviewed by Board members. No action needed.

VII. MONTHLY STAFF REPORT: Presented by DDA staff members. No action needed.

ANNOUNCEMENT BY PRESIDING OFFICER: "As authorized by Section 551.087 of the Texas Government Code, Chairman Spindle announced the Denison Development Alliance adjourned into closed Executive Session on the 20th day of September, 2018, at 4:20 P.M. to consider the following:

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

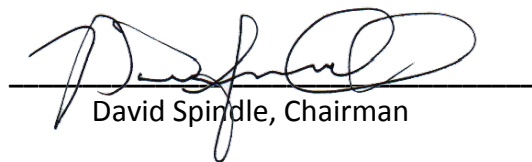
Consider incentives, if any, for Project SWAG, Project JUMP and Project WIND.

Following the closed Executive Session the Board reconvened in open and public session at 4:33 P.M.

I. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Consider incentives, if any, for Project SWAG, Project JUMP and Project WIND. – No action taken.

THERE BEING NO FURTHER BUSINESS THE MEETING WAS ADJOURNED AT 4:34 P.M.



David Spindle, Chairman

October 25, 2018

Date Approved

ATTACHMENT A

ECONOMIC DEVELOPMENT AGREEMENT

THE STATE OF TEXAS

COUNTY OF GRAYSON

THIS ECONOMIC DEVELOPMENT AGREEMENT (the "Agreement") is entered into by and between the Business and Industrial Corporation of Denison, Inc. ("BICD"), a Texas non-profit corporation, doing business as Denison Development Alliance ("DDA") whose address is 311 W. Woodard, Denison, Texas 75020, and Main Street Lumber, Inc. (COMPANY) located at 230 East Main, Denison, Texas, 75020

BACKGROUND

- A. DDA is a trade name for an Economic Development Corporation organized under the Texas Development Corporation Act of 1979, Article 5190.6 of Vernon's Texas Civil Statutes. DDA exists for the purpose of encouraging and assisting qualified service and manufacturing entities in the creation of jobs in Grayson County, Texas.
- B. COMPANY desires to expand their wood door unit manufacturing facility and will invest a minimum of \$400,000 on equipment and construction of a 10,000 square foot addition.
- C. COMPANY is experiencing growth and to properly design their manufacturing process they have engaged the Texas Manufacturing Assistance Center to develop a plant layout and provide training on LEAN manufacturing.
- D. This new investment and the additional jobs it will create will encourage economic development in Denison, Texas, and DDA is willing to grant an amount not to exceed ten thousand (\$10,000) pursuant to the terms and conditions of this Agreement.
- E. The Board of Directors of DDA has determined that it is in the best interest of Denison, Texas that financial incentives be offered to COMPANY in order to encourage it to expand its business in Denison, Texas.

NOW, THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration and the mutual covenants and agreements contained herein, the parties agree as follows:

1. DDA agrees to reimburse COMPANY for the actual cost of the TMAC services not to exceed a total of ten thousand dollars (\$10,000).
2. Payment will be made within 45 days of the submission of itemized receipts for the TMAC services.

3. Company specifically agrees that DDA shall only be liable to Company for the actual amount of the money grants to be conveyed to Company and shall not be liable to Company for any other actual or consequential damages, direct or indirect, interest, attorney fees, or cost of court for any act of default by DDA under the terms of this agreement. It is further specifically agreed that DDA shall only be required to pay the grant amounts solely out of its sales tax revenue currently collected, allocated and budgeted and to be allocated, budgeted and collected for Company during the term of this agreement. Payment by DDA is strictly limited to those funds so allocated, budgeted and collected solely during the grant term of this agreement. DDA shall use its best efforts to anticipate economic conditions and to budget accordingly. However, it is further understood and agreed that, should the actual total sales tax revenue collected for any one year be less than the total amount of grants to be paid to all contracting parties with DDA for that year, then, in that event, all contracting parties shall receive only their pro rata share of the available sales tax revenue for that year, less DDA's customary and usual costs and expenses, as compared to each contracting parties' grant amount for that year, and DDA shall not be liable to Company for any such deficiency at that time or at any time in the future. In this event, DDA will provide all supporting documentation, as requested.
4. Payments to be made to Company shall also require a written request from Company to be accompanied by all necessary supporting documentation. DDA shall have forty-five (45) days to make payment after receipt of such payment request. The payment request should be directed to the President of the Denison Development Alliance, 311 West Woodard, Denison, Texas 75020.
5. COMPANY will join and/or remain an active member of the Denison Chamber of Commerce for as long as they do business in Grayson County, Texas.
6. COMPANY shall pay all real property and/or ad valorem taxes due and owing by it to Grayson County and all other taxing authorities having jurisdiction. In addition, COMPANY will pay all employment, income, franchise and all other taxes, due and owing by it to all local, Texas and Federal entities.
7. In the event COMPANY should fail to pay ad valorem taxes owing to the Grayson County or any other taxing entity and such taxes should become delinquent, and provided that COMPANY is not contesting such taxes in good faith, DDA will have no further obligations under this Agreement and DDA may immediately terminate this Agreement.
8. COMPANY, during normal business hours, at its Grayson County location, shall allow DDA reasonable access to its employment records and books to verify employment records and payment of taxes, but the confidentiality of such records will be maintained. DDA agrees to sign a confidentiality agreement before it is provided access to such employment books and records.

9. COMPANY hereby warrants to DDA that it had or will obtain all necessary rights, licenses, permits and authorities to carry on its business; that there are no bankruptcy proceedings or other proceedings currently pending or contemplated; and that the parties executing this Agreement on behalf of COMPANY are duly authorized.
10. COMPANY is aware of statutory limitations on this grant and the use of funds under Article 5190.6 of Vernon's Civil Statutes of Texas and acknowledges that the funds herein granted or guaranteed shall be utilized solely for purposes authorized under that law and by the terms of this Agreement. In the event that an audit determines that the financial incentives granted under this Agreement were not used for proper statutory purposes, COMPANY agrees to reimburse DDA for the sum of money spent for purposes not authorized by the statute or this Agreement.
11. Should any litigation be commenced between the parties to this Agreement, concerning this Agreement or the rights and duties of each party under this Agreement, the party prevailing in such litigation shall be entitled, in addition to any other relief granted, to recover its attorneys' fees and other reasonable expenses incurred in such litigation. Venue for any lawsuit arising under the terms of this Agreement shall be in the appropriate court in Grayson County, Texas.
12. All representatives, warranties, covenants and agreements, as well as rights and benefits for the parties to this Agreement shall survive the original execution date of this Agreement until sixty (60) days after the termination date of this Agreement, if it should be terminated.
13. COMPANY represents and warrants to DDA that:
 - A. COMPANY is a corporation duly authorized to do business in the State of Texas and has requisite power and authority, corporate or otherwise, to conduct its business and to own its present assets, and to execute and deliver all of its obligations under this Agreement.
 - B. The execution, delivery and performance by COMPANY of this Agreement have been duly authorized by all necessary action, corporate or otherwise, and do not and will not violate any provision of the existing law, rule, regulation, contract or lien by which COMPANY or its property or assets is bound or affected.
 - C. No litigation or governmental proceeding is pending or, to the knowledge of COMPANY or COMPANY's officers, threatened against or effecting COMPANY that may result in any material adverse change in COMPANY's business, properties or operation.
 - D. No consent, approval or authorization of or registration or declaration with any governmental authority is required in connection with the execution of this Agreement or of the transactions contemplated hereby.

Executed on the date shown opposite the signature of each party.

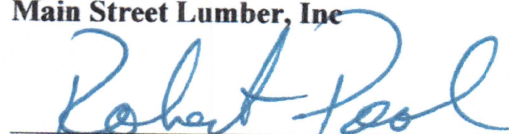
**Business and Industrial Corporation of Denison, Inc.,
D/b/a Denison Development Alliance**



BY ITS CHAIRMAN

9/20/18
DATE

Main Street Lumber, Inc



BY ITS OWNER

9/18/18
DATE