

STATE OF TEXAS §
 §
COUNTY OF LUBBOCK §

PERFORMANCE AGREEMENT

This Performance Agreement (the “Agreement”) is made effective on Jan. 28, 2020 by and between LUBBOCK ECONOMIC DEVELOPMENT ALLIANCE, INC., a Texas nonprofit corporation (hereinafter referred to as “LEDA”) and Hidden 8, LLC, a Texas limited liability company, and Suncrest Holdings, LLC, a Texas limited liability company, (hereinafter referred to as “Recipients”), by and through their duly authorized officers and affiliate organizations under the terms and conditions that follow. LEDA and Recipients may collectively be referred to as the “Parties.”




1. **Applicable Law:** It is understood by and between the parties that the term “Act,” as used herein, is intended to mean the Development Corporation Act of 1979, as amended. (Sec. 501.001 *et seq*, Local Government Code, formerly Sec 5190.6, VACS). The parties hereto covenant and agree to comply with the terms of the Act as set forth in this Agreement.

2. **Parties:**

A. LEDA, a Texas non-profit corporation as well as a tax exempt 501(c)4 entity, was created by the City of Lubbock, Texas, as an Industrial Development Corporation under the Act for the purpose of creating and retaining positions and encouraging new businesses to be established in Lubbock, Texas, to stimulate business and commercial activities, as well as all other purposes allowed by the Act.

B. Recipients are preparing a new Project which shall include a new manufacturing line of pumps and pump parts at an existing facility located at 11513 HWY 62/82, Wolfforth, TX 79382, (NAICS 333914 and 3329999). This project is anticipated to result in approximately 110 new Primary Full-Time Jobs for Lubbock County with a Target Annual Compensation of \$6,050,000 at full employment, or a total of \$30,250,000 over five years. The Project’s total capital investment is expected to be \$15,400,000.

C. Recipients are Texas limited liability companies authorized to do business in Texas.

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3. **Purpose:** The purpose for this agreement is to formalize the agreements between LEDA and Recipients for the payment of certain costs associated with Recipients' Project and specifically state the covenants, representations of the parties, and the incentive associated with Recipients' commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the Board of Directors of LEDA as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction. A failure to perform any obligation by Recipients may constitute a breach of the Agreement with the consequences of such breach being governed by Section 9 herein.




4. **Definitions:**

- A. The "Act" shall refer to the Development Corporation Act of 1979, as amended, as Sec. 501.001 *et seq*, Local Government Code, formerly Sec 5190.6, VACS.
- B. "Baseline Employment Level" is defined to mean the employee Census on the Baseline Measurement Date. The parties agree that because the Project is a new company, the Baseline Employment level shall be zero.
- C. "Baseline Measurement Date" shall mean the day preceding the Start Date of this Agreement.
- D. "Census" is defined as a compiled listing of the employee name, address, date of hire, date of termination, position, base pay, and indication of full-time or part-time status (preferably received in Excel format), which shall be made available to LEDA's third-party accountant performing the Project review.
- E. "Layoff" is defined as an event, due to adverse or changing business conditions, that result in the loss of employment and shall exclude loss of employment due to casualty at the Project if the Recipients choose to rebuild the Project. Employees meeting this definition shall have lost their jobs through no fault of their own.
- F. "LEDA" shall refer to Lubbock Economic Development Alliance, Inc. a Texas non-profit corporation, created by the City of Lubbock as an "Industrial Development Corporation", pursuant to the Act.
- G. "Measurement Date" shall mean the date upon which the determination is made as to whether Recipients are in compliance with this Agreement. The Measurement Date shall be January 1, 2028, or earlier at the request of Recipients.

- H. “Payback Provisions” shall mean Recipients’ payment obligations as described in Section 9 herein.
- I. “Primary Full-Time Jobs” shall include individuals employed by Recipients in Lubbock County in Primary Full-Time Jobs as defined by the Act.
- J. “Project” shall refer to the project identified in Section 2B.
- K. “Recipients” shall refer to 1. Hidden 8, LLC, and its subsidiary companies, Venom Fabrication LLC, Endurance Pump, LLC, and Patriot Acquisitions, LLC; and 2. Suncrest Holdings, LLC; each a Texas limited liability company authorized to do business in Texas, and collectively, the Recipient parties to this Agreement.
- L. “Recipient Request” may include the identification of the cost of the project by Recipients to the facility or other purpose within Section 2(4) of the Act.
- M. “Target Job Positions” shall refer to an increase in twenty-five (25) Primary Full-Time Jobs in excess of the Baseline Employment Level.
- N. “Term” as used herein shall begin with the start date of the execution of this Agreement and terminate on March 31, 2028, unless earlier breached by Recipients’ failure to perform.

5. Representations of Recipients:

- A. Recipients represent that they will utilize the incentive provided for reimbursement of costs involved and associated with the Project contemplated herein.
- B. Recipients represent that they are authorized to do business in Texas and have authorization to enter into this Agreement on their behalf.
- C. Recipients represent that they have sought from LEDA economic assistance in connection with Recipients’ Project.
- D. Recipients represent that they have conferred with attorneys of their own choosing and are fully knowledgeable of the terms of the Act and understand the reporting requirements of the Act, as well as all conditions precedent and subsequent as required to be eligible for the incentive offered by LEDA, including the Payback Provisions as outlined in Section 9 herein.

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- E. Recipients represent that they acknowledge that their failure to perform any reporting requirements within a reasonable period of time after the request is made could result in payment adjustments or incentive forfeiture.
- F. Recipients certify that all jobs for which incentives are being requested will be new Primary Full-Time Jobs at the Project and that none of the jobs are to fill positions that resulted from layoffs in Lubbock County by Recipients during the 12-month period prior to the date of this Agreement.
- G. Recipients agree to consider participating in any LEDA sponsored confidential wage and benefit surveys, and with Recipients' prior written approval after reviewing marketing materials, Recipients agree that they will reasonably participate in marketing materials that focus on economic development in Lubbock County.
- H. Recipients understand and agree that any variations as to any term of this Agreement or any terms or conditions of the incentive as stated must be mutually agreed to in written supplements or addenda. No oral agreements, amendments, or representations will be binding on any party.

6. Representations by LEDA:

- A. LEDA represents that it is established as an Industrial Development Corporation under the Act and further represents that Recipients' Project and the costs applied toward Recipients' Project as stated in this Agreement have been found by the Board of Directors of LEDA, sitting as fact finders, to be in compliance with the requirements and purposes of the Act, the provisions of LEDA's charter, as well as for the benefit of the City of Lubbock, Lubbock County, Texas, and the trade area.
- B. LEDA represents that it has authority to enter into this Agreement. LEDA understands and agrees that any variation in terms of this Agreement, the incentive offered to Recipients, or the commitment made by Recipients will only be binding if mutually agreed to in writing.
- C. LEDA represents that the grant or incentive is a lawful and enforceable transaction under all applicable laws.

- D. LEDA and its representatives agree to maintain confidentiality of all of Recipients' records to the extent allowable by applicable laws.

7. **Incentives:**

- A. **Job Creation Incentive to be Awarded and Terms of Award:** LEDA hereby grants to Recipients a potential incentive of \$250,000 (through the creation of Primary Full-Time Jobs) with payment to be expressly made under the following terms and conditions:

1. LEDA agrees to pay a \$250,000 Job Creation Incentive to Recipients for twenty five (25) Primary Full-Time Jobs created and maintained from the start date of the execution of this Agreement through no later than December 31, 2027.
2. The Job Creation Incentive is to be paid out in a single lump sum upon written verification from LEDA's accountants that the Target Job Positions of twenty-five (25) Primary Full-Time Jobs have been created and maintained per the terms of this Agreement and within 30 days of the Board of Directors' review of the accountant's report.
3. The payment is conditioned upon the Recipients creating and maintaining the Target Job Positions, Recipients' written substantiation of such employment and under the following terms and conditions:
 - i. Recipients agree to establish a Baseline Employment Level and Census and shall timely provide such information to LEDA's third-party accountant upon request. Recipients agree to maintain the Baseline Employment Level through the Term of this Agreement and create and maintain the additional full-time Target Job Positions intended to qualify for the incentive, as offered by LEDA.
 - ii. Recipients agree to timely provide substantiation to LEDA's designated third-party accounting representative regarding the number of Primary Full-Time Jobs created and maintained during the Term within three (3) months of achieving the Target Job Positions, but no later than March 31, 2028. LEDA and its representative agree to maintain confidentiality of all Recipients' records and to return all such records unless other mutually

agreeable arrangements are made regarding record retention by Recipients or inspection access to LEDA.

8. **Conditions for Payment of Incentives:** It is specifically agreed and understood by and between the parties that LEDA has agreed to make the incentive available to Recipients strictly upon the following terms and conditions:

- A. Any use of LEDA's name for publicity in connection with Recipients' businesses or activities must be approved in advance by LEDA. It is understood that LEDA may make known its contributions to Recipients in whatever public manner LEDA deems appropriate.
- B. Recipients shall have delivered to LEDA evidence of their authority for the execution and performance of this Agreement, as well as timely delivery of all other information expressly called for in this Agreement.
- C. Recipients must maintain a business location in Lubbock County for five (5) years following the execution of this Agreement and its legal status under federal and state law such that it remains qualified to do business in the State of Texas.
- D. For the duration of this Agreement, the operations or activities of Recipients and their employees shall be performed and conducted in a professional businesslike manner and shall be in keeping with federal and state laws and regulations, and any ordinances of Lubbock County and/or governmental entities which may have jurisdiction over Recipients' operations and activities.
- E. Recipients agree to, in good faith, engage in a confidential review and examination of all material records with LEDA's third-party accountants, and the Recipients agree that such review is necessary to ensure compliance with the conditions of the incentive payment. Recipients agree to timely provide to LEDA's accountants all information reasonably requested by the accountants to substantiate the conditions for earning the incentive are met. Should Recipients fail to provide to the accountants by March 31, 2028, the information reasonably necessary to complete the review, the Job Creation Investment may be forfeited.
- F. Recipients certify that the Recipients do not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, either Recipient is convicted of a violation under 8 U.S.C. § 1324a(f), Recipients shall repay the amount of the public subsidy provided under this Agreement, with interest at the

legal pre-judgment interest rate, with reasonable attorney's fees, not later than the 120th day after the date LEDA notifies Recipients of the violation.

- G. Any information obtained by LEDA or its agents or assigns during negotiations leading up to the execution of the Agreement or otherwise about the business, have or will be returned upon the execution of this Agreement, subject to a right to a continuing examination by LEDA in order to comply with LEDA's reporting obligations, if any.
- H. Recipients will notify LEDA in writing within three (3) business days of any Layoff or reduction in force greater than 20% of the existing workforce. The notification must include the number of employees being laid off, their job titles, the reasoning for the Layoff, and what the Recipients are doing to assist the laid off employees. Likewise, if an announcement is made that one or both of the Recipients are closing their doors and ceasing business operations during the review of job creation incentives, LEDA, in its sole discretion, may elect to suspend or cancel payment to Recipients.

9. Payback Provisions and Events of Default:

- A. Recipients acknowledge that LEDA and Recipients are required to remain in conformance with the statutory provisions of the Act. The parties hereto agree that in the event Recipients fail to comply with the provisions of this Agreement, including but not limited to Sections 7 and 8, and after written notice and failure to cure the violation continues for thirty (30) days after written notice to Recipients, then LEDA, in its sole discretion, may terminate this Agreement and permanently suspend all future payments to Recipients.
- B. Recipients have provided to LEDA a projected job creation number of 110 new Primary Full-Time Jobs for this Project. LEDA based its decision to grant a Job Creation Incentive to Recipients partly based upon such job creation. If the actual number of new Primary Full-Time Jobs is lower than the Target Job Positions at the Measurement Date or if adequate documentation of the jobs created and maintained is not provided to LEDA's accountants by the deadline of March 31, 2028, the Jobs Creation Incentive may be forfeited. Job creation will be measured with state labor reports, detailed Census data, and/or other reasonable documentation requested by LEDA's accountants.

10. Assignment, Merger, and Termination Due to Merger, Etc.: This Agreement shall not be assignable, either in whole or in part. Termination as the result of assignment or merger

or change in business form shall not disqualify the remaining or new entity from applying to LEDA for new incentive consideration.

11. No Privity of Endeavor Nor Joint Venture: It is specifically agreed that there shall be no privity of endeavor nor joint venture whatsoever between LEDA and Recipients and the sole connection between the parties is the contribution of the economic assistance by LEDA under the restricted conditions as set forth herein and that such contributions as stated herein are for the sole purposes as set forth herein and it shall in no way be construed as a continuing basis of financial support by LEDA to Recipients. The parties hereto have entered into this Agreement in an arms-length transaction. NO agency relationship or fiduciary relationship is intended to be created by this Agreement and no such relationship shall be determined to exist.

12. Good Faith – Normal Business Operations: The parties agree that this Agreement has been entered into in good faith and that each party shall act in good faith in complying with its provisions. The parties further agree to transact all their business under and that which relates to this Agreement in accordance with their normal business operations.

13. Miscellaneous Provisions:

A. Notices: for the purposes of any notices to be given, pursuant to the terms of this Agreement, the parties shall use the following addresses, or any other address as may be changed by the parties, upon written notice to the other party, as follows:

1. LEDA

John Osborne
CEO and President
Lubbock Economic Development Alliance, Inc.
1500 Broadway, Suite 600
Lubbock, Texas 79401

With a copy to:

Ann Manning
Attorney at Law
Underwood Law Firm
P.O. Box 16197
Lubbock, Texas 79490

2. Recipients
Hidden 8, LLC
John Birk
Manager
11513 Hwy 62
Wolfforth, TX 79382

With a copy to:
Hidden 8, LLC
11513 Hwy 62
Wolfforth, TX 79382

Suncrest Holdings, LLC
Don Pickering
4901 Lakeridge Dr.
Lubbock, TX 79424

With a copy to:
Suncrest Holdings, LLC
4901 Lakeridge Dr
Lubbock, TX 79424

Notices shall be deemed to be given upon the placing in the United States Mail, Certified Mail, Return Receipt Requested, to the above-described addresses or as may be changed, pursuant to the terms and conditions hereof.

- B. No Waiver of Immunity: Notwithstanding any other provisions of this Agreement, including, without limitation, the provisions of Sections 7 and 9 of this Agreement, nothing in this Agreement shall or may be deemed to be or shall or may be construed to be, a waiver or relinquishment of any immunity, defense, or limitation to which LEDA, the City of Lubbock, its elected officials, its officers, employees, representatives, or agents are or may be entitled, including without limitation, any waiver of immunity suit.
- C. Venue; Governing Law: All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in the City of Lubbock, Lubbock County, Texas. Exclusive venue for any action, cause of action, lawsuit, or other proceeding under or in connection with this Agreement shall be and lie in Lubbock County, Texas and the parties hereby submit themselves to the jurisdiction thereof; and this Agreement shall be governed by

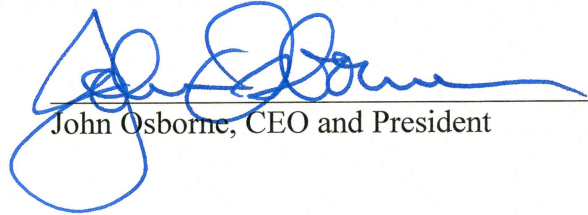
and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof. Recipients hereby waive and agree not to assert by way of motion, as a defense, or otherwise, in any suit, action, or proceeding, any claim that (i) they are not subject to such venue or the jurisdiction of the courts of Lubbock County, Texas, (ii) the suit, action, or proceeding is brought in an inconvenient forum, or (iii) the venue of the suit, action, or proceeding is improper.

- D. Entire Agreement: This instrument constitutes the entire Agreement between the parties hereto and neither this Agreement nor any of the Exhibits attached hereto, if any, can be altered, changed, or amended in any respect except by an instrument in writing duly executed by both parties.
- E. Partial Invalidity: In the event that any portion of this Agreement should be found or declared to be invalid for any reason, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties. The parties agree that it is their intent for this Agreement to be determined as being an indivisible obligation of the parties.
- F. Binding Effect: This Agreement shall be binding upon the undersigned, their successors, and assigns, subject to the express terms of this Agreement concerning assignment.
- G. Force Majeure: If any default or performance of any other covenant or term of this Agreement is delayed by reason of strike, riots, shortages of labor, materials, supplies, or transportation, war, civil commotion, act of God, governmental restrictions, regulations, or interference, fire, or other casualty, or any other circumstances beyond a signatory party's control, then the duty to do or perform the Term or covenant, regardless of whether the circumstance is similar to any of those enumerated above or not, is excused during the delay period.

[signature page follows]

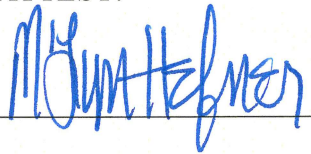
EXECUTED in multiple counterparts, each of which is an original, on this 21st day of January 2026, YEAR.

LUBBOCK ECONOMIC DEVELOPMENT
ALLIANCE, INC.



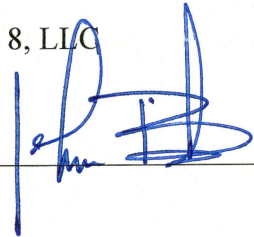
John Osborne, CEO and President

ATTEST:



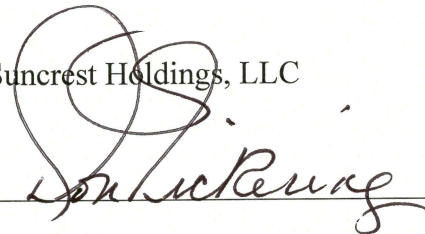
RECIPIENTS:

Hidden 8, LLC



ATTEST:

Suncrest Holdings, LLC



ATTEST:
