

PERFORMANCE AGREEMENT

This Performance Agreement (this "Agreement") is entered into by and between Pflugerville Community Development Corporation (the "PCDC"), a Section 4B corporation incorporated under the Development Corporation Act of 1979 (the "Act"), and P.T. Products and Services, Inc., a Texas Corporation ("P.T.").

RECITALS

PCDC has determined that it is in the best interests of PCDC and the City of Pflugerville, a Texas home rule municipal corporation in Travis County, Texas (the "City"), to facilitate P.T. in constructing a facility for their corporate headquarters and manufacturing operation to be located within the City and generally described on Exhibit "A" attached hereto (the "P.T. Headquarters"). PCDC has determined that the addition of the P.T. Headquarters within the City will provide significant economic benefits and will further economic development in the City. The economic benefits of the P.T. site within the City will include, without limitation, the proceeds received by the City from the ad valorem taxes levied upon the premises and equipment of the P.T. site and the retention of over 18 jobs in the City.

PCDC and P.T. have agreed to enter into this Agreement in connection with P.T.'s construction of P.T.'s new Headquarters to provide for certain incentives to P.T. and to further define certain obligations of the parties to this Agreement with respect to the construction of P.T.'s Headquarters and such incentives. This Agreement is required pursuant to Section 40 of the Act.

AGREEMENT

I.

Performance Agreement

1. This Agreement serves as a performance agreement by the parties hereto.
2. P.T. hereby agrees that within 1 year of the execution of this Agreement, P.T. shall complete construction of P.T. Headquarters in the Pflugerville, Texas and shall obtain a certificate of occupancy for same from the City of Pflugerville. P.T. shall operate at this site for at least 5 years. The foregoing shall be considered P.T.'s Headquarters' Requirement".
3. P.T. agrees that the construction of the P.T. Headquarters shall follow all applicable City Codes and Regulations.

II.
Benefit

1. In consideration for P.T.'s agreement to satisfy the above mentioned Agreement, PCDC hereby agrees to reimburse P.T. for development cost and moving expenses up to \$75,000.00. PCDC will reimburse P.T. for the expense occurred in development of the P.T. Headquarters site to include reimbursement for the items set out in Exhibit B attached herewith. In addition PCDC will reimburse P.T. for expenses involved in moving to the new location. Reimbursement payments shall be paid within 30 days of P.T. presenting PCDC with a copy of the receipts for such expenses.
2. In addition PCDC shall pay P.T. \$1,500 per new job created at the P.T. Headquarters site up to 15 jobs. In order to qualify these new jobs must be created after the Certificate of Occupancy for the new P.T. Headquarters site is issued and shall not include any employees who are currently employed by P.T. (06/2012 – current employee count of 18) and all new jobs must be created within 3 years after the receipt of the Certificate of Occupancy for the new P.T. Headquarters. PCDC shall review P.T.'s employment numbers quarterly and shall make payments within 30 days of such quarterly review as necessary.
3. PCDC's total payments to P.T. shall not exceed \$97,500.

III.
PENALTY

In the event that (i) P.T. fails to fulfill the P.T. Headquarters Requirement, or (ii) P.T. otherwise fails to comply with its obligations pursuant to this Agreement, and such failure is not cured within 30 days of written notice thereof from PCDC to P.T., then in any such event, P.T. will immediately pay to PCDC the amount of the Benefit received by P.T. under Article II above.

IV.
MICELLANEOUS

Representations and Warranties. This Agreement is being entered into pursuant to Section 40 of the Act. PCDC hereby represents and warrants to P.T. that this Agreement is within its authority and that PCDC has been duly authorized and empowered to enter into this Agreement. P.T. hereby represents and warrants to PCDC that this Agreement is within its authority and that P.T. has been duly authorized and empowered to enter into this Agreement. P.T. acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Mutual Assistance. PCDC and P.T. will each do all things reasonably necessary and appropriate to carry out the terms and provisions of this Agreement.

Successor and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective legal representatives, successors, assigns, heirs, and devisees of the parties. Neither party hereto may assign this Agreement without the prior written consent of the other party hereto.

Representations and Warranties by P.T. P.T. warrants, represents, covenants, and agrees that it is duly organized, validly existing and in good standing under the laws of the state of its formation and is duly authorized and in good standing to conduct business in the State of Texas, that it has all necessary power and has received all necessary approvals to execute and deliver the Agreement, and the individual executing the Agreement on behalf of P.T. has been duly authorized to act for and bind P.T. . P.T. acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Franchise Tax Certification. P.T. certifies that it is not currently delinquent in the payment of any Franchise Taxes due under Chapter 171 of the *Texas Tax Code*, or that it is exempt from the payment of such taxes, or that it is an out-of-state entity that is not subject to the Texas Franchise Tax, whichever is applicable. P.T. acknowledges that the Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Payment of Debt or Delinquency to the Local or State Government. P.T. agrees that any payments owing to P.T. under this Agreement with the City of Pflugerville may be applied directly toward any debt or delinquency that P.T. owes the State of Texas, Travis County, Williamson County the City of Pflugerville or any other political subdivision of the State of Texas regardless of when it arises, until such debt or delinquency is paid in full.

Child Support Certification. P.T. hereby certifies that none of the principals of the limited partnership are delinquent in their court ordered child support obligations and shall acknowledge that this Agreement may be terminated and payment may be withheld if this certification is inaccurate.

Severability. If any portion of this Agreement is held invalid or inoperative, then so far as is reasonable and possible, the remainder of this Agreement shall be given the intent manifested by the portion held invalid or inoperative. The failure by either party to enforce against the other any term or provision of this Agreement shall be deemed not to be a waiver of such party's right to enforce against the other party the same or any other such term or provision.

Governing Law. This Agreement shall be governed, construed, applied, and enforced in accordance with the laws of the State of Texas, and shall be performable with venue in Travis County, Texas.

Third Party Beneficiaries. This Agreement is not intended to give or confer any benefits, rights, privileges, claims, actions or remedies to any person or entity as a third party beneficiary.

Amendments. This Agreement may be amended or supplemented only by an instrument in writing executed by the party against whom enforcement is sought.

Time. Time is of the essence in the performance of this Agreement.

Attorneys Fees. Should any party employ attorneys to enforce any of the provisions hereof, the party losing in any final judgment agrees to pay the prevailing party all reasonable costs, charges and expenses, including reasonable attorneys' fees, expended or incurred in connection therewith.

Notice and Payments. All notices hereunder must be in writing and shall be deemed delivered on the day personally delivered on the third day from the day sent by registered mail or certified mail, return receipt requested with the U.S. Postal Service, or on the day after the day sent by national overnight courier, to the parties at the following addresses, or at such other addresses as shall be specified by notice.

If notice or payment to the PCDC:

Pflugerville Community Development Corporation
Attention: Executive Director
203 West Main Street, Suite C
P.O. BOX 1160
Pflugerville, Texas 78691

If notice or payment to P.T.:

George Howard
President
P.T. Products and Services

Pflugerville, Texas 78660

With copy to:

Construction. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to

the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute one Agreement.

Performance. Performance by PCDC under the Agreement is dependent upon the approval of the City Council of the City of Pflugerville (Council). If the Council fails to approve this Agreement, then PCDC shall issue written notice to P.T. and PCDC may terminate the Agreement without further duty or obligation hereunder. P.T. acknowledges that the approval of this document is beyond the control of PCDC.

Undocumented Workers. Pursuant to Chapter 2264 of the Texas Government Code, P.T. certifies that they will not knowingly employ any undocumented workers. P.T. further agrees that if the business, or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f), P.T. shall repay the amount of the public subsidy with interest, at the rate of ten percent (10%) per annum from the date this agreement is entered into, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation.

DATED this ____ day of June, 2012.

P.T. Products and Services, Inc.

By: _____
Name: George Howard
Title: President

PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION
A Texas Economic Development Corporation

By: _____
Name: Omar Pena
Title: President

STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared George Howard, President of P.T. Products and Services Inc., a Texas Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and sworn and acknowledged to me that he executed the same for the purposes and consideration therein expressed, and in the capacity therein stated and as the act and deed of the corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2012.

Notary Public in and for
The State of Texas

STATE OF TEXAS

COUNTY OF TRAVIS

BEFORE ME, the undersigned authority, on this day personally appeared Omar Pena, President of the Pflugerville Community Development Corporation, a Section 4B corporation incorporated under the Development Corporation Act of 1979, known to me to be the person whose name is subscribed to the foregoing instrument, and swore and acknowledged to me that he executed the same for the purpose and consideration therein expressed, and in the capacity therein stated and as the act and deed of the Pflugerville Community Development Corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of _____, 2012.

Notary Public in and for
The State of Texas