

HEARNE TYPE B (4B) ECONOMIC DEVELOPMENT CORPORATION BOARD
210 CEDAR STREET, HEARNE, TEXAS 77859 TEL 361-550-7775

MARCH 21, 2017

Judith Werlinger RV Park ("Business")
10979 FM 391
Hearne, Texas 77859

Re: **NOTICE OF BREACH AND
 RIGHT TO CURE**

Dear Mrs. Werlinger:

I am the President of the Hearne Type B Economic Development Board a/k/a Hearne 4B Sales Tax Board ("Board"). This letter serves notice of breach in relation to your Performance Agreement for Judith Werlinger RV Park dated September 19, 2014.

The Board has determined that you are in breach of provision 8 in that you failed to provide evidence of capital investment, number of jobs created, and annual payroll under the agreement at the first and second anniversary dates of the agreement which would have been September 19th of 2015 and 2016.

At this time, under Section 4 of the agreement, the Board has opted to give you sixty (60) days from the date of this letter to cure your breach.

The Board granted a loan to your Business of \$85,000.00 for expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in, or for the Property to promote new business development, to wit: a recreational vehicle park.

In order to cure your breach, the Board will need evidence of compliance with Section 3 of the agreement. This would be evidence satisfactory to the Board of at least one full time and one part time employee: and At least an estimated capital investment of \$200,000.00 including all expenditures for land, improvements, a recreational vehicle park, and other expenditures for the beginning of operation of a recreational vehicle park on the Property.

Please notify the Board within sixty (60) days of the date of this letter of your status regarding cure and the Board will place this issue on the agenda for further consideration.

Compliance with this notice does not alleviate the need to comply with all other terms of the agreement.

Please feel free to contact me with any questions.

REVIEWED AND APPROVED BY CITY COUNCIL DATE _____

Thank You


Virgil J. Blankenship

President Type B Board

Cc: John Naron, Interim City Manager
City Council Members

**Performance Agreement for Loan to Business
(Hearne 4B and Judy Werlinger RV Park)**

HEARNE 4B SALES TAX BOARD ("Hearne 4A") and Judith Werlinger RV Park ("Business") with an address of 10979 FM 391, Hearne, Texas 77859 agree to this performance agreement pursuant to the Development Corporation Act including Texas Local Government Code Section 505.

1. The real property subject to this agreement ("Property") is a fee interest in 20 acres located at 732 FM 485 Hearne, Robertson County, Texas.
2. Hearne 4B agrees and certifies that the Board of Directors of Hearne 4B has found that the expenditures and improvements on, at, in or for the Property are to promote new business development, to wit: a recreational vehicle park on the property and/or the expenditures for land, buildings, equipment, facilities, targeted infrastructures and expenditures required or suitable for a recreational vehicle park that will provide "RV" park residents with services that will entice RV residents to stay and in turn spend money in the local economy including restaurants, laundry, dry cleaning, fuel, banking, mercantile, and parts and repair services.
3. Business agrees to the following schedule of additional payroll or jobs to be created, annual payroll and estimated capital investment:
At least one full time and one part time employee; and
At least an estimated capital investment of \$200,000.00 including all expenditures for land, improvements, recreational vehicle park, and other expenditures for the beginning of operation of a recreational vehicle park on the Property; and Business agrees to maintain such capital investment, staff and payroll for 3 years.
4. Business agrees to repay the incentive loaned to Business, if Business fails to perform the terms of this agreement. Hearne 4B shall give Business written notice of any breach of the agreement and a reasonable opportunity to cure the breach.
5. Hearne 4B agrees to loan to Business up to the sum of \$85,000.00 pursuant to this agreement and for Business' expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in, or for the Property to promote new business development, to wit: a recreational vehicle park as set forth above.
6. Hearne 4B shall loan to Business the funds pursuant to this agreement upon expenditures having been made by Business and written documentation certified by Business to Hearne 4B of the expenditures allowable under Section 505 of the Development Corporation Act, including expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in or for the Property to promote new business development, to wit: to promote and build a recreational vehicle park which will prompt residents to spend money in the local economy as set forth hereinabove.

7. The funds pursuant to this agreement shall be disbursed upon review and approval of the receipts for the expenditure of funds allowable under Section 505 of the Development Corporation Act on, at, in, or for the Property, including expenditures for land, buildings and to purchase materials and labor for improvements, equipment, facilities, expenditures, and improvements on, at, in or for the Property to promote new business development, to wit: a recreational vehicle park which will attract residents to the park and such residents will spend money in the local economy as set forth hereinabove.
8. At the first, second, and third anniversary of the loan, Business will provide Hearne 4B evidence of the capital investment, number of jobs created, and annual payroll. Upon evidence of compliance with this agreement at the first, second, and third anniversary of the loan, Hearne 4B will forgive 1/3 of the loan if the Business has complied with the agreement for the first year of the loan, and 1/3 of the loan if the Business has complied with the agreement for the second year of the loan, and 1/3 of the loan if the Business has complied with the agreement for the third year of the loan.
9. Business does not and will not knowingly employ an undocumented worker. Repayment of the subsidy with interest at the Texas judgment interest rate from the date of notice if the business is convicted of federal immigration violations under 8 U.S. Code Section 1324a(f), not later than the 120th day after receiving notice of the violation from HEARNE 4B SALES TAX BOARD.
10. Any approved funds not expended within one year of the date of the resolution that approved this agreement are deobligated.
11. Time is of the essence.
12. This agreement is effective upon approval by the City Council of the City of Hearne, Texas and upon approval by Hearne 4B as required by law; and approval by Business.

Signed effective 9-19, 2014.

Business:
Judith Werlinger RV Park

By Judith Werlinger
Judith Werlinger,
Managing Member and Owner

Hearne 4B:
Hearne 4B Sales Tax Board

By Carroll Barton Lockhart
Carroll Barton Lockhart
Chairman

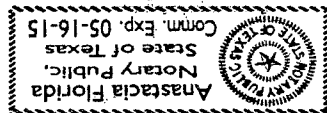
APPROVAL OF CITY COUNCIL

The City Council of the City of Hearne, Texas at its meeting on May 20, 2014 approves the Performance Agreement above and authorizes and approves the expenditures to be paid pursuant to the agreement.

Signed September 29, 2014.

City of Hearne, Texas

By Pee Wee Drake
Pee Wee Drake, City Manager



STILLWATER RV PARK

10979 FM 391
Hearne, Texas 77859

(979) 595-5222

Mr. Pee Wee Drake
City Manager, City of Hearne
209 Cedar Street
Hearne, Texas 77859

RE: Stillwater RV Park, Hearne, Texas

Dear Mr. Drake:

This letter is a request to place the Hearne 4-A and 4-B funds allotted for the construction of the above-referenced RV park into an account titled "Stillwater RV Park," First Start Bank, Hearne, Texas.

Pursuant to our meeting yesterday, I readily acknowledge that I am bound by all the terms and conditions of the "Performance Agreement" executed by me, as the owner of the Stillwater RV Park, and you, as the City of Hearne representative. I agree to provide current documentation of all checks and expenditures drawn from this account. It is also agreed that Judith G. Werlinger will timely execute to the City of Hearne any and all legal documentation necessary to effect ownership of any and all infrastructure located outside the property line of Stillwater RV Park.

As discussed, awaiting preparation of the plans and specs for the park's electrical, water and sewer has negatively impacted my start date for construction. A large portion of the constructions will be through the Thanksgiving and Christmas holidays, and since time is of the essence, I am requesting the funds be placed in the above-specified account for ease of transactions.

Sincerely,



Judith G. Werlinger, Owner
Stillwater RV Park

COPY

Assumed Name Records Certificate of Ownership for Unincorporated Business or Profession

Notice: A certificate of ownership is valid only for a period not to exceed 10 years from the date filed in the County Clerk's office. (Chapter 36, Sec 1, Title 4 - Texas Business and Commerce Code)

Name in Which Business Is Or Will Be Conducted:

Stillwater RV Park

Accepted for Filing in: Robertson County On: Nov 03, 2014 at 03:53P By: Maxine Lattimore

Business Address: 10979 FM 391

City: Hearne

Texas Zip: 77859

PERIOD (NOT TO EXCEED 10 YEARS) DURING WHICH ASSUMED NAME WILL BE USED IS FROM DATE FILED UNTIL the 3rd day of November, 2024.

Business is to be conducted as (Check one):

- (x) Proprietorship () Joint Venture () Other () Sole Practitioner () Joint Stock Company () Limited Partnership () General Partnership



CERTIFIED COPY This is a true and correct copy of the original filed in Robertson County Clerk's Office Kathryn Nickelson Brimhall

CERTIFICATE OF OWNERSHIP

I/We the undersigned, am/are the owner(s) of the above business and my/our name(s) and address(es) given is/are true and correct, and there is/are no ownership(s) in said business other than those listed herein below.

Name Judith G. Werlinger

Signature Judith G. Werlinger

Residence Address 10979 FM 391

City Hearne

State TX

Zip 77859

Name

Signature

Residence Address

City

State

Zip

Name

Signature

Residence Address

City

State

Zip

Name

Signature

Residence Address

City

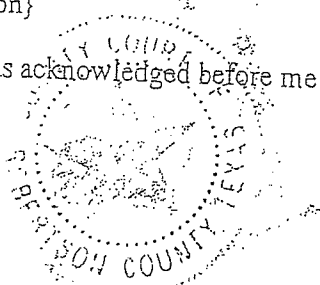
State

Zip

State of Texas} County of Robertson}

This instrument was acknowledged before me on the 3 day of November, 2014.

(Seal)



Kathryn N. Brimhall

County Clerk or Notary Public

