

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING AN ECONOMIC DEVELOPMENT AGREEMENT UNDER CHAPTER 380 OF THE LOCAL GOVERNMENT CODE TO PROMOTE ECONOMIC DEVELOPMENT AND TO STIMULATE BUSINESS ACTIVITY AND ECONOMIC GROWTH OF THE CITY OF DENTON, BETWEEN THE CITY OF DENTON AND MAYDAY MANUFACTURING CO. REGARDING THE EXPANSION OF OPERATIONS IN THE CITY OF DENTON; AUTHORIZING THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Mayday Manufacturing Co., Inc., a Texas corporation (“Mayday Manufacturing”), has made a request, on or about April 10, 2025, of the City of Denton (“City”) for an economic development incentive under Chapter 380 of the Texas Local Government for an expansion grant to expand their business and increase the number of jobs in the city to stimulate economic development and growth (“Grant Application”); and

WHEREAS, the Grant Application was subsequently recommended by the Economic Development Partnership Board as compliant with the City of Denton’s Chapter 380 Policy (Resolution No. 24-822, as adopted, on May 7, 2024) and the City Council hereby also finds compliance therewith; and

WHEREAS, City and Mayday Manufacturing have negotiated a Chapter 380 Economic Development Agreement to reflect the terms of the incentive, a copy of which is attached hereto and made a part hereof by reference (the “Agreement”); and

WHEREAS, the City Council of the City of Denton hereby finds that the contemplated use for the proposed purposes and considerations provided for in the Agreement, and the other terms and conditions of the Agreement, will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON, TEXAS HEREBY ORDAINS:

SECTION 1. The recitals and findings contained in the preamble of this Ordinance are found to be true and are incorporated into the body of this Ordinance.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Agreement attached hereto on behalf of the City of Denton and to carry out the City’s responsibilities and rights under the Agreement, including without limitation the authorization to make the expenditures set forth in the Agreement.

SECTION 3. This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by _____ and seconded by _____, the Ordinance was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray Scott Bray
Deputy City Attorney

THE STATE OF TEXAS §

COUNTY OF DENTON §

ECONOMIC DEVELOPMENT AGREEMENT WITH
MAYDAY MANUFACTURING CO.

This Economic Development Agreement (this “Agreement”) is made and entered into as of the Effective Date as defined herein by **Mayday Manufacturing Co.** (“Grantee”), a Texas corporation located at 3100 Jim Christal Rd, Denton, TX, 76207, and the **City of Denton** (“City”), a Texas home-rule municipal corporation, located at 215 E. McKinney St., Denton, Texas, for the purposes and considerations stated below. Grantee and City may be individually referred to as a “Party” and collectively as the “Parties.”

WHEREAS, this Agreement is authorized pursuant to Article III, Section 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code (the “Act”) to promote local economic development and to stimulate business and commercial activity in the City of Denton; and

WHEREAS, Grantee intends to expand their business (the “Expansion Plans” as shown in Exhibit B attached hereto and incorporated herein for all purposes) and increase the number of jobs in the City of Denton; and

WHEREAS, on or about April 10, 2025, Grantee submitted an application to the City to request economic development incentives pursuant to the Act (the “Grant Application”); and

WHEREAS, the Grant Application was reviewed by the Economic Development Partnership Board (the “EDP Board”) in accordance with the City of Denton Chapter 380 Policy on May 14, 2025, and the EDP Board found the Grant Application meets the qualifications for financial incentives and recommended approval of the proposed incentives unanimously; and

WHEREAS, the City Council of the City of Denton (“City Council”), authorized, by ordinance, an incentive in the form of a grant to the Grantee to expand the business and retain jobs in the City of Denton and found that the contemplated use of funds to be provided will promote economic development, increase employment, and stimulate business and commercial activity within the City of Denton for the benefit of the public and therefore meets the requirements under Chapter 380 of the Texas Local Government Code; and

WHEREAS, the City Council determined that a grant of funds in accordance with the terms of this Agreement will accomplish the public purpose of stimulating economic development and that all transactions involving the use of public funds and resources in the establishment and administration of this Agreement contain controls likely to ensure that the public purpose is accomplished; and

NOW, THEREFORE, the City and Grantee, for and in consideration of the premises contained herein do hereby contract, covenant, and agree as follows:

I. DEFINITIONS

“Base Year” means the 2024 calendar year.

“Base Year Value” means the 2025 certified valuation on January 1, 2025 of Grantee’s current facility located at 3100 Jim Christal Rd, Denton, Texas.

“Certificate of Occupancy” means a Certificate issued by the City Building Official for the use of a building, structure or land, when it is determined by the Building Official that the building, structure or proposed land use complies with the provisions of all applicable Codes of the City of Denton pursuant to the Denton Development Code Subchapter 23-5.

“Expansion Grant” has the meaning given in Section III.A of this Agreement.

“Ad Valorem Rebate” has the meaning set forth in paragraph III.B.1 of his Agreement.

“Improvements” means the real property improvements erected or affixed to the Premises by the Grantee following the Base Year, including the approximately 45,000 square foot expansion of the current manufacturing facility on the Premises detailed in Exhibit B, attached hereto and incorporated by reference, and tangible personal property located on or at the Premises—excluding inventory, vehicles, and supplies, which is not eligible property.

The “Premises” means the property located at 3100 Jim Christal Rd in Denton, Texas, more particularly described in Exhibit C attached hereto.

The “Press Release” has the meaning given in Section IV.E of this Agreement.

II. GRANT CONDITIONS

Grantee shall satisfy the following conditions to receive the grant payments from the City provided in Articles III and IV, and to avoid termination of this Agreement pursuant to Article VI:

A. Grantee covenants and agrees that the City’s obligations under this Agreement are subject to the fulfillment of the Grantee’s obligations under this Agreement, and Grantee hereby agrees to perform and comply with the terms, conditions, and provisions of this Agreement and in all other instruments and agreements, if any, between Grantee and the City with respect to the financial or other incentives provided herein.

B. Grantee is duly authorized and existing under U.S. law and is in good standing under such laws and is registered to do business in the State of Texas.

C. In the event of any conflict between the City of Denton Code of Ordinances or federal, state, or other local regulations and this Agreement, such ordinances and/or regulations shall control.

D. In accordance with Chapter 2264 of the Texas Government Code, Grantee covenants and certifies that Grantee shall not knowingly employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in that manner in the United States (“Undocumented Worker”). During the term of this Agreement, Grantee shall notify the City of any complaint brought against Grantee alleging that Grantee has knowingly employed Undocumented Workers. In accordance with section 2264.052 of the Texas Government Code, if Grantee is convicted of a violation of 8 U.S.C. section 1324a(f) for employing an Undocumented Worker, all grant payments shall be terminated, and Grantee shall repay the amount of all grants with interest of ten percent (10%) per annum from the date the grant payment(s) was made. Repayment shall be paid within 120 days after the date Grantee receives notice of such conviction from the City.

E. For the term of the Grant, Grantee must maintain its place of business within the corporate limits of the City of Denton. For the avoidance of doubt, nothing herein precludes Grantee from maintaining satellite offices in any location, provided the place of business remains within the corporate limits of the City of Denton.

F. Grantee shall not fail to render for taxation any property located within the City of Denton, nor shall it allow the ad valorem taxes owed to the City on any property owned by the Grantee and located within the City of Denton to become delinquent beyond the last day they can be paid without assessment of penalty, as such date is generally extended to allow for any appeal.

G. Grantee shall not allow any other municipal fees, levies, assessments, bills, or fines issued by the City to become delinquent.

H. Grantee shall not discriminate in employment and contracting based on race, sex, sexual orientation, gender identity, age, disability, creed, color, genetics, or national origin, and shall not violate any applicable anti-discrimination laws in connection with Grantee’s business.

I. Grantee agrees to use good faith efforts to purchase and select goods, services, and contractors from businesses located in the City of Denton whenever such goods, services, and contractors are comparable in availability, quality, and price. In the selection of contractors, suppliers, or other persons proposed for work on this Agreement, Grantee agrees to use its good faith efforts to select and employ historically underutilized businesses for work on this Agreement, whenever such vendors are comparable in availability, quality and price; however, Grantee is not required to use such vendors. Grantee is not required to but may submit information related to any good faith efforts as it relates to the local procurement of goods and services or the use of historically underutilized businesses with its annual Certificate of Compliance.

III. TERMS OF GRANT

A. The City will provide an Expansion Grant to Grantee in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000) upon Grantee’s successful completion of the Improvements resulting in receiving a Certificate of Occupancy from the City of Denton for the

Improvements, and Grantee's successful issuance of the Press Release, subject to the terms of this agreement. The Grantee may request payment of the Expansion Grant, or a portion thereof, during the term of this Agreement after the Certificate of Occupancy has been received by Grantee by submitting a written request that includes a copy of the Certificate of Occupancy and the Press Release. A request for a portion of the Expansion Grant may be made up to once every six (6) months during the term of this Agreement.

B. As consideration for the Grantee's ongoing business and increased capital investment within the City of Denton, and subject to the Grantee meeting all of the terms and conditions of this Agreement, the City will provide the following grant (the "Ad Valorem Rebate") to the Grantee:

1. A grant equal to 60% of the increase in City ad valorem taxes above the Base Year attributable to the Improvements and tangible personal property on the Premises (excluding inventory, vehicles and supplies, and increases to land value) as determined by the Denton Central Appraisal District (DCAD), paid annually for a period of ten (10) years, commencing the first year following receipt by Grantee of the new Certificate of Occupancy based on the Improvements completed after the Base Year, in an amount not to exceed Five Hundred Fifty-Two Thousand, Nine Hundred Forty-Four dollars (\$552,944).

C. A condition of the Ad Valorem Rebate is that, by December 31, 2027, Grantee shall have made the Improvements on the Premises which result in a combined assessed valuation of the improvements and tangible personal property (excluding inventory, vehicles, and supplies) on the Premises of at least \$10,875,000, as determined by DCAD. The City may, in its sole discretion, grant an extension of up to 180 days for the making of the Improvements.

D. The total amount of the Expansion Grant and the Ad Valorem Rebate shall not exceed Five Hundred Seventy-Seven Thousand, Nine Hundred Forty-Four dollars (\$577,944)

E. Payment of any portion of the Grant is subject to annual appropriation by the City Council in the annual budget, and the City's obligations under this Agreement shall not constitute a general obligation of the City or indebtedness under the constitution or laws of the State of Texas.

F. If the assessed value for the Premises for any year during the Term of this Agreement, as determined by the DCAD, is less than \$10,875,000, the City will not make any payment for any portion of the Grant for that year.

IV. PAYMENTS OF GRANTS

A. Subject to the terms and conditions of this Agreement, the City hereby agrees to pay the Grantee, on an annual basis, after the first assessment of ad valorem taxes on the Premises following receipt by Grantee of a Certificate of Occupancy for the property, an amount equal to 60% of the difference between: (a) the then-current City ad valorem taxes payable for the Premises

and the Improvements and (b) the Base Year Valuation City ad valorem taxes for the Premises and Improvements.

B. The payments shall be made annually for a period not to exceed ten (10) years during the term of this Agreement, with the first payment being due and payable on or before 90 days after the City is in receipt of all City ad valorem taxes due and payable for the Property and Improvements as of January 1st of the year following the calendar year in which a certificate of occupancy is issued by the City for the Property and the business personal property category breakdown is provided by DCAD.

C. Payments shall be issued to Mayday Manufacturing Co. unless an approved assignment occurs under Article XIV herein, and in which case payment shall be directed to the entity assigned rights under this Agreement.

D. Prior to any payment of the Ad Valorem Rebate, Grantee shall provide written proof of payment by Grantee of all City ad valorem taxes payable for the Premises and the Improvements for the preceding year in the form of (a) an invoice for taxes issued by DCAD, (b) an itemized receipt for a rent payment including payment of ad valorem taxes issued by the owner of the Premises, (c) another written form of proof acceptable to the City of Denton Director of Economic Development, or (d) any combination of the foregoing. Grantee shall attach this proof of payment of ad valorem taxes to each Certificate of Compliance.

E. Prior to payment of the Expansion Grant, Grantee shall issue a press release announcing the expansion in Denton, Texas and acknowledging "The City of Denton Office of Economic Development" as a supporter of the expansion (the "Press Release").

V AUDITS AND MONITORING

Grantee shall deliver to the City before March 31st of each year a Certificate of Compliance utilizing the form attached as **Exhibit A**, beginning on the year following issuance of the Certificate of Occupancy and each year thereafter during the term of this Agreement. Said Certificate of Compliance shall reflect all relevant information from the previous calendar year. In the Certificate of Compliance, Grantee shall warrant to the City that it is in full compliance with its obligations under this Agreement for the preceding year.

During the term of this Agreement, the City reserves the right to conduct audits of the employment records of the Grantee related to this Agreement if, in the sole opinion of the City, such action is determined to be necessary. Grantee agrees upon reasonable advance request to furnish the City with additional records and information reasonably requested to support that the terms and conditions of this Agreement have been satisfied. Failure to provide such assistance shall be grounds for default, and City may withhold a Grant rebate payment until such assistance is provided. During the term of this Agreement, the City will keep, or cause to be kept, copies of the Certificates of Compliance and all documentation or employment records provided by the Grantee, payments made to Grantee, and any other calculations, allocations, and payments required by this Agreement.

VI.
DEFAULT AND TERMINATION

If a party fails to perform any of its obligations under this Agreement and such failure is not cured within thirty (30) days after written notice, the failure of the non-performing party to cure within such thirty (30) day period (or to commence and continue diligently to cure such default if the nature of the failure cannot reasonably be cured within 30 days in the exercise of all due diligence) shall constitute a default under this Agreement. A default by either party shall entitle the non-defaulting party to all remedies available at law or in equity, including but not limited to, termination of this Agreement, injunctive relief, specific performance, and suspending or withholding rebate Grant payments.

VII.
INDEMNITY

IT IS UNDERSTOOD AND AGREED THAT GRANTEE IN PERFORMING ITS OBLIGATIONS HEREUNDER IS ACTING INDEPENDENTLY AND THE CITY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THEREWITH TO THIRD PARTIES AND GRANTEE AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY FROM AND AGAINST ANY AND ALL DIRECT AND INDIRECT DAMAGES INCURRED BY THE CITY RESULTING FROM CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER BROUGHT BY ANY THIRD PARTY ARISING OUT OF GRANTEE'S NEGLIGENCE IN THE PERFORMANCE OF ITS OBLIGATIONS HEREUNDER.

VIII.
REPRESENTATIONS AND WARRANTIES BY THE CITY

The City represents and warrants that:

A. The City is a home rule Texas municipal corporation that has the power to enter into and has taken all actions to date required to authorize this Agreement and to carry out its obligations hereunder; and

B. The City knows of no litigation, proceedings, initiative, referendum, investigation, or threat of any of the same contesting the powers of the City or its officials with respect to this Agreement that has not been disclosed in writing to Grantee; and

C. The City knows of no law, order, rule, or regulation applicable to the City or to the City's governing documents that would be contravened by, or conflict with, the execution and delivery of this Agreement; and

D. This Agreement constitutes a valid and binding obligation of the City, enforceable according to its terms, except to the extent limited by governmental immunity and bankruptcy,

insolvency, and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity; and

E. The funds granted by the City are derived from sources lawfully available to the City and are not proceeds of bonds or other obligations of the City payable from ad valorem taxes.

IX. REPRESENTATIONS AND WARRANTIES BY GRANTEE

Grantee represents and warrants that:

A. Grantee is a corporation duly registered and validly existing under the laws of the State of Texas and is, or prior to the Effective Date of this Agreement will be, qualified to do business in the State of Texas and has the legal capacity and the authority to enter into and perform its obligations under this Agreement; and

B. The execution and delivery of this Agreement and the performance and observance of its terms, conditions and obligations have been duly and validly authorized by all necessary action on its part to enter into this Agreement; and

C. Grantee knows of no litigation proceeding, initiative, referendum, or investigation or threat of any the same contesting the powers of the City, Grantee or any of its principals or officials with respect to this Agreement that has not been disclosed in writing to the City; and

D. Grantee has the necessary legal ability to perform its obligations under this Agreement and has the necessary financial ability, through borrowing or otherwise, to construct improvements on the portions of the property that Grantee may acquire or improve in accordance with this Agreement. This Agreement constitutes a valid and binding obligation of Grantee, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.

X. RIGHTS OF LENDERS AND INTERESTED PARTIES

The City is aware that financing for Grantee may be provided, in whole or in part, from time to time, by one or more third parties, including, without limitation, lenders, major tenants, equity partners and purchasers or developers (individually, an "Interested Party" and collectively, "Interested Parties"). In the event Grantee fails to perform any of its obligations under this Agreement, all notices to which Grantee is entitled under Article XV of this Agreement shall be provided to the Interested Parties at the same time they are provided to Grantee (provided the Interested Parties have previously been identified to the City and provided their notice addresses to the City). If any Interested Party is permitted under the terms of its agreement with Grantee to cure the event of default and/or to assume Grantee's position with respect to this Agreement, the City agrees to recognize such rights of the Interested Party and to otherwise permit the Interested Party to cure the event of default and to assume all of the rights and obligations of Grantee under

this Agreement. The City shall, at any time upon reasonable request by Grantee, provide to any Interested Party an estoppel certificate or other document evidencing that this Agreement is in full force and effect and that no event of default by Grantee exists hereunder (or, if appropriate, specifying the nature and duration of any existing event of default). Upon request by any Interested Party, the City will enter into a separate assumption or similar agreement with such Interested Party, consistent with the provisions of Article XIV.

XI. COMPLIANCE

This Agreement shall be conditioned upon and subject to compliance with applicable federal, state, and City laws, ordinances, rules, and regulations.

XII. NO VESTED RIGHTS

The Grantee shall be subject to all applicable ordinances of the City, whether now existing or in the future arising. This Agreement shall confer no vested rights, as defined and referenced in Chapter 245 of the Texas Local Government Code, as amended, on the Grantee or property where Grantee conducts business. Grantee agrees and acknowledges that this Agreement is not required by the City to complete the project described in the Grant Application.

XIII. ENTIRE AGREEMENT; CHANGES AND AMENDMENTS

This Agreement constitutes the entire agreement of the Parties with regard to the subject matter hereof. Except as specifically provided otherwise in this Agreement, any alterations or deletions to the terms of this Agreement shall be by written amendment executed by both Parties to this Agreement.

XIV. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and inure to the benefit of the Parties, their respective successors, and assigns. Grantee may assign all or part of its rights and/or obligations in or to or under this Agreement upon written notice to the City of such assignment. The City may execute an amendment to this Agreement evidencing the assignment and the City's execution of said amendment to the Agreement shall not be unreasonably withheld or delayed. If an assignee agrees in writing to be bound by the terms and conditions of this Agreement and executes an amendment to this Agreement stating the same, the assignor shall be released as to the obligations assigned but not as to any obligations or liabilities of the assignor to the City that arose prior to the assignment.

XV. NOTICE

Any notice and/or statement required or permitted to be delivered shall be deemed delivered five business days after being deposited in the United States mail, certified with return receipt requested, postage prepaid, addressed to the appropriate party at the following addresses, or at such other addresses provided by the Parties in writing. Any such notice and/or statement shall also be deemed delivered when delivered by a nationally recognized delivery company (e.g., FedEx or UPS) with evidence of delivery signed by anyone at the delivery address.

If to Grantee:

MAYDAY MANUFACTURING CO.

Attn: Torry Peoples

3100 Jim Christal Rd

Denton, TX 76207

Phone: (940) 442-5708

If to the City:

City of Denton

Attn: City Manager

215 E. McKinney

Denton, Texas 76201

Phone: (940) 349-8307

Fax: (940) 349-8596

With a copy to:

City of Denton

Attn: City Attorney

215 E. McKinney

Denton, Texas 76201

Phone: (940) 349-8333

Fax: (940) 382-7923

XV. APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Denton County, Texas. This Agreement is performable in Denton County, Texas.

XVI. BENEFIT OF AGREEMENT

This Agreement is executed solely for the benefit of the Parties and their successors and assigns, and nothing in this Agreement is intended to create any rights in favor of or for the benefit of any third party.

XVII. LEGAL CONSTRUCTION/PARTIAL INVALIDITY OF AGREEMENT

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid or unenforceable, upon written, mutual agreement of both parties and approval of the City Council, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

XVIII.
TERM

This Agreement shall be effective as of the Effective Date. This Agreement will terminate on the earlier to occur of December 31, 2036 or the date of termination for default in accordance with Article VI. After termination of this Agreement, the City shall not be liable to make any further payments to Grantee.

EXECUTED and effective as of the _____ day of _____, 2025 (“Effective Date”), by the City signing by and through its City Manager, duly authorized to execute same by action of the City Council, and by Grantee, acting through its duly authorized officials.

CITY OF DENTON, TEXAS

By: _____
SARA HENSLEY, CITY MANAGER

ATTEST:

LAUREN THODEN, CITY SECRETARY

APPROVED AS TO LEGAL FORM:

By:  _____
Scott Bray
Deputy City Attorney
MACK REINWAND, CITY ATTORNEY

MAYDAY MANUFACTURING CO.

By:  _____
Signed by: _____
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Its: Director of Finance

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations and business
terms.

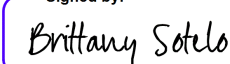
Signed by:  _____
C4A76D1808B6439...
SIGNATURE
Brittany Sotelo
PRINTED NAME
Director
TITLE
Economic Development
DEPARTMENT

EXHIBIT A

**CITY OF DENTON
INCENTIVE
ANNUAL CERTIFICATE OF COMPLIANCE**

Mayday Manufacturing Co.

A. Payment

1. The Chapter 380 Agreement provides annual payments for 10 years based on conditions being met. For years one through ten, the Agreement provides for annual rebates equal to 60 percent of the increase above the base year of the City's ad valorem taxes received for the previous year, excluding the value of land, inventory or vehicles.

2. The City property taxes paid for January 1, 20__ valuation are:

3100 Jim Christal Rd

Real Property: _____

Business Personal Property: _____

B. Required Attachments

Grantee to submit annual proof of payment of ad valorem taxes on the Premises and Improvements, as provided in Section IV.D of the Agreement.

I hereby certify that, to the best of my knowledge and belief, the information provided herein is accurate and in compliance with the terms of the Economic Development Agreement with the City of Denton, Texas. I have provided a copy of all documentation needed to substantiate the job retention threshold requirement for which I am requesting a rebate payment.

Printed Name and Title of Certifying Officer

Signature of Certifying Officer

Date

Note: This form is due by March 31 of each year after the commencement date, and as long as this Agreement is in effect.

This Certificate of Compliance should be mailed to:

City of Denton
Attn: Economic Development
401 N. Elm St.
Denton, TX 76201

EXHIBIT B

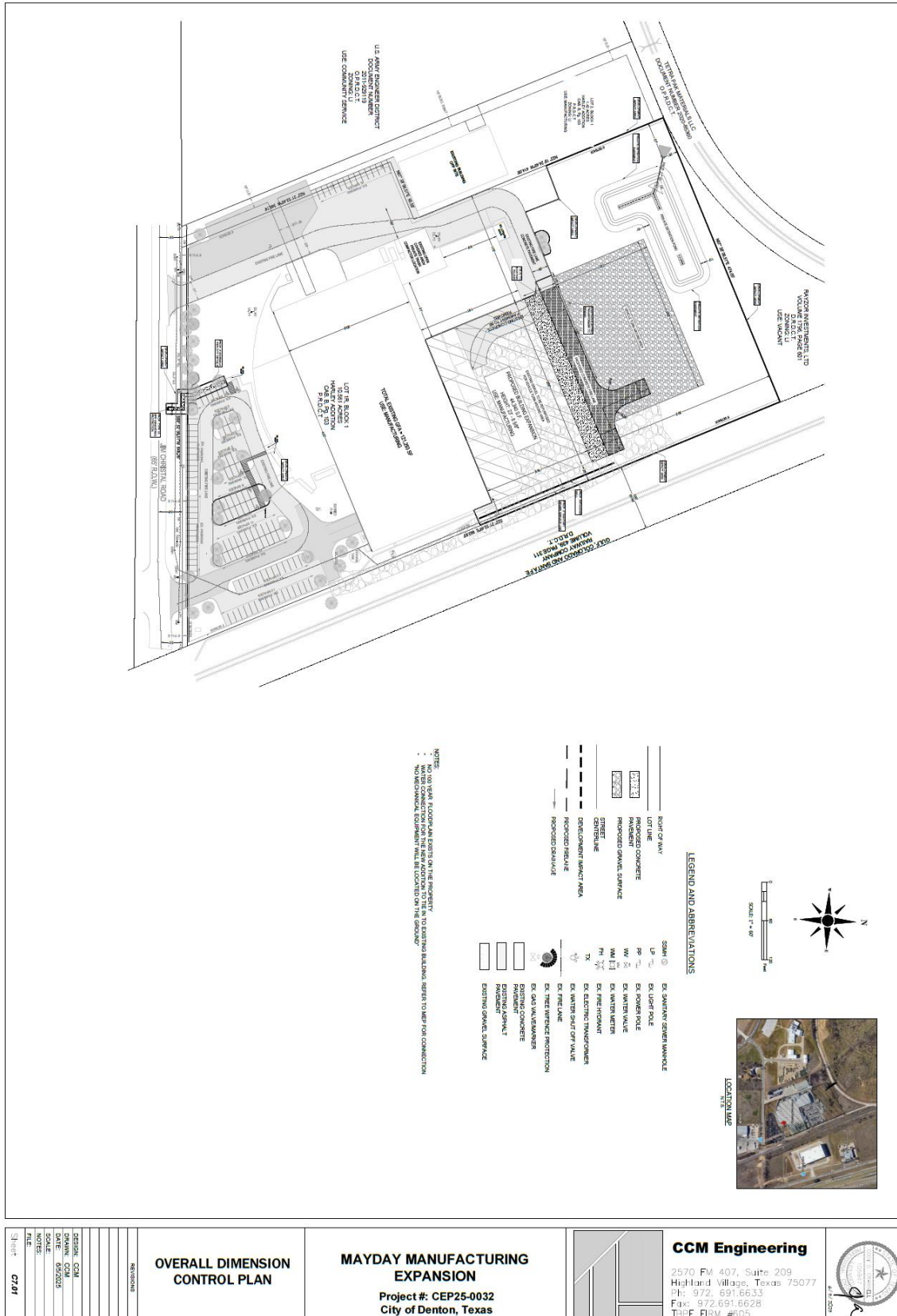


EXHIBIT C

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF Denton, STATE OF TX, AND IS DESCRIBED AS FOLLOWS:

TRACT 1:

BEING A TRACT OF LAND SITUATED IN THE B.B.B & C. R.R. CO. SURVEY, ABSTRACT NO. 192, CITY OF DENTON, DENTON COUNTY, TEXAS, AND BEING ALL OF LOT 1R, BLOCK 1, HARLEY ADDITION, AN ADDITION TO THE CITY OF DENTON AS RECORDED IN CABINET V, PAGE 373 OF THE PLAT RECORDS OF DENTON COUNTY, TEXAS, AND BEING ALL OF THAT TRACT DESCRIBED IN INSTRUMENT TO MOLECULAR INSIGHT PHARMACEUTICALS, INC. AS RECORDED UNDER INSTRUMENT NUMBER 2007-116395 OF THE OFFICIAL RECORDS OF DENTON COUNTY, TEXAS AND BEING MORE PARTICULAR DESCRIBED AS FOLLOWS:

BEGINNING AT A FIVE-EIGHTHS INCH IRON ROD FOUND WITH CAP STAMPED "HUITT-ZOLLARS" AT THE SOUTHEASTERLY CORNER OF SAID LOT 1R, SAID POINT BEING THE INTERSECTION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE G.C. & S.F. RAILROAD, A 100.0 FOOT WIDE RIGHT-OF-WAY, WITH THE NORTHEASTERLY RIGHT-OF-WAY LINE OF JIM CHRISTAL ROAD, A VARIABLE WIDTH RIGHT-OF-WAY;

THENCE, NORTH 89 DEGREES 36 MINUTES 10 SECONDS WEST ALONG THE SOUTHERLY LINE OF SAID LOT 1R AND THE NORTHERLY RIGHT-OF-WAY LINE OF JIM CHRISTAL ROAD A DISTANCE OF 233.51 FEET TO A FIVE-EIGHTHS INCH IRON ROD FOUND WITH CAP STAMPED "HUITT-ZOLLARS";

THENCE, NORTH 89 DEGREES 16 MINUTES 42 SECONDS WEST CONTINUING ALONG THE SOUTHERLY LINE OF SAID LOT 1R AND THE NORTHERLY RIGHT-OF-WAY LINE OF JIM CHRISTAL ROAD A DISTANCE OF 383.23 FEET TO A FIVE-EIGHTHS INCH IRON ROD FOUND WITH CAP STAMPED "HUITT-ZOLLARS" AT THE COMMON SOUTHWESTERLY CORNER OF SAID LOT 1R AND THE SOUTHEASTERLY CORNER OF LOT 2, BLOCK 1, OF SAID HARLEY ADDITION;

THENCE, NORTH 21 DEGREES 51 MINUTES 00 SECONDS WEST ALONG A COMMON LINE BETWEEN SAID LOT 1R AND LOT 2 A DISTANCE OF 344.36 FEET TO A CUT CROSS FOUND;

THENCE, NORTH 68 DEGREES 09 MINUTES 00 SECONDS EAST CONTINUING ALONG A COMMON LINE BETWEEN SAID LOT 1R AND LOT 2 A DISTANCE OF 95.58 FEET TO A CUT CROSS FOUND;

THENCE, NORTH 21 DEGREES 48 MINUTES 31 SECONDS WEST CONTINUING ALONG A COMMON LINE BETWEEN SAID LOT 1R AND LOT 2 A DISTANCE OF 414.06 FEET TO A FIVE-EIGHTHS INCH IRON ROD FOUND WITH CAP STAMPED "HUITT- ZOLLARS" AT THE COMMON NORTHWESTERLY CORNER OF SAID LOT 1R AND THE NORTHEASTERLY CORNER OF SAID LOT 2;

THENCE, NORTH 68 DEGREES 09 MINUTES 00 SECONDS EAST ALONG THE NORTHWESTERLY LINE OF SAID LOT 1R A DISTANCE OF 474.12 FEET TO A FIVE-EIGHTHS INCH IRON ROD FOUND WITH CAP STAMPED "HUITT-ZOLLARS" AT THE NORTHEASTERLY CORNER OF SAID LOT 1R, SAID CORNER BEING ON THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE G.C. & S.F. RAILROAD RIGHT-OF-WAY;

THENCE, SOUTH 21 DEGREES 51 MINUTES 00 SECONDS EAST ALONG THE NORTHEASTERLY LINE OF SAID LOT 1R AND THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF THE G.C. & S.F. RAILROAD RIGHT-OF-WAY A DISTANCE OF 993.93 FEET TO THE POINT OF BEGINNING AND CONTAINING 10.561 ACRES OF LAND.

TRACT 2:

BEING A NON-EXCLUSIVE EASEMENT RESERVED IN DEED DATED 12/15/2003, FILED 12/18/2003, CC#2003-203608, OFFICIAL RECORDS DENTON COUNTY, TEXAS, AS AFFECTED BY EASEMENT AND OPERATION AGREEMENT (THE "AGREEMENT") DATED 12/15/2003, FILED 12/18/2003, County Clerk's File No. 2003-203607, OFFICIAL RECORDS DENTON COUNTY, TEXAS, FOR ACCESS AND UTILITIES OVER AND ACROSS THE NEORX ACCESS WAY.