

CHAPTER 381 ECONOMIC DEVELOPMENT INCENTIVE AND PERFORMANCE AGREEMENT
Titus County, Texas and Anderson Town Crossing Partnership, LLC

This Chapter 381 Economic Development Incentive and Performance Agreement (this “Agreement”) is made by and between Titus County, Texas (the “County”) and Anderson Town Crossing Partnership, LLC (the “Developer”), acting by and through their respective authorized officers. The County and the Developer are sometimes referred to individually as a “Party” and collectively as the “Parties.”

RECITALS:

WHEREAS, Creative Destination Development, LLC currently owns the property for a development project in the City of Mount Pleasant in Titus County, Texas, and intends to sell the property to Developer upon execution of this Agreement; and

WHEREAS, the Developer desires to construct a retail center to include one anchor tenant (a national sporting goods retailer with at least 50,000 square feet with specialty apparel and outdoor recreation items consisting of over 100 locations across the U.S.) (the “Anchor Tenant”), generally consistent with the preliminary site plan attached hereto as Exhibit A (the “Site Plan”); and

WHEREAS, the County is authorized by Texas Local Government Code Chapter 381 to provide economic development grants to promote local economic development and to stimulate business and commercial activity in the County; and

WHEREAS, as a material inducement to the Developer to develop the Anchor Tenant site, the County has agreed to offer an incentive to the Developer in the form of a sales tax grant described in Article III of this Agreement; and

WHEREAS, the Developer has agreed, in exchange for and as consideration for the incentive offered by the County to satisfy and comply with the terms and conditions hereinafter set forth; and

WHEREAS, the County has determined that the Anchor Tenant site will result in new employment opportunities in the County, increase the property tax base within the County, increase County’s sales tax base, and promote economic development within the County and that providing incentive grants to the Developer will facilitate the construction and operation of the retail and other commercial development, resulting in benefits to the County, and economic development grants for this type of development; and

WHEREAS, the County has determined that this Agreement is in the best interests of the public and the County and that the Anchor Tenant site and its related improvements serve a valid public purpose and will be of substantial benefit to the health, safety and welfare of citizens of the County.

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, and other consideration the receipt and sufficiency of which are hereby acknowledged the Parties agree as follows:

ARTICLE I.

Definitions

Whenever used in this Agreement, the following terms mean the following:

“Effective Date” means the date of full execution of this Agreement by the Parties.

“Force Majeure” means any act that (i) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (ii) is beyond the reasonable control of the affected Party, (iii) is not due to the affected Party’s fault or negligence and (iv) could not be avoided, by the Party who suffers it, by the exercise of commercially reasonable efforts. “Force Majeure” shall include: (a) natural phenomena, such as storms, floods, lightning and earthquakes; (b) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (c) transportation disasters, whether by ocean, rail, land or air; (d) strikes or other labor disputes that are not due to the breach of any labor agreement by the affected Party; (e) fires; (f) epidemics or pandemics; (g) actions or omissions of a governmental authority (including the actions of the County) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any Applicable Law or failure to comply with County regulations, and (h) availability of electric and gas service that is not related to the Developer’s action or unreasonable failure to act.

“Vacate” or “Vacated” means the cessation of retail operations by the Anchor Tenant at the Anchor Tenant site accompanied by the permanent closure of the Anchor Tenant’s store, evidenced by (i) the store being closed to the public, (ii) removal of inventory and fixtures customary for ongoing retail operations, and (iii) the absence of continuous retail operations at the Anchor Tenant site for a period of twelve (12) consecutive months, other than as a result of Force Majeure or temporary closure for remodeling, repairs, casualty restoration, or similar customary business interruptions.

“Vacancy Grace Period” means the first twelve months after the Anchor Tenant Vacates the Anchor Tenant site.

ARTICLE II **Term**

2.1 The term of this Agreement begins on the Effective Date until the Grant Period ends pursuant to Section 3.2 or when the County Grant Cap is reached pursuant to Section 3.7, whichever comes first, unless terminated as provided for under Section 4.14 below.

ARTICLE III **County Sales Tax Rebate and Grant**

3.1 **County Sales Tax Rebate.** Pursuant to Chapter 381 of the Texas Local Government Code and upon satisfaction of terms and conditions of this Agreement, the County agrees to rebate an economic development grant in an amount equal to one half of one percent (0.5%) of the annual sales and use taxes paid to the County generated by the Anchor Tenant (the “County Sales Tax Rebate”). The total amount of this County Sales Tax Rebate shall not exceed 0.5% of the local sales tax. As an example, if the County sales tax rate is 8.25%, then 0.5% would go toward the County Sales Tax Rebate and the other taxing authorities would retain the remaining 7.75%.

3.2 Grant Term. The County agrees to provide the County Sales Tax Rebate for the earlier of: ten (10) years to begin upon the opening date of the Anchor Tenant, or the date upon which the Grant Cap (as defined below) has been reached (the “Grant Period”).

3.3 Anchor Tenant County Sales Tax Rebate. The amount of the County Sales Tax Rebate generated annually from the Anchor Tenant will be 95% rebated to the Developer for duration of the Grant Term, (the “Anchor Tenant County Sales Tax Grant”).

3.4 Annual Payments. During the Grant Period, the County agrees to rebate to the Developer the Anchor Tenant County Sales Tax Grant on an annual basis.

3.5 Basis for Calculating Grant. For each year, the Developer will cause the Anchor Tenant to provide to the County the following documentation:

- A. A copy of all Texas sales tax returns and supporting work papers, including amended reports, filed by Anchor Tenant or any affiliate, parent or subsidiary of Anchor Tenant for the year showing sales tax from the Anchor Tenant remitted to the State of Texas.
- B. Information concerning any sales tax revenue adjustments resulting from refunds filed or received by Anchor Tenant, or any affiliate, parent, or subsidiary of Anchor Tenant of sales or use taxes from the Anchor Tenant remitted to the State of Texas.
- C. Information concerning any sales tax revenue adjustments concerning sales and uses taxes from the Anchor Tenant made pursuant to sales/ use tax audit(s) of Anchor Tenant or any affiliate, parent or subsidiary of Anchor Tenant by the Texas Comptroller’s office with regard to sales tax generated.

3.6 The first payment shall be made by the County within thirty (30) days after the calculation of the sales taxes paid for the first full year of sales. Annual payments shall be adjusted as necessary to account for variances reflected in any subsequent amended returns. All sales tax information provided by Anchor Tenant shall be kept confidential to the extent permitted by law.

3.7 County Grant Cap. The Parties agree the Anchor Tenant County Sales Tax Grant, **shall not exceed Seven Hundred Twenty-four Thousand Three Hundred Seventy-Five and NO/100 dollars (\$724,375.00)** (the “County Grant Cap”)

3.7 Vacancy Grace Period. During the Vacancy Grace Period, the County’s obligation to pay the Anchor Tenant County Sales Tax Rebate shall be suspended, but not terminated, and shall recommence if the Anchor Tenant resumes operations or is replaced by a comparable anchor tenant as provided below prior to expiration of the Vacancy Grace Period. For purposes of this Section, a “comparable anchor tenant” means a single retail tenant occupying not less than eighty percent (80%) of the gross leasable area of the original Anchor Tenant space and generating taxable retail sales comparable in nature to the Anchor Tenant.

ARTICLE IV Miscellaneous

4.1 Repayment Due to Unlawful Employment of Undocumented Workers.

If, after receiving any funds pursuant to this Agreement, the Developer, is convicted of a violation under 8 U.S.C. §1324a(f), as amended or recodified, regarding the unlawful employment of undocumented immigrant workers, the Developer shall repay the total amount of all funds received under this Agreement for the previous year with simple interest at a rate of two percent (2%) per annum not later than the 120th day after the date the County notifies the Developer writing of the violation.

4.2 Binding Agreement/Assignment.

- A. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the parties hereto. Prior to the completion of Anchor Tenant site, this Agreement may not be assigned without the approval of the County. Following the completion of Anchor Tenant site, assignment of this Agreement may be made without County approval.
- B. Any receivables due under this Agreement may be assigned by Developer without the consent of, but upon written notice to the County in accordance with Section 6.4 of this Agreement. The Developer may also collaterally assign any receivables due under this Agreement as collateral to a lender, and the Developer may execute such documents and contracts as necessary to effectuate such loans or financings, without the consent, but with notice, to the County.

4.3 Authorization.

Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

4.4 Notice.

Any notice required or permitted to be delivered hereunder shall be deemed received (i) three (3) days after deposit into the United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below or (ii) on the day actually received if sent by courier or otherwise hand delivered.

If intended for the County:

Attn: County Judge Kent Cooper
Titus County
100 W. 1st St.
Mount Pleasant, TX 75455

With a copy to:
Titus County Attorney John Mark Coborn
100 W. 1st St.
Mount Pleasant, TX 75455
tituscountyattorney@gmail.com

If intended for the Developer:

Marc Marrocco
MG Retail Partners

3161 Broadway Blvd., Suite 100
Garland, TX 75403

With a copy to:
Jason Clauch
4719 Cole Avenue #404
Dallas, Texas 75205

With a copy to:
Prabha Sinclair
Sinclair Law, PLLC
prabha@cinclairlaw.com

4.5 Entire Agreement.

This Agreement is the entire agreement between the Parties with respect to the subject matter covered herein. There is no other collateral oral or written agreement between the Parties that in any manner relates to the subject matter of this Agreement, except as provided in any exhibits attached hereto.

4.6 Governing Law.

This Agreement shall be governed by the laws of the State of Texas; and venue for any action concerning this Agreement shall be in the State District Court of Titus County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court. Nothing contained shall be construed to provide a waiver of the County's sovereign immunity as to any third party.

4.7 Amendment.

This Agreement may only be amended by a written agreement executed by the Parties.

4.8 Severability.

In the event 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 other provisions, 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, a provision shall 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.

4.9 Force Majeure.

Each Party shall use good faith, due diligence and reasonable care in the performance of its respective obligations under this Agreement, and time shall be of the essence in such performance; however, in the event a Party is unable, due to Force Majeure, to perform its obligations under this Agreement, then the obligations affected by the Force Majeure shall be temporarily suspended equal to the time period the Party was delayed, except that the obligation of any Party to make any payments required pursuant to this Agreement shall not be suspended by Force Majeure as long as sales tax is generated by the Anchor Tenant.

4.10 Relationship of the Parties.

This Agreement will not be interpreted or construed to: (a) create an association, joint venture or partnership between the Parties or impose any partnership obligation or liability on either Party; (b) create any agency relationship between the Parties or impose any fiduciary duty of any kind on either Party; (c) create a trust or impose any trust obligations of any kind on either Party; or (d) constitute a lease of any properties of any kind.

4.11 Counterparts.

This Agreement may be executed in counterparts. Each of the counterparts will be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

4.12 Exhibits.

All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

4.13 Survival of Covenants.

Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

4.14 Termination.

This Agreement terminates at the end of the Grant Period, and may, prior to the end of the Grant Period, or when the Grant Cap is reached, whichever comes first, be terminated upon any one or more of the following:

- A. by written mutual agreement of the Parties;
- B. by written notice from the County to the Developer if the Developer fails to cure an event of default after notice as provided by Section 4.4;
- C. by written notice from the Developer to County any time prior to the Developer receiving funds, from the County Sales Tax Rebate; or
- D. If the Anchor Tenant Vacates (as defined herein) during the Grant Period and such Vacancy continues for a period exceeding twelve (12) consecutive months.

4.15 Events of Default by Developer.

Each of the following events constitute a default of this Agreement by Developer (a “Default”):

- A. The Developer fails to comply with any one or more of the deadlines, material requirements, obligations, duties, terms, or conditions in this Agreement.
- B. Any attachment or other levy against the Anchor Tenant site or any portion thereof with respect to a claim, excluding mechanic's and materialman's liens, remains unpaid, undischarged, or not dismissed for a period of 180 days.
- C. The Developer files a voluntary petition in bankruptcy or is adjudicated insolvent or bankrupt.
- D. If Developer is delinquent in paying taxes owed to the County, unless Developer is protesting or contesting such taxes.
- E. Developer has not obtained a certificate of occupancy, or other form of approval from the County authorizing the use and operation of the Anchor Tenant building within twenty-four (24) months from Developer's receipt of the County's construction permits, as may be extended by the County Judge, or their designee, an event of Force Majeure or mutual agreement in writing by the Parties.

4.16 Notice of Default.

- A. Should the County determine that the Developer is in Default according to the terms of this Agreement, the County shall notify the Developer writing of the event of Default, and provide thirty (30) days from the date of the notice ("Cure Period") for Developer to cure the event of Default; provided, however, if such event of Default is not able to be cured within such thirty (30) day period, the Developer shall be permitted additional time to effectuate such cure, provided, that in no event shall the Cure Period exceed sixty (60) days from the date of notice from the County. Notwithstanding the foregoing, no Party shall be in Default under this Agreement if, within the applicable cure period, the Party to whom the Notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.
- B. In the event of a breach of this Agreement by Developer beyond the applicable Cure Period, the County may seek to exercise its rights to (i) seek to exercise its rights to enforce Developer's obligations hereunder (ii) recover from Developer any legal expenses incurred by the County to enforce provision under this Agreement; and/or (iii) terminate this Agreement by the delivery of written notice pursuant to Section 4.14.
- C. In the event of a breach of this Agreement by the County beyond the Cure Period, Developer may (i) seek to exercise its rights to enforce County's obligations hereunder in order to receive County Sales Tax Rebates due to Developer; (ii) seek to recover from County any legal expenses incurred by Developer to enforce County's payment of monetary obligations under this Agreement; and/or (iii) terminate this Agreement by the delivery of written notice to the County pursuant to Section 4.4.

4.17 Dispute Resolution.

If a dispute arises out of or relates to this Agreement or the breach thereof, the Parties shall first in good faith seek to resolve the dispute through negotiation between the upper management of each respective

Party. If such dispute cannot be settled through negotiation, the Parties agree to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, Dallas, Texas, prior to resorting to litigation, or some other dispute resolution procedure; provided that a Party may not invoke mediation unless it has provided the other Party with written notice of the dispute and has attempted in good faith to resolve such dispute through negotiation. Notwithstanding the foregoing, any Party may seek immediate equitable relief, without attempting to settle a dispute through mediation, in any case where such Party is entitled to equitable relief by law, the terms of the Agreement, or otherwise. All costs of negotiation, mediation, and arbitration collectively known as alternate dispute resolution (“ADR”) shall be assessed equally between the County and Developer with each party bearing their own costs for attorneys’ fees, experts, and other costs of ADR and any ensuing litigation

4.18 Limitations on Liability.

The County shall not be liable for consequential damages, specifically lost profits, and any damages claimed against the County and shall be limited to amounts recoverable under §271.153 of the Texas Local Government Code. By entering into this Agreement, the Parties do not waive, and shall not be deemed to have waived, any rights, immunities, or defenses either may have, including the defense of parties, and nothing contained herein shall ever be construed as a waiver of sovereign or official immunity by the County with such rights being expressly reserved to the fullest extent authorized by law and to the same extent which existed prior to the execution hereof. No employee of County, or any councilmember or agent of County, or any employee, officer, member, manager or partner of Developer, shall be personally responsible for any liability arising under or growing out of this Agreement.

4.19 Ethics Disclosure.

Submitted herewith is a completed Form 1295 generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The County hereby confirms receipt of the Form 1295 from Developer, and the County agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Parties understand and agree that, with the exception of information identifying the County and the contract identification number, neither the County nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by Developer; and, neither the County nor its consultants have verified such information.

4.20 Verifications of Statutory Representations and Covenants.

The Developer makes the following representations and covenants pursuant to Chapters 2252, 2274, and 2276, Texas Government Code, as heretofore amended (the “Government Code”), in entering into this Agreement. As used in such verifications, “affiliate” means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

- A. Not a Sanctioned Company. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Developer and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- B. No Boycott of Energy Companies. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.
- C. No Discrimination Against Firearm Entities. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

4.21 Incorporation of Recitals.

Any recitals in this Agreement are represented by the Parties to be accurate and constitute a part of the Agreement.

[Signatures on the next page]

EXECUTED on this 12th day of January, 2026 (the “Effective Date”).

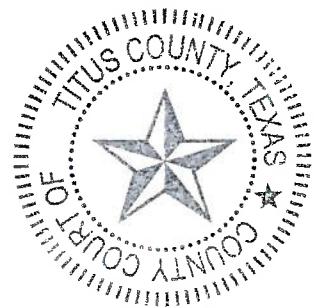
TITUS COUNTY

By: 

Kent Cooper
Titus County Judge

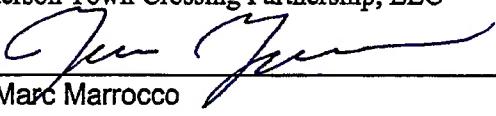
ATTEST:


Leslie Brosnan, County Clerk



Anderson Town Crossing Partnership, LLC

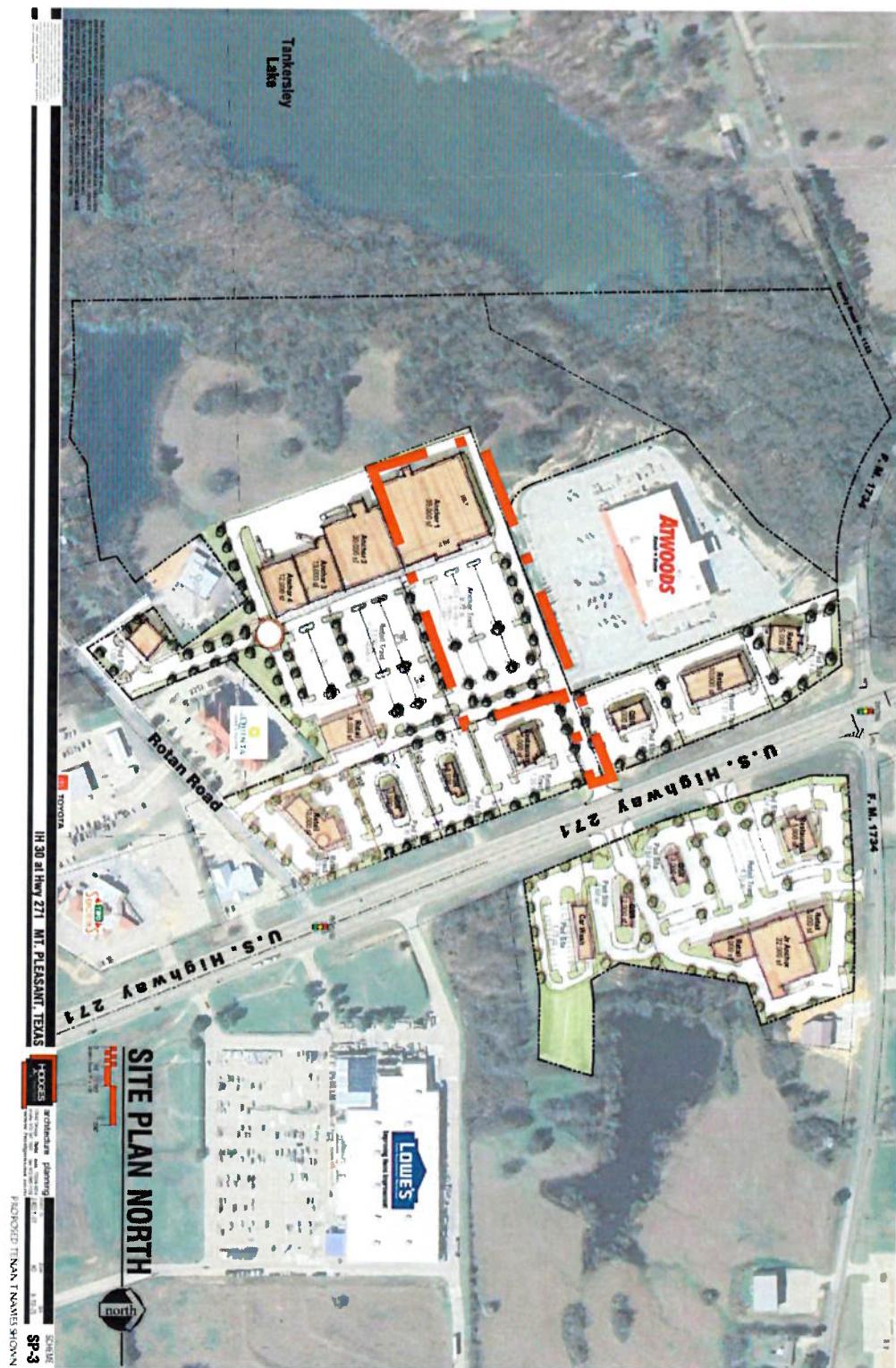
By:


Marc Marrocco

Its: Manager

Date: 1/14/2026

Exhibit A
Anchor Tenant Site Plan



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