

**INCENTIVE AGREEMENT**

This Incentive Agreement is effective February 8th 2023, and is entered into between the following parties:

GO TOPEKA: GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

719 S. Kansas Ave., Suite 100  
Topeka, KS 66603  
Phone: (785) 234-2644  
Fax: (785) 234-8656  
Contact Person/Title: Molly Howey, President, GO Topeka

HARRIS FABRICATION  
2520 N Kansas Ave  
Topeka, KS 66617

**WHEREAS**, HARRIS FABRICATION is a corporation that is in good standing and qualified to do business under the laws of the state of Kansas; and

**WHEREAS**, HARRIS FABRICATION is contemplating investing approximately Two Million One Hundred Thousand Dollars (\$2,100,000.00) in real property located in Shawnee County, Kansas; and

**WHEREAS**, HARRIS FABRICATION intends to expand its operations and, in the process, create thirty (30) full time jobs over the next approximately five (5) years; and

**WHEREAS**, GO TOPEKA desires to assist and promote HARRIS FABRICATION by offering up to One Hundred Ninety Thousand Dollars (\$190,000.00) in employment, capital investment and training incentives; and

**WHEREAS**, HARRIS FABRICATION acting in reliance upon the incentives set forth in this Agreement, has decided to expand its operations in Shawnee County, Kansas; and

**WHEREAS**, the parties wish to memorialize their understanding regarding the details of the incentive package through this legally enforceable contract.

**WITNESSETH:**

**NOW, THEREFORE**, in consideration of such mutual benefits and the mutual covenants and agreements expressed herein, the parties covenant and agree as follows:

1. **Local Employment Incentive.** GO TOPEKA agrees to provide to HARRIS FABRICATION an employment incentive of up to One Hundred Forty-Four Thousand Dollars (\$144,000.00) (the “Employment Incentive”) for new Full Time Employment Positions created by HARRIS FABRICATION over five (5) years, subject to the limitations and requirements outlined herein. The eligibility for Employment Incentive for a new Full Time Employment Position is based on annual employee compensation as follows:

<b><u>Annual Compensation</u></b>	<b><u>Total Employment Incentive</u></b>	<b><u>Per Year</u></b>
• \$48,000 or more	\$4,800	\$960

A Full Time Employment Position receiving compensation of less than \$48,000.00 annually is not eligible for an Employment Incentive.

As used in this agreement, a “Full Time Employment Position” is an employee position that includes approximately 2080 paid hours of service in Shawnee County, Kansas, during each calendar year. For purposes of determining eligibility for Employment Incentives (and the amount thereof), compensation includes salary, bonuses or other cash incentives paid by HARRIS FABRICATION to a full-time employee in a calendar year, but does not include benefits. Each position shall be eligible to receive health insurance benefits, at least part of the premiums of which are paid by HARRIS FABRICATION, and paid time off. Nothing herein shall require that a Full Time Employment Position be held by the same person, nor shall this Agreement preclude HARRIS FABRICATION from changing the title, purpose or utility of a position as long as it meets the other requirements identified herein, including compensation. Each Full Time Employment Position must be one in which HARRIS FABRICATION withholds and pays all federal, state and local employment taxes attributable to the employee. More than one position cannot be aggregated to qualify for an Employment Incentive.

Only new Full Time Employment Positions shall be eligible for the Employment Incentive. A “new” Full Time Employment Position is an otherwise eligible Full Time Employment Position that is in excess of and in addition to the thirty-nine (39) Full Time Employees employed by HARRIS FABRICATION as of November 30, 2022. To qualify for the Employment Incentive, the Full Time Employment Positions must commence on or after November 30, 2022 and be hired and receiving compensation by December 31, 2027.

A Full Time Employment Position shall not fail to qualify for the Employment Incentive if the position is vacated (voluntarily or otherwise) and HARRIS FABRICATION is undertaking

an open and active search and such position is filled within one hundred eighty (180) days after the vacancy during the calendar year. If unfilled for longer than one hundred eighty (180) days during a calendar year, the position will cease to qualify as Full Time Employment Position and will not be eligible for an Employment Incentive for that year.

Notwithstanding anything to the contrary herein, a maximum Employment Incentive available hereunder shall not exceed One Hundred Forty-Four Thousand Dollars (\$144,000.00) in the aggregate. Generally, the maximum annual Employment Incentive payment shall be Twenty-Eight Thousand Eight Hundred Dollars (\$28,800.00); however, if HARRIS FABRICATION is experiencing faster than anticipated growth and the GO TOPEKA budget allows, the yearly Employment Incentive may exceed the noted maximum at the direction of the President of GO TOPEKA.

GO TOPEKA will endeavor to make incentive payments according to the following schedule:

- New Full Time Employment Positions hired between November 30, 2022 and December 31, 2023 will be eligible to receive the first incentive payment installment in 2024;
- New Full Time Employment Positions hired between January 1, 2024 and December 31, 2024 will be eligible to receive the first incentive payment installment in 2025;
- New Full Time Employment Positions hired between January 1, 2025 and December 31, 2025 will be eligible to receive the first incentive payment installment in 2026;
- New Full Time Employment Positions hired between January 1, 2026 and December 31, 2026 will be eligible to receive the first incentive payment installment in 2027;
- New Full Time Employment Positions hired between January 1, 2027 and December 31, 2027 will be eligible to receive the first incentive payment installment in 2028;

provided, however, that HARRIS FABRICATION must first provide GO TOPEKA with sufficient documentation relating to such employment levels (as required elsewhere herein). GO TOPEKA shall make all reasonable efforts to complete payment of all incentive payments within sixty (60) days of the receipt of such sufficient documentation relating to employment levels.

The parties recognize there may be some turnover and fluctuations in HARRIS FABRICATION's employment levels. Therefore, subject to the termination provision, a position may qualify for an Employment Incentive in one year after failing to qualify in a prior year.

For purposes of illustration, if HARRIS FABRICATION hires one (1) new Full Time Employment Position between November 30, 2022 and December 31, 2023 and maintains that position through 2025, plus hires two (2) new Full Time Employment Positions throughout the period between January 1, 2024 and December 31, 2024 and the annual compensation of each of the three (3) positions is at least Forty-Eight Thousand Dollars (\$48,000), HARRIS FABRICATION would be eligible to receive an Employment Incentive installment in the amount of Two Thousand Eight Hundred Eighty Dollars (\$2,880) (3 x \$960) in 2025 upon receipt and verification of appropriate documentation.

2. **Employment Incentive Calculation Documentation.** When and as reasonably requested by GO TOPEKA, HARRIS FABRICATION shall provide GO TOPEKA with state and federal employment tax returns and/or other information reasonably necessary to establish employment levels in Shawnee County, Kansas, for purposes of calculating Employment Incentives and monitoring HARRIS FABRICATION's performance hereunder. GO TOPEKA is granted the right to audit payroll and human resources records at any time during the term of this Agreement. GO TOPEKA is granted the right to reduce payments made to HARRIS FABRICATION by amounts found to be improper, unauthorized or unsubstantiated. GO TOPEKA shall have sole authority in this regard and shall base its decision upon information submitted, including absence of documents to substantiate expenditure.

3. **Employee Training Incentive.** HARRIS FABRICATION may earn an Employee Training Incentive in an amount not to exceed Thirty Thousand Dollars (\$30,000.00) (the "Employee Training Incentive").

For the Full Time Employee Training Incentive, GO Topeka shall reimburse HARRIS FABRICATION for verifiable training costs including, but not limited to, tuition, registration fees, computer software for in-house training and other direct training costs incurred from November 30, 2022 to December 31, 2027 in accordance with the following provisions. HARRIS FABRICATION shall be eligible for One Thousand Dollars (\$1,000.00) in Employee Training Incentive for each net new Full Time Employment Position (as defined in Section 1 "Local Employment Incentive"), up to thirty (30), created by HARRIS FABRICATION. Thus, for HARRIS FABRICATION to receive all Thirty Thousand Dollars (\$30,000.00) in Full Time Employee Training Incentive the company's full time employment would need to increase to at least thirty-nine (39).

A Full Time Employee Training Incentive payment may be made to HARRIS FABRICATION starting in 2024 for training costs incurred by any full time employee (new or existing) at HARRIS FABRICATION in 2023 upon proof of approved training expenses in the form of paid invoices, or other verifiable records confirming payment for approved training expenses. The amount of Full Time Employee Training Incentive available in 2024 will be based on net new Full Time Employment Positions created by HARRIS FABRICATION in 2023. For example, if HARRIS FABRICATION created ten (10) net new Full Time Employment Positions in 2023, increasing the company's full time employee count to thirty-nine (39), HARRIS FABRICATION could receive a reimbursement of up to \$10,000.00 in 2024 for expenses incurred to train any existing or new full-time employee. Payment for training expenses incurred shall be available on a yearly basis thereafter through 2028 based on the previous year's net new job creation and verifiable training costs. GO TOPEKA shall not reimburse HARRIS FABRICATION for wages paid to an employee while they are in training or incidental costs associated with training such as travel expenses, meals, and lodging.

**4. Real Estate Investment Incentive.** For each Five Hundred Twenty-Five Thousand Dollars (\$525,000.00) in expenditure made by HARRIS FABRICATION between November 30, 2022 and December 31, 2027 for the improvement of real estate located at 2520 N Kansas Ave, Topeka, KS 66617 (address) in Shawnee County, Kansas GO TOPEKA shall pay an incentive to HARRIS FABRICATION of Four Thousand Dollars (\$4,000.00) (The "Real Estate Investment Incentive"). The aggregate of said real estate investment incentive payments shall not exceed Sixteen Thousand Dollars (\$16,000.00). HARRIS FABRICATION's real estate investment in Shawnee County is expected to be Two Million One Hundred Thousand Dollars (\$2,100,000.00). The real estate incentive payments shall be made to HARRIS FABRICATION upon GO TOPEKA's receipt of documentary evidence showing the improvement of its real estate. Expenditures related to the Real Estate Investment Incentive must be made by HARRIS FABRICATION between November 30, 2022 and December 31, 2027.

**5. Use of Funds.** The funds received by HARRIS FABRICATION pursuant hereto shall be used for the purpose of purchasing and improving real estate and equipment in Shawnee County, Kansas and for the employment and training of persons to be employed in Shawnee County, Kansas.

6. **Notices.** Any notices required or permitted to be given pursuant to this Agreement may be delivered in person or mailed, certified mail, return receipt requested, to the addresses identified above.

7. **Miscellaneous.** The following miscellaneous provisions shall apply to this Agreement:

a. HARRIS FABRICATION agrees to make every reasonable effort to use, if qualified, Shawnee County residents to fill the new Full Time Employment Positions in Shawnee County, Kansas.

b. HARRIS FABRICATION shall provide prompt advance notice to GO TOPEKA of any material change in HARRIS FABRICATION's ownership, control or management, including issues of insolvency or bankruptcy, or other material changes that could reasonably result in a default by HARRIS FABRICATION under any agreement to which it is a party related to the matters set forth herein, or a change in the Full Time Employment Positions maintained in Shawnee County, Kansas.

c. HARRIS FABRICATION agrees to participate in a public event with GO TOPEKA in Shawnee County, Kansas, celebrating the employment expansion contemplated by this Agreement. Such event would include general recognition of JEDO's and GO TOPEKA's involvement in the project.

d. This writing contains the entire agreement reached between the parties hereto with respect to the subject matter hereof, and may be amended only in writing, duly executed by all parties concerned.

e. This Agreement shall be interpreted under the laws of the state of Kansas. In the event any provision is found to be unenforceable or unconstitutional, all other provisions shall remain in full force and effect.

f. Time is of the essence of this Agreement.

g. By signing this Agreement, the parties affirm that they have the authority of their respective corporations to enter into this Agreement and bind their respective entities.

h. This Agreement shall bind and inure to the benefit of the parties to this Agreement, their heirs, legal representatives, assignees, transferors and successors.

i. No failure by a party to insist on prompt performance by the other party of its obligations hereunder shall constitute a waiver of rights under the Agreement. Similarly, the

waiver by a party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach of that same or any other provision.

j. This Agreement may be executed in counterparts, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one agreement, which shall be binding upon and effective as to all parties.

k. The parties acknowledge and agree that HARRIS FABRICATION shall not assign, transfer, hypothecate or otherwise encumber this Agreement and its rights hereunder, without the prior written approval of GO TOPEKA.

l. Sarbanes-Oxley and similar legislation may have application to, or affect the accounting for, this Agreement by HARRIS FABRICATION.

m. GO TOPEKA makes no representation as to the taxability or tax effect of this Agreement and the incentive payments hereunder.

n. GO TOPEKA's obligations hereunder are contingent upon approval hereof by the Joint Economic Development Organization ("JEDO") and the continued funding of GO TOPEKA at adequate levels through a portion of the Shawnee County retailer's sales tax and/or by JEDO. GO TOPEKA may unilaterally reduce or eliminate any payments hereunder in the event that sufficient funds are not available (taking into account GO TOPEKA's other obligations). GO TOPEKA will endeavor to give HARRIS FABRICATION advance notice of any reduction of funds when practical. HARRIS FABRICATION agrees and understands that if there are not sufficient funds appropriated or available to GO TOPEKA to continue to make any payments hereunder (taking into account GO TOPEKA's other obligations), GO TOPEKA may terminate this Agreement with written notice of termination to HARRIS FABRICATION. The reduction or elimination of any payments, and/or termination of this Agreement pursuant to this paragraph, shall not cause any penalty or damages to be charged to GO TOPEKA and HARRIS FABRICATION waives and releases any rights, causes of action or claims it may have should such insufficiency of funds occur.

o. In carrying out the terms and provisions of this agreement, HARRIS FABRICATION shall not unlawfully discriminate against any employee, applicant for employment, recipient of service or applicant to receive or provide services because of race, color, religion, sex, age, disability, national origin or any other status protected by applicable federal or state law or local ordinance.

p. HARRIS FABRICATION agrees to make a good faith effort to provide relocating information to existing employees, and/or new employees with information/relocation materials regarding Topeka and Shawnee County, that support and promote residency within the Topeka/Shawnee County limits. Annual reporting of these efforts shall be provided to GO TOPEKA during the incentivized period defined in this Agreement.

q. Every duty, right, or obligation contained in this Agreement imposes an obligation of good faith in its performance or enforcement. For the purposes of the Agreement, "good faith" dealing means honesty in fact in the conduct or the transaction concerned.

r. Nothing herein contained shall be construed or held to make any party a partner, joint venture or associate of another party in the conduct of its business, nor shall either party be deemed the agent of the other, it being expressly understood and agreed that the relationship between the Parties hereto is and shall at all times remain contractual as provided by the terms and conditions of this Agreement.

s. The parties agree to execute and deliver such other documents, agreements or instruments as may be necessary or convenient to effect the purposes of this Agreement and to comply with any of the terms hereof.

t. Any dispute or claim arising out of or relating to this Agreement shall be submitted to mediation utilizing a mediator jointly selected by the parties from a pool of candidates who regularly provide mediation services in northeast Kansas. The parties will each be responsible for paying fifty percent (50%) of the fees, costs and expenses of mediation. If the parties are unable to resolve their dispute through mediation, the parties hereby agree to submit their dispute to binding arbitration under the rules and procedures of the American Arbitration Association ([www.adr.org](http://www.adr.org)).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first above written.



“HARRIS FABRICATION”

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

“GO TOPEKA”

GROWTH ORGANIZATION OF TOPEKA/SHAWNEE COUNTY, INC.

By: \_\_\_\_\_

Print Name: Molly Howey

Title: President, GO Topeka