

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): June 7, 2022

LEGACY HOUSING CORPORATION

(Exact name of registrant as specified in its charter)

<u>Texas</u> (State or Other Jurisdiction of Incorporation)	<u>001-38761</u> (Commission File Number)	<u>20-2897516</u> (IRS Employer Identification No.)
<u>1600 Airport Freeway, #100, Bedford, Texas</u> (Address of Principal Executive Offices)		<u>76022</u> (Zip Code)

Registrant's Telephone Number, Including Area Code: (817) 799-4900

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class:</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered:</u>
Common Stock (\$0.001 par value)	LEGH	NASDAQ Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Appointment of Duncan Bates as President and CEO

Effective June 7, 2022, the Board of Directors (the “Board”) of Legacy Housing Corporation (the “Company”), appointed Duncan Bates as President and Chief Executive Officer (“CEO”).

Mr. Bates most recently served as Senior Vice President, Mergers & Acquisitions of Arcosa Inc., a publicly traded infrastructure products company since August 2018. Under his leadership, Arcosa executed 16 acquisitions and 2 divestitures in a three and ½ year period to reposition its portfolio around growth-oriented, high-margin products. Previously, he served as a Vice President in the Industrials Investment Banking Group at Stephens Inc. from June 2015 to August 2018. From February 2012 to June 2015, he worked in the Energy Investment Banking Group at Seaport Global Securities, LLC. Mr. Bates began his career in New York at Willis Re Inc. in July 2010. Mr. Bates received his B.S. Management degree with a double major in Finance and Legal Studies from Tulane University.

Mr. Bates replaces Kenneth Shipley, who as part of the management reorganization, will remain with the Company as Founder and Executive Vice President. Mr. Shipley will also remain a member of the Board.

Mr. Bates resigned from the Company’s Board effective June 7, 2022.

The Company also entered into an employment agreement (the “Agreement”) with Mr. Bates on June 7, 2022.

The Agreement provides for a term that commences on June 7, 2022 (the “Effective Date”) and expires on June 7, 2027, (the “Initial Employment Period”). Pursuant to the Agreement, Mr. Bates will serve in his current position with the Company, as set forth above, and will have duties, responsibilities, and authority that are customary to such position.

The Agreement provides for Mr. Bates to receive a base salary of \$300,000 per year and a signing bonus consisting of a restricted stock award of 14,700 shares of Company common stock, which shall vest one-half each of the first and second anniversary of the Effective Date. Mr. Bates is eligible for an annual incentive bonus that will be determined by the Board. The Agreement grants Mr. Bates an option to purchase 300,000 shares of Company common stock at an exercise price of \$36 per share, which shall vest one-tenth on each anniversary of the Effective Date and have a term of ten years and shall also be subject to the terms of the Company’s 2018 Incentive Plan. The Agreement also grants Mr. Bates an option to purchase 600,000 shares of Company common stock at an exercise price of \$48 per share, which shall vest one-tenth on each anniversary of the Effective Date and have a term of ten years and shall also be subject to the terms of the Company’s 2018 Incentive Plan. Mr. Bates is also entitled to receive such health, death, disability, and other insurance benefits, and to participate in such retirement and other plans, as are made available to other executive officers of the Company.

The Agreement contains certain customary non-competition, non-solicitation and confidentiality provisions.

The foregoing summary and description of the Agreement are not and do not purport to be complete and are subject to, and qualified in its entirety by, the full text of the Agreement, a copy of which is filed as exhibit 10.1 is incorporated herein by reference.

Appointment of Francisco Coll as Director

On June 7, 2022, the Company’s Board appointed Francisco J. Coll to fill the vacancy in the Board created by the resignation of Duncan Bates. Mr. Coll’s appointment as a director is effective immediately and his term as a director will continue until the Company’s 2022 Annual Meeting of Stockholders or until his successor is duly elected and qualified. The Board determined that Mr. Coll is independent under the rules and regulations of both the Securities and Exchange Commission (the “SEC”) and the NASDAQ Stock Market. Mr. Coll will serve as Chairman of the Nominating and Corporate Governance Committee and is a member of the Audit Committee.

Mr. Coll has served as the President of Universal Air Conditioner, Inc., a wholesale distributor of aftermarket auto parts since March 2015. Previously, he was the US Head of Sales for BTG Pactual, a Brazilian investment bank and asset manager that operates throughout Latin America, from March 2011 until March 2015. Mr. Coll began his career at UBS Investment Bank in the sales & trading and wealth management rotational program in July 2007. Mr. Coll received his B.S. degree in East Asian Studies with a minor in Financial Economics from Vanderbilt University.

There are currently no agreements, arrangements or understandings between Mr. Coll and any other person pursuant to which Mr. Coll was appointed to serve as a member of the Board. The Company is not aware of any transaction in which Mr. Coll has an interest requiring disclosure under Item 404(a) of the SEC's Regulation S-K. Mr. Coll's compensation as a non-employee director will be the same as provided to the Company's other non-employee directors.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Employment Agreement, effective June 7, 2022 by and between Legacy Housing Corporation and Duncan Bates.
99.1	Press Release announcing appointment of Duncan Bates as President and CEO of Legacy Housing Corporation.
104	Cover Page Interactive Data File (formatted as Inline XBRL).

SIGNATURES

Pursuant to the requirement of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LEGACY HOUSING CORPORATION

Date: June 13, 2022

By: /s/ Curtis D. Hodgson

Name: Curtis D. Hodgson

Title: Executive Chairman of the Board

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”), made as of this 7th day of June 2022, by and between Legacy Housing Corporation, a Texas corporation having its principal office at 1600 Airport Freeway, #100, Bedford, Texas 76002 (the “Company”) and Duncan Bates (the “Employee,” and together with the Company, the “Parties”).

WHEREAS, the Company desires to employ the Employee as its Chief Executive Officer, and the Employee is willing to accept and undertake such employment, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein set forth, the Company and the Employee agree as follows:

1. EMPLOYMENT. The Company agrees to and does hereby employ the Employee and the Employee agrees to and does hereby accept employment by the Company, as its Chief Executive Officer, beginning June 7, 2022 (the “Effective Date”) and ending on the fifth anniversary thereof (the “Initial Employment Period”). The Agreement shall automatically renew for subsequent one-year periods (each such period, a “Renewal Employment Period”) commencing at the end of the Initial Employment Period and each anniversary thereof, unless either party provides written notice of the termination of the Agreement at least forty-five (45) days in advance of the end of the Initial Employment Period or any subsequent Renewal Employment Period. Notwithstanding the foregoing, if a Change of Control (as defined in the Company’s 2018 Incentive Compensation Plan or any successor plan thereto (the “Incentive Plan”)) occurs at a time when there is less than two years remaining in the Initial Employment Period, the Agreement shall remain in effect for at least two years following the date of the Change of Control and such period shall be considered a Renewal Period. The Initial Employment Period and any subsequent Renewal Period are collectively referred to herein as the “Employment Period.”

2. DUTIES; FULL-TIME SERVICES.

2.1 Duties. The Employee’s responsibilities and duties shall include, without limitation, the right to manage and conduct the business of the Company. The Employee shall report directly to the Board of Directors of the Company (the “Board of Directors”) and will be subject only to policies adopted by the Company and policies set by the Board of Directors. The Employee shall perform such other reasonable and appropriate duties as are assigned to him from time to time by the Board of Directors, provided that such other duties shall not diminish the prestige and responsibilities of the Employee’s position. At the request of the Board of Directors, the Employee shall serve the Company and/or any of its subsidiaries and affiliates in other capacities in addition to the foregoing, consistent with the Employee’s position as Chief Executive Officer of the Company.

2.2 Full-Time Services. The Employee agrees that during the Employment Period he will devote all of his full business time and energies to his responsibilities for the

business and affairs of the Company, and will faithfully and to the best of his ability, discharge those duties to the reasonable satisfaction of the Board of Directors of the Company. During the Employment Period the Employee will not accept other gainful employment or become or remain an officer or director of any other corporation except with the consent of the Board of Directors.

3. COMPENSATION.

3.1 For all services performed by the Employee for the Company during the Employment Period, the Employee will be compensated as follows:

(a) Base Salary. The Employee shall receive a base salary of \$300,000 per annum (as increased from time to time, the “Base Salary”), paid in accordance with the Company’s normal payroll.

(b) Annual Bonus. The Employee shall be eligible to receive an annual incentive bonus, as determined by the Board (the “Annual Bonus”). The Annual Bonus will be based on criteria developed by the Employee and the Board of Directors (or the Compensation Committee) with respect to the Company’s fiscal year. Payment of the Annual Bonus will be made in a single lump sum cash payment between January 1st and March 15th of the calendar year following the calendar year for which the Annual Bonus is awarded. The Company will pay Executive such Annual Bonus only if the Executive is employed by the Company on the last day of the Company’s fiscal year with respect to which the Annual Bonus relates.

(c) Signing Bonus As soon as practicable after the Effective Date, the Company shall grant to the Employee a restricted stock award of 14,700 shares of the Company’s common stock, which shall be subject to the terms of an award agreement and the Incentive Plan and shall vest one-half each on each of the first and second anniversary of the Effective Date.

(d) Equity Awards.

(i) As soon as practicable after the Effective Date, the Company shall grant to the Employee Qualified Stock Options to purchase [\bullet]² shares of the Company’s common stock, which shall be subject to the terms of an award agreement and the Incentive Plan and shall vest one-tenth on each anniversary of the Effective Date.³

(ii) The Company shall immediately grant to Employee an option to purchase 300,000 shares of Company common stock at an exercise price of \$36 per share (the “First Share Price Threshold”), which shall vest one-tenth on each anniversary of the Effective Date and have a term of ten years and shall otherwise be subject to the terms of the Incentive Plan. The First Share Price Threshold and number of options described

¹ To be \$250,000 as of date of signing.

² To be \$1,000,000 as of effective date.

³ Vested options to be exercised within 90 days following employment.

herein shall be adjusted to reflect any stock split or reverse stock split that occurs after the Effective Date and prior to the grant of the options.⁴

(iii) The Company shall immediately grant to Employee an option to purchase 600,000 shares of Company common stock at an exercise price of \$48 per share (the “Second Share Price Threshold”), which shall vest one-tenth on each anniversary of the Effective Date and have a term of ten years and shall otherwise be subject to the terms of the Incentive Plan. The Second Share Price Threshold and number of options described herein shall be adjusted to reflect any stock split or reverse stock split that occurs after the Effective Date and prior to the grant of the options.⁵

3.2 Other Benefits. The Employee will be entitled to receive such health, death, disability and other insurance benefits, and to participate in such retirement and other plans, as are made available to other executive officers of the Company.

4. DISCHARGE OF EMPLOYEE; RESIGNATION.

4.1 Termination at the Company’s Election.

(a) For Cause. The Company may discharge the Employee immediately and without notice during the Employment Period for Cause. For purposes of this Agreement, “Cause” shall mean the occurrence of any one or more of the following events: (i) the Employee’s gross misconduct in the performance of his duties with the Company (other than any such failure resulting from the Employee’s incapacity due to physical or mental illness), after written demand for performance is delivered to the Employee by the Board of Directors, which demand specifically identifies the manner in which the Board of Directors believes the Employee has not performed his duties but only if the Employee has not cured the failure within fifteen (15) days of receiving such notice; (ii) the Employee’s commission of an act of fraud or material dishonesty resulting in material reputational, economic or financial injury to the Company; (iii) during the Employment Period, the Employee’s commission of, including any entry by the Employee of a guilty or no contest plea to, a felony or other crime involving moral turpitude; (iv) a material breach by the Employee of his fiduciary duty to the Company which results in material reputational, economic or other injury to the Company; or (v) the Employee’s material breach of his obligations under a written agreement between the Company and the Employee, including, without limitation, such a breach of this Agreement, which is not cured within fifteen (15) days after receipt of notice from the Company of the specific nature of the breach, including but not limited to the specific provision of the agreement that the Employee has breached. If the Employee is discharged under this Section 4.1(a), the Company will have no liability under this Agreement to the Employee other than (i) to pay any Base Salary that has accrued but not been paid, and (ii) to pay any accrued paid time off that has not been paid, to the extent payment is required by Company policy or law (collectively, the “Accrued Payments”).

⁴ Vested options to be exercised within 90 days following employment.

⁵ Vested options to be exercised within 90 days following employment.

(b) Upon Disability or Death. The Employee may be terminated if, during the Employment Period, (i) the Employee should by reason of any medically determinable physical or mental impairment, become unable to perform, with or without reasonable accommodation, the essential functions of his job for the Company hereunder and such incapacity has continued for a total of ninety (90) consecutive days or for any one hundred eighty (180) days in a period of three hundred sixty-five (365) consecutive days (a "Disability") or (ii) the Employee's death ("Death"). If the Employment is discharged under this Section 4.1(b), the Company will have no other liability under this Agreement to the Employee other than to pay the Accrued Payments.

(c) Without Cause. The Employee and the Company expressly agree that nothing in this Agreement shall prohibit the Company from discharging the Employee for any reason by giving thirty (30) days advance written notice to the Employee and that any such discharge will not constitute a breach of this Agreement. If the Company discharges the Employee for any reason other than as set forth in Sections 4.1(a) or 4.1(b) above, the Company will pay to the Employee (subject to the Employee's execution and delivery of a general release of claims in favor of the Company), (i) the Base Salary for a one year period immediately following the Employee's termination, which will be paid periodically, as though he were still on the Company's payroll, and (ii) the Annual Bonus for the year of termination, which will be paid at the time bonuses are normally paid, based on actual achievement of the performance criteria, but pro-rated for the Employee's period of employment during the fiscal year in which the termination occurs. In addition, the Company will provide the Employee with benefits as the Employee is receiving upon the date of discharge for the twelve (12) month period following the Employee's termination. The Company will also pay the Accrued Payments.

4.2 Termination by Executive. Notwithstanding anything contained elsewhere in this Agreement to the contrary, the Employee may terminate his employment hereunder at any time and for any reason whatsoever or for no reason at all in the Employee's sole discretion by giving thirty (30) days' written notice to the Company pursuant to Section 11 ("Voluntary Resignation"). If the Employee's employment terminates under this Section 4.2, the Company will have no other liability under this Agreement to the Employee, other than to pay the Accrued Payments.

4.3 Change of Control. If there is a Change of Control (as defined in the Incentive Plan), and subsequent thereto the Employee's employment with the Company terminates within two years after a Change of Control pursuant to Section 4.1(b) or 4.2(a), the Employee shall be paid twelve (12) months of Base Salary in a lump sum within sixty (60) days following his termination, subject to the Employee's execution and delivery of a general release of claims in favor of the Company.

5. CONFIDENTIALITY.

5.1 Definition and Use of Confidential Information. As used in this Agreement, "Confidential Information" means trade secrets and any other proprietary or confidential information that derives independent economic value to the Company from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use and that is the subject of efforts by the Company that are reasonable under the

circumstances to maintain its secrecy. Confidential Information may include, but not be limited to, inventions, disclosures, processes, systems, know-how, methods, techniques, drawings, applications, solutions, materials, devices, research activities and plans, scientific data, specifications, costs of production, prices, promotional methods, financial information, marketing plans or customer and supplier information.

The Employee agrees that any Confidential Information which the Employee may acquire in the course of employment with the Company, shall be regarded as held by him in a fiduciary capacity solely for the benefit of the Company, and shall not at any time, either during the term of this Agreement or thereafter, be disclosed, divulged, furnished or made available to any third party or be otherwise used by the Employee other than in the regular course of business of the Company. Information or collections of information shall be considered covered by the preceding sentence if not known by the public generally, even though portions of such information may be publicly available or may be available to certain third parties pursuant to arrangements with the Company.

5.2 Delivery of Confidential Information upon Termination. Upon termination of his employment with the Company, the Employee will deliver to the Company all writings relating to or containing Confidential Information, including without limitation, notes, memoranda, letters, drawings, diagrams, printouts, computer tapes, computer disks, and any other form of recorded information.

5.3 Exemption from Liability. The Employee shall not be considered in breach of this Section 5 and shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of any Confidential Information, including a trade secret, that is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and is made solely for the purpose of reporting or investigating a suspected violation of law. The same immunity will be provided for the disclosure of any Confidential Information (including a trade secret) that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. The Employee may also, in connection with filing a lawsuit for retaliation by the Company for reporting a suspected violation of law, disclose the Confidential Information (including a trade secret) to the Employee's attorney and use such information in the court proceeding if the Employee files any document containing such information under seal and does not disclose the information, except pursuant to court order.

6. DEVELOPMENTS. The Employee agrees promptly to disclose to the Company all inventions, improvements, enhancements, discoveries and developments which are within the scope of the Company's business during the Employment Period and which are made, developed, or conceived by him, either solely or jointly with others, during the Employment Period. All such inventions, improvements, enhancements, discoveries and developments shall become and remain the property of the Company, whether or not patent or copyright applications are filed thereon or with respect thereto, and the Employee, in consideration for the execution of this Agreement and his employment by the Company, hereby sells, assigns and transfers to the Company all right, title and interest in and to such inventions, improvements, enhancements, discoveries and developments and further agrees that he will cooperate fully and unconditionally

in all reasonable requests by the Company in furtherance of protecting, developing or exploiting commercially any inventions, improvements, enhancements, discoveries and developments disclosed pursuant to this Section 6. Further, the Employee agrees that he will promptly execute all necessary documents requested of him by the Company incidental to any patent or copyright applications, assignments, powers of attorney and all other documents and do such other things as, in the opinion of counsel for the Company, may be necessary or useful for the full enjoyment thereof throughout the world by the Company and its designees.

7. NON-SOLICITATION; NON-COMPETITION.

7.1 Non-Solicitation. In addition to the limitations contained in Section 2, the Employee agrees that during the term of this Agreement, and for a period of two years after termination of this Agreement, that he shall not in act in any capacity, either separately or in association with others, on behalf of any party other than the Company to: (1) employ or solicit for employment or endeavor in any way to entice away from employment with Company (a) any current employee of Company or (b) any person who was employed by Company in any preceding 12-month period; (2) solicit, induce or influence any supplier, customer, agent, consultant or other person that has a business relationship with Company to discontinue, reduce or modify such relationship with the Company; nor (3) solicit or enter into negotiations with any of the Company's identified potential acquisition candidates who were identified during the Employment Term.

7.2 Non-Competition. The Employee agrees that for a period of one year after termination of his employment with the Company he will not compete, directly or indirectly, with the Company in fields of business in which the Company is engaged as of the date of the termination of his employment in any state in which the Company is conducting business. For purposes of this Section 7.2 direct competition means designing, developing, producing or selling products competitive with those of the Company. Indirect competition means accepting employment, and performing the same or similar functions as the Employee performs for the Company, with a third party which provides products competitive with the Company's products.

7.3 Enforcement. The Employee acknowledges and agrees that in the event of a violation or Employee's threatened violation of Sections 7.1 or 7.2 (the "Restrictive Covenants"), the Company shall have no adequate remedy at law and shall therefore be entitled to enforce each such provision by temporary or permanent injunction or mandatory relief obtained in any court of competent jurisdiction without the necessity of proving damages, posting any bond or other security, and without prejudice to any other rights and remedies that may be available at law or in equity. If either of the Restrictive Covenants, or any part thereof, are held to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid or unenforceable portions. Without limiting the generality of the foregoing, if either of the Restrictive Covenants, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties hereto agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, such provision shall then be enforceable.

8. ABILITY TO PERFORM. The Employee hereby represents and warrants to the Company that he has entered into no agreements which in any way limit or render the Employee incapable of performing his obligations under this Agreement or his fiduciary duties as the Chief Executive Officer of the Company.

9. SURVIVAL OF OBLIGATIONS. The covenants and agreements set forth in this Agreement shall survive any termination of this Agreement and remain in full force and effect regardless of the cause of the termination to the full extent necessary to protect the interest of the party in whose favor they run.

10. ASSIGNABILITY OF AGREEMENT.

10.1 By Employee. Except as otherwise provided in this Agreement, the Employee shall not be entitled to assign (voluntarily or involuntarily, by operation of law or otherwise) any of his rights under this Agreement, nor delegate any of his duties or obligations under this Agreement, without the prior written consent of the Company.

10.2 By the Company. The benefits hereunder with respect to the rights of the Company to the services of the Employee may be assigned by the Company, with the consent of the Employee, to any other company or other business entity which succeeds to all or substantially all of the business of the Company through merger, consolidation, corporate reorganization or by acquisition of all or substantially all of the assets of the Company or to a company controlled by it, or controlling it, or under common control with it; provided, however, that the assignment shall not be effective unless the assignee specifically agrees in writing to be bound by, and assume, the obligations and liabilities of the Company under this Agreement.

11. NOTICES. All notices, consents, waivers or demands of any kind which either party to this Agreement may be required or may desire to serve on the other party in connection with this Agreement, shall be in writing and may be delivered by personal service or sent by facsimile or email or sent by registered or certified mail, return receipt requested, with postage thereon fully prepaid. All such communications shall be addressed as follows:

Corporation:	Legacy Housing Corporation 1600 Airport Freeway, #100 Bedford, Texas 76002
with copies to:	Spencer G. Feldman, Esq. Olshan Frome Wolosky LLP 1325 Avenue of the Americas, 15th Floor New York, New York 10019
Employee:	Duncan Bates 2828 McKinnon St, Apt 1406 Dallas TX, 75201

If sent by facsimile or email, a confirmed copy of such facsimile or email notice shall promptly be sent by mail (in the manner provided above) to the addresses. Service of any such communication made only by mail shall be deemed complete on the date of actual delivery as shown by the addressee's registry or certification receipt or at the expiration of the third (3rd) business day after the date of mailing, whichever is earlier in time. Either party thereto may from time to time, by notice in writing served upon the other as aforesaid, designate a different mailing address or a different person to which such notices or demands are thereafter to be addressed or delivered. Nothing contained in this Agreement shall excuse either party from giving oral notice to the other when prompt notification is appropriate, but any oral notice given shall not satisfy the requirement of written notice as provided in this Section.

12. SUPERSEDES OTHER AGREEMENTS. This Agreement supersedes and replaces all prior negotiations, proposed agreements and agreements, written or oral regarding the subject matter herein.

13. GOVERNING LAW. This Agreement shall be interpreted and enforced according to the laws of the State of Texas (regardless of that jurisdiction's or any other jurisdiction's choice of law principles). The parties agree to submit any dispute, claim or controversy relating to this Agreement, the Employee's employment or the termination thereof to arbitration under the Employment Arbitration Rules of the American Arbitration Association, which shall have exclusive jurisdiction over such dispute. The parties agree to enter into mediation prior to arbitration.

14. SEVERABILITY. If any provision of this Agreement is or becomes or is deemed invalid, illegal, or unenforceable in any jurisdiction, (a) such provision will be deemed amended to conform to applicable laws of such jurisdiction so as to be valid and enforceable, or, if it cannot be so amended without materially altering the intention of the parties, it will be stricken, (b) the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction, and (c) the remainder of this Agreement will remain in full force and effect.

15. TAX WITHHOLDING. All compensation payable to the Employee under this Agreement is stated in gross amounts and shall be subject to all applicable withholding taxes, other normal payroll deductions and any other amounts required by law to be withheld. Notwithstanding any provision in any award agreement issued under the Incentive Plan to the contrary, the Employee may satisfy any tax withholding obligations with respect to any equity issued under the Incentive Plan by electing to have the Company withhold a number of shares otherwise to be issued to the Employee having a fair market value equal to the taxes to be withheld.

16. SECTION 409A. The intent of the parties is that payments and benefits under this Agreement comply with, or be exempt from, Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this

Agreement shall be interpreted and administered accordingly. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment that are considered “nonqualified deferred compensation” under Code Section 409A unless such termination is also a “separation from service” within the meaning of Code Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.” With regard to any provision herein that provides for reimbursement of costs and expenses or in-kind benefits, except as permitted by Code Section 409A, (i) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year, provided that the foregoing clause (ii) shall not be violated without regard to expenses reimbursed under any arrangement covered by Code Section 105(b) solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of the Employee’s taxable year following the taxable year in which the expense occurred. For purposes of Code Section 409A, the Employee’s right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days (e.g., “within sixty (60) days following the date of termination”), the actual date of payment within the specified period shall be within the sole discretion of the Company. If the Employee is a specified employee within the meaning of Section 409A(a)(2)(B)(i) of the Code and would receive any payment sooner than 6 months after the Employee’s “separation from service” that, absent the application of this Section 16, would be subject to additional tax imposed pursuant to Section 409A of the Code as a result of such status as a specified employee, then such payment shall instead be payable on the date that is the earliest of (i) 6 months after the Employee’s “separation from service,” or (ii) the Employee’s death.

17. SECTION 280G. In the event that any payments, distributions, benefits or entitlements of any type payable to the Employee (the “Total Payments”) would (i) constitute “parachute payments” within the meaning of Section 280G of the Code (which will not include any portion of payments allocated to the restrictive covenant provisions of Section 7 hereof that are classified as payments of reasonable compensation for purposes of Section 280G of the Code), and (ii) but for this paragraph would be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then the Total Payments shall be either: (a) provided in full, or (b) provided as to such lesser extent as would result in no portion of such Total Payments being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the Excise Tax, results in the Employee’s receipt on an after-tax basis of the greatest amount of the Total Payments, notwithstanding that all or some portion of the Total Payments may be subject to the Excise Tax. Unless the Company and the Employee otherwise agree in writing, any determination required under this Section 17 shall be made in writing in good faith based on the advice of a nationally recognized accounting firm selected by the Company (with approval of the Employee) (the “Accountants”). In the event of a reduction of benefits hereunder, benefits shall be reduced by first reducing or eliminating the portion of the Total Payments that are payable in cash under this Agreement (with the latest

payments being forfeited first) and then by reducing or eliminating any amounts that are payable with respect to long-term incentives including any equity-based or equity-related awards (whether payable in cash or in kind). For purposes of making the calculations required by this Section 17, the Accountants may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of the Code, and other applicable legal authority. The Company and the Employee shall furnish to the Accountants such information and documents as the Accountants may reasonably require in order to make a determination under this Section 17, and the Company shall bear the cost of all fees the Accountants charge in connection with any calculations contemplated by this Section 17.

18. COUNTERPARTS. This Agreement may be executed in two original counterparts. Both counterparts shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into the above Agreement as of the day and year first above written.

/s/ Duncan Bates
Duncan Bates 6-7-22

LEGACY HOUSING CORPORATION

By: /s/ Curtis D. Hodgson
Name: Curtis D. Hodgson
Title: Executive Chairman of the Board



Legacy Housing Corporation Announces Appointment of Duncan Bates as President and Chief Executive Officer

June 8, 2022

BEDFORD, Texas, - Legacy Housing Corporation (the "Company," NASDAQ: LEGH) today announced that Duncan Bates, a member of the Company's Board of Directors and Senior Vice President, Mergers & Acquisitions of Arcosa, Inc. (NYSE: ACA) has been appointed President and Chief Executive Officer, effective June 7, 2022.

Curt Hodgson, Executive Chairman of Legacy, stated: "I am thrilled to name Duncan as the President and CEO of Legacy. He brings a wealth of knowledge and experience in corporate finance and capital allocation that will assist us in operating as a public company and strategically growing our business. Duncan has a proven track record of leadership and is an important step in Legacy's succession plan."

Mr. Bates replaces Kenny Shipley, who, as part of the management reorganization, will remain with Legacy as Founder and Executive Vice President. Mr. Shipley will also remain a member of the Company's Board of Directors (the "Board"). Mr. Bates resigned from the Company's Board effective June 7, 2022. Effective June 7, 2022, Francisco Coll was appointed to the Company's Board as an Independent Director and will also serve on the Audit Committee.

Mr. Hodgson added, "We are excited that Kenny remains a key part of our team, and I look forward to the new roles both Duncan and Francisco will play in the leadership of Legacy."

Duncan Bates Bio

Duncan (34) most recently served as Senior Vice President, Mergers & Acquisitions of Arcosa Inc., a publicly traded infrastructure products company, since August 2018. Under his leadership, Arcosa executed 16 acquisitions and 2 divestitures in a 3.5-year period to reposition its portfolio around growth-oriented, high-margin products. Previously, he served as a Vice President in the Industrials Investment Banking Group at Stephens Inc. from June 2015 to August 2018. From February 2012 to June 2015, he worked in the Energy Investment Banking Group at Seaport Global Securities, LLC. Mr. Bates began his career in New York at Willis Re Inc. in July 2010. Duncan received his B.S. Management degree with a double major in Finance and Legal Studies from Tulane University.

Francisco Coll Bio

Francisco (37) was appointed to our Board of Directors on June 7, 2022. He has served as the President of Universal Air Conditioner, Inc., a wholesale distributor of aftermarket auto parts, since March 2015. Previously, he was the US Head of Sales for BTG Pactual, a Brazilian investment bank and asset manager that operates throughout Latin America, from March 2011 until March 2015. Mr. Coll began his career at UBS Investment Bank in the sales & trading and wealth management rotational program in July 2007. Francisco received his B.S. degree in East Asian Studies with a minor in Financial Economics from Vanderbilt University.

About Legacy Housing Corporation

Legacy Housing Corporation builds, sells and finances manufactured homes and "tiny houses" that are distributed through a network of independent retailers and company-owned stores. The Company also sells directly to manufactured housing communities. Legacy is the sixth largest producer of manufactured homes in the United States as ranked by number of homes manufactured based on the information available from the Manufactured Housing Institute. With current operations focused primarily in the southern United States, we offer our customers an array of quality homes ranging in size from approximately 390 to 2,667 square feet consisting of 1 to 5 bedrooms, with 1 to 3 1/2 bathrooms. Our homes range in price, at retail, from approximately \$22,000 to \$140,000.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the Securities and Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Legacy Housing undertakes no obligation to update any such forward-looking statements after the date hereof, except as required by law. Investors should not place any reliance on any such forward-looking statements.

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