
Monday, May 20, 2024

5:00 PM

Bastrop Economic Development Corporation (BEDC) meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at (512) 332-8800 or write 1311 Chestnut Street, 78602, or by calling through a T.D.D. (Telecommunication Device for the Deaf) to Relay Texas at 1-800-735-2989 at least 48 hours in advance of the meeting.

The BEDC Board reserves the right to reconvene, recess, or realign the Regular Session or call Executive Session or order of business at any time prior to adjournment.

1. CALL TO ORDER

2. PUBLIC COMMENT(S)

At this time, three (3) minute comments will be taken from the audience on any topic. Anyone in attendance wishing to address the BEDC Board must complete a citizen comment form prior to the start of the meeting. In accordance with the Texas Open Meetings Act, if a citizen discusses any item not on the agenda, the BEDC Board cannot discuss issues raised or make any decision at this time. Instead, the Board is limited to making a statement of specific factual information or a recitation of existing policy in response to the inquiry.

3. WORKSHOP SESSION

3.A Workshop and possible action to discuss the BEDC budget and plan of work for Fiscal Year 2025.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim Director of the BEDC and City Manager

4. REGULAR BUSINESS & PRESENTATIONS

4.A Approval of meeting minutes from the Regular BEDC Board Meeting of April 15, 2024, and the Special Board Meeting of May 8, 2024.

Submitted by: Angela Ryan, BEDC Operations Manager

4.B Receive financial report for the period ending April 2024.

Submitted by: Edi McIlwain, City of Bastrop Chief Financial Officer

- [4.C](#) Discussion and possible action regarding the BEDC's Revolving Loan Fund (RLF), including possible edits to the document and the appointment of members to the RLF Committee.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim Director of the BEDC and City Manager

- [4.D](#) Consideration and possible action on Resolution No. R-2024-0005 authorizing a amendments to the real estate purchase contract and economic development performance agreement with Acutronic.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim Director of the BEDC and City Manager

- [4.E](#) Public hearing, consideration, and possible action on Resolution No. R-2024-0006 regarding an application for variances from the BEDC's Sixth Amended Protective Covenants for the Bastrop Business and Industrial Park, submitted by Acutronic.

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM, Interim Director of the BEDC and City Manager

4.E(1) Hold a public hearing.

4.E(2) Action on Acutronic application for variances from the BEDC's Sixth Amended Protective Covenants for the Bastrop Business and Industrial Park.

5. EXECUTIVE SESSION

- 5.A The Bastrop EDC Board of Directors will meet in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

(1) Section 551.087 Economic Development Negotiations regarding performance agreement and purchase contract with Acutronic Real Estate, Inc.

(2) Section 551.087 Economic Development Negotiations regarding a Letter of Intent from Project Electric Lion

(3) Section 551.071 Consultation with Attorney regarding the Performance Agreement with Project Fiesta

- 5.B The Bastrop EDC Board of Directors will reconvene into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein.

6. ADJOURNMENT

CERTIFICATE

I, the undersigned authority, do hereby certify that this Notice of Meeting as posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located at the entrance to the City of Bastrop City Hall, a place convenient and readily accessible to the general public, as well as to the BEDC's website, www.bastropedc.org/about/board-materials and said Notice was posted on the following date and time: May 15, 2024, at 6:00 p.m. and remained posted for at least two hours after said meeting was convened.

/s/ Angela Ryan
Angela Ryan, Operations Manager



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Workshop and possible action to discuss the BEDC budget and plan of work for Fiscal Year 2025.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM

BACKGROUND/HISTORY:

The BEDC board recently adopted their amended budget after the city-wide election reducing the revenue received to 1/8th of a cent. This will be the starting point for the budget discussions.

As shown in the table below, revenue from Sales Tax, interest, etc is estimated at \$1.4M and expenses at \$1.326M with a small balance remaining that will fall to fund balance.

Proposed FY 25 Budget	Proposed Revenue	Proposed Expenses	Remaining
	1,402,572.50	1,326,470.57	76,101.93
Estimated FY 25 Ending Fund Balance	Unaudited Beginning Fund Balance	FY 25 Budget	Estimated Ending Fund Balance
	10,399,066.00	76,101.93	5,735,323.93

The fund is drawn down due to existing encumbrances for city projects and land rebates for existing performance agreements such as MOCA, Acutronic, and Technical Adhesives. No future city projects are planned.

The workplan starting point will be the items as follows:

1. Sports Complex
 - a. Engage a consultant to assist in crafting an RFP/RFQ for potential legal, business outreach, and other support services.
2. Complete the existing contracts with Acutronic and other potential businesses on the remaining tracts not inclusive of the proposed complex site.
3. Continue to develop the business retention and expansion program through education, outreach, and marketing.
4. Continue to facilitate the permitting and review process with the City of Bastrop.

FISCAL IMPACT:

N/A

RECOMMENDATION:

- Direct staff to adjust the budget based on staff input and board recommendation.
- Direct staff to formalize the workplan after input with the board.

ATTACHMENTS:

1. Draft Budget and backup
2. Workplan template

FY 24 Original Budget to Amended Budget Report				FY 25 Budget Discussion			
Account Summary		Original Total Budget	Amended Budget	Notes	Projected Revenue	Notes	Board Amendments
Fund: 601 - BASTROP E.D.C. FUND							
Revenue							
601-00-00-4006	SALES TAX	4,458,090.00	3,064,937.00	Decrease sale tax by 3/8 of 1 cent as voted on by constituents	1,114,522.50	1/8 cent sales tax equals 1/4 the total previously received. Sales tax numbers are only above 1.5% from last year. Kept a conservative flat amount	
601-00-00-4047	LEASE AGREEMENT	18,050.00	18,050.00		18,050.00		
601-00-00-4400	INTEREST INCOME	250,000.00	250,000.00		250,000.00		
601-00-00-4514	MISCELLANEOUS INCOME	0.00	0.00		-		
601-00-00-4558	BEDC GRANT RECEIPTS	20,000.00	20,000.00		20,000.00		
Revenue Total:		4,746,140.00	3,352,987.00		1,402,572.50		
					Projected Expense		
ExpSubCategory: 510 - WAGE							
601-70-00-5101	OPERATIONAL SALARIES	589,403.99	237,654.00	See itemized detail on Page 2	236,110.00	See itemized detail on tab "Personnel FY 25"	
601-70-00-5114	PRE-EMPLOYMENT	25,000.00	0.00		-		
601-70-00-5116	LONGEVITY	1,380.00	1,200.00		1,380.00		
ExpSubCategory: 510 -		615,783.99	238,854.00		237,490.00		
ExpSubCategory: 515 - BENEFITS							
601-70-00-5150	SOCIAL SECURITY/FICA	41,835.80	14,376.00		17,699.08		
601-70-00-5151	RETIREMENT	79,570.00	25,538.00		30,169.84		
601-70-00-5155	GROUP INSURANCE	61,327.89	9,377.00		9,784.65		
601-70-00-5156	WORKERS	865.00	865.00		865.00		
ExpSubCategory: 515 -		183,598.69	50,156.00		58,518.57		
ExpSubCategory: 520 - SUPPLIES & MATERIALS							
601-70-00-5201	SUPPLIES	6,000.00	2,500.00	Reduction	1,800.00		
601-70-00-5203	POSTAGE	200.00	200.00		200.00		
601-70-00-5206	OFFICE EQUIPMENT	8,000.00	3,000.00	PC and items for new hire	3,000.00	PC and items for new hire	
ExpSubCategory: 520 - SUPPLIES & MATERIALS Total:			5,700.00		5,000.00		
ExpSubCategory: 530 - MAINTENANCE & REPAIRS							
601-70-00-5301	MAINT OF EQUIPMENT	1,000.00	1,000.00		1,000.00		
601-70-00-5331	INDUSTRIAL PARK	10,000.00	6,000.00		6,000.00	Mowing, etc	
601-70-00-5345	BUILDING REPAIRS & MAINT.	5,000.00	5,000.00		5,000.00	Repair any damage to building after lease end	
ExpSubCa 530 - MAINTENANCE &		16,000.00	12,000.00		12,000.00		
ExpSubCategory: 540 - OCCUPANCY							
601-70-00-5401	COMMUNICATIONS	9,000.00	7,500.00		1,875.00	25% of prior year / 3 month until lease end	
601-70-00-5402	OFFICE RENTAL	43,200.00	43,200.00		10,800.00	25% of prior year / 3 month until lease end	
601-70-00-5403	UTILITIES	4,000.00	4,000.00		1,000.00	25% of prior year / 3 month until lease end	
ExpSubCategory: 540 - OCCUPANCY Total:		56,200.00	54,700.00		13,675.00		
ExpSubCategory: 550 - CONTRACTUAL SERVICES							
601-70-00-5505	PROFESSIONAL SERVICES	65,000.00	65,000.00	Insytful Report - Half Payment/Proposed future training for the board	25,000.00	Placeholder for potential board training, consultants, etc	
601-70-00-5518	AUDIT	4,500.00	4,500.00		4,500.00		
601-70-00-5525	LEGALS	75,000.00	75,000.00		75,000.00		
601-70-00-5530	ENGINEERING	15,000.00	0.00	No further projects in place	-		
601-70-00-5540	PROPERTY INSURANCE	2,500.00	2,500.00		-		
601-70-00-5544	UNEMPLOYMENT TAX	0.00	0.00		-		
601-70-00-5574	CITY PROJECTS & PROGRAMS	4,772,000.00	1,472,000.00	Decrease Blakey Lane by \$330,000 and South to Lovers by \$2,950,000	-	Encumbered in Fund Balance Downtown Lighting - \$141,500 Agnes \$123,000 Intersection Improvement - \$207,500 Blakey Lane \$1,000,000	
601-70-00-5575	CITY SHARED SERVICES	10,000.00	10,000.00		20,000.00	Shared services and also now shared occupancy space in City hall	
601-70-00-5580	BIP TECHNOLOGY/MLK	82,560.00	84,560.00	Increase in cost of fiber	84,560.00	Cost of Fiber Services	
601-70-00-5596	MAIN STREET PROG SUPPORT	50,000.00	25,000.00	Decrease Main St. support by \$25,000 as approved by the Board and Council	25,000.00		
601-70-00-5598	CITY ADMINISTRATIVE SUPPORT	25,000.00	25,000.00		25,000.00	Decrease of Main St IT, HR, and other support services provided by the City	
ExpSubCa 550 - CONTRACTUAL		5,101,560.00	1,763,560.00		259,060.00		

Account Summary		Original Total Budget	Amended Budget	Notes	Projected Revenue	Notes	Board Amendments
ExpSubCategory: 560 - OTHER CHARGES							
601-70-00-5603	MARKETING TRAVEL	8,000.00	1,500.00		1,500.00	Marketing	
601-70-00-5604	BUSINESS	8,000.00	1,000.00		2,500.00	Business support such as social media, web or other	
601-70-00-5605	TRAINING TRAVEL	10,000.00				Board and staff training programs: TEDC Sales Tax Workshop (board), TEDC Basic Economic Development Cours (board), Webinars from TEDC/IEDC, Finance Training for Angela	
601-70-00-5606	AUTO ALLOWANCE - STAFF	12,000.00	5,000.00	Prior CEO expense	-		
601-70-00-5615	DUES, SUBSCRIPTIONS & PUBLICAT	20,000.00	20,000.00	All technology subscriptions etc paid from here.	20,000.00		
601-70-00-5631	BONDS FOR BEDC OFFICERS	1,000.00	1,000.00		1,000.00		
601-70-00-5633	LOCAL/MISC ADV &	10,000.00	10,000.00		10,000.00		
601-70-00-5634	NATIONAL/REG ADV &	10,000.00	5,000.00		5,000.00		
601-70-00-5636	DIGITAL ADV & MARKETING	30,000.00	30,000.00	Website maintenance, etc	30,000.00		
601-70-00-5637	SPECIAL ADV & MARKETING	10,000.00	2,000.00		2,000.00		
601-70-00-5641	SPL EDUC & WORKFORCE DEVELOP	150,000.00	20,000.00		25,000.00	Increase in \$5K to Community Action Inc of Central Texas for workforce training, CHMURA software, Youth Career Day, Workforce Development Classes	
601-70-00-5643	SPL RETAIL RECRUITING	15,000.00	15,000.00	Retail Coach	15,000.00		
601-70-00-5645	WATER RIGHTS PROP	60,000.00	60,000.00		-	Expired in FY24	
601-70-00-5646	LAND/GRANT REBATES	9,400.00	9,400.00				
601-70-00-5650	SPL PRJT BUS RETEN & EXPAN	250,000.00	50,000.00	SB Loan, Education Series for Small Business, Additional Loans	75,000.00	SB Loan, Education Series for Small Business, Additional Loans	
601-70-00-5689	OPPORTUNITY AUSTIN	10,000.00	10,000.00	Opportunity Austin - paid this year	-	No longer supported by the Board	
601-70-00-5691	CLOSING COSTS	25,000.00	25,000.00	Any land sale in the district	25,000.00	Any land sale in the district	
ExpSubCategory: 560 - OTHER CHARGES Total:		638,400.00	266,400.00		215,500.00		
ExpSubCategory: 590 - CONTINGENCY							
601-70-00-5900	CONTINGENCY	50,000.00	50,000.00		25,000.00		
ExpSubCategory: 590 - CONTINGENCY Total:		50,000.00	50,000.00		25,000.00		
ExpSubCategory: 600 - CAPITAL OUTLAY							
601-70-00-6711	BUS INDUSTRIAL PARK IMPROV	1,400,000.00	1,400,000.00	\$1,024,000 Construction \$347,000 Doucet Contract \$29,000 For any additional expenses	200,000.00	Placeholder for any additional expenses not planned.	
601-70-00-6715	BIP TECHNOLOGY/MLK INFRASTRU...	2,000,000.00	1,230,088.00	Potential Acutronic site ready conditions	-		
	SPORTS COMPLEX PROJECT	0.00	25,000.00	Luck Design Group	25,000.00	Consultant Fee - Placeholder	
ExpSubCategory: 600 - CAPITAL OUTLAY Total:			2,655,088.00		225,000.00		
ExpSubCategory: 700 - DEBT SERVICE							
601-70-00-7155	GO REFUNDING 2017-PRINC	65,000.00	65,000.00	Debt Payments	65,000.00		
601-70-00-7156	GO REFUNDING 2017-INT	17,600.00	17,600.00		17,600.00		
601-70-00-7176	GO REF, SERIES 2021A -	160,000.00	160,000.00		160,000.00		
601-70-00-7177	GO REF, SERIES 2021A - INT	32,627.00	32,627.00		32,627.00		
ExpSubCategory: 700 - DEBT SERVICE Total:		275,227.00	275,227.00		275,227.00		
Expense Total:		10,350,969.68	5,371,685.00		1,326,470.57		
Fund: 601 - BASTROP E.D.C. FUND Surplus		-5,604,829.68	-2,018,698.00		76,101.93		

FY 25 PERSONNEL ITEMIZED COSTS

	Annual Salary	Retirement	FICA	Insurance	Annual Total	
		14%	8%	5%		
Operations Manager	\$ 99,750.00	\$ 12,910.50	\$ 7,267.50	\$ 5,370.12	\$ 125,298.12	Includes annual step increase due in the budget year
BARE	\$ 82,000.00	\$ 11,143.84	\$ 6,273.04	\$ 4,414.53	\$ 103,831.41	New Position. Calculated at the mid of a potential payscale between 74K and 90K
Part Time Employee	\$ 9,360.00	\$ -	\$ 716.04	\$ -	\$ 10,076.04	3 month employee to help with the transition. (Oct to Dec - Lease end)
Exec Director Stipend	\$ 45,000.00	\$ 6,115.50	\$ 3,442.50	-	\$ 54,558.00	
Sum Total	\$ 236,110.00	\$ 30,169.84	\$ 17,699.08	\$ 9,784.65	\$ 293,763.57	
				Grand Total	\$ 293,763.57	\$ 295,000.00

BEDC Fund Balance Detail			
Beginning FY24 Fund Balance	10,399,066.00	<i>Projected (unaudited)</i>	
Less Encumbrances/Land Rebates	4,739,844.00		
		AEI Technologies	\$9,400
		Technical Adhesives	\$300,000
		Project Fiesta	\$233,944
		Moca Ventures	\$900,000
		Acutronic	\$1,089,000
		Acutronic	\$1,000,000
		Blakey	\$1,000,000
		Intersection Improvements	\$207,500
Plus/Less FY 25 income/loss	76,101.93		
Total Projected Ending Fund Balance	5,735,323.93		

FY 25 Proposed Workplan			
Objective	Task(s)	Desired Outcome	Timeline
1. Sports Complex	Engage a consultant to assist in crafting an RFP/RFQ for potential legal, business outreach, and other support services.		
	Release the RFP/RFQ		
	Score and Interview Respondents		
2. Complete the existing contracts with Acutronic and other potential businesses on the remaining tracts not inclusive of the proposed complex site.	Work with Legal to set each contract on a clock for completion or determination of default		
3. Continue to develop the business retention and expansion program through education, outreach, and marketing.	Work with consultants, staff (new and existing) to develop outreach and marketing efforts.		
4. Continue to facilitate projects through the City's development review process	Work with City Staff and assigned Project Manager to continuously improve permit submittal process.		



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Approval of meeting minutes from the Regular BEDC Board Meeting of April 15, 2024, and the Special Board Meeting of May 8, 2024.

AGENDA ITEM SUBMITTED BY:

Angela Ryan, BEDC Operations Manager

BACKGROUND/HISTORY:

The minutes from the Regular BEDC Board Meeting of April 15, 2024, and the Special Board Meeting of May 8, 2024, are attached for the Board's review and approval.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Approve the meeting minutes as submitted.

ATTACHMENTS:

Draft Board Meeting Minutes from April 15, 2024
Draft Special Board Meeting Minutes from May 8, 2024

Bastrop Economic Development Corporation
Board of Directors – Meeting Minutes
 April 15, 2024



The Bastrop Economic Development Corporation (BEDC) met on Monday, April 15, 2024, at 5:00 p.m. for a Regular Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Ron Spencer, Connie Schroeder, Frank Urbanek, John Kirkland, Cheryl Lee, and Amberley Palmer. Lyle Nelson arrived at 5:26 p.m. Staff members present: Interim Executive Director Sylvia Carrillo-Trevino and Angela Ryan. BEDC attorney Charles Zech was also in attendance.

1. **CALL TO ORDER** – Board Chair Spencer called the meeting to order at 5:06 p.m.
2. **PUBLIC COMMENT(S)** – There were no public comments.
3. **REGULAR BUSINESS & PRESENTATIONS**
 - 3.A. Approval of meeting minutes from the Regular BEDC Board Meeting of March 18, 2024, and the Joint Meeting of March 26, 2024. Ms. Lee made the motion to approve the minutes as submitted, Ms. Palmer seconded, and the motion passed.
 - 3.B. Receive financial reports for the period ending March 2024. City of Bastrop Chief Financial Officer Edi McIlwain reviewed the newly revised financial reports with the Board.
 - 3.C. Consider and act on a possible budget amendment to the BEDC FY 2024 Budget. Presentation and possible action on amending the FY24 budget. CFO McIlwain and BEDC staff updated the Board on changes to the current budget. After discussion, Mr. Kirkland made the motion to approve Resolution R-2024-0002 amending the FY24 budget. Ms. Palmer seconded, and the motion passed.
 - 3.D. Consideration and possible action on approving an amendment to the real estate purchase contract with Acutronic. Mr. Nelson made the motion to approve the amendment extending the Inspection Period to May 9, 2024. Ms. Palmer seconded, and the motion passed. (Note: This is Resolution R-2024-0003.)
 - 3.E. Receive update on BEDC funding commitments. Ms. Ryan updated the Board on the list of current projects.
4. **EXECUTIVE SESSION**
 - 4.A. At 5:33 p.m., the Bastrop EDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:
 - (1) Section 551.071 Consultation with Attorney regarding performance agreement with Moca Ventures

(2) Section 551.071 Consultation with Attorney and 551.087 Economic Development Negotiations regarding performance agreement and purchase contract with Acutronic Real Estate, Inc.

4.B. At 6:27 p.m., the Bastrop EDC Board of Directors reconvened into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein. There was no action taken.

5. **ADJOURNMENT** – Ms. Palmer made the motion to adjourn the meeting and Ms. Lee seconded. The meeting was adjourned at 6:29 p.m.

APPROVED: _____
Ron Spencer, Board Chair

ATTEST: _____
Angela Ryan, Operations Manager

Bastrop Economic Development Corporation
Board of Directors – Meeting Minutes
 May 8, 2024



The Bastrop Economic Development Corporation (BEDC) met on Wednesday, May 8, 2024, at 4:00 p.m. for a Special Board Meeting at Bastrop City Hall, 1311 Chestnut Street. Board members present: Ron Spencer, Frank Urbanek, Amberley Palmer, and John Kirkland. Board member Cheryl Lee arrived at 4:17 p.m.; board member Connie Schroeder was absent. Staff members present: Interim Executive Director Sylvia Carrillo and Angela Ryan.

1. **CALL TO ORDER** – Board Chair Spencer called the meeting to order at 4:00 p.m.
2. **PUBLIC COMMENT(S)** – Mayor Lyle Nelson spoke regarding his resignation from the Board.

3. **REGULAR BUSINESS & PRESENTATIONS**

- 3.A. Consideration and possible action on Resolution No. R-2024-0004 authorizing a second amendment to the real estate purchase contract with Acutronic. After Executive Session, Mr. Kirkland made the motion to approve Resolution No. R-2024-0004, Ms. Lee seconded, and the motion passed.

4. **EXECUTIVE SESSION**

4.A At 4:04 p.m., the Bastrop EDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Chapter 551, to discuss the following:

- (1) Section 551.071 Consultation with Attorney and Section 551.087 Economic Development Negotiations regarding performance agreement and purchase contract with Acutronic Real Estate, Inc.

4.B At 4:27 p.m., the Bastrop EDC Board of Directors reconvened into open session to discuss, consider and/or take any action necessary related to the executive sessions noted herein. Action was taken under agenda item 3.A.

5. **ADJOURNMENT** – Ms. Palmer made the motion to adjourn the meeting and Ms. Lee seconded. The meeting was adjourned at 4:28 p.m.

APPROVED: _____
 Ron Spencer, Board Chair

ATTEST: _____
 Angela Ryan, Operations Manager



STAFF REPORT

MEETING DATE: April 15, 2024

TITLE:

Receive financial report for the period ending April 2024.

AGENDA ITEM SUBMITTED BY:

Edi McIlwain, Chief Financial Officer, City of Bastrop

BACKGROUND/HISTORY:

Attached for the Board's review and consideration is the BEDC financial summary report for the period ending April 30, 2024.

FISCAL IMPACT:

N/A

RECOMMENDATION:

None; item presented for informational purposes.

ATTACHMENT:

1. Financial report for period ending April 2024

Bastrop Economic Development Corporation

Financial Summary
For Period Ending
April 2024



Bastrop Economic Development Corporation

Financial Summary Report

Year to Date Ending April 30, 2024

Item 4.B

	Original Budget	Amended Budget	YTD Actual	Budget Remaining	Remaining %
Revenue:					
Sales Tax	\$ 4,458,090.00	\$ 3,064,937.00	\$ 2,190,036.73	\$ (874,900.27)	-28.55%
Cell Tower Lease	18,050.00	18,050.00	12,801.89	(5,248.11)	-29.08%
Interest Income	250,000.00	250,000.00	370,275.24	120,275.24	48.11%
Grant Receipts	20,000.00	20,000.00	20,000.00	-	0.00%
Total Revenues	4,746,140.00	3,352,987.00	2,593,113.86	(759,873.14)	-22.66%
Expenses:					
Personnel	\$ 799,382.68	\$ 289,010.00	\$ 153,113.74	\$ (135,896.26)	-47.02%
Supplies & Material	14,200.00	5,700.00	838.82	(4,861.18)	-85.28%
Maintenance & Repairs	16,000.00	12,000.00	1,140.00	(10,860.00)	-90.50%
Occupancy	56,200.00	54,700.00	31,740.79	(22,959.21)	-41.97%
Contractual Services	5,101,560.00	1,763,560.00	117,069.80	(1,646,490.20)	-93.36%
Marketing & Advertising	638,400.00	266,400.00	51,097.14	(215,302.86)	-80.82%
Contingency	50,000.00	50,000.00	-	(50,000.00)	-100.00%
Capital Improvements	3,400,000.00	2,655,088.00	1,322,826.40	(1,332,261.60)	-50.18%
Debt Service	275,227.00	275,227.00	25,113.25	(250,113.75)	-90.88%
Total Expenses	\$ 10,350,969.68	\$ 5,371,685.00	\$ 1,702,939.94	\$ (3,668,745.06)	-68.30%
Net Income (Loss)	\$ (5,604,829.68)	\$ (2,018,698.00)	\$ 890,173.92	\$ 2,908,871.92	-144.10%

Bastrop Economic Development Corporation
Financial Summary Report
Month Ending April 30, 2024

	April Projected	April Actual	Variance
Revenue:			
Sales Tax	\$ 114,428.98	\$ 113,174.51	\$ (1,254.47)
Cell Tower Lease	1,504.17	1,504.17	0.00
Interest Income	20,833.33	53,078.52	32,245.19
Grant Receipts	1,667.00	-	1,667.00
Total Revenues	\$ 138,433.48	\$ 167,757.20	\$ 32,657.72
Expenses:			
Personnel	\$ 19,155.00	\$ 6,501.98	\$ (12,653.02)
Supplies & Material	208.00	128.68	(79.32)
Maintenance & Repairs	1,028.00	500.00	(528.00)
Occupancy	4,558.00	8,104.43	3,546.43
Contractual Services	25,755.00	16,802.76	(8,952.24)
Marketing & Advertising	34,883.00	27,828.25	(7,054.75)
Contingency	-	-	-
Capital Improvements	283,333.00	384,277.45	100,944.45
Debt Service	-	-	-
Total Expenses	\$ 368,920.00	\$ 444,143.55	\$ 75,223.55
Net Income (Loss)	\$ (230,486.52)	\$ (276,386.35)	\$ (42,565.83)

Bastrop Econovelopment Corporation
Sales Tax Revenue Summary
As of April 30, 2024

	FY24	FY23	Variance	%
October	\$ 356,212.70	\$ 290,089.33	\$ 66,123.37	22.79%
November	343,063.01	337,710.10	5,352.91	1.59%
December	321,171.38	316,020.57	5,150.81	1.63%
January	346,402.63	327,923.12	18,479.51	5.64%
February	401,569.47	393,692.73	7,876.74	2.00%
March	305,371.39	302,267.73	3,103.66	1.03%
April	113,174.51	310,213.00	(197,038.49)	-63.52%
May				
June				
July				
August				
September				
Total	\$ 2,186,965.09	\$ 2,277,916.58	\$ (90,951.49)	-3.99%

NOTE: The sales tax allocation was decreased by 3/8 of 1 cent beginning April 2024. We anticipate sales tax receipts to be approximately 60-65% less than prior year based on this new allocation.

Bastrop Economic Development Corporation
Equity Statement
Year Ended September 30, 2024 (based on amended budgeted numbers)

Undesignated Fund Balance	\$8,111,421.88	
Designated operating	150,000.00	
Contributed capital	521,695.50	
Restricted - Fiesta	233,934.62	
Restricted - AEI Tech	9,333.00	
Restricted - Moca Ventures	333,147.00	
Restricted - TA Bastrop	300,000.00	
Fund Balance, beginning of year		\$ 9,659,532.00
Budgeted Net Income (Loss)		<u>\$ (2,018,698.00)</u>
Fund Balance, end of year		\$ 7,640,834.00

**Bastrop Economic Development Corporation
Capital Outlay
As of March 31, 2024**

	Capital Outlay		
Projects	Project Budget	Expended	Balance
Business Park Improvements/Financial Way	1,400,000	(1,322,826)	77,174
Acutronic Site Ready	1,230,088	-	1,230,088
Sports Complex Project	25,000	-	25,000
TOTAL	2,655,088	(1,322,826)	1,332,262



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Discussion and possible action regarding the BEDC's Revolving Loan Fund (RLF), including possible edits to the document and the appointment of members to the RLF Committee.

AGENDA ITEM SUBMITTED BY:

Submitted by: Sylvia Carrillo-Trevino, ICMA-CM, CPM

BACKGROUND/HISTORY:

The BEDC board recently adopted a small business loan program made possible by the generous donation of Roscoe Bank. The program, known as the Revolving Loan Fund (RLF). The requirements of the program require the BEDC to appoint committee members to an RLF committee to assist staff in the review of applications.

The document crafted by staff and reviewed by legal was absent the “how” the board members would be appointed to committee. This agenda item seeks to clarify the “how”. The committee members would be appointed by the board at a scheduled meeting in order to allow any interested board member the opportunity to be appointed to the board.

The other option is to allow the board chair to appoint an ad hoc committee as needed when applications are received.

Additionally, it seeks to remove the BEDC from the actual loan originator to a loan guarantor. With possible assistance from Roscoe Bank, the staff seeks to change the RLF policy to have the applicant first apply with Roscoe Bank, and if necessary (due to credit or other limitations) the BEDC may then guarantee the loan by moving the loan funds to a restricted account that would pay Roscoe in the event of applicant default.

At the time of print of the agenda and packet, this has not been fully vetted with Roscoe bank. A meeting is scheduled and the board will be brought up to speed the evening of the board meeting.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Amend the RLF document clarifying how the committee members will be appointed and the manner in which loans are funded.

ATTACHMENTS:

1. RLF redlined document



Bastrop Economic Development Corporation Revolving Loan Fund Program Policy

I. GENERAL POLICY

The Bastrop Revolving Loan Fund (RLF) Program provides businesses with direct loans. As the RLF receives the principal and interest from outstanding loans, the money is made available to another borrower. This recycling of funds makes RLFs particularly valuable for small businesses and entrepreneurs that lack the equity typically required by financial institutions to start or grow their business. This RLF program provides a financial guarantee for low interest financing to assist with business start-ups and the expansion of existing businesses for the purposes of creating jobs, increasing sales tax producing revenue, and enhancing private capital investment within the City of Bastrop, Texas by partnering with local lenders such as banks or credit unions who will originate the loan.

II. ECONOMIC OBJECTIVES

The Bastrop Economic Development Corporation (BEDC) will consider guaranteeing applications for the RLF, which demonstrate the achievement of one or more of the following objectives:

1. Enhance the City's economic base through property tax and sales tax.
2. Assist businesses that provide permanent employment opportunities.
3. Stimulate private sector investment in commercial opportunities.
4. Encourage site improvements and redevelopment of commercial and industrial areas, blighted properties and vacant land.

III. DEFINITIONS

As used in this Policy, the following words or phrases shall have the stated meanings:

1. "Applicant" – Business or person applying for the loan
2. "BEDC" – Bastrop Economic Development Corporation
3. "BEDC Board" – BEDC Board of Directors
4. "RLF" – Bastrop Revolving Loan Fund Program
5. "RLF Committee," or "Committee" – loan committee comprised of a maximum of three BEDC Board members and additional members as determined by the BEDC Board through appointment at a scheduled board meeting.

- 6. "Lender" – BEDC or established BEDC bank or lending institution
- 7. "Loan" – (aka microloan or small business loan) amount not to exceed \$10,000
- 8. "Recipient" – Business or person approved for a loan

8.

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IV. ELIGIBLE BUSINESSES

All RLF Applicants must meet the following criteria. The business must:

- 1. Be a for-profit business in the industrial, commercial, retail or service sector.
- 2. Be a private business (dba, LLC, LLP, PC, C, or S corporation).
- 3. Have a physical address within the City of Bastrop city limits. Proof of address shall be required when applying.
- 4. Be an allowed use through zoning of the property or be a legally non-conforming use.
- 5. Not have delinquent taxes, bills, or charges due to the City.
- 6. Not have any outstanding violations with the City of Bastrop unless working to come into compliance by utilizing the RLF.

Any participant in the RLF must be in good standing with the BEDC and the City of Bastrop (e.g., not in litigation against the BEDC or City or owing monies for utilities, judgements, fines, having unresolved code enforcement issues, etc.) and may only carry one revolving loan at a time.

V. ELIGIBLE USES OF THE REVOLVING LOAN FUND

- 1. Land and building acquisition
- 2. Property improvements
- 3. New building construction
- 4. Building renovation and modernization
- 5. Machinery, equipment & fixtures
- 6. Inventory
- 7. Working capital
- 8. Information technology

VI. INELIGIBLE USES OF THE REVOLVING LOAN FUND

- 1. Debt refinancing
- 2. Residential real estate, public buildings or infrastructure, speculative buildings, or any project not located within the city limits of Bastrop, Texas.
- 3. Investments, payments on current loans, or refinancing of existing debt.
- 4. Loans used as a loan guarantee or as a substitute for private capital.
- 5. Taxes
- 6. Gambling, religious, political or adult/pornographic businesses
- 7. Loans which would create a potential conflict of interest for any BEDC staff member, elected or appointed official, or members of the Committee.

VII. AMOUNT AVAILABLE

Applications will be accepted for loan amount requests ranging from \$3,000 up to \$10,000. Loans will be considered on a first come first served basis each fiscal year, which is October 1 to September 30. Once budgeted funds are exhausted, then the BEDC Board must approve additional funding during the fiscal year or applicants will need to reapply in a subsequent term.

VIII. ADMINISTRATION

Application forms are available online at www.bastropedc.org.

Applicant should allow a minimum of six to eight weeks for processing once the completed application and all required documentation are submitted.

Consideration for approval will be based on but not limited to the following:

1. Business plan for the proposed business or project
2. Assessment of business capacity to operate successfully based on current market conditions

Business Status	Personal Credit Score	Business Annual Revenues	Years in Business	Business Plan	Articles of Org/Incorp/EIN	3 Months Personal Bank Statements	3 Months Business Bank Statements
Existing	>600	\$50,000	>1 Year	Yes	Yes	No	Yes
Start-Up	>700	N/A	N/A	Yes	Yes	Yes	No

3. Analysis of personal credit score
4. Cash flow analysis
5. Other financial documents as requested
6. The following minimum criteria will be used in assessing candidacy for a loan:

7. If minimum criteria are met for securing a loan, then the loan committee will analyze and score the loan applicants based on their potential risk in the categories noted in the table below. Risk will be assigned as low (1), medium (2), or high (3). A total risk score will be calculated and used in the final evaluation of the loan application.

	Applicant Credit Score	Current Economic Conditions/ Communication (Business Plan)	Repayment Capacity (Bank Statements)	Total Score	Risk Score Average (Total Score/3)
Risk Score:					
1 - Low					

2 - Medium					
3 - High					

An initial meeting with the Applicant and BEDC staff will be set up to review the request. If the application meets the initial policy guidelines and the application is deemed complete, BEDC staff shall prepare a loan summary to be submitted to the BEDC RLF Committee for consideration in making a recommendation to the BEDC Board. A copy of the loan summary and application will be sent to the Committee at least 72 hours prior to the meeting. Information in the loan summary will include:

1. Project description and use of funds
2. Type of business
3. Number of jobs created or retained
4. Source and use of personal or other funds
5. Staff recommendation for loan application
6. Estimated economic benefits to the City

Incomplete applications will be returned to the Applicant.

The RLF Committee shall meet on an as-needed basis to review applications for financial feasibility, security and ability to satisfy the purposes and priorities of the program. The Applicant will be invited to the meeting to present to the committee. Applications shall require a majority vote of the Committee for recommendation to proceed to the BEDC Board. During the next regularly scheduled BEDC Board meeting, the Board will formally approve/deny the application. If an application is denied, BEDC staff shall have the option to continue assisting the Applicant in gathering additional information for resubmittal.

Nothing in this Policy shall require the BEDC to make a loan to a business that meets the requirements of the Policy. The BEDC is not required to make a loan or provide any financial assistance to a business that meets the requirements of this Policy unless the BEDC in its sole discretion determines that it is in the BEDC and City of Bastrop’s best interest to make a loan. Each application will be reviewed on a case-by-case basis.

NOTE: Information that the Applicant believes to be confidential should be clearly marked “Confidential” on each page containing confidential information. The BEDC shall take every precaution allowed by law to maintain confidentiality. Application materials may be subject to public disclosure.

IX. LOAN TERMS AND GUIDELINES

1. Minimum amount of loans – \$3,000
2. Maximum amount of loans – \$10,000

3. Loan term will be five (5) years.
4. Loan origination fees will be incurred by the BEDC.
5. The interest rate of all approved loans will be a fixed rate, established at the time of loan approval, and set to 75% of the Wall Street Journal prime rate.
6. Recipients ~~may~~will be required to maintain property insurance on buildings and contents for full replacement value. If required, insurance policies shall name the BEDC as a Lender Loss Payee.

X. LOAN PAYMENT TERMS AND GUIDELINES

1. Initial payment may be deferred up to three (3) months after closing.
2. Loan payment shall be made monthly to the City of Bastrop Finance Department by any means authorized by the department.
3. Payments more than thirty (30) days delinquent will be assessed a five (5) percent penalty. Payments first go towards any accrued penalties, then towards accrued interest, and lastly to reduce the balance of the principal.
4. The Recipient may repay the loan without incurring a prepayment penalty, to encourage early repayment of loans.
5. The Applicant will authorize the BEDC to obtain verification of any applicable records, including assets, employment records, and consumer credit reports.
6. BEDC will review RLF agreements annually.

XI. LOAN PROCEDURES

Prior to releasing RLFs, the following documentation as applicable, and any other documentation required by the BEDC, must be provided:

1. **Notice of Award** – The BEDC has reviewed and approved a complete application for an eligible Applicant.
2. **Loan Agreement** – A RLF agreement shall be executed by the BEDC Chair and the principal owner(s) or officer(s) of the business. The agreement must be dated, state the agreement between the BEDC and the business and specify the amount and terms of the loan funds delivered.
3. **Loan Security** – If RLF security is required, any mortgage or lien instruments must be executed at the time of the loan closing. The BEDC may take a security interest position in any equipment, real estate, or other collateral being financed. Subordinate lien position loans will be accepted.
4. **Amortization Schedule** – An amortization schedule shall be prepared by BEDC Staff with a copy provided to the borrower.
5. **Evidence of Permits** – Documentation must be provided by the Applicant.
6. **Other Documentation** – The Applicant may be asked to provide other types of documentation.

XII. POST-APPROVAL OF RLF RECIPIENT

In addition to the terms and conditions of the RLF, all Recipients must agree to comply with the following:

- To use RLF money only to pay the cost of services and materials necessary to complete the project or activity, or purchase the equipment for which the loan was awarded.
- To permit inspections by persons authorized by the BEDC of all projects and properties assisted with RLFs. Related project materials shall also be open to inspections which include but may not be limited to materials and equipment. Requests for inspection shall be complied with by the Recipient.
- To maintain records on the projects as may be requested by the BEDC. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
- The business must maintain an actual physical presence within the city limits of Bastrop, Texas, for 5 years.

XIII. POST-CLOSING AND MONITORING OF RLFs**General Procedures**

1. When the loan closing is completed and the funds are disbursed, the Lender will establish a loan servicing file to contain:
 - 1) All closing documents.
 - 2) A log of all conversations and correspondence relating to the loan.
 - 3) A master follow-up file to ensure loan monitoring functions are performed on a timely basis.
2. The calculation of principal and interest and monthly payment reports will be executed at the time of the loan closing by the Lender.
3. Fund management services will be provided by the Lender. The BEDC may assist with loan packaging, underwriting, and related marketing services for the Fund.

Monitoring

Lender will be responsible for collecting and maintaining evidence of ongoing compliance with any loan requirements, insurance, financial reporting, and any special conditions of the original agreement. An annual report of projects financed through this program will be provided to the BEDC and BEDC Board each year.

XIV. DEFAULT

In the event the Recipient is in default on any of the terms and conditions of the RLF agreement, all sums due and owing, including penalties, shall, at the BEDC's option, become due and

payable. To exercise this option, the BEDC Attorney shall prepare a written notice to the Recipient. The notice shall specify the following:

1. The default.
2. The action required to cure the default.
3. A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other corrective action.
4. Any penalties incurred as a result of the default.

XV. USE OF LOAN REPAYMENTS AND REPORTING

Repaid loans shall be redeposited in the RLF account and used in a manner consistent with these policies and procedures. A separate accounting record for each loan shall be kept to account for all funds loaned.

XVI. PERFORMANCE ASSESSMENT PROCESS

The BEDC staff shall annually review the goals and objectives of the RLF to verify it is meeting its objectives. If staff determines the program requires modification, staff will prepare and present any modifications to the Committee for review, with final approval by the BEDC Board.

DRAFT

Bastrop Economic Development Corporation Revolving Loan Fund (RLF) Process

Business Interested in RLF
BEDC staff provide RLF information, process, and application
Business completes application
Business begins to gather materials necessary for application requirements



Application Submission
Business submits application and required documentation to BEDC
BEDC staff review application and documents for completeness
If incomplete, business is notified of components for correction
If complete, BEDC staff will submit application to the BEDC RLF Committee and schedule a Committee meeting



Committee Convenes
Committee is provided with all application materials for review (at least 72 hours prior to meeting)
Committee meets to discuss application in which business is advised to make a presentation
If approved, Committee sends recommendation to the BEDC Board for approval
If not approved, Committee may decide to provide recommendations for the business for another application submission



Application Approval
Application is submitted to BEDC Board for approval
If application is approved, the business is notified of any additional contingencies required by the Board
Loan is awarded to business

BEDC RLF Committee meets on an as-needed basis. The Committee must have sufficient time for review and presentation of the RLF application before materials are distributed to members, a minimum of 72 hours prior to meeting.



Bastrop Economic Development Corporation Revolving Loan Fund Application Form

Applicant Information
Name of Applicant(s):
Address:
City, State, Zip Code:
Phone Numbers:
Email Address:

Information about Your Business
Name of Business:
Address of Business:
City, State, Zip Code:
Phone Numbers:
Type of Business:
Employer ID Number:
Number of Employees: Full-Time:
Part-Time:
Business Banking Institution:
Products or Services Your Business Provides:

Information about the Project
Brief Description of the Project:
Anticipated Start Date for the Project:
Amount of Loan Funds Requested:
Requested Loan Term:

Table with 2 columns: USES and SOURCES. Rows include Land Acquisition, New Building Construction, Site Preparation or Demolition, Rehabilitation or Renovation, New Machinery and Equipment, Inventory and Working Capital, Other, BEDC RLF, Financial Institution, Owner's equity, and other sources.

Additional Requirements

Each complete application to be submitted shall include the following items:

1. A cover letter describing the project, explaining the need for Economic Development Loan Funds, and describing the public benefits of the project.
2. A business plan outlining the management, marketing, competition, business history, and future potential.
3. Resumes of the principal borrowers.
4. Financial statements for the preceding three years, including balance sheets, income statements, and the most recent interim statements.
5. A current personal financial statement of any owner with 20% or greater ownership in the business.
6. A project budget showing a breakdown of the total sources and uses of funds for the project.

Private Financing Information

If private financing is being requested for this project, complete the following information.

Financial Institution: _____

Address: _____ City, State, Zip Code: _____

Contact Person: _____

Phone Number: _____ Email Address: _____

Loan Amount: _____

I hereby authorize the above referenced financial institution to release my financial records to the Bastrop Economic Development Corporation and/or their representatives.

Applicant Signature

Date

Applicant Certification

I authorize the Bastrop Economic Development Corporation to make inquiries as necessary to verify the accuracy of the information provided and to determine my credit worthiness. I certify the statements contained on this application and the supporting documentation are true and accurate as of the stated dates.

Applicant Signature

Date

Applicant Signature

Date



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Consideration and possible action on Resolution No. R-2024-0005 authorizing amendments to the real estate purchase contract and economic development performance agreement with Acutronic.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo-Trevino, ICMA-CM, CPM

BACKGROUND/HISTORY:

On April 15, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 9, 2024 (the “First Amendment”); and on May 8, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 22, 2024 (the “Second Amendment”)

Since that time, staff have worked with Acutronic and the legal team to draft an amended contract that meets the intent of the law, BEDC requirements, and Acutronic needs.

A brief summary of the amendments is as follows:

1. Amend the contract to clarify the BEDC contribution of up to \$1M
2. BEDC agrees to grant any offsite easements needed for the installation of utilities, etc to make the site shovel ready.
3. BEDC agrees to facilitate the application through coordination with the City
4. Grant the seven (7) variances Acutronic requests listed under a separate agenda item.
5. Amend the commencement date to match the variance requested in a separate agenda item to match the existing performance agreement.

FISCAL IMPACT:

NA

RECOMMENDATION:

Approve the purchase contract and performance agreement as amended.

ATTACHMENTS:

1. Draft Resolution
2. Redlined third amendment to contract.
3. Original documents (Purchase Agreement and Performance Agreement), including their first two amendments.

RESOLUTION NO. R-2024-0005**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION APPROVING AMENDMENTS TO THE REAL ESTATE PURCHASE CONTRACT AND PERFORMANCE AGREEMENT WITH ACUTRONIC REAL ESTATE, INC; AUTHORIZING ALL NECESSARY ACTIONS, INCLUDING EXECUTION OF NECESSARY DOCUMENTATION; REPEALING ALL RESOLUTIONS IN CONFLICT; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 et seq., Texas Local Government Code, formerly the Development Corporation Act of 1979) (the “Act”) authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Acutronic Real Estate, Inc. (“Buyer”) desires to purchase approximately 13.84 acres of land (the “Property”) from BEDC for One Million Eighty-Nine Thousand Dollars (\$1,089,000.00) and develop a manufacturing facility and other business development, location, and/or expansion, as well as substantial capital improvements on the Property within the Bastrop Business and Industrial Park, a target area for development for the BEDC (“Project”); and

WHEREAS, the Buyer entered into a Real Estate Purchase Contract with the BEDC for the Project (“Purchase Contract”) executed on January 10, 2024; and

WHEREAS, Buyer has also negotiated a Performance Agreement with the BEDC for the Project, which was approved by the BEDC Board of Directors on September 25, 2023; and

WHEREAS, on April 15, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 9, 2024 (the “First Amendment”); and

WHEREAS, on May 8, 2024, the BEDC approved an amendment to the Purchase Contract extending the Inspection Period until May 22, 2024 (the “Second Amendment”); and

WHEREAS, as a result of ongoing deliberations between the parties, the BEDC and Buyer find that certain amendments to the Purchase Contract and Performance Agreement are warranted in order to finalize certain Project details; and

WHEREAS, the Board has reviewed the terms and conditions of the proposed third amendment to the Purchase Contract and amendment to the Performance Agreement by and between the BEDC and Buyer, and determines that it fully complies with the statutory requirements that govern the BEDC, and is in the best interest of the BEDC to approve such amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION THAT:

RESOLUTION NO. R-2024-0005

SECTION 1. The findings set out above are hereby found to be true and correct and are incorporated herein for all purposes.

SECTION 2. All resolutions in conflict are hereby repealed.

SECTION 3. The BEDC hereby approves the terms of the third amendment to the Purchase Contract and amendment to the Performance Agreement, attached hereto as Exhibit "A", between BEDC and the Buyer (the "Amendments").

SECTION 4. The Board authorizes the BEDC Interim Executive Director to take all necessary actions, including the execution of all necessary and related documentation to finalize the Amendments.

SECTION 5. This Resolution is effective upon passage.

DULY RESOLVED AND ADOPTED by the Board of Directors of the Bastrop Economic Development Corporation, this ____ day of _____ 2024.

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Ron Spencer, Board Chair

ATTEST:

Frank Urbanek, Board Secretary

APPROVED AS TO FORM:

Denton Navarro Rodriguez Bernal Santee & Zech, P.C.

RESOLUTION NO. R-2024-0005

EXHIBIT "A"

Third Amendment to the Real Estate Purchase Contract and Amendment to Performance Agreement Between Acutronic Real Estate, Inc., and the Bastrop Economic Development Corporation

DRAFT

THIRD AMENDMENT TO CONTRACT

This THIRD AMENDMENT TO CONTRACT (this "Amendment") is made and entered into as of May ____, 2024, by and between BASTROP ECONOMIC DEVELOPMENT CORPORATION ("Seller") and ACUTRONIC REAL ESTATE INC., or assigns ("Buyer").

RECITALS

A. Seller and Buyer entered into the Real Estate Purchase Contract (as amended, the "Contract") dated effective January 10, 2024, providing for the purchase and sale of 13.84 acres in the Bastrop Business and Industrial Park in Bastrop County, Texas, and described in the Contract (the "Property").

B. The Contract was amended by the First Amendment to Contract dated April 16, 2024, and the Second Amendment to Contract dated May 8, 2024, both executed by Seller and Buyer.

C. Seller and Buyer have agreed to expand and describe certain closing and post-closing conditions and agreements under the Contract, and Seller and Buyer desire to amend the Contract to confirm this agreement.

D. All capitalized terms used but not defined herein shall have the same meaning and definition as those used in the Contract.

THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by all parties hereto, Seller and Buyer agree as follows:

1. ~~Approval and Variance Grant to Protective Covenants. The Approval and Variance Grant to Protective Covenants document attached hereto as Exhibit F is hereby attached and incorporated to the Contract in full as Exhibit F (and the Exhibit listed in Section C of the Contract is amended to include the same). Additionally, Section B(1) of the Contract is amended and restated as follows:~~

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1. At closing, Seller will execute and deliver the following items:

The Performance Agreement in the form attached as Exhibit "B" (as revised in accordance with the Second Amendment to Contract)

IRS Nonforeign Person Affidavit

Evidence of Seller's authority to close this transaction

The Repurchase Option Agreement in the form attached as Exhibit "C" to the Special Warranty Deed

The Memorandum of Repurchase Option in the form attached as Exhibit "D" to the Special Warranty Deed

Special Warranty Deed, substantially in the same form as Exhibit "E"

~~The Approval and Variance Grant to Protective Covenants in the form~~

~~Deleted: ,~~
~~Deleted: , and Amendment~~

attached as Exhibit "F"

2. Performance Agreement. Before the Closing Date, and as a condition to closing, Article V of the Performance Agreement must be amended to incorporate the following amended and restated Section 3 and additional Sections 4, 5, 6, and 7 (Sections 1 and 2 of the same remaining unchanged):

3. BEDC acknowledges that a substantial capital investment by BEDC of up to one million dollars (\$1,000,000.00) ("BEDC Capital Investment") for infrastructure improvements at or near the Property is necessary to deliver a 'shovel-ready' site to Acutronic Real Estate, to wit: storm sewer system improvements, and municipal utility improvements (gas, water, wastewater, electric, fiber, and water and wastewater taps) at locations and with capacities and specifications acceptable to Acutronic Real Estate (the "Necessary Infrastructure"). The Parties have agreed that Acutronic Real Estate, at its option, may elect to construct the Necessary Infrastructure (or portions thereof, or other infrastructure not listed to serve the Property) with its costs arising from the same to be reimbursed by BEDC up to the BEDC Capital Investment amount. BEDC represents and warrants that it has committed sufficient funding for the BEDC Capital Investment and will make or, at Acutronic Real Estate's option, reimburse Acutronic Real Estate for making the Necessary Improvements at or near the Property, and will grant such offsite easement(s) reasonably requested by Acutronic Real Estate for such purpose. Each Party agrees to provide the other Party with a written summary of the proposed Necessary Infrastructure improvements at or near the Property to be made by such Party in advance of commencing such improvements and further agrees to keep such other Party regularly informed as to the status of completion of the Necessary Infrastructure improvements contemplated herein. Notwithstanding anything herein to the contrary, Acutronic Real Estate and Acutronic Operating Company reserve the right to terminate this Agreement in the event BEDC fails to complete (or to reimburse Acutronic Real Estate for its costs in constructing) the Necessary Infrastructure improvements on or before December 31, 2025; in which case the BEDC may exercise the Exclusive Repurchase Option Agreement pertaining to the Property, attached hereto as Exhibit "C", provided that it reimburses Acutronic Real Estate for its costs incurred hereunder.

Deleted: such improvements including but not limited to,
Deleted: roadway improvements, fire hydrants,
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Deleted: including without limitation, lines

Deleted: all

4. In order to effect the completion of the Necessary Infrastructure on or before December 31, 2025, BEDC will take all necessary administrative actions in order to facilitate the permitting, approval of, and construction of the Necessary Infrastructure at locations and with capacities and specifications acceptable to Acutronic Real Estate and will provide such offsite easement(s) reasonably requested by Acutronic Real Estate or the applicable utility, to allow for the same.

Deleted: such infrastructure improvements including but not limited to, storm sewer system improvements, roadway improvements, fire hydrants, and municipal utility improvements (gas, water, wastewater, electric, and fiber, including without limitation, lines and water and wastewater taps)

5. Following discussions with the electric utility provider (Bluebonnet), the parties agree that Acutronic Real Estate shall only be responsible for its twenty-five percent (25%) pro-rata share of the costs to extend or upgrade, as may be necessary, the electrical transmission and distribution lines, whereby other neighboring properties would cover their pro-rata portions of that cost. Acutronic Real Estate may, at its option, include its pro-rata portion of this cost in the \$1,000,000 BEDC Capital Investment (to be paid for by BEDC or reimbursed to Acutronic Real Estate by BEDC).

3. Ratification. Except as modified and amended by this Amendment, all of the other terms and conditions of the Contract are hereby ratified and confirmed.

4. Counterparts. This Amendment may be executed in two or more counterparts, and each counterpart shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. A scanned email version of any signature hereto shall be deemed an original for all purposes.

5. Titles of Sections. All titles or headings of sections or other divisions of this Amendment are only for the convenience of the parties hereto and shall be of no force and effect, and shall not be construed to add to, modify, clarify, or otherwise change the context of such sections of this Amendment as a whole.

[Signature Page Follows]

EXECUTED as of the date first above written.

SELLER:

BASTROP ECONOMIC DEVELOPMENT
CORPORATION

By _____
Name: _____
Title: _____

BUYER:

ACUTRONIC REAL ESTATE INC.

By _____
Name: _____
Title: _____

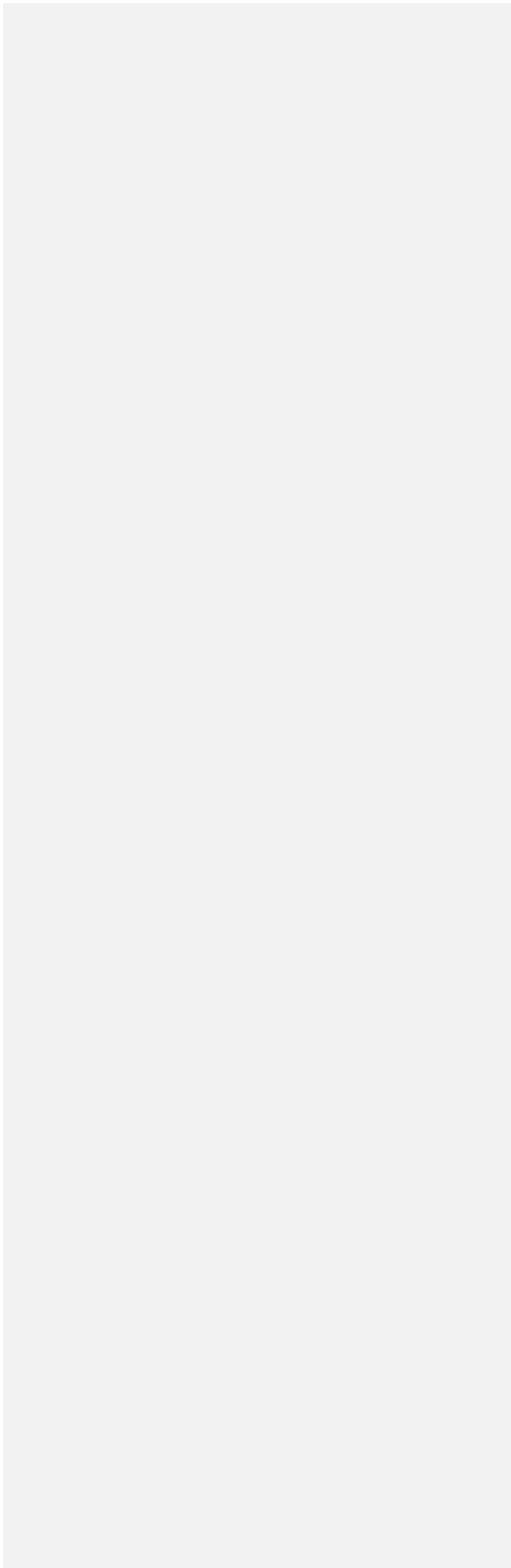


Exhibit F

Approval and Variance Grant to Protective Covenants

[Attached below]

Deleted: ,
Deleted: , and Amendment

ORIGINAL CONTRACT AND DOCUMENTS**Real Estate Purchase Contract**

This contract to buy and sell real property is between Seller and Buyer as identified below and is effective on the date ("Effective Date") of the last of the signatures by Seller and Buyer as parties to this contract.

Seller/Grantor: Bastrop Economic Development Corporation

Address: Attn: Executive Director
301 Hwy 71 W., Suite 214
Bastrop, Texas 78602

Phone: (512) 332-8870
Email: info@bastropedc.org

Type of entity: A Type B Economic Development Corporation

Seller's Attorney: Charles E. Zech

Address: Denton Navarro Rocha Bernal & Zech, P.C.
2500 W. William Cannon Dr., Suite 609
Austin, Texas 78745

Phone: (512) 279-6431
Email: cezech@rampagelaw.com

Seller's Broker: None

Buyer/Grantee: Acutronic Real Estate Inc., a Delaware corporation ("Acutronic")

Address: Attn: Florian Aigrain
700 Waterfront Drive
Pittsburg, PA 15222

Phone: (737) 237-4598
Email: faigrain@acutronic.com


Type of entity: A Delaware Corporation

Buyer's Attorney: Steven R. Martens

Address: Jackson Walker, LLP
100 Congress Avenue, Suite 1100
Austin, Texas 78701

Phone: (512) 236-2322
Email: smartens@jw.com

Page 1 of 28

Seller:  Buyer: _____

Real Estate Purchase Contract

This contract to buy and sell real property is between Seller and Buyer as identified below and is effective on the date ("Effective Date") of the last of the signatures by Seller and Buyer as parties to this contract.

Seller/Grantor: Bastrop Economic Development Corporation

Address: Attn: Executive Director
301 Hwy 71 W., Suite 214
Bastrop, Texas 78602

Phone: (512) 332-8870
Email: info@bastropedc.org

Type of entity: A Type B Economic Development Corporation

Seller's Attorney: Charles E. Zech

Address: Denton Navarro Rocha Bernal & Zech, P.C.
2500 W. William Cannon Dr., Suite 609
Austin, Texas 78745

Phone: (512) 279-6431
Email: cezech@rampagelaw.com

Seller's Broker: None

Buyer/Grantee: Acutronic Real Estate Inc., a Delaware corporation ("Acutronic")

Address: Attn: Florian Aigrain
700 Waterfront Drive
Pittsburg, PA 15222

Phone: (737) 237-4598
Email: faigrain@acutronic.com

Type of entity: A Delaware Corporation

Buyer's Attorney: Steven R. Martens

Address: Jackson Walker, LLP
100 Congress Avenue, Suite 1100
Austin, Texas 78701

Phone: (512) 236-2322
Email: smartens@jw.com

Page 1 of 28

Seller: _____ Buyer:  _____

Buyer's Broker: None

Property: An approximately 13.84-acre portion (Tract 4) out of Reserve Area "D" Replat of Lots 1 and 2, Reserve B of Bastrop Business and Industrial Park, Phase 1 Final Plat, recorded at Cabinet 5, Page 122-B, Plat Records of Bastrop County Texas, and as more particularly depicted on Exhibit "A" attached hereto and made a part hereof.

Title Company: Corridor Title

Address: 1608 W. 5th Street, Suite 300
Austin, Texas 12103
Phone: (512) 369-3736
Email: patrick.rose@corridortitle.com
Underwriter: To be determined by Title Company

Consideration/Purchase Price: ONE MILLION EIGHTY-NINE THOUSAND AND NO/100 DOLLARS (\$1,089,000.00).

Surveyor: (to be determined by Seller)

Survey Category: Texas Land Title Institute (TLTA) Category 1A

County for Performance: Bastrop County, Texas

A. Deadlines and Other Dates

All deadlines in this contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or national holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or national holiday. A national holiday is a holiday designated by the federal government.

1. Delivery of Title Commitment: Twenty (20) days after the Effective Date.
2. Delivery of Survey: Thirty (30) days after the Effective Date.
3. Delivery of legible copies of instruments referenced in the Title Commitment: Thirty (30) days after the Effective Date.
4. Delivery of Title Objections: Thirty (30) days after delivery of the Title Commitment, Survey, and legible copies of the instruments referenced in them.
5. Delivery of Seller's records as specified in Exhibit "D": Thirty (30) days after the Effective Date.
6. End of Inspection Period: Ninety (90) days after the Effective Date.

Seller:  Buyer: _____

Buyer's Broker: None

Property: An approximately 13.84-acre portion (Tract 4) out of Reserve Area "D" Replat of Lots 1 and 2, Reserve B of Bastrop Business and Industrial Park, Phase 1 Final Plat, recorded at Cabinet 5, Page 122-B, Plat Records of Bastrop County Texas, and as more particularly depicted on Exhibit "A" attached hereto and made a part hereof.

Title Company: Corridor Title

Address: 1608 W. 5th Street, Suite 300
Austin, Texas 12103
Phone: (512) 369-3736
Email: patrick.rose@corridortitle.com
Underwriter: To be determined by Title Company

Consideration/Purchase Price: ONE MILLION EIGHTY-NINE THOUSAND AND NO/100 DOLLARS (\$1,089,000.00).

Surveyor: (to be determined by Seller)

Survey Category: Texas Land Title Institute (TLTA) Category 1A

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All deadlines in this contract expire at 5:00 P.M. local time where the Property is located. If a deadline falls on a Saturday, Sunday, or national holiday, the deadline will be extended to the next day that is not a Saturday, Sunday, or national holiday. A national holiday is a holiday designated by the federal government.

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4. Delivery of Title Objections: Thirty (30) days after delivery of the Title Commitment, Survey, and legible copies of the instruments referenced in them.
5. Delivery of Seller's records as specified in Exhibit "D": Thirty (30) days after the Effective Date.
6. End of Inspection Period: Ninety (90) days after the Effective Date.

Seller: _____ Buyer: FR

7. Closing Date: Thirty (30) days after Buyer's receipt of the Site Plan Approval, as specified in Section E(1).

B. Closing Documents

1. At closing, Seller will deliver the following items:

The Performance Agreement in the form attached as Exhibit "B"

IRS Nonforeign Person Affidavit

Evidence of Seller's authority to close this transaction

The Repurchase Option Agreement in the form attached as Exhibit "C" to the Special Warranty Deed

The Memorandum of Repurchase Option in the form attached as Exhibit "D" to the Special Warranty Deed

Special Warranty Deed, substantially in the same form as Exhibit "E"

2. At closing, Buyer will deliver the following items:

The Consideration/Purchase Price

The Performance Agreement in the form attached as Exhibit "B"

Evidence of Buyer's authority to close this transaction

Deceptive Trade Practices Act waiver

The Repurchase Option Agreement in the form attached as Exhibit "C" to the Special Warranty Deed

The Memorandum of Repurchase Option in the form attached as Exhibit "D" to the Special Warranty Deed

The documents listed in this section B are collectively known as the "Closing Documents." Unless otherwise agreed by the parties before closing, the Closing Documents for which forms exist in the current edition of the *Texas Real Estate Forms Manual* (State Bar of Texas) will be prepared using those forms.

C. Exhibits

The following are attached to and are a part of this contract:

Exhibit A — Property Description

Exhibit B — Performance Agreement

Exhibit C — Representations by Seller and Buyer

Exhibit D — Seller's Records

Exhibit E — Special Warranty Deed (includes Exhibits)

Page 3 of 28

Seller: SC Buyer: _____

7. Closing Date: Thirty (30) days after Buyer's receipt of the Site Plan Approval, as specified in Section E(1).

B. Closing Documents

1. At closing, Seller will deliver the following items:
 - The Performance Agreement in the form attached as Exhibit "B"
 - IRS Nonforeign Person Affidavit
 - Evidence of Seller's authority to close this transaction
 - The Repurchase Option Agreement in the form attached as Exhibit "C" to the Special Warranty Deed
 - The Memorandum of Repurchase Option in the form attached as Exhibit "D" to the Special Warranty Deed
 - Special Warranty Deed, substantially in the same form as Exhibit "E"

2. At closing, Buyer will deliver the following items:
 - The Consideration/Purchase Price
 - The Performance Agreement in the form attached as Exhibit "B"
 - Evidence of Buyer's authority to close this transaction
 - Deceptive Trade Practices Act waiver
 - The Repurchase Option Agreement in the form attached as Exhibit "C" to the Special Warranty Deed
 - The Memorandum of Repurchase Option in the form attached as Exhibit "D" to the Special Warranty Deed

The documents listed in this section B are collectively known as the "Closing Documents." Unless otherwise agreed by the parties before closing, the Closing Documents for which forms exist in the current edition of the *Texas Real Estate Forms Manual* (State Bar of Texas) will be prepared using those forms.

C. Exhibits

The following are attached to and are a part of this contract:

- Exhibit A — Property Description
- Exhibit B — Performance Agreement
- Exhibit C — Representations by Seller and Buyer
- Exhibit D — Seller's Records
- Exhibit E — Special Warranty Deed (includes Exhibits)

Page 3 of 28

Seller: _____ Buyer:  _____

D. Purchase and Sale of Property

1. Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to buy and pay Seller for the Property. The promises by Buyer and Seller stated in this contract are the consideration for the formation of this contract.

2. Disclaimer regarding Representations and Warranties of Seller. GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS EXCEPT THOSE CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE IS EXPERIENCED IN THE ASSESSMENT AND EVALUATION OF PROPERTIES SIMILAR TO THE PROPERTY, THAT GRANTEE PRIOR TO THE DATE HAS INSPECTED THE PROPERTY TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION, AND THAT GRANTEE HAS NOT RELIED ON ANY INFORMATION OTHER THAN GRANTEE'S INSPECTION AND THE REPRESENTATIONS EXPRESSLY CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, AND DOES NOT MAKE ANY AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, OR (C) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, REPRESENTATIONS REGARDING ANY HAZARDOUS SUBSTANCE OR TOXIC MATERIALS (INCLUDING ANY ASBESTOS, UNDERGROUND STORAGE TANKS OR ANY OTHER SUBSTANCE WHICH IS PROHIBITED BY STATE OR FEDERAL LAW), OR SOLID WASTE AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED AND REGULATIONS PROMULGATED THEREUNDER.

GRANTEE RELEASES GRANTOR FROM LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY (A) UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, AND THE TEXAS WATER CODE; OR (B) ARISING AS THE RESULT OF THEORIES OF PRODUCT LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE OF THE PURCHASE CONTRACT THAT WOULD OTHERWISE IMPOSE ON GRANTORS IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY. THE ABOVE PROVISION WILL APPEAR IN THE DEED.

E. Governmental Approvals.

Seller: SOE Buyer: _____


D. Purchase and Sale of Property

1. Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to buy and pay Seller for the Property. The promises by Buyer and Seller stated in this contract are the consideration for the formation of this contract.

2. Disclaimer regarding Representations and Warranties of Seller. GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS EXCEPT THOSE CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE IS EXPERIENCED IN THE ASSESSMENT AND EVALUATION OF PROPERTIES SIMILAR TO THE PROPERTY, THAT GRANTEE PRIOR TO THE DATE HAS INSPECTED THE PROPERTY TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION, AND THAT GRANTEE HAS NOT RELIED ON ANY INFORMATION OTHER THAN GRANTEE'S INSPECTION AND THE REPRESENTATIONS EXPRESSLY CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, AND DOES NOT MAKE ANY AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, OR (C) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, REPRESENTATIONS REGARDING ANY HAZARDOUS SUBSTANCE OR TOXIC MATERIALS (INCLUDING ANY ASBESTOS, UNDERGROUND STORAGE TANKS OR ANY OTHER SUBSTANCE WHICH IS PROHIBITED BY STATE OR FEDERAL LAW), OR SOLID WASTE AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED AND REGULATIONS PROMULGATED THEREUNDER.

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E. Governmental Approvals.

Seller: _____ Buyer:  _____

1. **Site Plan Approval.** Within one hundred and twenty (120) days after the Effective Date, Buyer will prepare or cause to be prepared and delivered to Seller a land use plan (the "Land Use Plan") for the development of a 20,000 square foot aerospace manufacturing facility on the Property. The Land Use Plan will be subject to Seller's approval, which will not be unreasonably withheld, delayed or conditioned. After Buyer delivers and Seller approves the Land Use Plan, Seller agrees to execute all applications and other documents that might be reasonably required to request and obtain the necessary governmental authorizations or consents permitting the development of the project pursuant to the Land Use Plan, including zoning, subdivision and site plan approvals, and the issuance of a Consolidated Administrative Site Plan Approval by the City of Bastrop, Texas (the "Site Plan Approval") in such form and containing only those conditions which Buyer approves. Buyer will pay all costs and expenses relating to the Site Plan Approval, including such application fees, plans and studies as may be required by any governmental authority or agency, including the City of Bastrop. Buyer's obligations under this Contract are expressly subject to and conditioned upon obtaining the Site Plan Approval from the City of Bastrop.

2. **Subdivision Plat.** Seller represents and warrants that it will cause the Property to be legally subdivided in compliance with applicable State, City, and County subdivision laws prior to and as a condition to the Closing under this contract.

F. Title and Survey

1. **Review of Title.** The following statutory notice is provided to Buyer on behalf of the real estate licensees, if any, involved in this transaction: Buyer is advised that it should either have the abstract covering the Property examined by an attorney of Buyer's own selection or be furnished with or obtain a policy of title insurance.

2. **Title Commitment; Title Policy.** "Title Commitment" means a Commitment for Issuance of an Owner Policy of Title Insurance by Title Company, as agent for Underwriter, or directly by Underwriter, stating the condition of title to the Land. The "effective date" stated in the Title Commitment must be after the Effective Date of this contract. "Title Policy" means an Owner Policy of Title Insurance issued by Title Company, as agent for Underwriter, or directly by Underwriter, in conformity with the last Title Commitment delivered to and approved by Buyer.

3. **Survey.** "Survey" means an on-the-ground, staked plat of survey and metes-and-bounds description of the Land, prepared by Surveyor or another surveyor satisfactory to Title Company, dated after the Effective Date, and certified to: Seller, Buyer, and Title Company, to comply with the current standards and specifications as published by the Texas Society of Professional Surveyors for the Survey Category.

4. **Delivery of Title Commitment, Survey, and Legible Copies.** Seller must deliver the Title Commitment to Buyer and Buyer's attorney by the deadline stated in paragraph A.1; and Seller shall deliver legible copies of the instruments referenced in the Title Commitment, by the deadline stated in paragraph A.3.

5. **Title Objections.** Buyer has until the deadline stated in paragraph A.4. ("Title Objection Deadline") to review the Survey, Title Commitment, and legible copies of the title

Seller: SL Buyer: _____

1. **Site Plan Approval.** Within one hundred and twenty (120) days after the Effective Date, Buyer will prepare or cause to be prepared and delivered to Seller a land use plan (the "Land Use Plan") for the development of a 20,000 square foot aerospace manufacturing facility on the Property. The Land Use Plan will be subject to Seller's approval, which will not be unreasonably withheld, delayed or conditioned. After Buyer delivers and Seller approves the Land Use Plan, Seller agrees to execute all applications and other documents that might be reasonably required to request and obtain the necessary governmental authorizations or consents permitting the development of the project pursuant to the Land Use Plan, including zoning, subdivision and site plan approvals, and the issuance of a Consolidated Administrative Site Plan Approval by the City of Bastrop, Texas (the "Site Plan Approval") in such form and containing only those conditions which Buyer approves. Buyer will pay all costs and expenses relating to the Site Plan Approval, including such application fees, plans and studies as may be required by any governmental authority or agency, including the City of Bastrop. Buyer's obligations under this Contract are expressly subject to and conditioned upon obtaining the Site Plan Approval from the City of Bastrop.

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2. **Title Commitment; Title Policy.** "Title Commitment" means a Commitment for Issuance of an Owner Policy of Title Insurance by Title Company, as agent for Underwriter, or directly by Underwriter, stating the condition of title to the Land. The "effective date" stated in the Title Commitment must be after the Effective Date of this contract. "Title Policy" means an Owner Policy of Title Insurance issued by Title Company, as agent for Underwriter, or directly by Underwriter, in conformity with the last Title Commitment delivered to and approved by Buyer.

3. **Survey.** "Survey" means an on-the-ground, staked plat of survey and metes-and-bounds description of the Land, prepared by Surveyor or another surveyor satisfactory to Title Company, dated after the Effective Date, and certified to: Seller, Buyer, and Title Company, to comply with the current standards and specifications as published by the Texas Society of Professional Surveyors for the Survey Category.

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5. **Title Objections.** Buyer has until the deadline stated in paragraph A.4. ("Title Objection Deadline") to review the Survey, Title Commitment, and legible copies of the title

Seller: _____ Buyer: FA

instruments referenced in them and notify Seller of Buyer's objections to any of them ("Title Objections"). Buyer will be deemed to have approved all matters reflected by the Survey, and Title Commitment, to which Buyer has made no Title Objection by the Title Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted Exceptions." If Buyer notifies Seller of any Title Objections, Seller has five (5) days from receipt of Buyer's notice to notify Buyer whether Seller agrees to cure the Title Objections before closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before closing, Buyer may, within five (5) days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this contract is terminated or Buyer will proceed to close, subject to Seller's obligations to remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before closing, Seller must remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this contract, and cure the Title Objections that Seller has agreed to cure.

G. Inspection Period

1. **Review of Seller's Records.** Seller will deliver to Buyer copies of Seller's records specified in Exhibit D, or otherwise make those records available for Buyer's review, by the deadline stated in paragraph A.5.

2. **Entry onto the Property.** Buyer may enter the Property before closing to inspect it at Buyer's cost, and Buyer's consulting engineer, its agents and subcontractors, may enter unto the Property subject to the following:

- a. Buyer must deliver evidence to Seller that Buyer has liability insurance for its proposed inspection activities, with coverages and in amounts that are substantially the same as those maintained by Seller or with such lesser coverages and in such lesser amounts as are reasonably satisfactory to Seller.
- b. Buyer may not interfere in any material manner with existing operations or occupants of the Property.
- c. Buyer must notify Seller in advance of Buyer's plans to conduct tests so that Seller may be present during the tests.
- d. If the Property is physically altered because of Buyer's inspections, Buyer must return the Property to its preinspection condition promptly after the alteration occurs.
- e. Buyer must abide by any other reasonable entry rules imposed by Seller.

3. **Environmental Assessment.** Buyer has the right to conduct environmental assessments of the Property. Seller will provide, or will designate a person with knowledge of the use and condition of the Property to provide, information requested by Buyer or Buyer's agent or representative regarding the use and condition of the Property during the period of Seller's

Seller: BC Buyer: _____

instruments referenced in them and notify Seller of Buyer's objections to any of them ("Title Objections"). Buyer will be deemed to have approved all matters reflected by the Survey, and Title Commitment, to which Buyer has made no Title Objection by the Title Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted Exceptions." If Buyer notifies Seller of any Title Objections, Seller has five (5) days from receipt of Buyer's notice to notify Buyer whether Seller agrees to cure the Title Objections before closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before closing, Buyer may, within five (5) days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this contract is terminated or Buyer will proceed to close, subject to Seller's obligations to remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before closing, Seller must remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this contract, and cure the Title Objections that Seller has agreed to cure.


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2. **Entry onto the Property.** Buyer may enter the Property before closing to inspect it at Buyer's cost, and Buyer's consulting engineer, its agents and subcontractors, may enter onto the Property subject to the following:

- a. Buyer must deliver evidence to Seller that Buyer has liability insurance for its proposed inspection activities, with coverages and in amounts that are substantially the same as those maintained by Seller or with such lesser coverages and in such lesser amounts as are reasonably satisfactory to Seller.
- b. Buyer may not interfere in any material manner with existing operations or occupants of the Property.
- c. Buyer must notify Seller in advance of Buyer's plans to conduct tests so that Seller may be present during the tests.
- d. If the Property is physically altered because of Buyer's inspections, Buyer must return the Property to its preinspection condition promptly after the alteration occurs.
- e. Buyer must abide by any other reasonable entry rules imposed by Seller.

3. **Environmental Assessment.** Buyer has the right to conduct environmental assessments of the Property. Seller will provide, or will designate a person with knowledge of the use and condition of the Property to provide, information requested by Buyer or Buyer's agent or representative regarding the use and condition of the Property during the period of Seller's

Seller: _____ Buyer:  _____

ownership of the Property. Seller will cooperate with Buyer in obtaining and providing to Buyer or its agent or representative information regarding the Property.

4. **Buyer's Right to Terminate.** Buyer may terminate this contract for any reason by notifying Seller before the end of the Inspection Period. If Buyer does not notify Seller of Buyer's termination of the contract before the end of the Inspection Period, Buyer waives the right to terminate this contract pursuant to this provision.

5. **Buyer's Indemnity and Release of Seller**

- a. **Indemnity.** Buyer will indemnify, defend, and hold Seller harmless from any loss, reasonable attorney's fees, expenses, or claims arising out of Buyer's investigation of the Property, except those arising out of the acts or omissions of Seller and those for repair or remediation of existing conditions discovered by Buyer's inspection. The obligations of Buyer under this provision will survive termination of this contract and closing.
- b. **Release.** Buyer releases Seller and those persons acting on Seller's behalf from all claims and causes of action, including claims for personal injury and property damage, resulting from Buyer's investigation of the Property.

H. **Representations**

The parties' representations stated in Exhibit C are true and correct as of the Effective Date and must be true and correct on the Closing Date. Seller will promptly notify Buyer if Seller becomes aware that any of the representations are not true and correct.

I. **Condition of the Property until Closing; Cooperation; No Recording of Contract**

1. **Maintenance and Operation.** Until closing, Seller will (a) maintain the Property as it existed on the Effective Date, except for reasonable wear and tear and casualty damage; (b) use the Property in the same manner as it was used on the Effective Date; and (c) comply with all contracts, laws, and governmental regulations affecting the Property. Until the end of the Inspection Period, Seller will not enter into, amend, or terminate any contract that affects the Property other than in the ordinary course of operating the Property and will promptly give notice to Buyer of each new, amended, or terminated contract, including a copy of the contract, in sufficient time so that Buyer may consider the new information before the end of the Inspection Period. If Seller's notice is given within three (3) days before the end of the Inspection Period, the Inspection Period will be extended for three (3) days. After the end of the Inspection Period, Seller may not enter into, amend, or terminate any contract that affects the Property without first obtaining Buyer's written consent.

2. **Casualty Damage.** Seller will notify Buyer promptly after discovery of any casualty damage to the Property. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before closing. Buyer may terminate this contract if the casualty damage that occurs before closing would materially affect Buyer's intended use of the Property, by giving notice to Seller within fifteen (15) days after receipt of Seller's notice of the casualty (or before

Seller: SO Buyer: _____

ownership of the Property. Seller will cooperate with Buyer in obtaining and providing to Buyer or its agent or representative information regarding the Property.

4. ***Buyer's Right to Terminate.*** Buyer may terminate this contract for any reason by notifying Seller before the end of the Inspection Period. If Buyer does not notify Seller of Buyer's termination of the contract before the end of the Inspection Period, Buyer waives the right to terminate this contract pursuant to this provision.

5. ***Buyer's Indemnity and Release of Seller***

- a. ***Indemnity.*** Buyer will indemnify, defend, and hold Seller harmless from any loss, reasonable attorney's fees, expenses, or claims arising out of Buyer's investigation of the Property, except those arising out of the acts or omissions of Seller and those for repair or remediation of existing conditions discovered by Buyer's inspection. The obligations of Buyer under this provision will survive termination of this contract and closing.
- b. ***Release.*** Buyer releases Seller and those persons acting on Seller's behalf from all claims and causes of action, including claims for personal injury and property damage, resulting from Buyer's investigation of the Property.


H. Representations

The parties' representations stated in Exhibit C are true and correct as of the Effective Date and must be true and correct on the Closing Date. Seller will promptly notify Buyer if Seller becomes aware that any of the representations are not true and correct.

I. Condition of the Property until Closing; Cooperation; No Recording of Contract

1. ***Maintenance and Operation.*** Until closing, Seller will (a) maintain the Property as it existed on the Effective Date, except for reasonable wear and tear and casualty damage; (b) use the Property in the same manner as it was used on the Effective Date; and (c) comply with all contracts, laws, and governmental regulations affecting the Property. Until the end of the Inspection Period, Seller will not enter into, amend, or terminate any contract that affects the Property other than in the ordinary course of operating the Property and will promptly give notice to Buyer of each new, amended, or terminated contract, including a copy of the contract, in sufficient time so that Buyer may consider the new information before the end of the Inspection Period. If Seller's notice is given within three (3) days before the end of the Inspection Period, the Inspection Period will be extended for three (3) days. After the end of the Inspection Period, Seller may not enter into, amend, or terminate any contract that affects the Property without first obtaining Buyer's written consent.

2. ***Casualty Damage.*** Seller will notify Buyer promptly after discovery of any casualty damage to the Property. Seller will have no obligation to repair or replace the Property if it is damaged by casualty before closing. Buyer may terminate this contract if the casualty damage that occurs before closing would materially affect Buyer's intended use of the Property, by giving notice to Seller within fifteen (15) days after receipt of Seller's notice of the casualty (or before

Seller: _____ Buyer: 

closing if Seller's notice of the casualty is received less than fifteen (15) days before closing). The Purchase Price will be reduced by the cost to repair the casualty damage.

3. **Condemnation.** Seller will notify Buyer promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. Buyer may terminate this contract if the condemnation would materially affect Buyer's intended use of the Property by giving notice to Seller within fifteen (15) days after receipt of Seller's notice to Buyer (or before closing if Seller's notice is received less than fifteen (15) days before closing). If Buyer does not terminate this contract, (a) Buyer and Seller will each have the right to appear and defend their respective interests in the Property in the condemnation proceedings, (b) any award in condemnation will be assigned to Buyer, (c) if the taking occurs before closing, the description of the Property will be revised to delete the portion taken, and (d) no change in the Purchase Price will be made.

4. **Claims; Hearings.** Seller will notify Buyer promptly after Seller receives notice of any claim or administrative hearing that is threatened, filed, or initiated before closing that involves or directly affects the Property.

5. **Cooperation.** Seller will cooperate with Buyer (a) before and after closing, to transfer the applications, permits, and licenses held by Seller and used in the operation of the Property and to obtain any approvals, permits, and consents necessary for Buyer to develop and operate the Property after closing and (b) before closing, with any reasonable evaluation, inspection, audit, or study of the Property prepared by, for, or at the request of Buyer.

6. **No Recording.** Buyer may not file this contract or any memorandum or notice of this contract in the real property records of any county. If, however, Buyer records this contract or a memorandum or notice, Seller may terminate this contract and record a notice of termination.

J. Termination

1. **Duties after Termination.** If this contract is terminated prior to the Closing Date, Buyer will promptly return to Seller all of Seller's records in Buyer's possession or control. After return of the documents and copies, neither party will have further duties or obligations to the other under this contract, except for those obligations that cannot be or were not performed before termination of this contract or that expressly survive termination of this contract.

K. Closing

1. **Closing.** This transaction will close at Title Company's offices at the Closing Date and Closing Time. At closing, the following will occur:

- a. **Closing Documents. Title Company Documents.** The parties will execute and deliver the Closing Documents and any documents required by Title Company.
- b. **Payment of Transaction Costs.** The parties will provide payment for their respective transaction costs through wire transfer, cashier's check, or in another method satisfactory to Title Company.

Seller: SR Buyer: _____

closing if Seller's notice of the casualty is received less than fifteen (15) days before closing). The Purchase Price will be reduced by the cost to repair the casualty damage.

3. **Condemnation.** Seller will notify Buyer promptly after Seller receives notice that any part of the Property has been or is threatened to be condemned or otherwise taken by a governmental or quasi-governmental authority. Buyer may terminate this contract if the condemnation would materially affect Buyer's intended use of the Property by giving notice to Seller within fifteen (15) days after receipt of Seller's notice to Buyer (or before closing if Seller's notice is received less than fifteen (15) days before closing). If Buyer does not terminate this contract, (a) Buyer and Seller will each have the right to appear and defend their respective interests in the Property in the condemnation proceedings, (b) any award in condemnation will be assigned to Buyer, (c) if the taking occurs before closing, the description of the Property will be revised to delete the portion taken, and (d) no change in the Purchase Price will be made.

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- b. **Payment of Transaction Costs.** The parties will provide payment for their respective transaction costs through wire transfer, cashier's check, or in another method satisfactory to Title Company.

Seller: _____ Buyer: JA

- c. ***Disbursement of Funds; Recording; Copies.*** Title Company will be instructed to record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
- d. ***Delivery of Originals.*** Seller will deliver to Buyer the originals or correct copies of Seller's Records.
- e. ***Possession.*** Seller will deliver possession of the Property to Buyer, subject to the Permitted Exceptions existing at closing and any liens and security interests created at closing to secure financing for the Purchase Price.
- f. ***Performance Agreement.*** The closing of this contract conveying the Property to Buyer shall be concurrent with the execution of a Performance Agreement for economic development incentives in a form negotiated and agreed to between the Buyer, The Acutronic Company (an affiliate of the Company, as defined in the Performance Agreement), and Seller, and as provided in Exhibit "B."

2. ***Transaction Costs***

- a. ***Seller's Costs.*** Seller will pay the basic charge for the Title Policy; one-half of the escrow fee charged by Title Company; the costs to prepare the deed; the costs to obtain, deliver, and record releases of any liens required to be released in connection with the sale; the costs to record documents to cure Title Objections agreed or required to be cured by Seller and to resolve matters shown in Schedule C of the Title Commitment; the costs to obtain certificates or reports of ad valorem taxes; the costs to deliver copies of the instruments described in paragraph A.3. and Seller's records; any other costs expressly required to be paid by Seller in this contract; and Seller's attorney's fees and expenses.
- b. ***Buyer's Costs.*** Buyer will pay one-half of the escrow fee charged by Title Company; the costs to obtain, deliver, and record all documents other than those to be obtained or recorded at Seller's expense; the cost of the Survey; the costs of work required by Buyer to have the Survey reflect matters other than those required under this contract except changes required for curative purposes; the costs to obtain financing of the Purchase Price, including the incremental premium costs of the loan title policies and endorsements and deletions required by Buyer's lender; any other costs expressly required to be paid by Buyer in this contract; and Buyer's attorney's fees and expenses.
- c. ***Ad Valorem Taxes.*** Ad valorem taxes for the Property for the calendar year of closing will be prorated between Buyer and Seller as of the Closing Date. Seller's portion of the prorated taxes will be paid to Buyer at closing as a credit to the Purchase Price. Buyer assumes the obligation to pay, and shall pay in full, such taxes before delinquency. If the assessment for the calendar

Seller: *SL* Buyer: _____

- c. **Disbursement of Funds; Recording; Copies.** Title Company will be instructed to record the deed and the other Closing Documents directed to be recorded, and distribute documents and copies in accordance with the parties' written instructions.
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- b. **Buyer's Costs.** Buyer will pay one-half of the escrow fee charged by Title Company; the costs to obtain, deliver, and record all documents other than those to be obtained or recorded at Seller's expense; the cost of the Survey; the costs of work required by Buyer to have the Survey reflect matters other than those required under this contract except changes required for curative purposes; the costs to obtain financing of the Purchase Price, including the incremental premium costs of the loan title policies and endorsements and deletions required by Buyer's lender; any other costs expressly required to be paid by Buyer in this contract; and Buyer's attorney's fees and expenses.
- c. **Ad Valorem Taxes.** Ad valorem taxes for the Property for the calendar year of closing will be prorated between Buyer and Seller as of the Closing Date. Seller's portion of the prorated taxes will be paid to Buyer at closing as a credit to the Purchase Price. Buyer assumes the obligation to pay, and shall pay in full, such taxes before delinquency. If the assessment for the calendar

Seller: _____ Buyer: 

year of closing is not known at the Closing Date, the proration will be based on tax rates for the previous tax year applied to the most current assessed value, and Buyer and Seller will adjust the prorations in cash within thirty (30) days after the actual assessment and taxes are known. Seller will promptly notify Buyer of all notices of proposed or final tax valuations and assessments that Seller receives after the Effective Date and after closing. All taxes (including any penalties, interest, and attorney's fees) due as of closing will be paid at closing. If the Property has been the subject of special valuation and reduced tax assessments pursuant to the provisions of chapter 23, subchapter D, of the Texas Tax Code or under any other provision of law with respect to any period before the closing, and if additional taxes, penalties, or interest are assessed pursuant to Code section 23.55 or under the other provision of law, the following will apply:

- i. If Seller changes the use of the Property before closing, resulting in the assessment of additional taxes for periods before closing, Seller will pay the additional taxes.
 - ii. If this sale or Buyer's use of the Property results in the assessment of additional taxes for periods before closing, Buyer will pay the additional taxes.
- d. **Income and Expenses.** Except as provided in the paragraph immediately above, income and expenses pertaining to operation of the Property will be prorated as of the Closing Date on an accrual basis and paid at closing as a credit or debit adjustment to the Purchase Price. Invoices that are received after closing for operating expenses incurred on or before the Closing Date and not adjusted at closing will be prorated between the parties as of the Closing Date, and Seller will pay its share within ten (10) days after notice of Buyer's invoice.
- e. **Post-closing Adjustments.** If errors in the prorations made at closing are identified within ninety (90) days after closing, Seller and Buyer will make post-closing adjustments to correct the errors within fifteen (15) days of receipt of notice of the errors.

3. **Issuance of Title Policy.** Seller will cause Title Company to issue the Title Policy to Buyer as soon as practicable after closing.

L. Default and Remedies

1. **Seller's Default; Remedies before Closing.** If Seller fails to perform any of its obligations under this contract or if any of Seller's representations is not true and correct as of the Effective Date or on the Closing Date ("Seller's Default"), and Seller's Default continues following the notice and opportunity to cure provided in paragraph L.5., *infra*, Buyer may elect either of the following as its sole and exclusive remedy before closing:

Seller: SL Buyer: _____


year of closing is not known at the Closing Date, the proration will be based on tax rates for the previous tax year applied to the most current assessed value, and Buyer and Seller will adjust the prorations in cash within thirty (30) days after the actual assessment and taxes are known. Seller will promptly notify Buyer of all notices of proposed or final tax valuations and assessments that Seller receives after the Effective Date and after closing. All taxes (including any penalties, interest, and attorney's fees) due as of closing will be paid at closing. If the Property has been the subject of special valuation and reduced tax assessments pursuant to the provisions of chapter 23, subchapter D, of the Texas Tax Code or under any other provision of law with respect to any period before the closing, and if additional taxes, penalties, or interest are assessed pursuant to Code section 23.55 or under the other provision of law, the following will apply:

- i. If Seller changes the use of the Property before closing, resulting in the assessment of additional taxes for periods before closing, Seller will pay the additional taxes.
 - ii. If this sale or Buyer's use of the Property results in the assessment of additional taxes for periods before closing, Buyer will pay the additional taxes.
- d. ***Income and Expenses.*** Except as provided in the paragraph immediately above, income and expenses pertaining to operation of the Property will be prorated as of the Closing Date on an accrual basis and paid at closing as a credit or debit adjustment to the Purchase Price. Invoices that are received after closing for operating expenses incurred on or before the Closing Date and not adjusted at closing will be prorated between the parties as of the Closing Date, and Seller will pay its share within ten (10) days after notice of Buyer's invoice.
- e. ***Post-closing Adjustments.*** If errors in the prorations made at closing are identified within ninety (90) days after closing, Seller and Buyer will make post-closing adjustments to correct the errors within fifteen (15) days of receipt of notice of the errors.

3. ***Issuance of Title Policy.*** Seller will cause Title Company to issue the Title Policy to Buyer as soon as practicable after closing.

L. **Default and Remedies**

1. ***Seller's Default; Remedies before Closing.*** If Seller fails to perform any of its obligations under this contract or if any of Seller's representations is not true and correct as of the Effective Date or on the Closing Date ("Seller's Default"), and Seller's Default continues following the notice and opportunity to cure provided in paragraph L.5., *infra*, Buyer may elect either of the following as its sole and exclusive remedy before closing:

Seller: _____ Buyer:  _____

- a. **Termination; Liquidated Damages.** Buyer may terminate this contract by giving notice to Seller on or before the Closing Date and have the Earnest Money, less \$100 as described above, returned to Buyer. Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, if Seller's Default occurs after Buyer has incurred costs to investigate the Property after the Effective Date and Buyer terminates this contract in accordance with the previous sentence, Seller will also pay to Buyer as liquidated damages Buyer's reasonable out-of-pocket expenses incurred to investigate the Property ("Buyer's Expenses"), in an amount not to exceed \$10,000.00, within ten (10) days after Seller's receipt of an invoice from Buyer stating the amount of Buyer's Expenses accompanied by reasonable evidence of Buyer's Expenses.
- b. **Specific Performance.** Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, Buyer may enforce specific performance of Seller's obligations under this contract, but any such action must be initiated, if at all, within ninety (90) days after the breach or alleged breach of this contract. If title to the Property is awarded to Buyer, the conveyance will be subject to the matters stated in the Title Commitment.

2. **Seller's Default; Remedies after Closing.** If Seller's representations are not true and correct at closing and Buyer does not become aware of the untruth or incorrectness until after closing, Buyer will have all the rights and remedies available at law or in equity. If Seller fails to perform any of its obligations under this contract that survive closing, Buyer will have all rights and remedies available at law or in equity unless otherwise provided by the Closing Documents.

3. **Buyer's Default; Remedies before Closing.** If Buyer fails to perform any of its obligations under this contract ("Buyer's Default"), and Buyer's Default continues following the notice and opportunity to cure provided in paragraph L.5., *infra*, Seller may terminate this contract by giving notice to Buyer. If Buyer's Default occurs after Seller has incurred costs to perform its obligations under this contract and Seller terminates this contract in accordance with the previous sentence, Buyer will also reimburse Seller for Seller's reasonable out-of-pocket expenses incurred after the Effective Date to perform its obligations under this contract ("Seller's Expenses"), in an amount not to exceed \$10,000.00, within ten (10) days after Buyer's receipt of an invoice from Seller stating the amount of Seller's Expenses accompanied by reasonable evidence of Seller's Expenses. The foregoing constitutes Seller's sole and exclusive remedies for a Buyer's Default before closing.

4. **Buyer's Default; Remedies after Closing.** If Buyer fails to perform any of its obligations under this contract that survive closing, Seller will have all rights and remedies available at law or in equity unless otherwise provided by the Closing Documents.

5. **Notice and Opportunity to Cure.** Seller and Buyer shall each be given ten (10) days' Notice, in accordance with the Notice section of this contract, and opportunity to cure any default alleged by Seller or Buyer related to this contract, and may adjust the Closing Date as

Seller: SE Buyer: _____


- a. **Termination; Liquidated Damages.** Buyer may terminate this contract by giving notice to Seller on or before the Closing Date and have the Earnest Money, less \$100 as described above, returned to Buyer. Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, if Seller's Default occurs after Buyer has incurred costs to investigate the Property after the Effective Date and Buyer terminates this contract in accordance with the previous sentence, Seller will also pay to Buyer as liquidated damages Buyer's reasonable out-of-pocket expenses incurred to investigate the Property ("Buyer's Expenses"), in an amount not to exceed \$10,000.00, within ten (10) days after Seller's receipt of an invoice from Buyer stating the amount of Buyer's Expenses accompanied by reasonable evidence of Buyer's Expenses.
- b. **Specific Performance.** Unless Seller's Default relates to the untruth or incorrectness of Seller's representations for reasons not reasonably within Seller's control, Buyer may enforce specific performance of Seller's obligations under this contract, but any such action must be initiated, if at all, within ninety (90) days after the breach or alleged breach of this contract. If title to the Property is awarded to Buyer, the conveyance will be subject to the matters stated in the Title Commitment.

2. **Seller's Default; Remedies after Closing.** If Seller's representations are not true and correct at closing and Buyer does not become aware of the untruth or incorrectness until after closing, Buyer will have all the rights and remedies available at law or in equity. If Seller fails to perform any of its obligations under this contract that survive closing, Buyer will have all rights and remedies available at law or in equity unless otherwise provided by the Closing Documents.

3. **Buyer's Default; Remedies before Closing.** If Buyer fails to perform any of its obligations under this contract ("Buyer's Default"), and Buyer's Default continues following the notice and opportunity to cure provided in paragraph L.5., *infra*, Seller may terminate this contract by giving notice to Buyer. If Buyer's Default occurs after Seller has incurred costs to perform its obligations under this contract and Seller terminates this contract in accordance with the previous sentence, Buyer will also reimburse Seller for Seller's reasonable out-of-pocket expenses incurred after the Effective Date to perform its obligations under this contract ("Seller's Expenses"), in an amount not to exceed \$10,000.00, within ten (10) days after Buyer's receipt of an invoice from Seller stating the amount of Seller's Expenses accompanied by reasonable evidence of Seller's Expenses. The foregoing constitutes Seller's sole and exclusive remedies for a Buyer's Default before closing.

4. **Buyer's Default; Remedies after Closing.** If Buyer fails to perform any of its obligations under this contract that survive closing, Seller will have all rights and remedies available at law or in equity unless otherwise provided by the Closing Documents.

5. **Notice and Opportunity to Cure.** Seller and Buyer shall each be given ten (10) days' Notice, in accordance with the Notice section of this contract, and opportunity to cure any default alleged by Seller or Buyer related to this contract, and may adjust the Closing Date as

Seller: _____ Buyer:  _____

necessary to accommodate the time expended for such cure by amending this Contract in writing and signed by both Parties.

6. *Liquidated Damages.* The parties agree that just compensation for the harm that would be caused by a default by either party cannot be accurately estimated or would be very difficult to accurately estimate and that Buyer's Liquidated Damages or the Earnest Money are reasonable forecasts of just compensation to the nondefaulting party for the harm that would be caused by a default.

7. *Attorney's Fees.* If either party retains an attorney to enforce this contract, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

M. Miscellaneous Provisions

1. *Notices.* Any notice required by or permitted under this contract must be in writing. Any notice required by this contract will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this contract. Notice may also be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means and will be effective when actually received, provided that (a) any notice received on a Saturday, Sunday, or national holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or national holiday and (b) any notice received after 5:00 P.M. local time at the place of delivery on a day that is not a Saturday, Sunday, or national holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or national holiday. Notice may not be given by e-mail. Any address for notice may be changed by not less than ten (10) days' prior written notice delivered as provided herein. Copies of each notice must be given by one of these methods to the attorney of the party to whom notice is given.

2. *Entire Agreement.* This contract, its exhibits, and any Closing Documents delivered at closing constitute the entire agreement of the parties concerning the sale of the Property by Seller to Buyer. There are no representations, warranties, agreements, or promises pertaining to the sale of the Property by Seller to Buyer that are not in those documents.

3. *Amendment.* This contract may be amended only by an instrument in writing signed by the parties.

4. *Prohibition of Assignment.* Buyer may not assign this contract or any of Buyer's rights under it without Seller's prior written consent, and any attempted assignment is void. The consent by Seller to any assignment by Buyer will not release Buyer of its obligations under this contract, and Buyer and the assignee will be jointly and severally liable for the performance of those obligations after any such assignment. This contract binds, benefits, and may be enforced by the parties and their respective heirs, successors, and permitted assigns.

5. *Survival.* The provisions of this contract that expressly survive termination or closing and other obligations of this contract that cannot be performed before termination of this contract or before closing survive termination of this contract or closing, and the legal doctrine of

Seller: SC Buyer: _____

necessary to accommodate the time expended for such cure by amending this Contract in writing and signed by both Parties.

6. **Liquidated Damages.** The parties agree that just compensation for the harm that would be caused by a default by either party cannot be accurately estimated or would be very difficult to accurately estimate and that Buyer's Liquidated Damages or the Earnest Money are reasonable forecasts of just compensation to the nondefaulting party for the harm that would be caused by a default.

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2. **Entire Agreement.** This contract, its exhibits, and any Closing Documents delivered at closing constitute the entire agreement of the parties concerning the sale of the Property by Seller to Buyer. There are no representations, warranties, agreements, or promises pertaining to the sale of the Property by Seller to Buyer that are not in those documents.

3. **Amendment.** This contract may be amended only by an instrument in writing signed by the parties.

4. **Prohibition of Assignment.** Buyer may not assign this contract or any of Buyer's rights under it without Seller's prior written consent, and any attempted assignment is void. The consent by Seller to any assignment by Buyer will not release Buyer of its obligations under this contract, and Buyer and the assignee will be jointly and severally liable for the performance of those obligations after any such assignment. This contract binds, benefits, and may be enforced by the parties and their respective heirs, successors, and permitted assigns.

5. **Survival.** The provisions of this contract that expressly survive termination or closing and other obligations of this contract that cannot be performed before termination of this contract or before closing survive termination of this contract or closing, and the legal doctrine of

Seller: _____ Buyer: 

merger does not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents control.

6. *Choice of Law; Venue.* This contract is to be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. Venue is in the County for Performance.

7. *Waiver of Default.* Default is not waived if the nondefaulting party fails to declare a default immediately or delays taking any action with respect to the default.

8. *No Third-Party Beneficiaries.* There are no third-party beneficiaries of this contract.

9. *Severability.* If a provision in this contract is unenforceable for any reason, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability does not affect any other provision of this contract, and this contract is to be construed as if the unenforceable provision is not a part of the contract.


10. *Ambiguities Not to Be Construed against Party Who Drafted Contract.* The rule of construction that ambiguities in a document are construed against the party who drafted it does not apply in interpreting this contract.

11. *No Special Relationship.* The parties' relationship is an ordinary commercial relationship, and the parties do not intend to create the relationship of principal and agent, partners, joint venturers, or any other special relationship.

12. *Counterparts.* If this contract is executed in multiple counterparts, all counterparts taken together constitute this contract. Copies of signatures to this contract are effective as original signatures.

13. *Confidentiality.* This contract, this transaction, and all information learned in the course of this transaction shall be kept confidential, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Buyer to investigate the Property or either party to close this transaction. Remedies for violations of this provision are limited to injunctions and no damages or rescission may be sought or recovered as a result of any such violations.

15. *Binding Effect.* This contract is not binding on Seller until it has been approved at duly-called meetings of the Bastrop Economic Development Corporation Board and the City of Bastrop governing body, held in compliance with the Texas Open Meetings Act. Upon approval and execution, this contract binds, benefits, and may be enforced by the parties and their respective heirs, successors, and permitted assigns.

Seller:  Buyer: _____

merger does not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents control.

6. **Choice of Law; Venue.** This contract is to be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. Venue is in the County for Performance.

7. **Waiver of Default.** Default is not waived if the nondefaulting party fails to declare a default immediately or delays taking any action with respect to the default.

8. **No Third-Party Beneficiaries.** There are no third-party beneficiaries of this contract.

9. **Severability.** If a provision in this contract is unenforceable for any reason, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability does not affect any other provision of this contract, and this contract is to be construed as if the unenforceable provision is not a part of the contract.


10. **Ambiguities Not to Be Construed against Party Who Drafted Contract.** The rule of construction that ambiguities in a document are construed against the party who drafted it does not apply in interpreting this contract.

11. **No Special Relationship.** The parties' relationship is an ordinary commercial relationship, and the parties do not intend to create the relationship of principal and agent, partners, joint venturers, or any other special relationship.

12. **Counterparts.** If this contract is executed in multiple counterparts, all counterparts taken together constitute this contract. Copies of signatures to this contract are effective as original signatures.

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Seller: _____ Buyer: 

SELLER:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

By: *[Signature]*

Name: *Sylvia Carrillo*

Title: *City Manager*

Date: *1/2/2024* *For the Director*

BUYER:

ACUTRONIC REAL ESTATE INC.

By: _____

Name: _____

Title: _____

Date: _____

Seller: *[Signature]* Buyer: _____

SELLER:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

By: _____

Name: _____

Title: _____

Date: _____

BUYER:

ACUTRONIC REAL ESTATE INC.

By: 

Name: FLORIAN AIGRAIN

Title: PRESIDENT

Date: JANUARY 10 2014

Seller: _____ Buyer: _____

Title Company acknowledges receipt of a copy of this contract executed by both Buyer and Seller.

TITLE COMPANY:

CORRIDOR TITLE

By Jade Whelihan

Name: Jade Whelihan

Title: Escrow Officer

Date: 1/17/2024

Seller:  Buyer: _____

Title Company acknowledges receipt of a copy of this contract executed by both Buyer and Seller.

TITLE COMPANY:

CORRIDOR TITLE

By Jade Whelihan

Name: Jade Whelihan

Title: Escrow Officer

Date: 1/17/2024

Seller: _____ Buyer: FW

**Exhibit B
Performance Agreement**

Seller: _____ Buyer: FA

**ECONOMIC DEVELOPMENT PERFORMANCE AGREEMENT
ACUTRONIC REAL ESTATE HOLDING INC. AND THE ACUTRONIC
COMPANY**

This Performance Agreement (this "Agreement") is entered into to be effective as of the Effective Date (as defined in Article III below), by and between the Bastrop Economic Development Corporation, located in Bastrop County, Texas, a Texas Type B economic development corporation under the Development Corporation Act and governed by TEX. LOC. GOV. CODE chapters 501, 502 and 505 and the Texas Non-Profit Corporation Act (hereinafter called "BEDC"), created by, and for the benefit of the City of Bastrop, Texas (hereinafter sometimes called the "City"), Acutronic Real Estate Inc., a Delaware corporation (hereinafter "Acutronic Real Estate"), and The Acutronic Company, a Delaware corporation authorized to do business in the State of Texas (hereinafter called "Acutronic Operating Company"); the BEDC, Acutronic Real Estate, and Acutronic Operating Company collectively referred to as the "Parties" to this Agreement.

RECITALS

WHEREAS, the Development Corporation Act of 1979, as amended (Section 501.001 *et seq*, Texas Local Government Code, formerly the Development Corporation Act of 1979) (the "Act") authorizes a development corporation to fund certain projects as defined by the Act and requires development corporations to enter into performance agreements to establish and provide for the direct incentive or make an expenditure on behalf of a business enterprise under a project; and

WHEREAS, Section 501.158 of the Act requires a performance agreement to provide at a minimum for a schedule of additional payroll or jobs to be created or retained and capital investment to be made as consideration for any direct incentives provided or expenditures made by a corporation under an agreement and to specify the terms under which repayment must be made if the business enterprise does not meet the performance requirements specified in the agreement; and

WHEREAS, the Acutronic Group, which includes Acutronic Real Estate and Acutronic Operating Company, develops and manufactures specialty components and products, including but not limited to, electric power systems, servo-actuators, micro turbines, and Hybrid-Electric-Propulsion-Systems, for use by the aerospace, defense, transportation, and related industries; and

WHEREAS, Acutronic Real Estate commits to constructing a minimum 20,000 square foot industrial production and manufacturing facility, at a minimum capital investment of \$4,000,000.00, on approximately ten (10) acres of land currently owned by the BEDC and located in Bastrop, Texas, and which Acutronic Real Estate has contracted to purchase from the BEDC; and

WHEREAS, Acutronic Operating Company, together with or through existing and future Affiliates, as defined herein, commits to creating and retaining, over the term of this Agreement, a minimum of 50 full-time jobs with an average total compensation of at least \$56,240.00; and

WHEREAS, Acutronic Real Estate is seeking funding in the form of performance-based financial incentives from the BEDC to help offset certain costs associated with its proposed facility construction and commencement of local operations; and

WHEREAS, the BEDC desires to provide such funding to Acutronic Real Estate pursuant to the terms of this Agreement, as an incentive for the construction of Acutronic Real Estate's new facility and associated investment of new capital; and

WHEREAS, the Parties are executing and entering into this Agreement to set forth certain terms and obligations of the Parties; and

WHEREAS, the Parties recognize that all agreements of the Parties hereto and all terms and provisions hereof are subject to the laws of the State of Texas and all rules, regulations and interpretations of any agency or subdivision thereof at any time governing the subject matters hereof; and

WHEREAS, the Parties agree that all conditions precedent for this Agreement to become a binding agreement have occurred and been complied with, including all requirements pursuant to the Texas Open Meetings Act and all public notices and hearings, if any, have been conducted in accordance with Texas law; and

WHEREAS, on the Effective Date, the commitments contained in this Agreement shall become legally binding obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual covenants, benefits and agreements described and contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and further described herein, the Parties agree as follows:

ARTICLE I
RECITALS

1. Recitals. The recitals set forth above are declared true and correct by the Parties and are hereby incorporated as part of this Agreement.

ARTICLE II
AUTHORITY AND TERM

1. Authority. The BEDC's execution of this Agreement is authorized by the Act and will constitute a valid and binding obligation of the BEDC. Acutronic Real Estate's and Acutronic Operating Company's execution of this Agreement is authorized by the appropriate authority and constitutes a valid and binding obligations of each entity.

2. Term. This Agreement shall become enforceable upon the Effective Date, hereinafter established, and shall continue until the Expiration Date, hereinafter established, unless terminated sooner or extended by written mutual agreement of the Parties in the manner provided for herein.

3. Purpose. The purpose of this Agreement is to formalize the agreements between the Parties and specifically state the covenants and representations of the Parties, and the incentives associated with Acutronic Real Estate's and Acutronic Operating Company's commitment to abide by the provisions of the Act and to abide by the terms of this Agreement which has been approved by the Parties as complying with the specific requirements of the Act. It is expressly agreed that this Agreement constitutes a single transaction.

4. Administration of Agreement. Upon the Effective Date, the BEDC delegates the administration and oversight of this Agreement to the Executive Director of the BEDC. Any proposed amendments to the Agreement shall require the approval of the Board of Directors of the BEDC.

ARTICLE III DEFINITIONS

As used in this Agreement, the following terms shall have the meanings ascribed below. All undefined terms shall retain their usual and customary meaning as ascribed by common and ordinary usage.

“Affiliate” means any existing or future registered business organization which is (1) controlled by or under common control with Acutronic Operating Company, and (2) authorized to do business in the state of Texas.

“Bankruptcy” shall mean the dissolution or termination of a Party's existence as a going business, insolvency, appointment of receiver for any party of such Party's property and such appointment is not terminated within ninety (90) days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against such party and such proceeding is not dismissed within ninety (90) days after the filing thereof.

“Business Operations” shall mean the following activities carried out or managed by Acutronic Operating Company and/or its Affiliates: production and testing of aerospace and defense products and other commercial and industrial products (including assembly cells/lines and specialized equipment for testing and manufacturing); metal working (including CNC machines); metal casting (including a metal foundry); and/or associated office, engineering, and storage space.

“Capital Investment” shall mean those items set forth in Article IV Section I.

“Commencement of Construction” shall mean the commencement of construction of improvements or delivery of construction materials to the Property, the construction of improvements or materials of which must be visible from inspection of the Property.

“Completion of Construction” shall mean completion of the Facility improvements construction on the Property, as evidenced by the receipt of a temporary or final Certificate of Occupancy from the City of Bastrop.

“Effective Date” shall be the date of the last signing by a Party to this Agreement.

“Expiration Date” shall mean the earlier of (1) ten (10) years from the Effective Date; or (2) the date of termination provided for under Article VII of this Agreement.

“Facility” shall mean the minimum 20,000 square foot industrial, manufacturing, and production facility, to be constructed by Acutronic Real Estate for the Business Operations of Acutronic Operating Company and/or its Affiliates.

“Force Majeure” shall mean any contingency or cause beyond the reasonable control or anticipation of a Party, including, without limitation, natural disasters or other acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action, fires, explosions, floods, strikes, lock-outs, slowdowns, work stoppages, unusual and unforeseeable delay that results from an interruption or failure of any public utilities, (e.g., electricity, gas, water), terrorism, bioterrorism, pandemic or epidemic.

“Full-Time Jobs” shall mean the number of Acutronic Operating Company’s or Affiliate’s employees that (a) have a regular work schedule of at least 36 hours per week as reported on the Texas Employers Quarterly Wage Report from the Texas Workforce, and (b) are entitled to at least the customary employer-sponsored benefits package afforded by the Company to its similarly situated employees at other locations.

“New Jobs” shall mean those jobs that are created for the purposes of satisfying Acutronic Operating Company’s obligations, as further described in Article IV, Section 2, herein. Notwithstanding anything herein to the contrary, New Jobs shall include any jobs that may have existed at the Acutronic Group’s other locations prior to the Completion of Construction and were transferred to the Facility following Completion of Construction.

“Performance-Based Financial Incentive” or “PBF” shall mean the amount of \$1,089,000.00, which is equivalent to the purchase and sale price of the Property as provided herein.

“Project” shall mean the Capital Investment and New Jobs as defined herein.

“Property” shall mean the real property purchased by Acutronic Real Estate from the BEDC, consisting of an approximately 13.84-acre portion (Tract 4) out of Reserve Area “D” Replat of Lots 1 and 2, Reserve B of Bastrop Business and Industrial Park, Phase I Final Plat, recorded at Cabinet 5, Page 122-B, Plat Records of Bastrop County Texas and pursuant to the Purchase and Sale Agreement provided in Exhibit A to this Agreement, attached hereto and incorporated herein.

ARTICLE IV PERFORMANCE OBLIGATIONS OF ACUTRONIC REAL ESTATE AND ACUTRONIC OPERATING COMPANY

The obligation of the BEDC to pay funds from the PBF shall be conditioned upon Acutronic Real Estate’s and Acutronic Operating Company’s continued compliance with and satisfaction of each of Acutronic Real Estate’s and Acutronic Operating Company’s obligations under this Article IV (the “Performance Obligations”).

1. Capital Investment. Acutronic Real Estate shall make a new Capital Investment of at least \$4,000,000.00 for the construction of the Facility, designed specifically for the Business Operations of Acutronic Operating Company and its Affiliates, to be constructed on the Property. The Capital Investment shall include costs related to site preparation and the construction of the Facility, including but not limited to site investigations; architect fees; clearing; grading; environmental reviews; preliminary analysis; design and engineering; materials and testing; materials and labor costs; plant, property, equipment, furnishings and furniture installed in the Facility; landscaping; and ancillary improvements paid, payable, or actually incurred. Acutronic Real Estate may request and the BEDC shall consider, within a reasonable time, preapproval of a construction budget, or specific construction costs or categories of cost, prior to Commencement of Construction.

- (a) Commencement of Construction. Construction of the Facility shall commence no later than 120 days after the later of (i) the date upon which BEDC delivers a 'shovel-ready' site with the Necessary Infrastructure improvements, as specified in Article V, Section 3, or (ii) the issuance of a building permit by the City of Bastrop and all other City or governmental approvals necessary to begin construction of the Facility. Notwithstanding the foregoing, the Parties may agree in writing to an extension of time for Acutronic Real Estate to commence construction on the Facility.
- (b) Business Operations shall commence at the Facility upon Completion of Construction, but in no event later than 32 months after the Commencement of Construction. Notwithstanding the foregoing, the Parties may agree in writing to an extension of time for Acutronic Operating Company to commence Business Operations.

2. New Jobs. Acutronic Operating Company or its Affiliates will be obligated to create or document (or transfer from another location), in total, at least 50 New Jobs. The BEDC acknowledges and agrees that the 50 New Jobs may be: (1) transferred from another Acutronic Group location to the Facility; (2) created by Acutronic Operating Company; and/or (3) created by an existing or future Affiliate of Acutronic Operating Company.

- (a) All New Jobs must be Full-Time Jobs with an average total compensation of at least \$56,240. The average shall be calculated by omitting the highest-total compensation job and the lowest-total compensation job from the calculation and taking the average of the remaining jobs (everything between the lowest total-compensation job and the highest total-compensation job).
- (b) After their creation, all New Jobs are required to be retained by Acutronic Operating Company and/or an Affiliate at the Facility for the remaining duration of this Agreement. Notwithstanding the foregoing, nothing herein shall prevent Acutronic Operating Company and/or an Affiliate from hiring, terminating, or re-classifying individual employees per its normal employment practices, but the total number of New Jobs created shall comply with Acutronic Operating Company's obligations hereunder if individual employees leave or are re-classified and are replaced.

(c) The New Jobs creation and retention shall be in accordance with the following schedule:

- i. New Jobs Obligation 1: Acutronic Operating Company or Affiliates shall create and employ at least ten (10) Full-Time Jobs no later than the first anniversary of the Completion of Construction.
- ii. New Jobs Obligation 2: Acutronic Operating Company or Affiliates shall create and employ an additional ten (10) Full-Time Jobs no later than the second anniversary of the Completion of Construction.
- iii. New Jobs Obligation 3: Acutronic Operating Company or Affiliates shall create and employ an additional ten (10) Full-Time Jobs no later than the third anniversary of the Completion of Construction.
- iv. New Jobs Obligation 4: Acutronic Operating Company or Affiliates shall create and employ an additional ten (10) Full-Time Jobs no later than the fourth anniversary of the Completion of Construction.
- v. New Jobs Obligation 5: Acutronic Operating Company or Affiliates shall create and employ an additional ten (10) Full-Time Jobs no later than the fifth anniversary of the Completion of Construction.

(d) The Parties hereby agree to establish a hiring goal that on or before the fifth anniversary of the Completion of Construction, 75% (or 38) of the New Jobs should be filled by residents of Bastrop County. Further, Acutronic Operating Company or Affiliates agree to use best efforts to fill 100% of the New Jobs with residents of Bastrop County. The Parties acknowledge that Acutronic Operating Company or Affiliates have no control over specific employees who may choose to re-locate outside of Bastrop County after beginning employment by the Company as a resident of Bastrop County.

3. Work-Based Learning Facilities. To the extent that the Memorandum of Understanding (included as Exhibit "B" to this Agreement) between Acutronic Operating Company and the Bastrop Independent School District is still in effect, Acutronic Operating Company or Affiliates will provide appropriate job training space within the Facility for use in conjunction with the "P-TECH" Program, as provided in the Memorandum of Understanding included as Exhibit "B" to this Agreement.

4. Acutronic Real Estate will provide such written records or other internal backup information that the BEDC may reasonably request to verify compliance of its the Performance Obligations hereunder. Acutronic Operating Company will provide such written record or other backup information that the BEDC may reasonably request to verify compliance of the job creation obligations hereunder, including written records or other backup information from Affiliates.

ARTICLE V BEDC OBLIGATIONS

1. Payment of Performance-Based Financial Incentive. Subject to the conditions provided herein, the BEDC shall release incremental portions of the PBFi in accordance with the following schedule:

(a) Distribution 1 – Completion of Construction: A portion of the PBFi in the amount of \$500,000.00 shall be paid to Acutronic Real Estate no later than 30 days following (1) the Completion of Construction, as defined herein; and (2) the delivery by Acutronic Operating Company or an Affiliate to the BEDC of a written compliance verification signed by a duly-authorized representative, certifying that the Acutronic Operating Company or Affiliates have fulfilled the New Jobs obligation as described above in Article IV, Section 2 (a), (b), and (c)(i).

(b) Distribution 2 – A portion of the PBFi in the amount of \$147,250.00 shall be paid to Acutronic Real Estate no later than 30 days following delivery by Acutronic Operating Company or an Affiliate to the BEDC of a written compliance verification signed by a duly-authorized representative, certifying that the Acutronic Operating Company or Affiliates have fulfilled the New Jobs obligation as described above in Article IV, Section 2 (a), (b), and (c)(ii).

(c) Distribution 3 – A portion of the PBFi in the amount of \$147,250.00 shall be paid to Acutronic Real Estate no later than 30 days following delivery by Acutronic Operating Company or an Affiliate to the BEDC of a written compliance verification signed by a duly-authorized representative, certifying that Acutronic Operating Company or Affiliates have fulfilled the New Jobs obligation as described above in Article IV, Section 2 (a), (b), and (c)(iii).

(d) Distribution 4 – A portion of the PBFi in the amount of \$147,250.00 shall be paid to Acutronic Real Estate no later than 30 days following delivery by Acutronic Operating Company or an Affiliate to the BEDC of a written compliance verification signed by a duly-authorized representative, certifying that Acutronic Operating Company or Affiliates have fulfilled the New Jobs obligation as described above in Article IV, Section 2 (a), (b), and (c)(iv).

(e) Distribution 5 – A portion of the PBFi in the amount of \$147,250.00 shall be paid to Acutronic Real Estate no later than 30 days following delivery by Acutronic Operating Company or an Affiliate to the BEDC of a written compliance verification signed by a duly-authorized representative, certifying that Acutronic Operating Company or Affiliates have fulfilled the New Jobs obligation as described above in Article IV, Section 2 (a), (b), and (c)(v).

2. BEDC represents and warrants that it will cause the Property to be legally subdivided in compliance with applicable State, City, and County subdivision laws prior to closing of Acutronic Real Estate's purchase of the Property.

3. BEDC acknowledges that a substantial capital investment of up to one million dollars (\$1,000,000.00) in infrastructure improvements at or near the Property by the BEDC is necessary to deliver a 'shovel-ready' site to Acutronic Real Estate. BEDC represents and warrants

that it has committed sufficient funding for this capital investment and will make the necessary infrastructure improvements at or near the Property, including but not limited to, storm sewer system improvements, roadway improvements, and municipal utility improvements (water, wastewater, electric, and fiber) necessary to deliver a 'shovel-ready' site to Acutronic Real Estate (the "Necessary Infrastructure"). BEDC agrees to provide Acutronic Real Estate a written summary of the proposed Necessary Infrastructure improvements at or near the Property to be made by BEDC in advance of commencing such improvements and further agrees to keep Acutronic Real Estate regularly informed as to the status of completion of the Necessary Infrastructure improvements contemplated herein. Notwithstanding anything herein to the contrary, Acutronic Real Estate and Acutronic Operating Company reserve the right to terminate this Agreement in the event BEDC fails to complete all Necessary Infrastructure improvements on or before December 31, 2025; in which case the BEDC may exercise the Exclusive Repurchase Option Agreement pertaining to the Property, attached hereto as Exhibit "C".

ARTICLE VI COVENANTS AND DUTIES

1. Covenants and Duties. Acutronic Real Estate and Acutronic Operating Company make the following covenants and warranties to the BEDC and agrees to timely and fully perform the obligations and duties contained in Article IV of this Agreement.

- (a) Acutronic Real Estate and Acutronic Operating Company are authorized to do business and is in good standing in the State of Texas and shall remain in good standing in the State of Texas during any term of this Agreement.
- (b) The execution of this Agreement has been duly authorized by Acutronic Real Estate and Acutronic Operating Company, and the individual(s) signing this Agreement are authorized to execute such Agreement and bind Acutronic Real Estate and Acutronic Operating Company. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of the organizational documents, or of any agreement or instrument to which Acutronic Real Estate and/or Acutronic Operating Company is a party to or by which it may be bound.
- (c) Acutronic Real Estate and Acutronic Operating Company are not a party to any Bankruptcy proceedings currently pending or contemplated, and Acutronic Real Estate and Acutronic Operating Company have not been informed of any potential involuntary Bankruptcy proceedings.
- (d) To their current, actual knowledge, Acutronic Real Estate and Acutronic Operating Company have acquired and maintained all necessary rights, licenses, permits, and authority to carry on its business in the City and will continue to use best efforts to maintain all necessary rights, licenses, permits, and authority.
- (e) Except as otherwise provided herein, Acutronic Real Estate and Acutronic Operating Company agree to obtain, or cause to be obtained, all necessary permits and approvals from City and/or all other governmental agencies having jurisdiction over the Project.

(f) Except as otherwise provided herein, Acutronic Real Estate shall be responsible for paying, or causing to be paid, to the City and all other governmental agencies the cost of all applicable permit fees and licenses required for construction of the Project. Acutronic Real Estate agrees to develop the Project in accordance with the ordinances, rules, and regulations of the City in effect on the date the Project was designed, unless specified otherwise in this Agreement or in another agreement between the Parties.

(g) Except as otherwise provided herein, Acutronic Real Estate agrees to commence and complete the Project in strict accordance with this Agreement.

(h) Acutronic Real Estate shall cooperate with the BEDC in providing all necessary information to assist the BEDC in complying with this Agreement. Cooperation shall include, but not be limited to, providing evidence and copies of construction contracts, payments for construction, permits, construction supply purchases, and any other documentation deemed necessary by BEDC to substantiate the reported Capital Investment.

(i) During the term of this Agreement, Acutronic Real Estate and Acutronic Operating Company agree to not knowingly employ or knowingly permit to be employed by an Affiliate any undocumented workers as part of the Project, and, if convicted of a violation under 8 U.S.C. Section 1324a (1), Acutronic Real Estate or Acutronic Operating Company shall be in Default (as defined below). Acutronic Real Estate and Acutronic Operating Company is not liable for an unknown violation of this Section by a subsidiary, affiliate, or franchisee of Acutronic Real Estate or Acutronic Operating Company or by a person with whom Acutronic Real Estate or Acutronic Operating Company contracts, provided however that identical federal law requirements provided for herein shall be included as part of any agreement or contract which Acutronic Real Estate or Acutronic Operating Company enters into with any subsidiary, assignee, affiliate, or franchisee for which the PBF1 provided herein will be used.

(j) Acutronic Real Estate or Acutronic Operating Company shall not be in arrears and shall be current in the payment of all City taxes and fees.

2. BEDC's Covenants and Duties.

(a) The BEDC represents and warrants to Acutronic Real Estate and Acutronic Operating Company that the execution of this Agreement has been duly authorized by the BEDC, and the individual signing this Agreement is empowered to execute such Agreement and bind the BEDC. Said authorization, signing, and binding effect is not in contravention of any law, rule, regulation, or of the provisions of the BEDC's organizational documents, or of any agreement or instrument to which the BEDC is a party to or by which it may be bound.

(b) BEDC shall cooperate with Acutronic Real Estate and Acutronic Operating Company in providing all necessary information and documentation to assist

Acutronic Real Estate and Acutronic Operating Company in complying with this Agreement.

(c) BEDC represents and warrants to Acutronic Real Estate and Acutronic Operating Company that, according to the most recent zoning map and associated regulations of the City of Bastrop, the current zoning of the Property authorizes the Project as a permitted use(s) and that no additional zoning amendment or special or conditional use permit is required for the construction of the Facility or operation of the Business Operations. The Property is currently zoned "P-EC Place Type-Employment Center". This Place Type Zoning is appropriate for manufacturing/light industrial uses. Under Place Type P-EC, as currently adopted, metalworking (including the use of CNC machines); testing of turbine engines in dedicated engine test cells; metal casting (including a metal foundry); warehousing of raw materials and finished products; and general-purpose office space would be acceptable uses.

ARTICLE VII TERMINATION

1. Termination. This Agreement shall terminate upon the earliest occurrence of any one or more of the following:

- (a) The mutual agreement of the Parties, as reflected in writing signed by the Parties;
- (b) Acutronic Real Estate and Acutronic Operating Company satisfying all the Performance Obligations set forth in Article IV, but in no event later than the tenth anniversary of the Effective Date;
- (c) The BEDC electing to terminate this Agreement by written notice to the Acutronic Real Estate and Acutronic Operating Company following an Event of Default by Acutronic Real Estate or Acutronic Operating Company;
- (d) Acutronic Real Estate and/or Acutronic Operating Company electing to terminate this Agreement by written notice to the BEDC following an Event of Default by the BEDC; or
- (e) Acutronic Real Estate electing to terminate this Agreement in the event that the BEDC fails to complete all the Necessary Infrastructure improvements on or before December 31, 2025, as specified in Article V, Section 3.

ARTICLE VIII DEFAULT

1. Acutronic Real Estate or Acutronic Operating Company Events of Default. The following shall be considered a "Default" by Acutronic Real Estate or Acutronic Operating Company:

- (a) Failure of Acutronic Real Estate and/or Acutronic Operating Company to timely perform any term, covenant, obligation, duty, or agreement contained in this Agreement, including without limitation the Performance Obligations;
- (b) BEDC determines that any representation or warranty contained herein or in any financial statement, certificate, report or opinion prepared and submitted to BEDC in connection with or pursuant to the requirements of this Agreement was false, incorrect or misleading in any material respect when made;
- (c) Any judgment is assessed against Acutronic Real Estate or Acutronic Operating Company or any attachment or other levy against the property of Acutronic Real Estate or Acutronic Operating Company with respect to a claim remains unpaid, unstayed on appeal, not discharged, not bonded or not dismissed for a period of ninety (90) days; or
- (d) Acutronic Real Estate or Acutronic Operating Company makes an assignment for the benefit of creditors; files a petition in bankruptcy; is adjudicated insolvent or bankrupt; commences any action relating to the Acutronic Real Estate or Acutronic Operating Company under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect; or if there is commenced against Acutronic Real Estate or Acutronic Operating Company any such action and such action remains undismissed or unanswered for a period of ninety (90) days from such filing.

2. BEDC Events of Default. BEDC's failure to fulfill any obligation set forth within the terms and conditions of this Agreement or breach of any covenant, representation, warranty, or duty set forth in this Agreement shall be deemed a "Default" by the BEDC.

3. Remedies for Default.

- (a) In the event of Default by Acutronic Real Estate or Acutronic Operating Company, the BEDC shall give Acutronic Real Estate or Acutronic Operating Company, as applicable, written notice of such Default and if Acutronic Real Estate or Acutronic Operating Company, as applicable has not cured such Default within 60 days after receipt of such Notice, an "Event of Default" by Acutronic Real Estate or Acutronic Operating Company, as applicable, shall have occurred. The applicable Parties may mutually agree to extend the period of time required to cure an Event of Default. Upon the occurrence and during the continuance of an Event of Default by Acutronic Real Estate or Acutronic Operating Company, as applicable, the BEDC shall have the right to terminate this Agreement, and pursue all rights and remedies provided by applicable law. After such termination by the BEDC, the BEDC shall have no further obligation to Acutronic Real Estate or Acutronic Operating Company under this Agreement. The BEDC also retains the right, at its sole discretion, to

withhold payment of any PBFi funds during the continuance of any such Default, or, following termination of this Agreement in accordance with this paragraph 3, require repayment of all or any portion of PBFi funds already paid, as may be appropriate.

- (b) In the event of Default by the BEDC, Acutronic Real Estate and/or Acutronic Operating Company, as applicable, shall give the BEDC written notice of such Default and if the BEDC has not cured such Default within 60 days after receipt of such Notice, an "Event of Default" by the BEDC shall have occurred. The applicable Parties may mutually agree to extend the period of time required to cure an Event of Default. Upon the occurrence and during the continuance of an Event of Default by the BEDC, Acutronic Real Estate or Acutronic Operating Company, as applicable, shall have the right to terminate this Agreement, and pursue all rights and remedies provided by applicable law. After such termination by Acutronic Real Estate and/or Acutronic Operating Company, Acutronic Real Estate and Acutronic Operating Company shall have no further obligations to the BEDC under this Agreement.

ARTICLE IX MISCELLANEOUS

1. Binding Agreement. The terms and conditions of this Agreement shall be binding on and inure to the benefit of the Parties, and their respective successors and assigns. This Agreement is contingent upon the purchase of the Property by Acutronic Real Estate from the BEDC. This Agreement is not binding until it has been approved by the Bastrop Economic Development Corporation and the City of Bastrop; upon said approval, the Executive Director of the BEDC shall be responsible for the administration of this Agreement and shall have the authority to execute any instruments, duly approved by the BEDC, on behalf of the Parties related thereto.

2. Mutual Assistance. The Parties will do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement and to aid and assist each other in carrying out such terms and provisions.

3. Independent Contractors.

- (a) It is expressly understood and agreed by all Parties hereto that in performing their services hereunder, Acutronic Real Estate or Acutronic Operating Company at no time will be acting as an agent of the BEDC and that all consultants or contractors engaged by the BEDC, Acutronic Real Estate or Acutronic Operating Company respectively will be independent contractors of the BEDC, Acutronic Real Estate, or Acutronic Operating Company, as applicable; and nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties, and any implication to the contrary is hereby expressly disavowed. The Parties hereto understand and agree that the BEDC will not be liable for any claims that may be asserted by any third party occurring in connection with

services performed by Acutronic Real Estate or Acutronic Operating Company respectively under this Agreement, unless any such claims are due to the fault of the BEDC.

- (b) By entering into this Agreement, except as specifically set forth herein, 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 BEDC, 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.
- (c) No employee of the BEDC, or any board member, or agent of the BEDC, shall be personally responsible for any liability arising under or growing out of this Agreement.

Notice. Any notice required by or permitted under this Agreement must be in writing. Notice may be given by certified or registered mail, personal delivery, courier delivery, or e-mail and will be effective when received, provided that (a) any notice received on a Saturday, Sunday, or holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or holiday and (b) any notice received after 5:00 P.M. local time at the place of delivery on a day that is not a Saturday, Sunday, or holiday will be deemed to have been received on the next day that is not a Saturday, Sunday, or holiday. Any address for notice may be changed by not less than ten (10) days' prior written notice given as provided herein.

If intended for BEDC: Bastrop Economic Development Corporation
Attention: Executive Director
301 State Hwy 71, Suite 214
Bastrop, TX 78602

With a copy to:
Denton, Navarro, Rocha, Bernal, & Zech, PC
Attention: Charles E. Zech
2500 W. William Cannon, Suite 609
Austin, Texas 78745

If to Acutronic Real Estate: Acutronic Real Estate Inc.
Attention: Florian Aigrain
700 Waterfront Drive
Pittsburgh, PA, 15222

With a copy to:
Jackson Walker, LLP
Attention: Henry Gilmore or Steve Martens
100 Congress Avenue, Ste. 1100
Austin, Texas 78701

If to Acutronic Operating Company: The Acutronic Company
 Attention: Florian Aigrain
 700 Waterfront Drive
 Pittsburgh, PA, 15222

With a copy to:
 Jackson Walker, LLP
 Attention: Henry Gilmore or Steve Martens
 100 Congress Avenue, Ste. 1100
 Austin, Texas 78701

4. Governmental Records. All invoices, records and other documents required for submission to the City pursuant to the terms of this Agreement are Governmental Records for the purposes of Texas Penal Code Section 37.10.

5. Governing Law. The Agreement shall be governed by the laws of the State of Texas, and the venue for any action concerning this Agreement shall be in the Courts of Bastrop County, Texas, United States of America. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6. Amendment. This Agreement may be amended by mutual written agreement of the Parties, as approved by the Board of Directors by the BEDC and the City of Bastrop.

7. Legal Construction. In the event any one or more of the provisions contained in this Agreement shall, for any reason, be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this Agreement, 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 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.

8. Interpretation. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. Regardless of which Party prepared the initial draft of this Agreement, this Agreement shall, in the event of any dispute, whatever its meaning or application, be interpreted fairly and reasonably and neither more strongly for or against any Party.

9. Entire Agreement. This Agreement, in conjunction with the contract governing the purchase of the Property by Acutronic Real Estate from the BEDC, constitutes the entire agreement between the Parties with respect to the subject matter covered in this Agreement. 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 for in any Exhibits attached hereto or duly executed amendments to this Agreement.

10. Paragraph Headings. The paragraph headings contained in this Agreement are for convenience only and will in no way enlarge or limit the scope or meaning of the various and several paragraphs.

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

12. Exhibits. Any Exhibits attached hereto are incorporated by reference for all purposes.

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.

14. Indemnification. ACUTRONIC REAL ESTATE AND ACUTRONIC OPERATING COMPANY SHALL RELEASE, HOLD HARMLESS, DEFEND AND INDEMNIFY THE BEDC, INCLUDING ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND REPRESENTATIVES, AND THE CITY COUNCIL MEMBERS AND MAYOR INDIVIDUALLY AND ACTING IN THEIR CAPACITY OF REVIEWING AND APPROVING ACTIONS OF THE BEDC (COLLECTIVELY "THE INDEMNITEES") FROM AND AGAINST ANY AND ALL SUITS, CLAIMS AND OTHER DEMANDS OF EVERY TYPE WHATSOEVER, INCLUDING ALL REASONABLE ATTORNEY'S FEES AND COSTS, ARISING FROM OR OTHERWISE RELATING TO THE BEDC CONTRIBUTION OR THE DESIGN, CONSTRUCTION OR OPERATION OF THE FACILITY, AND SUCH OBLIGATION SHALL NOT BE AFFECTED BY ANY ACTUAL OR ALLEGED NEGLIGENCE, CONTRIBUTORY NEGLIGENCE, OR STRICT LIABILITY ON THE PART OF THE INDEMNITEES (OTHER THAN AS A RESULT OF THE GROSS NEGLIGENCE, RECKLESS DISREGARD, OR WILLFUL MISCONDUCT OF THE INDEMNITEES). IF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS ASSERTED AGAINST ANY INDEMNITEE, SUCH INDEMNITEE SHALL PROMPTLY NOTIFY THE OTHER PARTIES, BUT THE FAILURE TO SO PROMPTLY NOTIFY THE OTHER PARTIES SHALL NOT AFFECT SUCH OTHER PARTIES OBLIGATIONS UNDER THIS PARAGRAPH UNLESS SUCH FAILURE MATERIALLY PREJUDICES THE OTHER PARTIES' RIGHT TO PARTICIPATE IN THE CONTEST OF SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION, AS HEREINAFTER PROVIDED. IF REQUESTED BY THE PARTY HAVING THE OBLIGATION TO INDEMNIFY IN WRITING, SO LONG AS THE OTHER PARTY IS NOT IN DEFAULT UNDER THIS AGREEMENT, SUCH INDEMNITEE SHALL IN GOOD FAITH CONTEST THE VALIDITY, APPLICABILITY AND AMOUNT OF SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION AND SHALL PERMIT THE INDEMNIFYING PARTY TO PARTICIPATE IN SUCH CONTEST. ANY INDEMNITEE THAT PROPOSES TO SETTLE OR COMPROMISE ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION OR PROCEEDING FOR WHICH THE OTHER PARTY MAY BE LIABLE FOR PAYMENT OF INDEMNITY HEREUNDER SHALL GIVE SUCH PARTY WRITTEN NOTICE OF THE TERMS OF SUCH PROPOSED SETTLEMENT OR COMPROMISE REASONABLY IN ADVANCE OF SETTLING OR COMPROMISING SUCH CLAIM OR PROCEEDING AND SHALL OBTAIN SUCH PARTY'S CONCURRENCE THERETO.

15. Additional Instruments. The Parties agree and covenant to cooperate, negotiate in good faith, and to execute such other and further instruments and documents as may be reasonably required to fulfill the public purposes provided for and included within this Agreement.

16. Force Majeure. Whenever a period of time is herein prescribed for action to be taken by Acutronic Real Estate or Acutronic Operating Company, Acutronic Real Estate or Acutronic Operating Company shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to causes of any kind whatsoever which are caused by Force Majeure.

17. Time Periods. Unless otherwise expressly provided herein, all periods for delivery or review and the like will be determined on a “calendar” day basis. If any date for performance, approval, delivery or Closing falls on a Saturday, Sunday or legal holiday (state or federal) in the State of Texas, the time therefore will be extended to the next day which is not a Saturday, Sunday or legal holiday.

18. Assignability. This Agreement, or its obligations therein, may be assigned to an Affiliate. For the avoidance of doubt, the Performance Obligations of Acutronic Operating Company can be met by any Affiliate (or any combination of Affiliates), without the necessity of a formal written assignment, with the same force and effect as if those Performance Obligations were met by Acutronic Operating Company itself. Acutronic Real Estate and Acutronic Operating Company agree that the assignment of this Agreement or any of the obligations therein to an Affiliate does not relieve Acutronic Real Estate or Acutronic Operating Company from the applicable obligations, performance, compliance, and liabilities under or in connection with this Agreement.

[SIGNATURE PAGES IMMEDIATELY FOLLOWING]

Executed on this _____ day of _____, 2024.

ACUTRONIC REAL ESTATE:

Acutronic Real Estate Inc., a Delaware corporation

By: _____
Name: Florian Aigrain
Title: President

ACUTRONIC OPERATING COMPANY:

The Acutronic Company, a Delaware corporation

By: _____
Name: Florian Aigrain
Title: President

Executed on this _____ day of _____, 2024.

BASTROP ECONOMIC DEVELOPMENT CORPORATION

By: 
Name: Sylvia Carrillo
Title: Interim Executive Director

APPROVED AS TO FORM:

By: _____
Charles E. Zech, BEDC Attorney

Exhibit A
Purchase and Sale Agreement

Exhibit B
Memorandum of Understanding with Bastrop Independent School District

Exhibit C
Exclusive Repurchase Option Agreement

**Real Estate Sales Contract Exhibit C
Representations; Environmental Matters**

A. Seller's Representations to Buyer

Seller represents to Buyer that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Seller is a Corporation duly organized, validly existing, and in good standing under the laws of the state of Texas with authority to perform its obligations under this contract. This contract is binding on Seller. This contract is, and all documents required by this contract to be executed and delivered to Buyer at closing will be, duly authorized, executed, and delivered by Seller.

2. *Litigation.* Seller has not received written notice and has no actual knowledge of any litigation pending or threatened against Seller that might affect the Property or Seller's ability to perform its obligations under this contract.

3. *Violation of Laws.* Seller has not received written notice of violation of any law, ordinance, regulation, or requirements affecting the Property or Seller's use of the Property.

4. *Licenses, Permits, and Approvals.* Seller has not received written notice that any license, permit, or approval necessary to use the Property in the manner in which it is currently being used has expired or will not be renewed on expiration or that any material condition will be imposed to use or renew the same.

5. *Condemnation; Zoning; Land Use; Hazardous Materials.* Seller has not received written notice of any condemnation, zoning, or land-use proceedings affecting the Property or any written inquiries or notices by any governmental authority or third party with respect to condemnation or the presence of hazardous materials affecting the Property.

The Property is currently zoned as "P-EC Place Type – Employment Center". This Place Type zoning district is appropriate for manufacturing/light industrial uses. Under Place Type P-EC as currently adopted, metal-working (including the use of CNC machines); testing of turbine engines in dedicated engine test cells; metal casting (including a small metal foundry); warehousing of raw materials and finished products; and general-purpose office space would be acceptable uses.

6. *No Other Obligation to Sell the Property or Restriction against Sale.* Except for granting a security interest in the Property, Seller has not obligated itself to sell all or any portion of the Property to any person other than Buyer. Seller's performance of this contract will not cause a breach of any other agreement or obligation to which Seller is a party or to which it is bound.

7. *No Liens.* On the Closing Date, the Property will be free and clear of all mechanic's and materialman's liens and other liens and encumbrances of any nature not arising by, through, or under Buyer except the Permitted Exceptions or liens to which Buyer has given its

Seller: _____ Buyer: FA

consent in writing, and no work or materials will have been furnished to the Property by Seller that might give rise to mechanic's, materialman's, or other liens against the Property other than work or materials to which Buyer has given its consent in writing.


8. *No Other Representation.* Except as stated above or in the notices, statements, and certificates set forth in Exhibit E, Seller makes no representation with respect to the Property.

9. *No Warranty.* Except as set forth in this contract and in the Closing Documents, Seller has made no warranty in connection with this transaction.

B. Buyer's Representations to Seller

Buyer represents to Seller that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. *Authority.* Buyer is a corporation duly organized, validly existing, and in good standing under the laws of the state of Delaware with authority to perform its obligations under this contract. Prior to the Closing, Buyer will be duly qualified to do business and in good standing in the state of Texas. This contract is binding on Buyer. This contract is, and all documents required by this contract to be executed and delivered to Seller at closing will be duly authorized, executed, and delivered by Buyer.

Seller: _____ Buyer: 

**Real Estate Sales Contract Exhibit D
Seller's Records**

To the extent that Seller has possession or control of the following items pertaining to the Property, Seller will deliver or make the items or copies of them available to Buyer by the deadline stated in paragraph A.5.

Governmental

- Governmental licenses, certificates, permits, and approvals
- Tax statements for the current year and the last three years
- Notices of appraised value for the current year and the last three years
- Records of any tax exemption, special use, or other valuation or exemption applicable to the Property
- Records of regulatory proceedings or violations (for example, condemnation, environmental)

Land

- Soil reports
- Environmental reports and other information regarding the environmental condition of the Property
- Water rights
- Engineering reports
- Prior surveys
- Site plans

Licenses, Agreements, and Encumbrances

All licenses, agreements, and encumbrances (including all amendments and exhibits) affecting title to or use of the Property that have not been recorded in the real property records of the county or counties in which the Property is located.

Seller: _____ Buyer: FOA

Real Estate Sales Contract

Exhibit E

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORDING IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
COUNTY OF BASTROP §

Effective Date: _____

Grantor: BASTROP ECONOMIC DEVELOPMENT CORPORATION

Grantor's Address: 301 Hwy 71 W., Suite 214
Bastrop, Bastrop County, Texas 78602

Grantee: ACUTRONIC REAL ESTATE INC., A DELAWARE CORPORATION

Grantee's Address: _____

Consideration: For the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by Grantor.

Property: 10-acre +/- portion of the Bastrop Business and Industrial Park, Phase 1, Lot Reserve D, Acres 67.67, and as depicted on Exhibit "A" attached hereto and made a part hereof.

Reservations from Conveyance: None

Exceptions to Conveyance: Validly existing easements, rights-of-way, and prescriptive rights, whether of record or not; all presently recorded and validly existing restrictions, reservations, covenants (including but not limited to the Protective Covenants, Conditions and Restrictions for the Bastrop Business and Industrial Park as provided in Exhibit "B" attached hereto and made a part hereof), conditions, oil and gas leases, mineral interests, and water interests outstanding in

Seller: _____ Buyer: [Signature]

persons other than Grantor, and other instruments, other than conveyances of the surface fee estate, that affect the Property; validly existing rights of adjoining owners in any walls and fences situated on a common boundary; any discrepancies, conflicts, or shortages in area or boundary lines; any encroachments or overlapping of improvements; and taxes for [current year], which Grantee assumes and agrees to pay, and subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantee assumes/but not subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantor assumes. (To be amended based on schedule B in the title commitment)

GRANTEE IS TAKING THE PROPERTY IN AN ARM'S-LENGTH AGREEMENT BETWEEN THE PARTIES. THE CONSIDERATION WAS BARGAINED ON THE BASIS OF AN "AS IS, WHERE IS" TRANSACTION AND REFLECTS THE AGREEMENT OF THE PARTIES THAT THERE ARE NO REPRESENTATIONS EXCEPT THOSE CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTEE IS EXPERIENCED IN THE ASSESSMENT AND EVALUATION OF PROPERTIES SIMILAR TO THE PROPERTY, THAT GRANTEE PRIOR TO THE DATE HAS INSPECTED THE PROPERTY TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION, AND THAT GRANTEE HAS NOT RELIED ON ANY INFORMATION OTHER THAN GRANTEE'S INSPECTION AND THE REPRESENTATIONS EXPRESSLY CONTAINED IN THE PURCHASE CONTRACT. GRANTEE ACKNOWLEDGES AND AGREES THAT GRANTOR HAS NOT MADE, AND DOES NOT MAKE ANY AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH GRANTEE MAY CONDUCT THEREON, OR (C) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, REPRESENTATIONS REGARDING ANY HAZARDOUS SUBSTANCE OR TOXIC MATERIALS (INCLUDING ANY ASBESTOS, UNDERGROUND STORAGE TANKS OR ANY OTHER SUBSTANCE WHICH IS PROHIBITED BY STATE OR FEDERAL LAW), OR SOLID WASTE AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED AND REGULATIONS PROMULGATED THEREUNDER.

GRANTEE RELEASES GRANTOR FROM LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY, INCLUDING LIABILITY (A) UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, AND THE TEXAS WATER CODE; OR (B) ARISING AS THE RESULT OF THEORIES OF PRODUCT LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE OF THE PURCHASE CONTRACT THAT WOULD OTHERWISE IMPOSE ON GRANTORS IN THIS TYPE OF

Seller: _____ Buyer: FB

TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY.

Grant of Property: Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

Development Rights: For the same consideration, Grantor grants, sells and conveys to Grantee all development rights appurtenant to the Property, including all contracts, licenses, permits, approvals, utility rights and allocations, living unit equivalents, and utility commitments; this provision does not serve to release Grantee from compliance with any protective or restrictive covenants applicable to the Property.

IN WITNESS WHEREOF, this instrument is executed to be effective as of the date set out above.

**GRANTOR:
BASTROP ECONOMIC DEVELOPMENT
CORPORATION**

By: _____

Name: _____


Title: _____

Acknowledgment

STATE OF TEXAS X
COUNTY OF BASTROP X

This instrument was acknowledged before me on this ____ day of _____, 2023, by _____, _____ for the Bastrop Economic Development Corporation, a Texas non-profit industrial development corporation, on behalf of said corporation.

Notary Public, State of Texas

Seller: _____ Buyer: 

ACCEPTED BY GRANTEE:

ACUTRONIC REAL ESTATE INC.

By: _____

Name: _____

Title: _____

STATE OF _____ X
COUNTY OF _____ X

This instrument was acknowledged before me on the _____ day of _____, 2023.
by _____ as _____ of Acutronic Real Estate Inc., a
Delaware corporation, on behalf of said corporation.

Notary Public, State of _____

The preparer of this document has made no investigation of the following matters: The accuracy of the legal description used herein. Whether or not the Grantor is the correct owner of the property. Whether or not the party signing on behalf of the Grantor is authorized to sign on behalf of the Grantor. Any title matters whatsoever.

PREPARED IN THE LAW OFFICE OF:

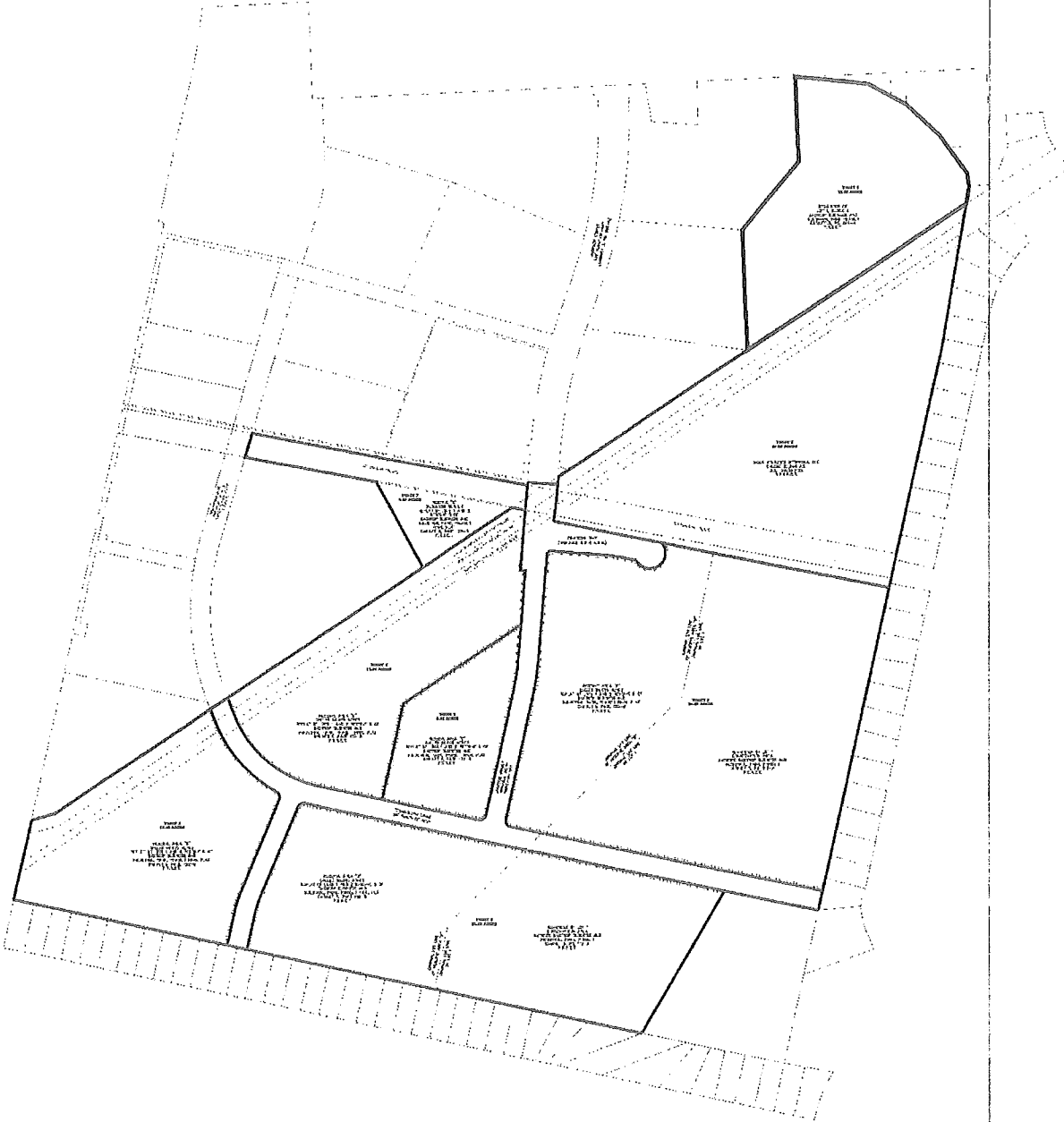
DENTON NAVARRO ROCHA BERNAL
AND ZECH P.C.
2500 W. William Cannon Dr.
Suite 609 Austin, Texas 78745


AFTER RECORDING RETURN TO:

DIRECTOR OF ECONOMIC DEVELOPMENT
Bastrop EDC
301 Hwy 71 W., Suite 214
Bastrop, Texas 78602

Seller: _____ Buyer: FEA

Special Warranty Deed Exhibit A Property Description



Seller: _____ Buyer: 

**Special Warranty Deed Exhibit B
Restrictive Covenants**

Seller: _____ Buyer: FOA

**Real Estate Sales Contract Exhibit C
Repurchase Option Agreement**

Seller: _____ Buyer: *FD*

EXCLUSIVE REPURCHASE OPTION AGREEMENT

DATE: _____, 2024

ORIGINAL SELLER/GRANTEE: Bastrop Economic Development Corporation, a Type B economic development corporation

ORIGINAL SELLER/GRANTEE'S MAILING ADDRESS: 301 Hwy 71 W., Suite 214, Bastrop, Texas 78602; Attn: Executive Director

ORIGINAL BUYER/GRANTOR: Acutronic Real Estate Inc., a Delaware corporation

ORIGINAL BUYER/GRANTOR'S MAILING ADDRESS: 700 Waterfront Drive, Pittsburgh, PA 15222; Attn: Florian Aigrain

PROPERTY: An approximately 13.84-acre portion (Tract 4) out of Reserve Area "D" Replat of Lots 1 and 2, Reserve B of Bastrop Business and Industrial Park, Phase 1 Final Plat, recorded at Cabinet 5, Page 122-B, Plat Records of Bastrop County Texas, and as more particularly depicted on Exhibit "A" attached hereto and made a part hereof.

AGREEMENT: This Exclusive Repurchase Option Agreement ("Agreement") is made as of the Date by and between Original Seller/Grantee (sometimes "Grantee") and Original Buyer/Grantor (sometimes "Grantor"). Grantor has agreed to provide to Grantee the exclusive option to repurchase the Property as provided herein. Therefore, Grantee and Grantor agree as follows:

1. Exclusive Repurchase Option. If either:

a. Grantor fails to make the Capital Investment in the Property and complete the construction of the Facility (as those terms are defined in the Economic Development Performance Agreement between The Acutronic Company, the Original Buyer/Grantor, and the Original Seller/Grantee), as evidenced by the receipt of a temporary or final Certificate of Occupancy from the City of Bastrop, no later than thirty-two (32) months (as may be extended upon the mutual agreement of the parties in writing) after the later of: (a) the date upon which Grantee delivers a 'shovel-ready' site with the "Necessary Infrastructure" improvements, as specified in Article V, Section 3 of the Economic Development Performance Agreement; or (b) the issuance of a building permit by the City of Bastrop and all other City or governmental approvals necessary to begin construction of the Facility as provided in the Economic Development Performance Agreement (the "Project Deadline"); or

b. Grantor elects to terminate the Economic Performance Agreement due to the Grantee not completing the "Necessary Infrastructure" improvements on or before December 31, 2025, as provided for by Article VII, Section 1(e) of the Economic Development Performance Agreement (the "Grantor's Termination Option"),

Page 1 of 4 Pages

then Grantee shall have the right, for a period of sixty (60) days following the Project Deadline or the Grantor's Termination Option, to repurchase the Property (the "Repurchase Option"). No other option or right of first refusal to purchase this Property shall be granted to any other individual or entity for the duration of this Agreement.

2. Repurchase Price. If Grantee exercises its Exclusive Repurchase Option, then the repurchase price (the "Repurchase Price") for the Property shall be an amount equal to the purchase price paid by Original Buyer/Grantor to Original Seller/Grantee for the Property (\$1,089,000.00), plus closing costs, and less the sum of \$10,000.00 as consideration for Grantee's costs incurred in connection with this transaction.

3. Exercise of Exclusive Repurchase Option. In order to exercise the Exclusive Repurchase Option, Grantee will give Grantor written notice of its exercise of the Exclusive Repurchase Option (a "Repurchase Notice") not later than sixty (60) days following the Project Deadline (such 60-day period being referred to as the "Repurchase Period"), whereupon Grantor shall have a period of sixty (60) days after its receipt of the Repurchase Notice to satisfy the Project Deadline requirements (such 60-day period being referred to herein as the "Outside Date"). In the event Grantor fails to satisfy the Project Deadline requirements prior to the Outside Date, then within sixty (60) days thereafter Grantee will give Grantor a written notice (the "Confirmation Notice") which confirms that the Repurchase Closing shall occur as provided in Section 4 below. If (i) Grantor satisfies the Project Deadline requirements by the Outside Date, or (ii) if Grantee fails to deliver to Grantor the Repurchase Notice prior to the expiration of the Repurchase Period within the time period provided above, the Exclusive Repurchase Option shall automatically cease and be of no further force or effect.

4. Repurchase Closing. If Grantee timely exercises its Exclusive Repurchase Option, the closing of such repurchase (the "Repurchase Closing") shall take place at the offices of the title company on a date mutually agreed to by Grantee and Grantor but no less than sixty (60) days after the Outside Date. At the Repurchase Closing, Grantor shall convey the Property to Grantee by special warranty deed in a form reasonably acceptable to Grantee and Grantor, subject only to (i) the permitted title exceptions listed on the special warranty deed from Grantee to Grantor (except that the exception for liens securing ad valorem taxes shall be limited to the year in which the closing of the repurchase takes place, with the ad valorem taxes for such year to be prorated at the Repurchase Closing based upon the most current available taxes), and (ii) such additional title exceptions affecting the Property after closing as may have been required by governmental authorities in connection with Grantor's development of the Property. In addition, at the Repurchase Closing, Grantor shall execute such other reasonable documents in a form reasonably acceptable to Grantee and Grantor necessary to convey and assign to Grantee all right, title and interest of Grantor in and to utility capacity, water rights, licenses, permits and entitlements, if any, and all other rights and benefits attributable to the Property held by Grantor at such time. At the Repurchase Closing, Grantee shall pay to Grantor the Repurchase Price in available funds. In the event that Grantee fails to pay such Repurchase Price to Grantor at the Repurchase Closing, Grantee's repurchase rights hereunder shall automatically cease and be of no further force or effect.

5. Release. In the event that (a) Grantor achieves the Project Deadline requirements in a timely manner, (b) Grantor achieves the Project Deadline requirements after Grantee has exercised the Repurchase Option, but before the Repurchase Closing, or (c) the Grantee fails to exercise the Repurchase Option, then Grantee shall execute and deliver to Grantor for recording a release of its Repurchase Option.

6. Notice. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be deemed received on the earlier of (i) actual receipt by mail, Federal Express or other overnight delivery service, or hand delivery, or (ii) three (3) business days after being sent by United States mail, postage prepaid, certified mail, return receipt requested, addressed to Grantee or Grantor, as the case may be, at the addresses stated above. A party may change its address for notice upon written notice to the other party pursuant to the terms hereof.

7. TEXAS LAW TO APPLY. THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED BY THIS AGREEMENT ARE PERFORMABLE IN BASTROP COUNTY, TEXAS.

8. Parties Bound. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

9. Legal Construction. 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 of the Agreement, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in the Agreement.

10. Prior Agreements Superseded. This Agreement constitutes the sole and only agreement of the parties to the Agreement and supersedes any prior understandings or written or oral agreements between the parties concerning the purchase of the Property.

11. Time of Essence. Time is of the essence of this Agreement.

12. Gender. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.

13. Calendar Days and Deadlines. As used herein, "days" shall mean and refer to calendar days but if a deadline falls or notice is required on a Saturday, Sunday or legal banking holiday, the deadline or notice shall be extended to the next calendar day which is neither a Saturday, Sunday nor a legal banking holiday.

ORIGINAL SELLER/GRANTEE:

BASTROP ECONOMIC DEVELOPMENT CORPORATION,
a Texas Type B economic development corporation

By [Signature]
Name: Isabella Carrillo
Title: Cost Manager

Interim Director

ORIGINAL BUYER/GRANTOR:

ACUTRONIC REAL ESTATE INC.,
a Delaware corporation

By _____
Name: _____
Title: _____

EXHIBIT "A"
Legal Description
(see legal description attached)

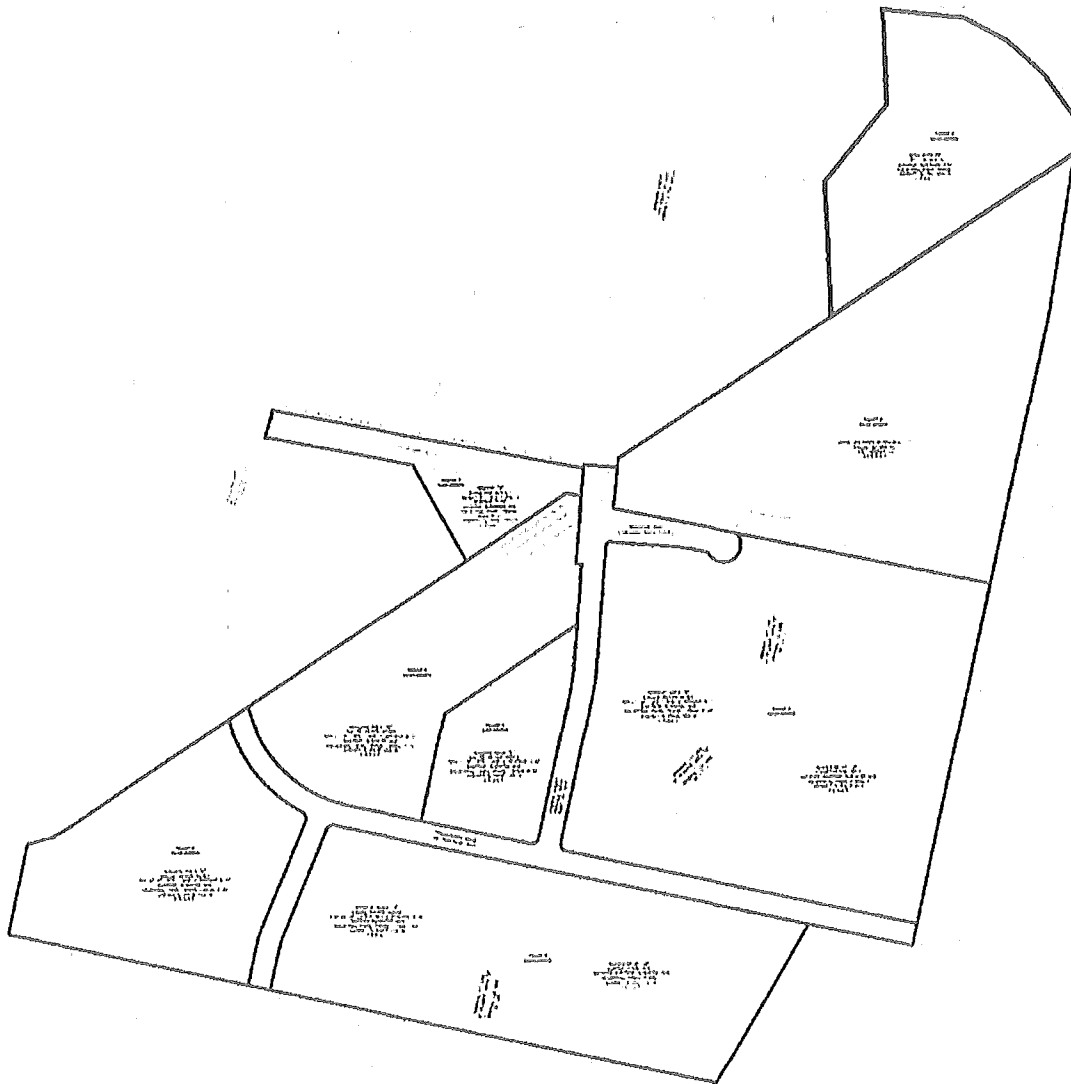
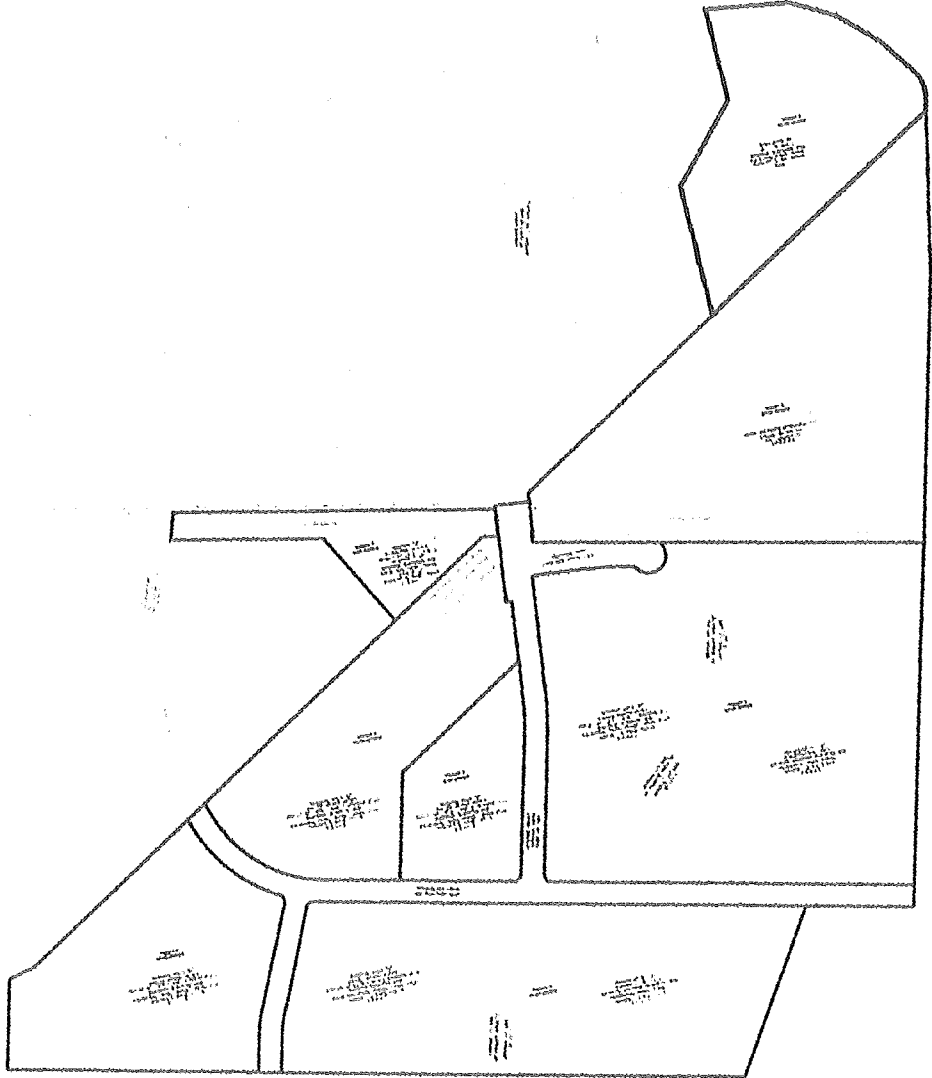


Exhibit "A"

**Real Estate Sales Contract Exhibit D
Memorandum of Repurchase Option**

Seller: _____ Buyer: FMJ
38315859v.2

EXHIBIT "A"
Legal Description
(see legal description attached)



FIRST AMENDMENT TO REAL ESTATE PURCHASE CONTRACT

This FIRST AMENDMENT TO CONTRACT (“Amendment”) is made and entered into as of April 16, 2024, by and between BASTROP ECONOMIC DEVELOPMENT CORPORATION (“Seller”) and ACUTRONIC REAL ESTATE INC., or assigns (“Buyer”).

RECITALS

A. Seller and Buyer entered into the Real Estate Purchase Contract (as amended, the “Contract”) dated effective January 10, 2024, providing for the purchase and sale of 13.84 acres in the Bastrop Business and Industrial Park in Bastrop County, Texas, and described in the Contract (the “Property”).

B. Seller and Buyer have agreed to extend the Inspection Period under the Contract, and Seller and Buyer desire to amend the Contract to confirm this agreement.

C. All capitalized terms used but not defined herein shall have the same meaning and definition as those used in the Contract.


THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by all parties hereto, Seller and Buyer agree as follows:

1. Inspection Period. The Inspection Period under the Contract is extended to May 9, 2024.
2. Ratification. Except as modified and amended by this Amendment, all of the other terms and conditions of the Contract are hereby ratified and confirmed.
3. Counterparts. This Amendment may be executed in two or more counterparts, and each counterpart shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. A scanned email version of any signature hereto shall be deemed an original for all purposes.
4. Titles of Sections. All titles or headings of sections or other divisions of this Amendment are only for the convenience of the parties hereto and shall be of no force and effect, and shall not be construed to add to, modify, clarify, or otherwise change the context of such sections of this Amendment as a whole.

EXECUTED as of the date first above written.

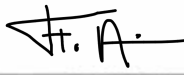
SELLER:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

By 
Name: Sylvia Camillo Figueroa
Title: Interim Executive Director

BUYER:

ACUTRONIC REAL ESTATE INC.

By 
Name: Florian Aigrain
Title: President

SECOND AMENDMENT TO CONTRACT

This SECOND AMENDMENT TO CONTRACT (“Second Amendment”) is made and entered into as of May 8, 2024, by and between BASTROP ECONOMIC DEVELOPMENT CORPORATION (“Seller”) and ACUTRONIC REAL ESTATE INC., or assigns (“Buyer”).

RECITALS

A. Seller and Buyer entered into the Real Estate Purchase Contract (as amended, the “Contract”) dated effective January 10, 2024, providing for the purchase and sale of 13.84 acres in the Bastrop Business and Industrial Park in Bastrop County, Texas, and described in the Contract (the “Property”).

B. Seller and Buyer subsequently entered into an Amendment to Contract, which extended the Inspection Period under the Contract until May 9, 2024.

C. Seller and Buyer desire to amend the Contract a second time to provide for further extension of the Inspection Period.

D. All capitalized terms used but not defined herein shall have the same meaning and definition as those used in the Contract.

THEREFORE, in consideration of the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by all parties hereto, Seller and Buyer agree as follows:

1. Inspection Period. The Inspection Period under the Contract is hereby extended to May 22, 2024; with one option to extend thereafter through June 5, 2024, if deemed necessary and approved by the Interim Director of the BEDC.

2. Ratification. Except as modified and amended by this Amendment, all of the other terms and conditions of the Contract are hereby ratified and confirmed.


3. Counterparts. This Amendment may be executed in two or more counterparts, and each counterpart shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. A scanned email version of any signature hereto shall be deemed an original for all purposes.

4. Titles of Sections. All titles or headings of sections or other divisions of this Amendment are only for the convenience of the parties hereto and shall be of no force and effect, and shall not be construed to add to, modify, clarify, or otherwise change the context of such sections of this Amendment as a whole.

EXECUTED as of the date first above written.


SELLER:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

By 
Name: Sylvie Carrillo
Title: City Manager

BUYER:

ACUTRONIC REAL ESTATE INC.

By 
Name: Florian Aigrain
Title: President



STAFF REPORT

MEETING DATE: May 20, 2024

TITLE:

Public hearing, consideration, and possible action on Resolution No. R-2024-0006 regarding an application for variances from the BEDC's Sixth Amended Protective Covenants for the Bastrop Business and Industrial Park, submitted by Acutronic.

AGENDA ITEM SUBMITTED BY:

Sylvia Carrillo-Trevino, ICMA-CM, CPM

BACKGROUND/HISTORY:

At the special meeting on May 8, 2024, the BEDC board voted to extend the Acutronic inspection period to allow them the opportunity to complete their due diligence with all of the utility providers. Since that time, staff has also worked with Acutronic to review site plans and other requests for compliance with the protective covenants governing the business park. Items in their site plan and performance agreement are in conflict with the parks protective covenants and as such, Acutronic has requested variances to the following covenants:

1. Allow construction of improvements using steel, glass, metal siding, and masonry. Section C.2(a) Building Design and Materials - limits structures in "Area A" to Masonry only.
2. Remove commencement and completion date requirements set forth. (To match performance agreement as amended)
3. Allow multiple principal / primary buildings on the subject lot. Section E.4 and Section E.7 restrict the number of principal and/or primary buildings per lot to one (1)
4. Remove side yard setback between primary/principal buildings. Section E.3 requires side yard setbacks on principal buildings. Intent should be only with respect to property line boundaries.
5. Allow driveway placement shown on Land Use Plan. Section I prohibits driveways within 50' of intersections.
6. Allow the erection and placement within easement areas of non-permanent improvements for employee break and recreational use, including, without limitation, picnic tables and outdoor furniture, sand volleyball courts, walking trails and landscape elements. Section N requires BEDC approval for the above.

7. Allow the use and storage on the property of liquids and materials as enumerated in the list provided by Acutronic.

Section Q.7 requires BEDC approval for the above.

A public hearing is required to amend the protective covenants.

FISCAL IMPACT:

NA

RECOMMENDATION:

Hold a public hearing to amend the protective covenants and grant the variance request.

ATTACHMENTS:

1. Variance application
2. Protective Covenants to the Park

A RESOLUTION OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC) APPROVING A VARIANCE FROM VARIOUS REQUIREMENTS OF THE BEDC'S SIXTH AMENDED PROTECTIVE COVENANTS APPLICABLE TO THE BASTROP BUSINESS AND INDUSTRIAL PARK IN FAVOR OF ACUTRONIC REAL ESTATE INC.; PROVIDING FOR SEVERABILITY; PROVIDING FOR AN EFFECTIVE DATE; AND ADDRESSING RELATED MATTERS.

WHEREAS, the Bastrop Economic Development Corporation (sometimes "BEDC") is a public instrumentality and non-profit industrial development corporation duly established and operating under Texas Local Government Code, Chapters 501 and 505, et seq., as amended, known as the Development Corporation Act of 1979 (the "Act"); and

WHEREAS, Acutronic Real Estate, Inc. (sometimes "Acutronic") desires to purchase approximately 13.84 acres of land (the "Property") from BEDC for One Million Eighty-Nine Thousand Dollars (\$1,089,000.00) and develop a manufacturing facility and other business development, location, and/or expansion, as well as substantial capital improvements on the Property within the Bastrop Business and Industrial Park, a target area for development for the BEDC ("Project"); and

WHEREAS, Acutronic entered into a Real Estate Purchase Contract with the BEDC for the Project ("Purchase Contract") executed on January 10, 2024; and

WHEREAS, Acutronic has also negotiated a Performance Agreement for economic development incentives with the BEDC, which was approved by the BEDC Board of Directors on September 25, 2023; and

WHEREAS, Acutronic has since requested to obtain a variance from certain of the Bastrop Economic Development Corporation Sixth Amended Protective Covenants (CCRs) in order for Acutronic to realize the Project as intended; and

WHEREAS, the BEDC has agreed to consider Acutronic's request for such variance as provided herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION:

SECTION 1. That the Board hereby finds that all of the recitals above are true and correct and are incorporated herein as if restated in full.

SECTION 2. The Board finds that the grant of a variance to Acutronic from the specified CCR provisions provided with this Resolution as Exhibit "A" will not affect the overall intent of the CCRs; will not cause injury or negative impact on adjacent landowners, lessees, or tenants; and further authorizes the grant of variance as provided herein.

SECTION 3. It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public, and public notice of the time, place and

purpose at which it was read was given in accordance with Chapter 551, Texas Government Code.

SECTION 4. This Resolution is effective upon passage.

DULY RESOLVED AND ADOPTED on this ____ day of _____ 2024 by the Board of Directors of the Bastrop Economic Development Corporation.

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Ron Spencer, Board Chair

ATTEST:

Frank Urbanek, Board Secretary

APPROVED AS TO FORM:

Denton Navarro Rodriguez Bernal Santee & Zech, P.C.

**BASTROP ECONOMIC DEVELOPMENT CORPORATION
APPLICATION FOR VARIANCE**

**Bastrop Economic Development Corporation's
Sixth Amended Protective Covenants
Bastrop Business and Industrial Park**

*Attach additional pages as needed to provide information
or otherwise respond to the requested information herein.*

(Please type or Print)

Property Owner Information:

Name: ACUTRONIC REAL ESTATE INC.

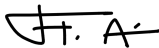
Contact Person: FLORIAN AIGRAIN

Address: 3401 ED BLUESTEIN BLVD.

City: AUSTIN State: TX ZIP: 78721

Telephone No: 737-237-4598

E-Mail: FAIGRAIN@ACUTRONIC.COM

Owner Signature:  Date: 05/15/2024

I am the owner of the herein described property and KIM POWER
is authorized to file this application.

Applicant Information:

Name: ACUTRONIC REAL ESTATE INC.


Contact Person: KIM POWER

Address: 2120 E. 7th STREET

City: AUSTIN State: TX ZIP: 78702

Telephone No: 512-472-4980 ext. 239

E-Mail: POWER@DCARCH.COM

Applicant Signature:  Date: 05/15/2024

Section T of the Bastrop Economic Development Corporation's Sixth Amended Protective Covenants, Bastrop Business and Industrial Park, provides for variances from its terms in certain situations, as follows:

Upon either the request of a Landowner or the Board of Directors, the BEDC may grant variances to the strict application of these restrictions and covenants when it is found that such variances will not affect the overall intent of these restrictions and covenants and a variance will not cause injury or negative impact on adjacent landowners, lessees, or tenants, or the overall quality of the Industrial Park. Applications for variances must be filed with BEDC, and must detail what hardship(s) will result to applicant from the strict application of these restrictions and covenants, which hardship(s) shall not be solely 'economic' and shall not be self-inflicted by the applicant. The BEDC Board shall hold a public hearing on any requested variance, in accordance with the City of Bastrop notice and public hearing process and requirements. The decision of the BEDC on all variance requests shall be final, with no right of appeal to another body or entity.

Applicants for variances shall provide the following information:

- 1. The specific relief requested. This statement shall include citation to the specific section of the restrictions and covenants from which the variance is requested, and the extent of the variance request:

VARIANCE 1: Allow construction of improvements using steel, glass, metal siding, and masonry.
Section C.2(a) Building Design and Materials - limits structures in "Area A" to Masonry only.

VARIANCE 2: Remove commencement and completion date requirements set forth. *Section D.*

VARIANCE 3: Allow multiple principal / primary buildings on the subject lot.
Section E.4 and Section E.7 restrict the number of principal and/or primary buildings per lot to one (1)

VARIANCE 4: Remove side yard setback between primary/principal buildings.
Section E.3 requires side yard setbacks on principal buildings. Intent should be only with respect to property line boundaries.

VARIANCE 5: Allow driveway placement shown on Land Use Plan. *Section I prohibits driveways within 50' of intersections.*

VARIANCE 6: Allow the erection and placement within easement areas of non-permanent improvements for employee break and recreational use, including, without limitation, picnic tables and outdoor furniture, sand volleyball courts, walking trails and landscape elements. *Section N requires BEDC approval for the above.*

VARIANCE 7: Allow the use and storage on the property of liquids and materials as enumerated in the list provided by Acutronic. *Section Q.7 requires BEDC approval for the above.*

- 2. The purpose for the variance; including a description of the existing and/or proposed improvements for which the variance is necessary:

VARIANCE 1: Exterior building materials are intended to be Masonry, Glass, Steel and Metal siding, in keeping with Acutronic's existing facilities and with the existing buildings in the immediately surrounding area.

VARIANCE 2: Acutronic has not yet determined construction schedule. Additionally, this provision is in conflict with the Performance Agreement between Acutronic and BEDC.

VARIANCE 3: In the future, Acutronic may expand its facilities beyond the initial 20,000 sq ft building commitment in the Purchase Agreement. Expansion may include separate structures which contain primary functions. Therefore, it is possible that more than one building would meet the definition of principal/primary building.

VARIANCE 4: Multiple buildings on the property should not be subject to a setback between each other. Acutronic may require the ability to place buildings closer than setback distances. The CCRs wording indicates buildings have setbacks, however the intent is understood to be that property lines have setbacks.

VARIANCE 5: The proposed driveway location is at the most logical place for the safe and functional use of the property.

VARIANCE 6: Acutronic intends to provide outdoor break and recreation areas for the benefit of its employees. CCRs require approval of this in advance. As such, Acutronic is hereby requesting approval.

VARIANCE 7: In its ordinary course of business, Acutronic utilizes and stores hazardous and/or flammable liquids and materials, including petrochemical compounds. As such, approval in advance for the use and storage of these compounds is required in order for Acutronic to purchase, develop, and operate on the property.

3. Detail what hardship(s) will result to the Applicant from the strict application of these restrictions and covenants, the hardship(s) of which hardship shall not be solely “economic” and shall not be self-inflicted by the Applicant:

VARIANCE 1: Strict application of these restrictions and covenants would be unfairly restrictive of Acutronic's ability to design and construct buildings in a way that is functionally and aesthetically in keeping with the surrounding properties, and with its necessary operations. A masonry-only requirement is unduly restrictive.

VARIANCE 2: Construction timing restrictions in the CCRs are in conflict with Performance Agreement.

VARIANCE 3: Acutronic would not be able to utilize the site to the fullest potential if only one building containing primary business functions is allowed. BEDC has communicated that this restriction is intended to ensure property owners construct their initial commitment in a single building, which intent will be satisfied by Phase 1 of Acutronic's Land Use Plan.

VARIANCE 4: The wording is unintentionally restrictive - it should be amended to state that setbacks apply to property lines, not to buildings. Rather than amending the CCRs, a variance specifying this is acceptable.

VARIANCE 5: The limited constructed extents of Jackson Street, the placement of Financial Way, and the limitations imposed on the buildable area of the site by easements, require that the driveway location be within 50' of a street intersection. The proposed driveway location is the necessary placement in consideration of the easement locations and the available street frontage.

VARIANCE 6: Without this approval, Acutronic shall have accepted responsibility, at BEDC's request, for the ownership and maintenance of approximately 3.84 acres of land that are unusable. Additionally, Acutronic may not be able to provide a designated outdoor area for the benefit of employee well-being.

VARIANCE 7: Without this approval, Acutronic will not be able to conduct business on this property.

By my signature below, I hereby affirm that this request for variance(s) is true, correct, and made in good faith; and certify that I am the Applicant or am authorized to file for said variance(s) on behalf of the Applicant.

Completed and signed on this the 15th day of MAY, 2024.

APPLICANT:

Signature: Kim Power

By: KIM POWER

Its: OWNERS REPRESENTATIVE

Date: 05/15/2024

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

Volume 980, Pages 797–798, in the Official Records of Bastrop County, Texas (“Fourth Amendment”); and

- 5. On or about July 7, 2014, the Fifth Amendment to the Original Protective Covenants, Conditions and Restrictions was recorded at Volume 2332, Pages 267-288, in the Official Records of Bastrop County, Texas (“Fifth Amendment”); and

WHEREAS, BEDC, pursuant to the Texas Property Code, Title 11, Chapter 202, as owner of over fifty-one percent (51%) of the Property, now wishes to amend the Fifth Amended Protective Covenants, Conditions and Restrictions and replace those prior recorded Amendments to the Covenants, Conditions and Restrictions with those detailed herein, as the “Sixth Amended Protective Covenants, Conditions and Restrictions” (“Sixth Amendment”); and

WHEREAS, the BEDC desires that the Property and/or portions thereof sold and conveyed by the BEDC in the future shall be subject to the covenants, conditions and restrictions, liens, and charges hereinafter set forth as the Sixth Amendment; and

WHEREAS, BEDC desires to create and carry out a uniform plan for the improvement, development, and sale of the Property and portions thereof for the benefit of the present and future owners of the Property, and desires to maintain a high quality of development in the Park, BEDC hereby adopts and establishes the following Sixth Amended Covenants, Conditions and Restrictions (“Protective Covenants” or “Covenants”), which shall apply uniformly to the use, improvement, occupancy, and conveyance of all the Property, including the roads, avenues, streets, alleys, and waterways therein; and each contract or deed which is executed with regard to the Property, or any portion thereof, shall conclusively be held to have either been: (1) executed, delivered, and accepted subject to the following (regardless of whether or not the same are set out in full or by reference in said contract or deed), or (2) have received full notice of this Sixth Amendment to the covenants now applicable to the Property, going forward; and

WHEREAS, the purpose of the original and these amended Protective Covenants is to ensure that the Industrial Park is developed and maintained as a high quality industrial park, serving the Central Texas area, and that the Property and development therein maintains and increases in value, over time, for those businesses and industries which have elected to locate and operate in the Industrial Park; and

WHEREAS, to maintain the high quality and standards noted herein, the BEDC and City shall enforce these Protective Covenants and the City’s Code of Ordinances, promptly, assertively, consistently and fairly to the benefit of all who own Property and/or operate in the Industrial Park.

SIXTH AMENDMENT TO THE
 PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
 BASTROP BUSINESS AND INDUSTRIAL PARK

NOW, THEREFORE, it is hereby declared that all the Property shall be held, sold, conveyed, and occupied subject to the following Protective Covenants, which are hereby amended and adopted by the BEDC for the purpose of protecting the value and desirability of the Property and the Industrial Park, and which shall run with the Property and shall be binding on all parties having any right, title, or interest in or to the Property, or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner and occupier thereof. Further, the above listed prior amendments to the Protective Covenants, filed in the Bastrop County Official Records, are hereby abrogated and replaced in whole by the following Sixth Amendment to the Protective Covenants.

BASTROP BUSINESS AND INDUSTRIAL PARK
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
("PROTECTIVE COVENANTS" OR "COVENANTS")

A. DEFINITIONS:

For the purposes of these Protective Covenants, the following terms and words are to be used and interpreted as hereinafter defined.

1. **BEDC and/or Bastrop Economic Development Corporation:** A 4B Economic Development Corporation operating under the laws of the State of Texas, statutorily enabled and operating pursuant to Chapters 501 and 505 of the Local Government Code, and the owner and developer of fifty-one percent (51%) or more of the Property in the Bastrop Business and Industrial Park, as of the date of this amended filing. The BEDC includes its Board of Directors, (also referred to herein as the "Board").
2. **Berm:** An earthen mound designed to provide visual interest, screen undesirable views, and/or decrease noise.
3. **Boundary Property Line:** The near side of any street, alley, stream, or other permanently dedicated open space from the noise source when such open space exists between the property line of the noise source and adjacent property. When no such open space exists, the common line between the two parcels of property shall be interpreted as the boundary property line.
4. **Building:** Any structure intended for shelter, housing, or enclosure of persons, animals, or chattel. When separated by dividing walls without openings, each portion of such structure so separated shall be deemed a separate structure.
 - A. **Primary:** A building in which the primary activity associated with the lot is conducted.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

- B. **Accessory:** A building customarily incidental and subordinate to the primary building located on the same lot.
5. **Building Area:** That portion of a lot upon which buildings may be placed, excluding required yards and limited by the maximum building coverage as specified.
 6. **Building Coverage:** The percent of the lot area covered by the building exclusive of all overhanging roofs.
 7. **Building Line:** A line established generally parallel to the front street line. No building or structure may be permitted in the area between the building line and the street right-of-way line.
 8. **Caliper:** The diameter of a tree at four (4) feet in height (from natural or built up ground level).
 9. **Code of Ordinances:** The ordinances and related regulations that are adopted by and enforced by the City of Bastrop, Texas, and which are generally applicable to the Industrial Park.
 10. **Decibel:** A unit measurement of sound pressure.
 11. **Easement:** A right given by the owner of a parcel of land to another person, public agency, or private corporation for a specific and limited use of that property.
 12. **Face of the Building:** The general outer surface, not including cornices, bay window, or architectural projections.
 13. **Frequency:** The number of times per second a vibration or sound wave oscillates.
 14. **Frontage:** The measure of property on one side of a street, closest to the street right-of-way, and between the two side property lines associated with the same tract of land.
 15. **Ground Cover:** Plants, normally reaching an average maximum height of not more than 24 inches at maturity.
 16. **Height:**
 - A. **Building:** The vertical distance from ⁷grade or base flood elevation, whichever is higher, to the highest finished roof surface (in the case of flat roofs), or to a point at the average height of the highest roof having a pitch.

SIXTH AMENDMENT TO THE
 PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
 BASTROP BUSINESS AND INDUSTRIAL PARK

- B. Sign: The vertical distance from the uppermost point of an outdoor advertising sign to the ground immediately below such point.
- C. Wall: The vertical distance to the top measured from the foundation wall, or from a girder or other immediate support of such wall.
- D. Screen/Fence: The vertical distance to the top measured from natural or built-up ground level immediately below the screen.
17. **Industrial Park**: The Bastrop Business and Industrial Park Subdivision in the City of Bastrop, Bastrop County, Texas.
18. **Landowner**: The legal and beneficial owner of all the land proposed to be included in a development or transaction, including the possessor of an option or contract to purchase, or other persons having an enforceable vested proprietary interest in such land.
19. **Landscaping**: Any combination of living plants (such as grass, ground cover, shrubs, vines, hedges or trees) and non-living landscape materials (such as rocks, pebbles, sand, mulch, walls, fences or decorative paving materials).
20. **Loading Space**: A space on the same lot as the main building specifically provided for the standing, loading, or unloading of trucks and having minimum dimensions of twelve (12) by sixty (60) feet.
21. **Lot**: A parcel of land occupied or intended for occupancy by a use permitted in these covenants, including one (1) primary building together with its accessory buildings, open spaces, and parking spaces required by these covenants, and having its principal frontage upon a street or upon an officially approved point of access.
- A. Corner: A lot abutting upon two (2) or more streets at their intersection.
- B. Depth: The perpendicular distance between the front and the rear lot lines.
- C. Double-Frontage: A lot having direct access to two parallel public streets. For purposes of this covenant, land abutting such streets shall be considered "front yards."
- D. Line: The boundary line of the property.
- E. Frontage: The yard or yards nearest the streets.
- F. Rear Line: The boundary of a lot, which is most distant from and most nearly parallel to, the front lot line.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

- G. Side Line: Lines running between the front and rear property lines.
22. **Masonry:** The term Masonry, when applied to the Building Design and Material standards contained herein, includes materials such as: stone, brick, stucco, decorative concrete blocks and tilt-wall concrete construction. (Note: fluted, split-face, or other common types of 'concrete blocks' are not acceptable.) Other materials, if equal in quality and aesthetic appearance to decorative masonry, may also be considered to be Masonry, upon the specific request made to and approval by the BEDC Board, prior to construction.
23. **Odorous Matter:** Any solid, liquid, or gaseous matter, including but not limited to gases, vapors, dusts, fumes, and mists, which causes an odor sensation to human beings.
24. **Owner:** The BEDC or other party once conveyance of a tract in the Park by the BEDC is final.
25. **Parking Space:** A permanently surfaced area, enclosed or unenclosed, sufficient in size to store one automobile, together with a permanently surfaced driveway connecting the parking space with a street or alley and permitting ingress or egress of an automobile.
26. **Paving:** A system of structuring base material and sealing an impervious wear surface.
27. **Project:** The development of a tract in the Industrial Park by an owner, grantee, occupant or lessee, as approved by the Board and the City, and in compliance with these Sixth Amended Protective Covenants, Conditions and Restrictions, as hereinafter amended by the Board.
28. **Screen/Fence:** There are two types of screens/fences allowed in the Industrial Park, as follows: (1) "Opaque", which is a type of screen/fence that does not provide *any* visibility of the areas or items that are located beyond the barrier and which are generally built from materials such as stone, wood, brick, block or other similar materials; and (2) "Non-opaque", which is a type of screen/fence that allows a partial or complete view of the areas and items beyond the barrier and which are generally built from materials such as decorative iron, chain link, or other suitable semi-opaque materials. The BEDC has the right of approval on all proposed Non-opaque fencing, and will consider the use that will be made of the property behind the fence when evaluating approval. Accordingly, all applicants must specify (and document) what use and what materials, equipment, etc., will be placed behind Non-opaque fencing, if proposed. No chain metal fencing that utilizes 'woven slats' will be allowed in the Park. [Reference Section "H."]

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

29. **Shrub:** A woody plant, smaller than a tree, consisting of several small stems from the ground or small branches near the ground.
30. **Sign:** For purposes of this ordinance, “sign” shall mean “outdoor identification sign.”
31. **Smoke:** The visible discharge of particulate matter from a chimney, vent, or combustion process.
32. **Sound Level Meter:** An instrument used to measure sound intensity.
33. **Structure:** Anything constructed or erected, the use of which requires a location on the ground or an attachment to something located on the ground.
34. **Setback:** A distance between the lot-line and the point where a building may be constructed.
35. **Toxic and Noxious Matter:** Any solid, liquid, or gaseous matter which is present in sufficient quantities to endanger the health, safety, and comfort of persons in the vicinity or which may cause injury or damage to property as defined by the United States Environmental Protection Agency (EPA).
36. **Variance:** A request by a current or future owner, grantee, occupant or lessee in the Industrial Park that the Board approves a variation from the strict application of the standards and restrictions set forth herein. The BEDC shall hear and decide, as the final decision maker, all such requests, upon a completed application for same, provided to the Board along with documentation and evidence supporting the application for such variance.
37. **Vibration:** A temporal and spatial oscillation of displacement, velocity, or acceleration in a solid material.
38. **Yard:**
- A. **Front:** An unoccupied open space on the same lot with a building, between the wall of the building nearest the street on which the lot fronts, and bounded by the line of that wall as if extended, the side lines of the lot and the front street line of the lot. The front yard of a corner lot consisting of one platted lot is the yard adjacent to that street on which the lot has its least dimension.
 - B. **Rear:** An unoccupied open space on the same lot with a building, between the rear-line as if extended, the side lines of the lot and rear line of the lot.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

- C. Side: An unoccupied open space on the same lot with a building, situated between the building and the side-line of the lot and extended through from the front yard to the rear yard. Any line not a rear-line or a front-line is deemed to be a side-yard line.

B. USES PERMITTED:

The following uses are allowed in the Industrial Park: Processing, research, service businesses, light industrial, manufacturing, warehousing, office and distribution and services ancillary to these identified, allowable uses. No portion of the Property shall be used in any manner that may damage or in any way negatively affect the quality of the Industrial Park, as a whole, or the Park's other occupants by reason of odor, fumes, dust, glare, noise, air, ground or water pollution, noxious waste, fire/explosion hazard. (See also, "Performance Standards").

C. BUILDING DESIGN AND MATERIALS:

1. General: The objective of these restrictions and covenants is to obtain quality and consistency in architectural design and a high quality of improvements in the Industrial Park, which is intended to protect and enhance values of businesses in the Industrial Park. In order to achieve this, and allow variety and the use of new materials (as they may develop), all architectural designs, whether for primary or accessory structures, are strictly subject to review and approval of the BEDC Board of Directors.
2. The Industrial Park is composed of two (2) development areas, as shown on the attached map (see Exhibit "B"). The two Areas are identified as follows:
 - a. **Area A:** The following **Design and Material Standards** shall apply to the tracts that are located in Area A:
 - The height of buildings or structures may not exceed City Code for areas zoned Industrial.
 - All primary or accessory structures should be constructed in Masonry.
 - The BEDC will have the right to make or grant variances and give written approval of all materials to be used in constructing a building in Area A. Approval by the BEDC of any proposed alternative materials shall be deemed to be in compliance with these Protective Covenants.
 - b. **Area B:** The following **Design and Material Standards** shall apply to the tracts that are located in Area B:

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

- The height of buildings or structures may not exceed City Code for areas zoned Industrial.
- Primary and accessory structures must have Masonry and/or glass fronts (i.e., the front of the building will be all walls which face to the street carrying the structure's address); however, up to three (3) walls of such buildings may be constructed of steel.
- The BEDC will have the right to make or grant variances and give written approval of all materials to be used in constructing a building in Area B. Approval by the BEDC of any proposed alternative materials shall be deemed to be in compliance with these Protective Covenants.

D. CONSTRUCTION:

Construction of each Project (construction) will commence within twelve (12) months of the purchase or lease of the property by a business or industry locating in the Park. Construction will be considered to be underway upon approval of an acceptable set of building plans by BEDC and the Planning Department of the City of Bastrop, and all applicable building construction permits applied for from the City have been issued. Construction shall be completed no later than eighteen (18) months after such work is commenced, unless otherwise formally approved and varied by the BEDC, in writing.

E. BUILDING SETBACKS AND LOT COVERAGE:

1. Front yard: All buildings shall be set back from the street right-of-way lines a minimum depth of twenty-five (25) feet.
2. Rear yard: A lot with a primary building located on it must have a rear yard of no less than ten (10) feet.
3. Side yard: All buildings shall have side yard setbacks of not less than ten (10) feet.
4. Lot size: Each lot area shall be not less than twenty thousand (20,000) square feet. Only one (1) principal building shall be permitted on any lot. Any variance from this requirement shall be approved in writing by BEDC.
5. Lot width: Each lot shall have a minimum width of not less than one hundred (100) feet at the front building line. Every lot shall abut on a street for a distance of not less than sixty (60) feet.
6. Lot depth: Each lot must have a minimum depth of not less than one hundred (100) feet.

SIXTH AMENDMENT TO THE
 PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
 BASTROP BUSINESS AND INDUSTRIAL PARK

7. Density: One primary building per lot, unless variance is approved in writing by BEDC.
8. Lot coverage: Primary and accessory buildings in combination shall not cover more than seventy percent (70%) of the total area of the lot.
9. Accessory structures: Shall meet all City of Bastrop Codes and regulations, pertaining to location, design, use, etc., of accessory structures.
10. No landowner or subsequent purchaser, other than BEDC, of any lot(s) in the Industrial Park shall subdivide any lot into two or more lots for the purpose of sale, lease, or transfer to another purchaser, lessee, or tenant, without the express approval of the BEDC.
11. Drainage plans for any development or activity on a lot shall be submitted in conformance with City of Bastrop drainage requirements.

F. PARKING:

Employees' and visitors' parking shall be provided in off-street permanently paved parking areas at a minimum standard of one passenger car parking space for each one thousand (1,000) square feet of warehouse building areas, for each five hundred (500) square feet of manufacturing building area, and/or for each two hundred fifty (250) square feet of office building area. Reinforced concrete paving five (5) inches thick shall be required for all access roadways and loading and unloading areas. No use shall be made of the property or any building constructed which requires or is reasonably expected to require or attract parking in excess of the facility's capacity or the facilities maintained therein on said property. Parking will not be permitted on any street or any place other than the designated paved parking areas, and each owner or lessee will be responsible for compliance by their respective employees or visitors. If parking needs increase, additional off-street parking shall be provided by the property owner, in accordance with the above formula.

Parking may be located at the rear, sides, or front of the buildings. If located at the front of the building, a parking area shall be set back a minimum of ten (10) feet from the property line and shall be separated from the property line by a required landscaped area (See, Landscaping), or as determined by the City's Code.

Parking layout and materials used for construction of parking areas must be approved by BEDC prior to construction.

G. LANDSCAPING:

All open, unpaved areas, including but not limited to fronts, sides of buildings, and all setback areas, shall, upon development, be planted and landscaped according to a plan

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

submitted for approval by the property Owner to the BEDC. Approval of any such plan will be based on its harmony and consistency with the general character and aesthetic quality of the Industrial Park, as a whole. In particular, a landscape strip or front yard in a minimum width of twenty (20) feet must be designed and installed by the developer, along the street frontage adjacent to the property line and street right-of-way. This landscaped area shall contain: (i) ground cover and/or grass and must be consistently and properly maintained, and (ii) trees, such as live oaks, pines, elms, or other native tree varieties, and each tree must have a minimum of two (2) inch caliper measured four (4) feet from the ground level. Trees must be planted in a random layout, with an average spacing between trees of not more than fifty (50) feet. If tracts of land are being held for future development, within sixty (60) days of purchasing/closing such tracts, the new Owner(s) shall install and maintain ground cover on the tract. It is the Owner's responsibility to properly maintain tracts owned by them, at all times. Complete Landscaping, in compliance with these Protective Covenants and the City Code, by Owner, is required at the time of development of the property.

H. SCREENING/FENCING:

The right of a purchaser, grantee, owner, or lessee of tracts in the Industrial Park, to use tracts of land and structures on the Property, shall not be construed as permission to keep goods, materials, waste, mechanical parts, equipment, incinerators, storage tanks or similar items on the purchaser's, grantee's, owner's, or lessee's grounds in a manner that, when exposed to the public view, reduces the overall aesthetic appearance, look or quality of the Industrial Park, in the sole opinion of the Board.

If a purchaser, grantee, owner or lessee determines that it has a need to store or keep these types of items, equipment or materials in the public view, they shall be fenced or screened in a manner approved by the BEDC, in advance of such storage.

All screening and fencing in the Industrial Park is required to be at a minimum height (above ground level) of eight (8) feet, unless this height is varied by formal action of the Board. Different types of screening and/or fencing (i.e., Opaque or Non-opaque) is required, depending on what is being shielded or stored, and whether a direct view from adjacent buildings, streets, or public space is advisable for security purposes, as follows: (1) If, for security purposes, the purchaser, grantee, owner or lessee of a tract desires not to use Opaque screening or fencing, then equipment and vehicles that are present on the property may be fenced or screened by the use of Non-opaque materials, approved in writing, by the Board; however, all equipment, vehicles, materials and property visible through the fence/screen must be continuously maintained in a manner that is clean, organized and aesthetically acceptable to those who view the property through the fences/screen; or (2) Water towers, storage tanks, equipment, exhaust fans, skylights, cooling towers, vents, pallet storage, refuse collection receptacles or compacting equipment, transformers, and all other structures or equipment related to a building on the property shall be architecturally compatible with the building or shall be effectively

SIXTH AMENDMENT TO THE
 PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
 BASTROP BUSINESS AND INDUSTRIAL PARK

shielded from public view and view of adjacent properties by the use of Opaque screening or fencing materials, and the design, location and screening for same shall be approved, in writing, by the Board before construction or erection of such structures or placement of such equipment; and (3) All scrap materials, waste, trash, junk, storage of items, inventory, parts, and pallets, etc., must be completely screened from view of the public and adjacent properties by use of Opaque screening, fencing or design elements and materials.

The City and Board will strictly enforce the screening/fencing provisions detailed herein.

I. DRIVEWAYS:

No driveway shall be permitted within fifty (50) feet of a street intersection.

J. OUTSIDE STORAGE OR OPERATIONS:

Outside storage or operations on any tracts shall be strictly limited to the rear two-thirds (2/3) of the property, and shall be completely screened from the street, public view and/or adjacent properties, by use of Opaque screening/fencing, as defined herein. Under no circumstances shall any materials or equipment be stored within sixty (60) feet of any street.

Screening specifications shall be approved in writing by BEDC, prior to construction, as part of the site and building review and approval process, and if appropriate may be varied by the Board, upon application for same. No boat, trailer, camper, home trailer, bus, or other recreational vehicle shall be parked or stored, either permanently or semi-permanently (i.e., on an "off-and-on" basis), on any property in the Park, unless such items are completely screened in the manner described above, using Opaque screening, as defined herein. No residential-type occupancy of trailers, campers, recreational vehicles, etc., is allowed at any time in the Park. Any outside storage shall be well-secured and properly lighted so as not to invite criminal activity in the Industrial Park.

K. LOADING DOCKS:

Loading docks will be permitted on any side of the primary building, but delivery vehicle loading and unloading shall occur only within the property and not on, or from, a public street.

L. SIGNS:

All signs shall be designed, located and installed in full compliance with the City's Code of Ordinances. (See, Bastrop Code of Ordinances, Chapter 3, Section 3.20.001, *et seq.*, which may be amended from time to time.) All requests for variances to the Sign Code, for signs installed in the Park, shall be heard and decided solely by the BEDC Board, and not by the Municipal Sign Review Board or City Council.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

M. EXTERIOR ILLUMINATION:

Illumination will be required on all parking areas and walkways between buildings and parking areas unless otherwise waived or modified by BEDC. No wooden poles may be used in connection with exterior illumination. Additionally, all buildings shall have exterior illumination facilities for their front entrance. Upon completion of any building, any such illumination facilities required by these covenants which are located on the property on which the building is constructed shall remain in operation at a minimum from dusk until 10:00 p.m. each night. Exterior illumination shall be designed to light only buildings, parking areas, and walkways and shall not produce glare on adjacent streets or lots. All ground level floodlighting fixtures shall be depressed or screened from public view.

N. UTILITIES EASEMENTS:

No structure shall be erected on any easement as reserved on the plat and as provided on the deeds of conveyance on any particular lot. No improvements may be placed within such easements without prior written approval of BEDC. Easements may be crossed by improvements providing the property owner receives the necessary approval in advance from any utility company or municipal district agency providing services via the said easement.

O. GARBAGE AND REFUSE DISPOSAL:

No lot shall be used or maintained as a dumping ground for trash or garbage. Trash, garbage, and other waste products shall be kept in sanitary containers approved by the City of Bastrop. All incinerators or other equipment for storage, compaction, or disposal of such materials shall be kept in a clean and sanitary condition, maintained and serviced regularly. Dumpsters shall be adequate in size to handle all waste produced by the business operation and, at no time, may any refuse or garbage be placed outside of the trash receptacles or dumpsters on any tract.

The City’s Code of Ordinances, related to parking, health and safety, offenses and nuisances, subdivision and zoning all apply in the Park, and the City and BEDC shall enforce same within the Park. In the event of ambiguity or an unintended conflict between the City Code and the contents of these Protective Covenants, then the City’s Code will control.

P. LIVESTOCK AND POULTRY:

No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot or part of any lot.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

Q. PERFORMANCE STANDARDS REQUIRED IN THE INDUSTRIAL PARK:

1. Odorous Matter

- a. No manufacturing or warehouse/distribution use shall be located or operated within the Industrial Park which emits odorous matter from a source of operation where the odorous matter exceeds the odor threshold at the boundary property line or any point beyond the tract on which such use or operation is located. The Board reserves the right to apply any State, Federal or local standard it deems appropriate and applicable to the circumstances at hand.

2. Smoke and Particulate Matter

- a. Industrial Limits: No industrial operation or use shall cause, or allow the emission of, air contaminants which, at the emission point or within the bounds of the property, are in violation of the standards, including Effect Screening Levels, specified by the Texas Department of Health or other State regulatory agency. The Board reserves the right to apply any State, Federal or local standard it deems appropriate and applicable to the circumstances at hand.

3. Glare

- a. No use or operation shall be located or conducted so as to produce intense glare or direct illumination, from a visible source of illumination or glare, across the property line boundary, nor shall any such glare or light be of such intensity as to create a nuisance or detract from the use and enjoyment of adjacent property.

4. Noise

- a. All operations in the Industrial Park shall comply with the noise levels detailed in the City's Code of Ordinances, as applicable to nonresidential properties.

5. Water Pollution

- a. No emission of water from any use in the Industrial Park, whether by entry into the municipal wastewater system, storm water control system, a stream or other body of water, shall be permitted, if the quality of such water violates the laws of the State of Texas or the United States, or produces a

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

nuisance or hazard to the public or the municipal wastewater or water systems.

6. Toxic and Noxious Matter

- a. No operation or use permitted under the terms of these covenants shall emit toxic or noxious matter in concentrations across the property line boundary of the tract on which such operation or use is located. The Board reserves the right to apply any State, Federal or local standard it deems appropriate and applicable to the circumstances at hand, related to toxic and noxious materials, matters and/or conditions in the Park.

7. Combustible or Explosive and Hazardous Material

- a. No use involving the manufacture or storage of petrochemical compounds or products which decompose by detonation shall be permitted, except that chlorates, perchlorates, phosphorous, and similar substances and compounds in quantities of one (1) gallon or less for use by industry, laboratories, biotechnology companies, or wholesalers may be permitted when approved by BEDC. The storage of all flammable liquids and materials, such as pyroxylin plastics, nitrocellulose film solvents, and petrochemical products for industrial purposes, shall be allowed only with the prior approval of the BEDC, and in full compliance with all applicable regulations and laws.

8. Vibration

- a. No use permitted under the terms of these covenants shall at any time create such earth- or air-borne vibration which, when measured at the property line boundary of the source of operation, exceeds the limits of the displacement set forth below:

Displacement Limits for Vibration

b. <u>Frequency Cycles per Second</u>	<u>Displacement in Inches</u>
0 to 10	.0010
10 to 20	.0007
20 to 30	.0005
30 to 40	.0004
40 and over	.0003

The Board reserves the right to apply any State, Federal or local standard it deems appropriate and applicable to the circumstances at hand, for operations causing vibration in the Industrial Park.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

- 9. **Portable Restrooms.** The use of portable restrooms is prohibited in the Park after a permanent Certificate of Occupancy has been issued by the City for the building on a tract.

R. MAINTENANCE:

Owners and occupants (including lessees) of any parcel of land in the Industrial Park shall jointly and severally have the duty and responsibility, at their sole cost and expense, to keep that part of the Industrial Park so owned or occupied, including buildings, improvements, grounds or drainage easements, or other rights-of-way incident thereto, in a well-maintained, safe, secure, clean, and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

- 1. Prompt removal of all litter, trash, refuse, and wastes.
- 2. Lawn mowing on a regular basis.
- 3. Tree and shrub pruning.
- 4. Watering by means of an irrigation lawn sprinkler system or hand watering as needed.
- 5. Installing adequate exterior lighting and maintaining mechanical facilities in working order.
- 6. Keeping lawn and garden areas in good condition, and any adjoining railroad rights-of-way or drainage ditches free of weeds and refuse.
- 7. Removing and replacing any dead plant material.
- 8. Keeping vacant land well-maintained for a depth of at least fifteen (15) feet from a street and right-of-way, and the entire site free of trash and tall weeds.
- 9. Keeping parking areas, driveways, and roads in good repair.
- 10. Complying with all governmental health and police requirements.
- 11. Striping of parking areas and repairing of paved improvements and enclosures including fencing and gates.
- 12. Repair of exterior damages to improvements.

S. ENFORCEMENT:

- 1. If, in the opinion of the BEDC, the owner or occupant, as applicable, of any tract or parcel of land in the Industrial Park shall fail to keep the tract or parcel maintained in compliance with the above-listed minimum provisions, the owner or occupant shall be notified of the deficiency by the Board or the City. If within ten (10) days from such notice, remedial activities to correct the deficiency have not begun to restore the tract or parcel to a safe, clean, attractive, and lawful condition, BEDC and/or the City shall have the right to perform such necessary remedial activities. All cost and expense incurred thereby shall be reimbursed by the owner and/or occupant of the tract or parcel of land. If such owner and/or occupant shall fail to so reimburse BEDC within thirty (30) days from the receipt of any invoice

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

covering such cost and expense, then such amount of cost and expense shall be a debt of such Owner and/or Occupant, shall bear interest at the highest maximum rate allowed by law, and shall attach to said parcel of land as a lien against same. If deemed appropriate for recoupment of costs expended by the City to eliminate nuisances threatening the public safety, the costs incurred may be added onto the City utility bills of the occupant causing the nuisance in the Park.

2. The BEDC may file suit in the appropriate court to enjoin any violation of these covenants, and may seek to have the court assess the maximum penalty allowed by law, per day, of violation.
3. All Landowners in the Industrial Park are required to fully comply with all applicable City of Bastrop Code of Ordinances, regulations and policies, and failure to do so will result in the City initiating enforcement action and seeking penalties, as set forth in the Code.
4. The City specifically retains the right to have the City exercise code enforcement activities in the Industrial Park, which may subject violators to fines and Municipal Court processes and penalties.

T. VARIANCES:

Upon either the request of a Landowner or the Board of Directors, the BEDC may grant variances to the strict application of these restrictions and covenants when it is found that such variances will not affect the overall intent of these restrictions and covenants and a variance will not cause injury or negative impact on adjacent landowners, lessees, or tenants, or the overall quality of the Industrial Park. Applications for variances must be filed with BEDC, and must detail what hardship(s) will result to applicant from the strict application of these restrictions and covenants, which hardship(s) shall not be solely 'economic' and shall not be self-inflicted by the applicant. The BEDC Board shall hold a public hearing on any requested variance, in accordance with the City of Bastrop notice and public hearing process and requirements. The decision of the BEDC on all variance requests shall be final, with no right of appeal to another body or entity.

U. AMENDMENT OF COVENANTS:

These covenants and restrictions may be unilaterally amended, from time to time, by BEDC, provided BEDC continues to retain ownership of at least fifty-one percent (51%) of the land area of the Industrial Park. After BEDC owns less than fifty-one percent (51%) of the land area in the Industrial Park, amendments to these covenants and restrictions may only be made by majority vote of the property owners in the Industrial Park, at a properly notified meeting called for the purpose of evaluating and acting on same.

SIXTH AMENDMENT TO THE
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS
BASTROP BUSINESS AND INDUSTRIAL PARK

Executed this 6th day of March, 2015

BEDC:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

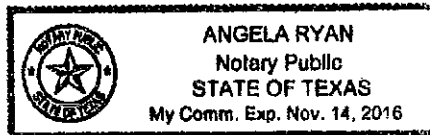
By: Steve Mills
Name: Steve Mills
Title: Chair

Exhibit A – Description of Property Subject to Declaration of Protective Covenants,
Conditions, and Restrictions

Exhibit B – Map identifying Areas A and B, in the Park

THE STATE OF TEXAS
COUNTY OF BASTROP

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This instrument was acknowledged before me on this 6th day of March, 2015 by Steve Mills, Chair, Bastrop Economic Development Corporation, on behalf of said corporation.

Angela Ryan
Notary Public, State of Texas

My Commission Expires: 11-14, 2016

**DALE L. OLSON
REGISTERED PROFESSIONAL LAND SURVEYOR
711 WATER STREET
BASTROP, TEXAS 78602
512 (321-5476)**

FIELD NOTES FOR A 265.403 ACRE TRACT IN THE BASTROP TOWN TRACT AND THE STEPHEN F. AUSTIN SURVEY, A-2, IN BASTROP COUNTY, TEXAS.

Being a 265.403 acre tract or parcel of land out of and being a part of the BASTROP TOWN TRACT, A-11, and the Stephen F. Austin Survey, A-2, in Bastrop County, Texas, and being a part of that certain 326 acre tract devised to Mrs. Mary Bell Turner Gore by will of Mrs. T. C. Osborn probated on June 22, 1955, and recorded in Vol. 4, Pg. 87, Probate Minutes of Bastrop County, and by will of Kathryn Belle Turner probated on November 19, 1963 recorded in Vol. 11, Pg. 280, Probate Minutes of Bastrop County, Texas. Herein described tract or parcel being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8 inch iron rod found at a fence corner, the southeast corner of the before mentioned 326 acre tract, an inner corner of Tahitian Village, Unit 5, a Subdivision recorded in Plat Cabinet No. 1, Pg. 101A-106B, Bastrop County Plat Records, for the southeast corner of this tract.

THENCE with the south line of the said 326 acre tract, the north line of Tahitian Village, Unit 5, N 75 deg. 09 min. 31 sec. W, 3129.72 feet to a 1/2 inch iron rod found at a fence corner where same intersects the east line of the M. K. & T. Railroad, the northwest corner of Tahitian Village, Unit 5, for the southwest corner of this tract.

THENCE with the east line of the M. K. & T. Railroad, N 14 deg. 44 min. 00 sec. E, 3030.36 feet to a 5/8 inch iron rod set in the south line of the before mentioned Bastrop Town Tract, the north line of the Stephen F. Austin Survey, for an angle corner of this tract.

THENCE with the south line of the Bastrop Town Tract, the north line of the Stephen F. Austin Survey, N 75 deg. 16 min. 00 sec. W, 22.23 feet to a 5/8 inch iron rod set for an angle corner of this tract.

THENCE continuing with the east line of the M. K. & T. Railroad, N 14 deg. 44 min. 06 sec. E, 405.50 feet to a 5/8 inch iron rod set at a the beginning at a curve to the left.

THENCE continuing with the east line of the M. K. & T. Railroad right of way along a curve to the left whose radius is 2892.57 feet; whose central angle is 04 deg. 39 min. 28 sec.; whose long chord bears N 12 deg. 21 min. 38 sec. E, 235.08 feet; 235.15 feet along the arc to a 1/2 inch iron rod found where same intersects the south line of Mill Street, for the northwest corner of this tract.

THENCE with the south line of Mill Street, N 90 deg. 00 min. 00 sec. E, 419.87 feet to a 5/8 inch iron rod set where same intersects the center of Marion Street, for an angle corner of this tract.

THENCE with the center of Marion Street, S 00 deg. 04 min. 09 sec. W, 388.98 feet to a 5/8 inch iron rod set where same intersects the south line of South Street, for an interior corner of this tract.

THENCE with the south line of South Street, S 89 deg. 59 min. 21 sec. E, 1326.25 feet to a 1/2 inch iron rod found for the northwest corner of that certain lot or parcel described as Tract 2 in a Sheriff's Deed to T. C. Steiner recorded in Vol. 496, Pg. 754, Bastrop County Deed Records, for an angle corner of this tract. Said point being in the north line of Building Block No. 149, in said Town Tract.

THENCE with the west line of the Steiner lot, S 07 deg. 04 min. 48 sec. E, 155.50 feet to the southwest corner of same, a 1/2 inch iron rod found for an interior corner of this tract.

THENCE with the south line of the Steiner lot, S 83 deg. 32 min. 42 sec. E, 184.00 feet to the southeast corner of same, a 1/2 inch iron rod found in the west line of Clay Street, the east line of Building Block No. 149, for an interior corner of this tract.

THENCE with the west line of Clay Street, the east line of Building Block No. 149, the east line of the Steiner lot, N 00 deg. 00 min. 00 sec. E, 175.00 feet to a 1/2 inch iron rod found where same intersects the south line of South Street, for an angle corner of this tract. Said point being the northeast corner of Building Block No. 149.

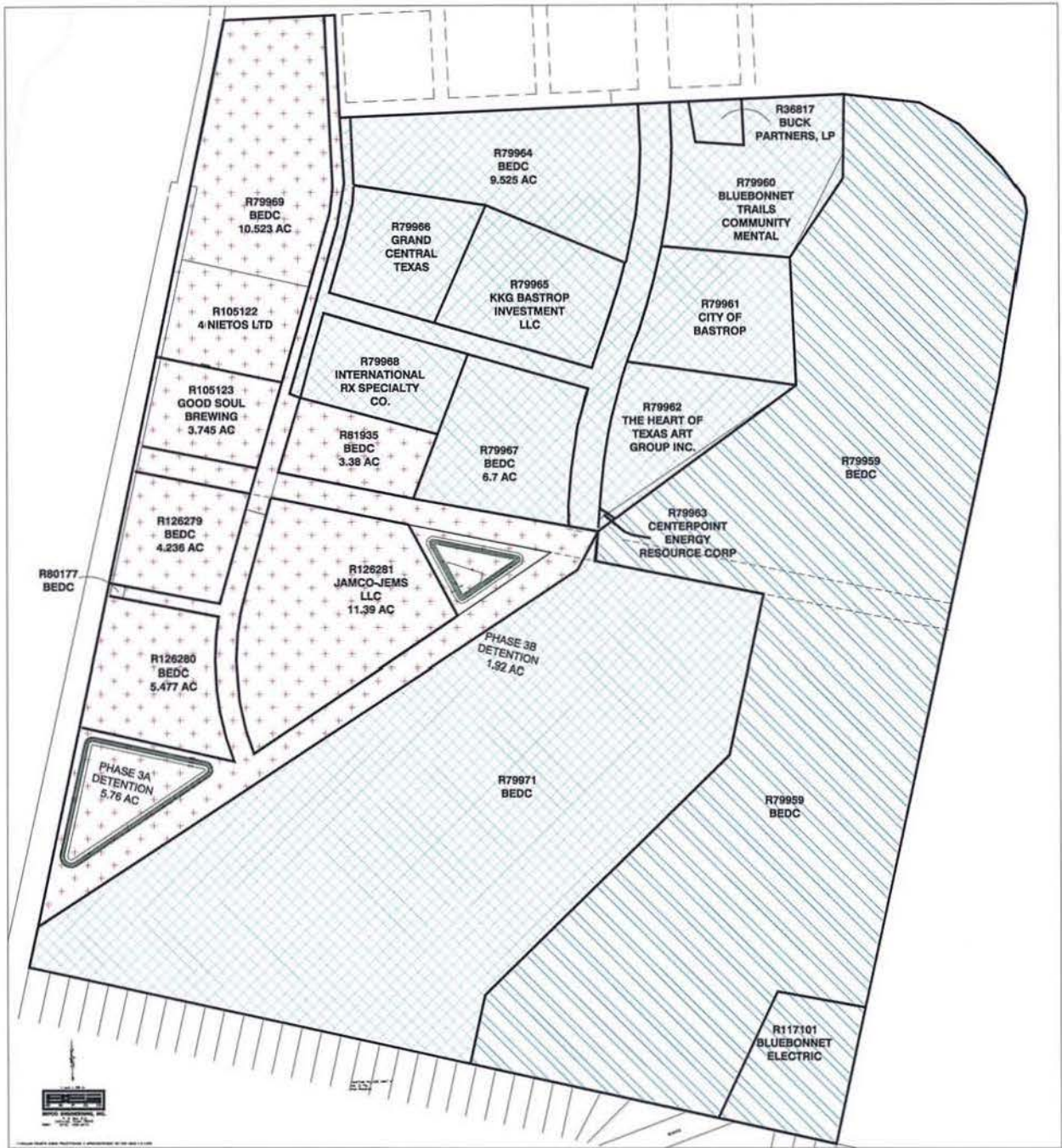
THENCE with the south line of South Street, N 90 deg. 00 min. 00 sec. E, 388.88 feet to a 5/8 inch iron rod set where same intersects the east line of Pitt Street for an angle corner of this tract. Said point being near an old fence corner and being the northwest corner of a small tract in Building Block No. 151 owned by the City of Bastrop.

THENCE with the average of an old crooked fence, S 81 deg. 11 min. 31 sec. E, 289.52 feet to a 60d nail set in a 12 inch elm fence angle; S 58 deg. 29 min. 43 sec. E, 172.65 feet to a 5/8 inch iron rod set; S 43 deg. 59 min. 09 sec. E, 184.11 feet to a 5/8 inch iron rod set; S 32 deg. 52 min. 20 sec. E, 185.20 feet to a 1/2 inch iron rod found at a fence corner; S 06 deg. 07 min. 52 sec. E, 55.19 feet to a 1/2 inch iron rod found at a fence corner, an angle corner of Pine Forest, Unit 6, a Subdivision as recorded in Plat Cabinet 1, Pg. 165B-172A, Bastrop County Plat Records for a northeast corner of this tract.

THENCE with the west line of Pine Forest, Unit 6, the east line of the said 326 acre tract, S 11 deg. 46 min. 12 sec. W, 646.55 feet to a concrete monument found; S 14 deg. 40 min. 06 sec. W, 2590.60 feet to a 1/2 inch iron rod found at the southwest corner of Pine Forest, Unit 6, an angle corner of Tahitian Village, Unit 5, for an angle corner of this tract.

THENCE continuing with the east line of the said 326 acre tract and an upper west line of Tahitian Village, Unit 5, S 14 deg. 48 min. 07 sec. W, 366.19 feet to the POINT OF BEGINNING, containing 265.403 acres of land.

Dale L. Olson
Registered Professional
Land Surveyor
Reg. No. 1753



-  AREA "A"
-  AREA "B"
-  AREA "C"