



NOTICE OF MEETING OF THE BURNET ECONOMIC DEVELOPMENT CORPORATION

Notice is hereby given that a **Regular Meeting** will be held by the Burnet Economic Development Corporation (BEDC) on the **19th day of July, 2022** at **3:00 p.m.** in the City of Burnet Council Chambers, 2402 Water Street (S. Hwy. 281 Burnet Municipal Airport), Burnet, TX. at which time, the following subjects will be discussed, to-wit:

This notice is posted pursuant to the Texas Government Code, Chapter §551-Open Meetings.

1. CALL TO ORDER:

2. CONSENT AGENDA:

2.1) Approval of the June 21, 2022 BEDC Special Meeting minutes

3. ACTION ITEMS:

3.1) Discuss and consider action: BEDC/Chamber of Commerce Committee.

3.2) Discuss and consider action: Related to the potential sale of all or portions of the Crossings at 281 South Commercial Park.

3.3) Discuss and consider action: Related to the sale of all or portions of the Eastside Commercial Park located on Highway 29 East.

3.4) Discuss and consider action: Proposed 2022/2023 Fiscal Year Burnet Economic Development Corporation budget.

4. EXECUTIVE SESSION:

4.1) Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.072 to deliberate on the value of real property the purchase, exchange, lease, or value of real property as follows:

- (a) Eastside Commercial Park;
- (b) The Crossings at 281 South Commercial Park; and
- (c) Acquisition of real property to enhance Eastside Commercial Park; and

4.2) Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.087 to deliberate regarding commercial or financial information the board has received from a business prospect that the board seeks to have locate, stay, or expand within the corporate limits of the City of Burnet and with which the

board is conducting economic development negotiations.

5. REQUESTS FROM BEDC FOR FUTURE REPORTS:

6. ADJOURN:

Dated this 15^h day, of July, 2022

I, the undersigned authority, do hereby certify that the above NOTICE OF MEETING of the Burnet Economic Development Corporation, is a true and correct copy of said NOTICE and that I posted a true and correct copy of said NOTICE on the bulletin board, in the City Hall of said City, BURNET, TEXAS, a place convenient and readily accessible to the general public at all times, and said NOTICE was posted on July 15, 2022, at or before 5 o'clock p.m. and remained posted continuously for at least 72 hours preceding the scheduled time of said Meeting.

Kelly Dix, City Secretary

NOTICE OF ASSISTANCE AT THE PUBLIC MEETINGS:

The City Council Chamber is wheelchair accessible. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, readers, or large print, are requested to contact the City Secretary's office (512.756.6093) at least two working days prior to the meeting. Requests for information may be faxed to the City Secretary at 512.756.8560.

RIGHT TO ENTER INTO EXECUTIVE SESSION:

The Board of Directors for the Burnet Economic Development Corporation reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development

STATE OF TEXAS {}
COUNTY OF BURNET {}

On this the 21st day of June, 2022, the Burnet Economic Development Corporation of the City of Burnet convened in Special Session, at 3:00 p.m., at the Burnet City Council Chambers, 2402 S. Water Street, Burnet, with the following members present, to-wit:

Board Members: David Vaughn, Habib Erkan, Jr., Crista Goble Bromley, Wayne Brown, Cary Johnson, Brad Zehner

Absent Danny Lester

City Secretary: Kelly Dix

Guests: Mike McHenry, Eric Baham

CALL TO ORDER: The meeting was called to order by Board President Cary Johnson at 3:00 p.m. and quorum was established.

CONSENT AGENDA:

Approval of the May 17th, 2022 BEDC Regular Meeting minutes:

Board Member Crista Bromley moved to approve the consent agenda as presented with the correction to the Executive Session paragraph as discussed. Board Member Brad Zehner seconded. The motion carried unanimously.

ACTION ITEMS:

Discuss and consider action: Burnet Economic Development Corporation COVID-19 Loan Program: Board Member Habib Erkan moved to waive the balances of the COVID-19 Loan Program for Café 2300, The Ritzy Texasn and Done Right Cleaners as presented. Board Member Crista Bromley seconded. The motion carried unanimously.

Discuss and consider action: Declaration of Covenants Conditions and Restrictions to be placed on the Eastside Commercial Park on Highway 29 East: Board Member Danny Lester moved to approve and adopt the Covenants, Conditions and Restrictions for the Eastside Commercial Park as presented. Board Member Crista Goble Bromley seconded. The motion carried unanimously.

Discuss and consider action: Related to the potential sale of all or portions of the Crossings at 281 South Commercial Park: Board Member Wayne Brown moved to authorize City Staff to move forward on the Hotel Study with DPC Hospitality as presented. Board Member Brad Zehner seconded. The motion carried unanimously.

Discuss and consider action: Related to the sale of all or portions of the Eastside Commercial Park located on Highway 29 East: Board Member Wayne Brown made a motion to authorize City Staff to move forward with discussions of property acquisition with the Pumpkin Patch Day Care as presented. Board Member Brad Zehner seconded. The motion carried unanimously.

EXECUTIVE SESSION: No action taken.

Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.072 to deliberate on the value of real property the purchase, exchange, lease, or value of real property as follows:

(a) Eastside Commercial Park;

(b) The Crossings at 281 South Commercial Park; and

(c) Acquisition of real property to enhance Eastside Commercial Park; and

Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.087 to deliberate regarding commercial or financial information the board has received from a business prospect that the board seeks to have locate, stay, or expand within the corporate limits of the City of Burnet and with which the board is conducting economic development negotiations: No action taken.

REQUESTS FOR FUTURE REPORTS: None.

ADJOURN: There being no further business a motion to adjourn was made by Board Member Crista Bromley at 3:46 p.m., seconded by Board Member Wayne Brown. The motion carried unanimously.

ATTEST:

Kelly Dix, City Secretary

Cary Johnson, President
Burnet Economic Development Corporation



ITEM 3.1

Agenda Item Brief

Meeting Date:	July 19, 2022
Agenda Item:	Discuss and consider action: BEDC/Chamber of Commerce Committee.
Background:	To be presented at the meeting.
Information:	
Fiscal Impact:	
Recommendation:	To be determined by the board.



ITEM 3.2

Agenda Item Brief

Meeting Date:	July 19, 2022
Agenda Item:	Discuss and consider action: Related to the potential sale of all or portions of the Crossings at 281 South Commercial Park.
Background:	To be presented at the meeting.
Information:	
Fiscal Impact:	
Recommendation:	To be determined by the board.



ITEM 3.3

Agenda Item Brief

Meeting Date: July 19, 2022

Agenda Item: Discuss and consider action: Related to the potential sale of all or portions of the Eastside Commercial Park located on Highway 29 East.

Background: To be presented at the meeting.

Information:

Fiscal Impact:

Recommendation: To be determined by the board.



ITEM 3.4

Agenda Item Brief

Meeting Date:	July 19, 2022
Agenda Item:	Discuss and consider action: Proposed 2021/2022 Fiscal Year Burnet Economic Development Corporation budget.
Background:	A review of the projected 2022/2023 FY budget will be provided.
Information:	
Fiscal Impact:	
Recommendation:	To be determined by the Board

RESOLUTION NO. BEDC R2021-03

RESOLUTION AUTHORIZING THE ISSUANCE OF A "LAND DEVELOPMENT LOAN"; PLEDGING CERTAIN "PLEDGED REVENUES" OF THE CORPORATION, INCLUDING "GROSS SALES TAX REVENUES," TO THE PAYMENT OF THE PRINCIPAL AND

**INTEREST ON SUCH LOAN; AND ENACTING OTHER PROCEDURES
AND PROVISIONS RELATING TO THE PURPOSES OF THIS
RESOLUTION**

WHEREAS, the City Council of the City of Burnet, Texas (the "City"), a city with a population of less than 20,000 and located in a county with a population of less than 500,000 according to the most recent federal decennial census, called an election for the purpose of receiving authority to levy a sales and use tax for the benefit of an industrial development corporation under the authority of Article 5190.6, Texas Revised Civil Statutes, as amended and currently codified as Chapters 501, 504, and 505 of the Texas Local Government Code (the "Act"), specifically under Section 4B (now Chapter 505, Texas Local Government Code); and

WHEREAS, at a duly called election by the City a majority of the citizens of the City voting at said election abolished the Section 4A sales and use tax rate of one-half of one percent and adopted a Section 4B sales and use tax and thereby authorized the City to levy a sales and use tax on the receipts at retail of taxable items within the City at a rate of one-half of one percent (1/2%); and

WHEREAS, pursuant to the provisions of the Act, the City created the Burnet Economic Development Corporation (the "Corporation"), a nonstock, non-profit economic development corporation created under the Act on behalf of the City to satisfy the public purposes set forth in the Act, as authorized under Section 4B; and

WHEREAS, for the purposes of promoting and encouraging employment and the public welfare, the Board of Directors of the Corporation desire to have the Corporation undertake certain public improvements according to the Act;

WHEREAS, the Corporation currently has outstanding its Sales Tax Revenue Bonds, Taxable Series 2018 issued in the aggregate principal amount of \$2,045,000, of which \$1,845,000 is currently outstanding (the "Outstanding Obligations"); and

WHEREAS, the Outstanding Obligations are secured by a pledge of the Pledged Revenues, and the authorizing documents for such Outstanding Obligations allows for additional obligations to be secured by the Pledged Revenues on parity with the Outstanding Obligations upon the satisfaction of certain conditions; and

WHEREAS, in no event shall a pledge of the Pledged Revenues be superior to the security on the Outstanding Obligations; and

WHEREAS, in satisfaction of the requirements set forth in Section 505.159 of the Texas Local Government Code, a public hearing on the proposed project was held on August 27, 2020; and

WHEREAS, the Board of Directors of the Corporation hereby finds and determines that a Land Development Loan in the amount of **\$1,400,000.00** should be obtained from **First State Bank of Burnet** (the "Loan") to finance and pay the costs of development of the Property, as defined herein, which is owned by the Corporations and located on U.S. Highway 281 South, Burnet, Texas, and known as the "Highway 281 South Commercial Park Project"; and

WHEREAS, the Board of Directors of the Corporation has further determined and hereby finds that the Project to be financed by the Loan will promote new or expanded business development; and

WHEREAS, the City Council of the City, on April 27, 2021 adopted a resolution specifically approving the resolution of the Corporation providing for obtaining referenced Loan; and

WHEREAS, in accordance with the provisions of Chapter 505, Texas Local Government Code, the City has previously agreed to timely transfer to the Corporation the proceeds of the Sales Tax, in accordance with the terms and conditions of that certain Use and Sales Tax Remittance Agreement dated as of July 13, 2021, between the City and the Corporation; and

WHEREAS, the Loan herein authorized shall be obtained in accordance with the Act.

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

SECTION 1. Recitals; Consideration. It is hereby found and determined that the matters and facts set out in the preamble to this Resolution are true and correct.

SECTION 2. Definitions. For all purposes of this Resolution and in particular for clarity with respect to obtaining the Loan herein authorized and the pledge and appropriation of revenues to the payment of the Loan, the following definitions are provided:

"Act" - Development Corporation Act, Subtitle C1 of Title 12, Texas Local Government Code (formerly Article 5190.6, TEX. REV. CIV. STAT. ANN.), as amended at any time.

"Additional Parity Obligations" – Bonds, notes or other evidences of indebtedness which the Corporation reserves the right to issue or enter into, as the case may be, in the future in accordance with the terms and conditions provided in Section 13 hereof and which are equally and ratably secured by a parity pledge of and claim on the Pledged Revenues under the terms of this Resolution and a Supplemental Resolution.

"Board" - The Board of Directors of the Corporation.

"Business Day" - Any day which is not a Saturday, Sunday, or a day on which the Lender is authorized by law or executive order to close, or a legal holiday.

"City" - The City of Burnet, Texas.

"Closing Date" - The date of Lender's Promissory Note for the Loan.

"Corporation" - Burnet Economic Development Corporation, a non-profit economic development corporation organized and existing under and pursuant to the laws of the State of Texas, including Chapter 505, Texas Local Government Code and on behalf of the City of Burnet, Texas.

"Fiscal Year" - The twelve-month financial accounting period used by the Corporation ending September 30 in each year, or such other twelve consecutive month period established by the Corporation.

"Gross Sales Tax Revenues" - All of the revenues or receipts due or owing to, or collected or received by or on behalf of the Corporation by the City or otherwise from the Sales Tax, less any amounts due and owed to the Comptroller of Public Accounts of the State of Texas as charges for the collection of the Sales Tax or retention by said Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retention are authorized or required by law.

"Lender" – First State Bank of Burnet, a Texas banking corporation, located at 100 E. Washington St., Burnet, Texas 78611.

"Pledged Revenues" - Collectively (i) Gross Sales Tax Revenues collected by the City of Burnet, Texas and (ii) net proceeds from the sale of all or portions of the property located within the Project and (iii) such other money, income, revenue, receipts or other property as may be specifically dedicated, pledged or otherwise encumbered in a Supplemental Resolution.

"Project" - Improvement and development of the Property, including but not limited to roads, utilities, drainage and other improvements necessary for the subdivision of the Property.

"Property" – Being 13.51 acres of land out of the Lemuel Taylor Survey No. 8, Abstract No. 880, as further shown in Exhibit "A".

"Sales Tax" - The local sales and use tax authorized under Chapter 505, Texas Local Government Code, approved at a duly authorized election by the City of Burnet, at a rate of one-half of one percent (1/2%), and levied by the City on behalf of the Corporation.

SECTION 3. Authorization. Interest Rate, Note Payment Dates and Purpose.

(a) The Loan will be payable pursuant to the terms of a Promissory Note payable to Lender in monthly installments of principal and interest amortized over a period of 10 years and maturing in 2031. The Note shall be in the principal amount of \$1,400,000.00, the proceeds of which shall be used for the purpose of providing funds for the Project in improvement and development of the Property located on U.S. Highway 281 South, Burnet, Texas.

(b) The Loan shall bear interest on the unpaid principal amount from the Date of the Note, at the per annum rate of 2.86% (calculated on the basis of a 365 or 366-day year, as applicable).

SECTION 4. Date. The Loan shall be designated on the books of the Corporation as the "BURNET ECONOMIC DEVELOPMENT CORPORATION 281 SOUTH COMMERCIAL PARK LOAN" and shall be dated as of the date of its signing.

SECTION 5. Execution of Loan; Seal. Wayne Brown, as Vice-President of the Board of Directors of the Corporation, is hereby authorized to execute any Loan documents which shall be executed on behalf of the Corporation by its President of the Board of Directors under its seal reproduced or impressed thereon and attested by the Secretary to the Board of Directors of the Corporation.

SECTION 6. Payment of Principal and Interest. The principal and interest of the Loan shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America, when required, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the First State Bank of Burnet, 100 East Washington St., Burnet, Texas 78611.

SECTION 7. Pledge. The Corporation hereby covenants and agrees that the Pledged Revenues are hereby irrevocably pledged to the payment and security of the Loan. The Corporation hereby resolves the obligations shall constitute a lien on the Pledged Revenues in accordance with the terms of this Resolution and any Supplemental Resolution. The Corporation hereby authorizes the filing of a financial statement with the Texas Secretary of State.

SECTION 8. Proceeds of Loan. Proceeds of the Loan less costs of closing shall be deposited in the Project Fund and expended only for the purpose of providing funds for the Project.

SECTION 9. Payment of Loan. While the Loan is outstanding, the Treasurer of the Corporation (or other designated financial officer of the Corporation) shall cause to be transferred to the Lender amounts sufficient to fully pay and discharge promptly as each installment of interest and principal of the Loan accrues or matures on or before the date of payment for the Loan.

SECTION 10. Project Fund. The net proceeds of the Loan shall be deposited in a separate account entitled the "Project Fund" at the time of the delivery of the Loan proceeds from Lender. The funds deposited in the Project Fund shall only be used for the Project, as defined herein.

SECTION 11. Investments - Security of Funds. Money in any fund required to be maintained pursuant to this Resolution may, at the option of the Corporation, be invested in obligations and in the manner prescribed by the Public Funds Investment Act, Chapter 2256, Texas Government Code, including investments held in book-entry form; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from any fund will be available at the proper time or times. Such investments shall be valued in terms of current market value within 45 days of the close of each Fiscal Year. All interest and income derived from deposits and investments in the Project Fund immediately shall be credited to, and any losses debited to, the appropriate account of the Project Fund. All such investments shall be sold promptly when necessary, to prevent any default in connection with the Loan.

SECTION 12. Right to Create Subordinate Debt. Except as may be limited by a Supplemental Resolution, the Corporation shall have the right to issue or create any debt payable from or secured by a lien on all or any part of the Pledged Revenues for any lawful purpose, provided the pledge and the lien securing such debt is subordinate to the pledge and lien established, made and created in Section 7 of this Resolution with respect to the Pledged Revenues to the payment and security of the parity obligations.

SECTION 13. Issuance of Additional Parity Obligations. Subject to the provisions hereinafter appearing as to conditions precedent which must be satisfied, the Corporation reserves the right to issue, from time to time as needed, Additional Parity Obligations for any lawful purpose. Such Additional Parity Obligations may be issued in such form and manner as the Corporation shall determine, provided, however, prior to issuing or incurring such Additional Parity Obligations, the following conditions precedent for the authorization and issuance of the same are satisfied, to wit:

1. The Treasurer of the Corporation (or other officer of the Corporation) then

having the primary responsibility for the financial affairs of the Corporation) shall have executed a certificate stating that, to the best of his or her knowledge and belief, the Corporation is not then in default as to any covenant, obligation or agreement contained in the Resolution or a Supplemental Resolution.

2. The Corporation has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Corporation, the Gross Sales Tax Revenues received by the Corporation for either (i) the last completed Fiscal Year next preceding the adoption of the Supplemental Resolution authorizing the issuance of the proposed Additional Parity Obligations or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of the Supplemental Resolution authorizing the Additional Parity Obligations were equal to not less than 1.50 times the maximum annual Debt Service for all Parity Obligations then outstanding after giving effect to the issuance of the Additional Parity Obligations then being issued.

SECTION 14. Confirmation and Levy of Sales Tax.

(a) The Board hereby represents the City has duly complied with the provisions of the Act for the levy of the Sales Tax at the rate voted at the election held by and within the City, and such Sales Tax is being imposed within the corporate limits of the City and the receipts of such Sales Tax are being remitted to the City by the Comptroller of Public Accounts on a monthly basis.

(b) While the Loan is outstanding, the Corporation covenants, agrees and warrants to take and pursue all action permissible to cause the Sales Tax, at said rate or at a higher rate if legally permitted, to be levied and collected continuously, in the manner and to the maximum extent permitted by law, and to cause no reduction, abatement or exemption in the Sales Tax or rate of tax below the rate stated, confirmed and ordered in subsection (a) of this Section to be ordered or permitted while the Loan shall remain unpaid.

(c) If hereafter authorized by law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, to the extent it legally may do so, the Corporation agrees to use its best efforts to cause the City to take such action as may be required to subject such taxable items or transactions to the Sales Tax.

(d) The Corporation agrees to take and pursue all action legally permissible to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Texas Local Government Code, at the earliest and most frequent times permitted by law.

(e) The Corporation agrees to use its best efforts to cause the City to comply with Chapter 505, Texas Local Government Code, and shall cause the Gross Sales Tax Revenues to be deposited in an account to the credit of the Corporation in their entirety immediately upon receipt by the City. In the alternative and if legally authorized, the Corporation shall, by appropriate notice, direction, request or other legal method, use its good-faith efforts to cause the Comptroller of Public Accounts of the State of Texas (the "Comptroller") to pay all Gross Sales Tax Revenues directly to the Corporation.

SECTION 15. Records and Accounts. The Corporation hereby covenants and agrees that while the Loan is outstanding, it will keep and maintain complete records and accounts in accordance with generally accepted accounting principles, and following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever other matters may be thought proper by the accountant shall include the following:

1. A statement in reasonable detail regarding the receipt and disbursement of the Pledged Revenues for such Fiscal Year, and
2. A balance sheet for the Corporation as of the end of such Fiscal Year.

Such annual audit of the records and accounts of the Corporation shall be in the form of a report and be accompanied by an opinion of the accountant to the effect that such examination was made in accordance with generally accepted auditing standards and contain a statement to the effect that in the course of making the examination necessary for the report and opinion, the accountant obtained no knowledge of any default of the Corporation on the Loan or in the fulfillment of any of the terms, covenants or provisions of this Resolution, or under any other evidence of indebtedness, or of any event which, with notice or lapse of time, or both, would constitute a failure of the Corporation to comply with the provisions of this Resolution or if, in the opinion of the accountants, any such failure to comply with a covenant or agreement hereof, a statement as to the nature and status thereof shall be included.

Copies of each annual audit report shall be furnished to Lender. The audits herein required shall be made within 180 days following the close of each Fiscal Year insofar as is possible.

Lender or any duly authorized agent or agents of Lender shall have the right to inspect such records, accounts and data of the Corporation during regular business hours.

SECTION 16. Representations as to Security for the Loan.

(a) Except as has been previously disclosed regarding the Corporation's currently outstanding obligations secured by the Pledged Revenues, the Corporation represents and warrants that the Pledged Revenues are and will be and remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Resolution except as expressly provided herein or in the documents authorizing the Corporation's currently outstanding obligations secured by the Pledged Revenues.

(b) The Loan and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with their terms and the terms of this Resolution, subject only to any applicable bankruptcy or insolvency laws or to any laws affecting creditors' rights generally.

(c) The Corporation shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Pledged Revenues against all claims and demands of all persons whomsoever, and shall take such action necessary to protect the priority of the pledge of the Pledged Revenues.

(d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect all delinquencies in the collection of the Sales Tax to the fullest extent permitted by the Act.

(e) The provisions, covenants, pledge and lien on and against the Pledged Revenues, as herein set forth, are established and shall be for the equal benefit, protection and security of Lender without distinction as to priority and rights under this Resolution.

(f) The Loan shall constitute a special obligation of the Corporation, payable solely from, and equally and ratably secured by a pledge of, security interest and lien on, the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Loan may not be paid in whole or in part from any property taxes raised or to be raised by the City and shall not constitute debts or obligations of the State or of the City, and Lender shall never have the right to demand payment out of any funds raised or to be raised by any system of ad valorem taxation.

SECTION 17. Satisfaction of Obligation of Corporation. If the Corporation shall pay or cause to be paid, or there shall otherwise be paid to Lender, the principal and interest on the Loan, at the times and in the manner stipulated in this Resolution, then the pledge of the Pledged Revenues under this Resolution and all other obligations of the Corporation to Lender shall thereupon cease, terminate, and be discharged and satisfied.

SECTION 18. Resolution a Contract - Amendments. This Resolution shall constitute a contract with Lender, be binding on the Corporation, and shall not be amended or

repealed by the Corporation while the Loan remains outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to Lender, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of Lender, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from Lender, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the written consent of Lender, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Loan, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Loan, or (2) give any preference to any Loan over any other Loan.

SECTION 19. No Tax Exemption. The Loan will not be an obligation under Section 103 of the Internal Revenue Code of 1986, as amended, therefore the interest on the Loan will be includable in the gross income of the Lender for federal income tax purposes.

SECTION 20. Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the Corporation and Lender, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the Corporation and Lender.

SECTION 21. Default and Remedies.

(a) *Events of Default.* Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an "Event of Default," to-wit: (i) the failure to make payment of the principal of or interest on the Loan when the same becomes due and payable; or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Corporation, the failure to perform which materially and adversely affects the rights of Lender, including but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by Lender to the Corporation.

(b) *Remedies for Default.* Upon the happening of any Event of Default, then and in every case Lender or an authorized representative of Lender, including but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights of Lender under this Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Lender hereunder or any combination of such remedies. It is provided that all such proceedings shall be instituted and maintained for the equal benefit of Lender.

(c) *Remedies Not Exclusive.* No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Promissory Note or now or hereafter existing at law or in equity; provided however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Promissory Note shall not be available as a remedy under this Resolution. The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

SECTION 22. Corporation Agrees to-

(a) Defend the Pledged Sales Tax Revenues against all claims adverse to Lender's interest; keep the Property free from liens; and keep the Property in Corporation's possession and ownership except as may be sold in the ordinary course of the Corporation's development of the Property or as otherwise provided in this agreement. Nothing herein shall be construed to prevent the Corporation from selling any and/or all portions of the Property.

(b) Pay all Lender's expenses, including reasonable attorney's fees and legal expenses assessed by a court, incurred to (a) obtain, preserve, perfect, defend, or enforce this agreement; (b) retake, hold, prepare for disposition, dispose, collect, or enforce the terms of this Resolution; or (c) collect or enforce the Loan. These expenses will bear interest from the date of advance at the rate stated in the Loan for matured, unpaid amounts and are payable on demand at the place where the Loan is payable. These expenses and interest are part of the Obligation and are secured by this agreement.

(c) Sign and deliver to Lender any documents or instruments that Lender considers necessary to obtain, maintain, and perfect the pledge and security interest set out in this Resolution.

(d) Notify Lender immediately of any event of default and of any material change (a) in the collection of the Gross Sales Tax Revenue, (b) in Corporation's Mailing Address, (c) in any other representation or warranty in this agreement, or (d) that may affect this Resolution, or of any change in Corporation's name.

(e) Pay to Lender, all net proceeds from the sale of any portion of the property to be applied to the outstanding principal balance on the Loan.

(f) Perform all obligations to be performed by Corporation under this Resolution.

SECTION 23. Corporation Agrees Not to-

(a) Sell or transfer any portion of the Property, unless the net proceeds of such sale

are applied to the outstanding principal balance of the Loan.

(b) Change its name or jurisdiction of organization, merge or convert to a different entity without notifying Lender in advance and taking action to continue the perfected status of the Lender's security interest in the pledged Sales Tax Revenues.

SECTION 24. Binding Effect. This agreement binds, benefits, and may be enforced by the successors in interest of Lender and will bind all persons who become bound as Corporation to this agreement.

SECTION 25. Inconsistent Provisions. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict and the provisions of this Resolution shall be and remain controlling as to the matters contained herein.

SECTION 26. Governing Law. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27. Severability. If any provision of this Resolution or the application thereof to any circumstance shall be held to be invalid, the remainder of this Resolution and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 28. Construction of Terms. If appropriate in the context of this Resolution, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 29. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

SECTION 30. Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by the Texas Government Code.

SECTION 31. Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page intentionally left blank.]

PASSED AND ADOPTED, this 12th day of July, 2021.

BURNET ECONOMIC DEVELOPMENT CORPORATION

By:_____

Wayne Brown, Vice-President, Board of Directors

ATTEST:

Kelly Dix, City Secretary

[illegible]



ITEM 4.1

Agenda Item Brief

Meeting Date: June 21, 2022

Agenda Item: Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.072 to deliberate on the value of real property the purchase, exchange, lease, or value of real property as follows:

- (a) Eastside Commercial Park;
- (b) The Crossings at 281 South Commercial Park; and
- (c) Acquisition of real property to enhance Eastside Commercial Park; and

Background:

Information:

Fiscal Impact:

Recommendation: To be determined by the board.



ITEM 4.2

Agenda Item Brief

Meeting Date: June 21, 2022

Agenda Item: Executive Session: The Board of Directors shall convene in executive session pursuant to Texas Government Code Sec. 551.087 to deliberate regarding commercial or financial information the board has received from a business prospect that the board seeks to have locate, stay, or expand within the corporate limits of the City of Burnet and with which the board is conducting economic development negotiations.

Background:

Information:

Fiscal Impact:

Recommendation: To be determined by the board.