RESOLUTION No. R-2014-11

A RESOLUTION OF THE CITY COUNCIL OF BASTROP, TEXAS, APPROVING A PROJECT, USING FUNDS PROVIDED BY THE BASTROP ECONOMIC DEVELOPMENT CORPORATION.

WHEREAS, the Board of the Bastrop Economic Development Corporation ("BEDC") met on April 21, 2014, and at that time took formal action to support and provide funds for various projects; and

WHEREAS, Section 4B(3), of the Texas Economic Development Act, mandates that prior to the BEDC funding a project involving an expenditure by the BEDC of more that \$10,000, per project, the City Council shall adopt a Resolution authorizing the project, which Resolution shall be read by the City Council, on two separate occasions; and

WHEREAS, the City has reviewed the April 21, 2014, actions of the BEDC related to the project noted herein below, has considered and evaluated that project, and has found it meritorious of the Council's approval.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, THAT:

- (1) The City Council of the City of Bastrop, Texas, hereby approves the following project, which had been approved for funding by the BEDC:
 - a. To fund a project ("The Coghlan Expansion Project") in the Bastrop Business & Industrial Park in an amount of \$10,000, which will be rebated to the company as detailed in the Economic Development agreement between the Bastrop Economic Development Corporation and The Coghlan Group, Inc.
- (2) The City Manager is hereby authorized to convey a copy of this Resolution of approval, as appropriate.
- (3) That this Resolution shall take effect immediately from and after its passage, and is accordingly so resolved.

READ and ACKNOWLEDGED on First Reading on the 26th of August 2014.

READ and ADOPTED on Second Reading on the 9th day of September 2014.

APPROVED:

Ken Kesselus Mayor

ATTEST:

Elizabeth Lopez, City Secretary

APPROVED AS TO FORM:

Jo-Chilisty Brown, City Attorney

ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE BASTROP ECONOMIC DEVELOPMENT CORPORATION AND COGHLAN GROUP

This Economic Development Agreement (this "<u>Agreement</u>") is entered into by and between Coghlan Group, Inc. a Texas corporation, and its successors and assigns (the "<u>Owner" or "Coghlan"</u>), the Bastrop Economic Development Corporation, a public instrumentality and 4B non-profit industrial development corporation (the "BEDC") which is incorporated under the State law set forth in the Local Government Code, Section 501, et seq., as amended. The Owner and the BEDC may be referred to jointly as the "Parties" and singularly as a "Party."

RECITALS

WHEREAS, BEDC is legally authorized to provide certain economic development incentives to the Owner in recognition of the economic benefits that will occur as a result of the Owner's development of a facility that employs personnel to provide logistics services to drug companies doing medical studies, to be located in the Industrial Park ("*Project*").

WHEREAS, the BEDC desires to offer incentives to the Owner which will enable the Owner to develop the Land as an employer of personnel to provide logistics services for drug companies doing medical studies; and

WHEREAS. the BEDC has determined that development of the property **(the "Land")** as is more particularly described on <u>Exhibit "A"</u> ("Legal Description of Property"), will contribute to the economic development of the City by enhancing and developing employment opportunities and sales tax revenue in the community.

NOW, THEREFORE, in consideration of the mutual benefits described in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the BEDC and the Owner agree as follows:

1. <u>AUTHORITY</u>

The BEDC's execution of this Agreement is authorized by Chapter 501 of the *Texas Local Government Code*, and constitutes a valid and binding obligation of the BEDC subject to the condition precedent that Owner acquires the appropriate land, obtain financing to develop the Project, complete development and improvements related to the Project, and fulfill all obligations, as specified herein.

The Owner's execution and performance of this Agreement constitutes a valid and binding obligation of Owner for the Owner to proceed with the Project. Owner acknowledges that BEDC is acting in reliance upon Owner's full and complete performance of its obligations under this Agreement in making its decision to commit substantial resources to this Project.

2. DEFINITIONS

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

- 2.1 "Act of Default or Default" means failure to timely, fully, and completely comply with one or more requirements, obligations, duties, terms, conditions or warranties, as stated in this Agreement. In certain circumstances, the BEDC in its sole discretion, may accept substantial compliance in lieu of full compliance and may waive the act of default by the Owner, and visa-versa.
- 2.2 "Certificate of Occupancy" shall mean that final document issued by the City of Bastrop, Texas, entitled "Certificate of Occupancy", indicating that all applicable codes, regulations, and ordinances enforced by the City of Bastrop have been unconditionally, fully and completely complied with in all respects. A Certificate of Occupancy shall not include a certificate issued in error, mistake or misrepresentation of facts, nor any temporary or "conditional" document, authorizing temporary or conditional occupancy.
- 2.3 "Incentive Payment(s)" means money paid by the BEDC to the Owner, rebating the real Land investment amount by the Owner, to incentivize Owner's development of the Project.
- 2.4 "City of Bastrop" or "City" means the governing municipal corporation that is legally authorized to control the area that is within the city limits of the City of Bastrop, and the area that is within the City's ETJ and/or Bastrop County, Texas.
- 2.5 "Code" means the Bastrop Code of Ordinances in effect on the date the Project construction plans, permits, and related documents are approved by the City.
- 2.6 "Designated Successors and Assigns" shall mean (i) an entity to which Owner assigns (in writing) all or a portion of its rights and obligations contained in this Agreement, (ii) any entity which is the successor by merger or otherwise to all or substantially all of Owner's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital; or (iii) any entity which may have acquired all of the outstanding stock or partnership interest of Owner.

- **2.7 "Effective Date"** means the date upon which this Agreement has been signed by both Parties.
- 2.8 "Force Majeure" means any event in which any Party shall be delayed, hindered in or prevented from the performance of any act required under this Agreement by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, unavailability of any utility service, restrictive governmental laws or regulations, riots, insurrections, the act, the failure to act, or default of another Party or a material worsening of current conditions caused by acts of terrorism or war (whether or not declared), or severe weather occurring after the execution of this Agreement, which materially impair the Party's ability to perform any act required under this Agreement.
- **2.9** "Construction Documents" shall mean construction plans approved by the City, related to construction of the Project.
- **2.10 "Owner"** means Coghlan Group, Inc., a Texas for-profit corporation, action by and through its duly authorized representative, Terry Coghlan.
- **2.11** "Project" means the development of the Land to house a facility that will employ personnel to provide logistics services for drug companies doing medical studies; which fulfills the purpose of enhancing employment and generating sales tax, within the Bastrop community. Details related to the Project are set forth in Exhibit "B" ("Project Description"), attached hereto and incorporated herein for all purposes, but shall have a facility with approximately 40,000 sq. ft.
- **2.12 "Minimum Investment Amount"** means the Owner's minimum investment for construction of the Project in the minimum amount of approximately \$2,500,000.00.

3. TERM

This Agreement will become enforceable upon the Effective Date and will terminate on the first to occur of: (a) the expiration of the Incentive Term; or (b) upon termination or default as provided for herein (the "<u>Term"</u>).

4. <u>DESIGN CRITERIA/DEVELOPMENT STANDARDS/MAINTENANCE</u>

- **4.1** Owner agrees to comply with the Code in effect upon the Effective Date, as amended or supplemented by this Agreement. Notwithstanding the foregoing, Owner, in its sole discretion, may choose to comply with any or all City rules promulgated after the date of the Code.
- 4.2 It shall be the duty and responsibility of the Owner to ensure that the Land and the buildings and improvements located thereon are consistently maintained in

good order and condition and state of repair in accordance with other first class employers of personnel providing logistics services for drug companies doing medical studies, located in Central Texas, including, but not limited to, sweeping and removal of trash, litter and refuse, painting of structures and striping of parking areas, repair and replacement of paving as necessary, maintenance of landscaped areas, detention pond and on-site drainage improvements, removal and proper disposal of any and all production wastes from the Land, clearing of waste from manufacturing process and ice and snow from driveways and parking areas, and maintenance and repair of fencing, lighting fixtures and signs. The failure or refusal of Owner, at any time during the Term, to fulfill or perform any of the obligations contained in this Section 4.2 shall constitute an event of default under this Agreement if such failure or refusal shall continue without correction for a period of thirty (30) days from and after written notice from City and/or the BEDC to Owner; provided, however if due to the nature of said obligation, the same could not be reasonably fulfilled or performed within said thirty (30) day period exercising due diligence, an event of default shall not be deemed to have occurred if Owner has been continuously, diligently pursuing the fulfillment or performance of the obligation and shall thereafter continuously and diligently proceed therewith until completion. With respect to any event of default under this Section 4.2, the BEDC shall have, as its sole and exclusive remedy, the right, but not the obligation, after such notice and cure period to cure such default by the payment of money or the performance of some other action for the account of and at the expense of the defaulting Owner. To effectuate any such cure, either the City or the BEDC shall have the right to enter upon the Land to perform any necessary work or furnish any necessary materials or services to cure the default of the defaulting Owner. In the event the City cures a default during the Term, the defaulting Owner shall reimburse City for all reasonable and out-of-pocket costs and expenses incurred in connection with the uncured condition and such curative action within thirty (30) days of receipt of demand, together with reasonable documentation supporting the costs incurred and/or expenditures made.

5. BEDC OBLIGATIONS

- **5.1** The BEDC will sell to Coghlan the Land, comprised of a tract that is approximately .38 acres. *[the Bastrop Business and Industrial Park, Phase 1, Reserve Area B, Lot 3, as recorded in Plat Cabinet 3, Page 136A (BACD reference number R81935), as more fully shown on Exhibit "A".]*
- **5.2** The BEDC will sell the Land to Coghlan for a total of \$10,000. ("Purchase Price") for construction and operation of the Project.
- **5.3** The BEDC will place 100% of the Purchase Price, ("Incentive Funds") (i.e., \$10,000), into a designated incentive account at the time of closing the sale on the Land. These Incentive Funds will be rebated back to Coghlan, in the future, based

upon Coghlan's successful performance of the agreed upon "Incentive Milestones." [See Section 6.3, below, for a basic outline of the Incentive Milestones that will apply.]

6. OWNER'S COVENANTS, WARRANTIES, OBLIGATIONS AND DUTIES

Owner makes the following covenants and warranties to the City and to BEDC, and agrees to timely and fully perform the obligations and duties provided below. Any false or substantially misleading statement contained herein or failure to timely and fully perform as required in this Agreement shall be an Act of Default by Owner.

6.1 Coghlan's Employment Obligations:

Enhancing employment opportunities in Bastrop is a seminal objective of the BEDC. Therefore, in order to qualify for the incentives offered by the BEDC, Coghlan will contractually commit to continuously employ the number of "full-time"/"full-time equivalent" employees ("FTE") (i.e., 1,820 hours/year), shown below. The Parties agree that the 'term' of the first 'Operational Year' will begin the day the permanent Certificate of Occupancy is issued by the City for the new facility to be located on the Land, and that each Operational Year, thereafter, will be a period of 365 days. Note: Coghlan's Employment Obligations will be measured by Operational Year, as shown below, and not by years congruent with the annual anniversary date of the agreement; further, the new FTE's to be added to Coghlan's operations will be added to Coghlan's currently existing employment base, as of 2014, of 27 FTEs.

NEW EMPLOYEE COUNT PER COGHLAN'S "OPERATIONAL YEAR"

OPERATIONAL	# OF NEW FTES TO	TOTAL FTES
YEAR	BE ADDED IN OP.	FOR ALL OF
	YR.	COGHLAN'S
		OPERATIONS
1	3	30
2	3	33
3	3	36
4	3	39
5	0	39
6	0	39
7	0	39

Upon reaching the maximum number of FTEs, Coghlan will then continuously employ 39 FTEs for a period of a minimum of three (3) years, at which time Coghlan's employment obligations under the incentive agreement shall be fully satisfied ("Incentive Term"). This may not occur until Operational Year 7. However, it might result earlier. By way of example only, should Coghlan ramp-up its operations and employment to utilize 39 FTEs in Operational Year 2, and continue to employee the 39 FTEs until

Operational Year 5, then the employment obligations for Operational years 6 and 7 would be deemed to have been completed successfully, at the end of year 5, and Coghlan's employment obligations would cease at that time.

- **6.2** Coghlan's Construction Obligations: Owner shall construct a Facility with approximately 40,000 sq. ft., under climate control, and obtain a final Certificate of Occupancy for same, form the City of Bastrop.
- **6.3** <u>Incentive Milestones:</u> The Incentive Milestones and related reimbursements by the BEDC, will be as follows:
 - 1) Upon: (i) completion of construction of the Facility in the Industrial Park, with a construction value of a minimum of \$2.5 million, and (ii) issuance of the permanent Certificate of Occupancy by the City, for the Facility, the BEDC will rebate to Coghlan 50% of the agreed upon incentive amount, i.e., \$5,000.
 - 2) Upon demonstrating that Coghlan has achieved a total of 39 FTEs and that it has maintained that level of employment for at least thirty-six (36) consecutive months, the BEDC will rebate an additional 50% of the agreed upon incentive amount in escrow, i.e., \$5,000.00.
- **6.4** Purchase of Land. Owner shall acquire fee ownership of the Land and any improvements that are located on the Land. The Parties agree that the 2012 fair market value of the Land, including the existing improvements, if any, is approximately \$10,000.
- **6.5** <u>Minimum Investment Amount.</u> After acquisition, Owner shall develop the Land and improvements thereon with a minimum investment of \$2.5 million, which work shall be completed on or before the end of 24 months following the Effective Date.
- **6.6** Owner is 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 the Term of this Agreement.
- **6.7** The execution of this Agreement has been duly authorized by Owner's directors, if any, and the individual signing this Agreement is empowered to execute such Agreement and bind the corporation, said authorization, signing and binding effect is not in contravention of any law, rule or regulation, or of the provisions of Owner's corporate agreements, or by-laws, or of any agreement or instrument to which Owner is a party or by which it may be bound.
- **6.8** No litigation or governmental proceeding is pending or, to the knowledge of Owner or Owner's officers, threatened against or affecting Owner that may result in any material adverse change in Owner's business, properties or operation. No consent, approval or authorization of or registration or declaration within any governmental

authority is required in connection with the execution of this Agreement or the transactions contemplated hereby.

- **6.9** There are no bankruptcy proceedings or other proceedings currently pending or contemplated, and Owner has not been informed of any potential involuntary bankruptcy proceedings.
- **6.10** To its current, actual knowledge, Owner has acquired and maintained all necessary rights, licenses, permits and authority currently required to carry on its business in Bastrop, Texas, and will continue to use its best efforts to acquire and maintain all necessary rights, licenses, permits and authority.
- **6.11** Owner shall timely and fully comply with all of the terms and conditions of this Agreement.
- **6.12** Owner shall timely acquire and provide evidence of same to the BEDC, fiscal assurance instruments and/or performance bonds in a total amount required to cover all construction obligations related to the Project.
- **6.13** Owner shall diligently and faithfully, in good and workmanlike manner, pursue the completion of the Project, which shall be completed no later than the end of the 27th full calendar months following the Effective Date.
- **6.14** Owner shall purchase all public utility services required for the Project offered by the City for a period of at least ten (10) years from the date of issuance of the Certificate of Occupancy.

7. **Suspension of Payments/CESSATION OF OPERATIONS**

- **7.1** The BEDC, under the following circumstances, and at its sole discretion, may suspend its obligations under this Agreement and all future payment obligations shall automatically cease upon any one of the following events, which are an Act of Default:
 - a. The appointment of a receiver of Owner, or of all or any substantial part of its Land, and the failure of such receiver to be discharged within sixty (60) days thereafter.
 - b. The adjudication of Owner as bankrupt.
 - c. The filing by Owner of a petition or an answer seeking bankruptcy, receivership, reorganization, or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding.

7.2 Cessation of Operations/BEDC's Right to Reacquire the Land and the Facility. In the event that Coghlan ceases its operations at the Facility in the Industrial Park, then Coghlan will have the opportunity to assign or sell its ownership rights to the Land and Facility to another party. However, if the sale or assignment is not completed within 18 months of Coghlan's cessation of operations, then Coghlan will be contractually obligated to provide the BEDC the right to purchase the Land and the Facility (not to include any equipment or inventory) from Coghlan at an amount equal to the then current Fair Market Value, as determined by an independent third party appraisal. Should BEDC decline to make the purchase within six (6) months of the Parties receipt of the FMV appraisal, then, Coghlan will be open to market, sell or lease the Facility to another party of its choosing.

8. Reporting and Monitoring

8.1 The BEDC shall, upon reasonable prior written notice to Owner and during normal business hours, but in any event not more than two (2) times per calendar year, have the right to audit and inspect Owner's records and books and all other relevant records related to each of the economic development considerations and incentives and performance requirements, as stated in this Agreement, but the confidentiality of such records and information shall be maintained, unless disclosure of such records and information shall be required by a court order, a lawfully issued subpoena, or at the direction of the Office of the Texas Attorney General. The failure to comply with these reporting and monitoring provisions shall constitute an Act of Default.

9. <u>Owner's Liability</u>

- **9.1** Should Owner fail to timely or substantially comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement (except as expressly provided for in Section 4.2 herein) such failure shall be an Act of Default by Owner and, if not cured and corrected within thirty (30) days after written notice to do so, BEDC may cease making any further economic payments pursuant to this Agreement and shall have the right to draw down on any fiscal posted by Owner.
- **9.2** In consideration of and precedent to the City's and BEDC's grant of the economic incentives noted herein, Owner acknowledges and agrees that should Owner fail to make the improvements set forth herein, fails to comply with the Employment requirements provided above, or ceases to operate the Project prior to the expiration of the Agreement (i.e., 7 years from the Effective Date of the Agreement), the Owner shall be responsible for repayment of any economic incentive received from the City and the BEDC, as of the time of the Owner's failure to perform.

- **9.3** Any delay for any amount of time by BEDC or the City in providing notice of Default to Owner shall in no event be deemed or constitute a waiver of such Default by BEDC or the City of any of their rights and remedies available in law or in equity.
- **9.4** Any waiver granted by BEDC or the City to Owner of an Act of Default shall not be deemed or constitute a waiver of any other existing or future Act of Default by Owner or of a subsequent Act of Default of the same act or event by Owner.

10. BEDC Liability Limitations

Should the BEDC fail to timely or substantially comply with any one or more of the requirements, obligations, duties, terms, conditions or warranties of this Agreement, such failures shall be an Act of Default by BEDC and BEDC shall have ninety (90) days to cure and remove the Default upon receipt of written notice to do so from Owner. Owner specifically agrees that BEDC shall only be liable to Owner for the work and the grants provided for herein, and shall not be liable to Owner for any alleged or actual consequential damages or other fees or costs, including but not limited to interest, attorneys fees, or court costs.

11. Land Use

11.1 The Parties agree that the Land shall be used in a manner that is compliant with uses consistent with other first class, Central Texas employers who facilitate the provision of logistical services for drug companies doing medical studies. The Parties agree that all site development standards and requirements for use of Land located in the "Light Industrial" classification shall apply to the Project unless specifically superseded by the standards and requirements of this Agreement.

12. <u>Miscellaneous Provisions</u>

- 12.1 <u>Complete Agreement/Amendment</u>. This Agreement represents a complete agreement of the Parties and supersedes all prior written and oral matters related to this Agreement. This Agreement may be canceled, changed, modified or amended, in whole or in part, only by written agreement by the BEDC and Owner.
- **12.2** <u>Mutual Assistance/Good Faith.</u> The Parties agree to act in Good Faith and to do all things reasonably necessary or appropriate to carry out the terms and provisions of this Agreement, and to aid and assist the other in carrying out such terms and provisions in order to put the other in the same condition contemplated by this Agreement, regardless of any changes in public policy, the law or taxes or assessments attributable to the Land.

- 12.3 <u>Representations and Warranties</u>. The Parties represent and warrant to one another that this Agreement is within their authority, and that they are duly authorized and empowered to enter into this Agreement, unless otherwise ordered by a court of competent jurisdiction.
- 12.4 Attorney's Fees. If any legal action or proceeding is commenced between the BEDC and/or the Owner to enforce the provisions of this Agreement or to recover damages for its breach, the prevailing Party in the legal action will be entitled to recover its reasonable attorney's fees and expenses incurred by reason of such action, to the extent allowed by law.
- **12.5 Binding Effect**. This Agreement will be binding on and inure to the benefit of the Parties and their respective successors and assigns.
- 12.6 <u>Termination</u>. If the Owner elects not to proceed with the acquisition of the Land or the development of the Project, as contemplated by this Agreement, the Owner will notify the BEDC in writing, and this Agreement and the obligations of all Parties will be deemed terminated and of no further force or effect as of the date of such notice, except those that expressly survive the termination hereof, if any. In the event of Termination, the Owner shall be responsible for repayment of any economic incentive received from the BEDC which was paid prior to the time of the failure to perform, plus all professional costs to the BEDC in preparing any agreements or documents related to the Project, if any.
- 12.7 <u>Notice</u>. Any notice or other communication ("<u>Notice</u>") given under this Agreement must be in writing, and may be given: (i) by depositing the Notice in the United States Mail, postage paid, certified, and addressed to the Party to be notified with return receipt requested; (ii) by personal delivery of the Notice to the Party, or an agent of the Party; or (iii) by confirmed facsimile, provided that a copy of the Notice is also given in one of the manners specified in (i) or (ii). Notice deposited in the mail in the manner specified will be effective two (2) business days after deposit. Notice given in any other manner will be effective only if and when received by the Party to be notified. For the purposes of Notice, the addresses of the Parties will, until changed as provided below, be as follows:

Owner:

Terry Coghlan

Bastrop, TX 78602

Phone: 512. 303-1265 Fax: 512. 363-1390

BEDC

Bastrop Economic Development Corporation

Attn: Steve Mills and/or Dave Quinn

903 Main Street

Bastrop, Texas 78602-3809

Phone: (512) 303-9700

With a copy to:

Bastrop Economic Development Corporation

Attn: Jo-Christy Brown, Esq. 1411 West Ave., Ste. 100 Austin, Texas 78701

Ph: (512) 236-1000 Fax: (512) 236-1910

All Parties may designate a different address at any time by giving Notice to the other Parties.

- 12.8 <u>Interpretation</u>. Each of the Parties has been represented by counsel of their choosing in the negotiation and preparation of this Agreement. In the event of any dispute regarding the interpretation of this Agreement, this Agreement will be interpreted fairly and reasonably and neither more strongly for nor against any Party based on draftsmanship.
- **12.9** Relationship of the Parties. This Agreement will not be construed as establishing a partnership or joint venture, joint enterprise, express or implied agency, or employer-employee relationship between the parties. Neither the BEDC, nor its past, present or future officers, elected officials, employees or agents, assume any responsibility or liability to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.
- 12.10 <u>Applicable Law</u>. This Agreement is made, and will be construed and interpreted, under the laws of the State of Texas and venue will lie in Bastrop County, Texas. No Party to this Agreement waives or relinquishes any immunity or defense on behalf of itself, its officers, employees, agents or representatives as a result of the approval or execution of this Agreement.
- **12.11** Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, it is the intention of the Parties that the remainder of this Agreement not be affected and it is also the intention of the Parties 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 or enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.
- **12.12** 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 paragraphs.
- 12.13 No Third Party Beneficiaries. This Agreement is not intended to nor shall it be interpreted to confer any rights, privileges or causes of action upon any third party.

- **12.14** <u>Counterparts</u>. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. A facsimile signature will be deemed to be an original signature for all purposes.
- **12.15** Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes.

Exhibit "A" Legal Description of Property

Exhibit "B" Project Description

[Signature Page to Follow]

OWNER:

Coghlan Group, Inc., a Texas corporation

By: H. Coshlan,

Title: President

APPROVED BY BEDC:

BASTROP ECONOMIC DEVELOPMENT CORPORATION

Name: Steve Mills

Title: Chair of the BEDC Board of Directors

Approved As To Form:

Jo-Christy Brown, Attorney for BEDC