

NOTICE OF REGULAR MEETING OF BOARD OF DIRECTORS OF BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)

Monday, May 21, 2018 – 5:00 P.M.

Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

1. CALL TO ORDER

The Bastrop EDC Board reserves the right to convene into Executive Session at any time during the meeting regarding any agenda item in compliance with the Texas Open Meetings Act, Chapter 551 Government Code.

2. PUBLIC COMMENT(S)

3. REGULAR BUSINESS & PRESENTATIONS

- 3.1. Approval of meeting minutes of the Bastrop EDC Regular Board Meeting of April 16, 2018, and the Special Meeting of May 8, 2018. **(page 3)**
- 3.2. Acceptance of the Bastrop EDC’s financial summary report for period ending April 30, 2018. **(page 7)**
- 3.3. Consider all matters incident and related to the issuance and sale of “Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018”, including the adoption of Resolution R-2018-0004 authorizing the issuance of such bonds. **(page 22)**
- 3.4. Consideration, discussion and possible action regarding Resolution R-2018-0005 of the Bastrop Economic Development Corporation to allocate \$50,000 to FY 2018 Beautification Projects. **(page 76)**
- 3.5. Consideration, discussion and possible action regarding updates from Tracy Bratton with Bowman Consulting on BEDC Projects: Agnes Street Extension, MLK/Technology Drive Extension, Business Park Detention Pond, and the Downtown Trail Expansion Project. **(page 90)**
- 3.6. Consideration, discussion and possible action regarding authorization to Bowman Consulting to begin accepting bids and qualifications regarding BEDC’s Agnes Street Extension Project, and to provide said bids and qualifications to the BEDC for future consideration, discussion and possible action. **(page 91)**
- 3.7. Consideration, discussion and possible action regarding Resolution R-2018-0006 approving a change order with Bowman Consulting for the Downtown Trail Expansion Project for environmental permitting required by TxDOT to comply with grant funding requirements, not part of the original scope of work for the project, in an amount of \$6,000. **(page 92)**

4. EXECUTIVE SESSION

- 4.1. 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 551.071** – Consultation with Attorney: Update regarding the BEDC’s contract with the Bastrop Fine Arts Guild; temporary office staffing needs

(2) **Section 551.074** – Personnel Matters: Executive Director position; temporary office staffing needs

4.2. 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.

5. ADJOURNMENT

CERTIFICATE

I, Angela Ryan, Assistant Director of the Bastrop Economic Development Corporation (Bastrop EDC), certify that this Notice of Meeting was posted on the front window of the Bastrop EDC offices, 301 Hwy 71 W., Suite 214, at the Bastrop City Hall, 1311 Chestnut Street, and on the Bastrop EDC’s website on this the 18th day of May 2018 at 5:00 p.m. Copies of this agenda have been provided to those members of the media requesting such information.

Angela Ryan

Angela Ryan, BEDC Assistant Director

THE BASTROP ECONOMIC DEVELOPMENT CORPORATION IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE MODIFICATIONS AND EQUAL ACCESS WILL BE PROVIDED UPON REQUEST. PLEASE CALL 512-303-9700.



Agenda Item: 3.1

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Approval of meeting minutes of the Bastrop EDC Regular Board Meeting of April 16, 2018, and the Special Board Meeting of May 8, 2018.

Prepared by: Angela Ryan, Assistant Director

The draft minutes from the Regular Board Meeting of April 16, 2018, and the Special Board Meeting of May 8, 2018, are attached for the Board's review.

Attachments:

Draft minutes from the Regular Board Meeting of April 16, 2018

Draft minutes from the Special Board Meeting of May 8, 2018

Recommendation – Approve the minutes as submitted.

[RECOMMENDED MOTION] – I move to approve both sets of minutes as submitted.

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Monthly Meeting, April 16, 2018
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, April 16, 2018, at 5:00 p.m. at Bastrop City Hall, 1311 Chestnut Street, for a Monthly Meeting. Board members present were: Camilo Chavez, Drusilla Rogers, Kathryn Nash, Ron Spencer, Sam Kier, Kevin Plunkett and Connie Schroeder. Staff members present: Shawn Kirkpatrick, Angela Ryan, Jean Riemenschneider and Kathy Merrifield. BEDC Attorneys Charlie Zech and Cameron Cox were also present.

1. **CALL TO ORDER** – Board Chair Camilo Chavez called the Board Meeting to order at 5:00 p.m.
2. **EXECUTIVE SESSION**
 - 2.1. At 5:00 p.m., the Bastrop EDC Board of Directors met in a closed/executive session pursuant to the Texas Government Code, Section 551.072, Deliberation about the purchase, exchange, lease, or value of real property and Section 551.071 Attorney Client Consultation to discuss 'Project Revolution'.
 - 2.2. At 5:06 p.m., the Bastrop EDC Board of Directors reconvened into open session to discuss, consider and/or take any action necessary related to 'Project Revolution'. No further action was taken.
3. **PUBLIC COMMENT(S)** – Richard Smarzik submitted a public comment request for agenda item 4.6.
4. **REGULAR BUSINESS & PRESENTATIONS**
 - 4.1. Approval of meeting minutes of the Bastrop EDC Regular Board Meeting of March 19, 2018, and the Joint Meeting with City Council of March 22, 2018. Mr. Plunkett made the motion to approve both sets of minutes as submitted, Mr. Spencer seconded and the motion passed.
 - 4.2. Acceptance of the Bastrop EDC's financial summary report for period ending March 31, 2018. Mr. Kier made the motion to accept the financials as submitted, Mr. Plunkett seconded and the motion passed.
 - 4.3. Consideration, discussion and possible action regarding a presentation from Stone Cobalt on the 921 Main Street Redevelopment project; Letter of Intent; and pre-leasing activity. Guy Dudley from Stone Cobalt made a presentation to the Board and explained the challenges in finding a tenant for the 921 Main Street space. He cited three obstacles they have encountered with selling or leasing the space: 1) the size of the available space, 2) several buildings on Main Street have become available that are ready for immediate occupancy, and 3) having no renderings of what the finished interior could look like. He requested the LOI be extended an additional six months. After some discussion, the decision was made to extend the LOI to the end of 2018, with two-month updates provided by Mr. Dudley. Staff was instructed to work with Stone Cobalt to develop renderings. Ms. Rogers made the motion to extend the LOI until December 31, 2018, with Stone Cobalt providing two-month updates to the Board, Mr. Plunkett seconded, and the motion passed.
 - 4.4. Consideration, discussion and possible action on Resolution R-2018-0002 of the Bastrop Economic Development Corporation approving and requesting approval of an amendment to the Bastrop Economic Development Corporation's FY 2017/2018 annual budget to allocate \$40,000 from reserve funds for remediation of the lot at 921 Main Street. Mr. Plunkett made the motion to approve Resolution R-2018-0002, Mr. Kier seconded, and the motion passed.

- 4.5. Consideration, discussion and possible action regarding proposed debt issuance for FY 2018 for the Agnes Street Extension Project and/or the Technology Drive/MLK Extension and Drainage Project. Jason Hughes, Financial Advisor for Hilltop Securities, reviewed options, with the Board, including the amount and life of the debt issuance. It was agreed upon by the Board to move forward with a \$1.2 million debt issuance. Mr. Hughes will bring the completed documentation to the May 21st Board Meeting for approval. It can then be ratified by City Council at their May 22nd meeting. Mr. Kier made the motion to move forward with a \$1.2 million debt issuance and a 15-year term, Ms. Rogers seconded, and the motion passed.
- 4.6. Receive presentation regarding reallocation of FY18 Grant Program funds. Main Street Director Sarah O'Brien presented a staff proposal to reallocate grant funds for downtown beautification efforts. Upon the Board's agreement to reallocate the grant funds, Ms. O'Brien will work with the EDC legal counsel to have a resolution for consideration at the May 21st Board Meeting. Mr. Smarzik asked the Board for time to complete his proposal for use of the grant funds to subsidize downtown rents. No further action was required.
- 4.7. Consideration, discussion and possible action on the resignation of Shawn Kirkpatrick as the Executive Director of the BEDC. Mr. Kirkpatrick tendered his resignation to Mr. Chavez on April 6, 2018, effective April 20, 2018. Mr. Chavez and Ms. Schroeder both thanked Mr. Kirkpatrick for his three years of service as Executive Director and wished him well in his future endeavors. Ms. Schroeder made the motion to accept the resignation, Ms. Nash seconded, and the motion passed.

5. EXECUTIVE SESSION

- 5.1. At 6:08 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: Update regarding the BEDC's contract with the Bastrop Fine Arts Guild; Executive Director
 - (2) **Section 551.074** – Personnel Matters: Deliberate the appointment and employment of an Executive Director.
- 5.2. At 7:27 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. Mr. Spencer made the motion to contact Texas First Group (TFG) to assist with finding an Interim Executive Director, Ms. Rogers seconded, and the motion passed. Mr. Plunkett made the motion to contact Strategic Government Resources (SGR) to assist with finding a permanent Executive Director, Ms. Rogers seconded, and the motion passed.

6. ADJOURNMENT – Board Chair Camilo Chavez adjourned the meeting at 7:28 p.m.

APPROVED: _____
Camilo Chavez, Board Chair

ATTEST: _____
Angela Ryan, Assistant Director

BASTROP ECONOMIC DEVELOPMENT CORPORATION (BEDC)
BOARD OF DIRECTORS
Minutes of Special Board Meeting, May 8, 2018
Bastrop City Hall, 1311 Chestnut Street, Bastrop, Texas

The Bastrop Economic Development Corporation (BEDC) met on Monday, May 8, 2018, at 8:00 a.m. at Bastrop City Hall, 1311 Chestnut Street, for a Special Meeting. Board members present were: Kevin Plunkett, Drusilla Rogers, Kathryn Nash, Ron Spencer and Connie Schroeder. Staff members present: Angela Ryan, Jean Riemenschneider and Kathy Merrifield. BEDC Attorney Charlie Zech was also present.

1. CALL TO ORDER – Vice-Chair Kevin Plunkett called the Board Meeting to order at 8:00 a.m.

2. EXECUTIVE SESSION

2.1. At 8:01 a.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 551.072** – Deliberation about the purchase, exchange, lease, or value of real property: Granite & Stone, LLC

(2) **Section 551.087** – Deliberation regarding economic development negotiations: Granite & Stone, LLC

(3) **Section 551.074** – Personnel Matters: Executive Director position

2.2. At 9:14 a.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. No action was taken.

3. PUBLIC COMMENT(S) – There were no public comments.

4. REGULAR BUSINESS & PRESENTATIONS

4.1. Consideration, discussion and possible action regarding Resolution R-2018-0003 of the Board of Directors of the Bastrop Economic Development Corporation approving an agreement for professional recruitment and hiring services between Strategic Government Resources and the Bastrop Economic Development Corporation. Mr. Spencer made the motion to approve Resolution R-2018-0003, Ms. Rogers seconded and the motion passed.

4.2. Consideration, discussion and possible action regarding an Economic Development Performance Agreement with Granite & Stone, LLC. No action was taken.

4.3. Consideration, discussion and possible action on changing the date, time, and/or location of the May BEDC Board Meeting, currently scheduled for May 21, 2018. It was determined the May meeting would be May 21, 2018, as scheduled.

5. ADJOURNMENT – Board Co-Chair Kevin Plunkett adjourned the meeting at 9:22 a.m.

APPROVED: _____
 Kevin Plunkett, Board Vice- Chair

ATTEST: _____
 Angela Ryan, Assistant Director



Agenda Item: 3.2

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Acceptance of the Bastrop EDC's financial summary report for period ending April 30, 2018.

Prepared by: Angela Ryan, Assistant Director

Attached for the Board's review and consideration is the BEDC financial summary report for the period ending April 30, 2018.

Attachments:
Financial Summary for period ending April 30, 2018

Recommendation – Accept the financial summary report as submitted.

[RECOMMENDED MOTION] – I move to accept the April BEDC financial summary report as submitted.

Bastrop Economic Development Corporation

Financial Summary For Period Ending

April 2018

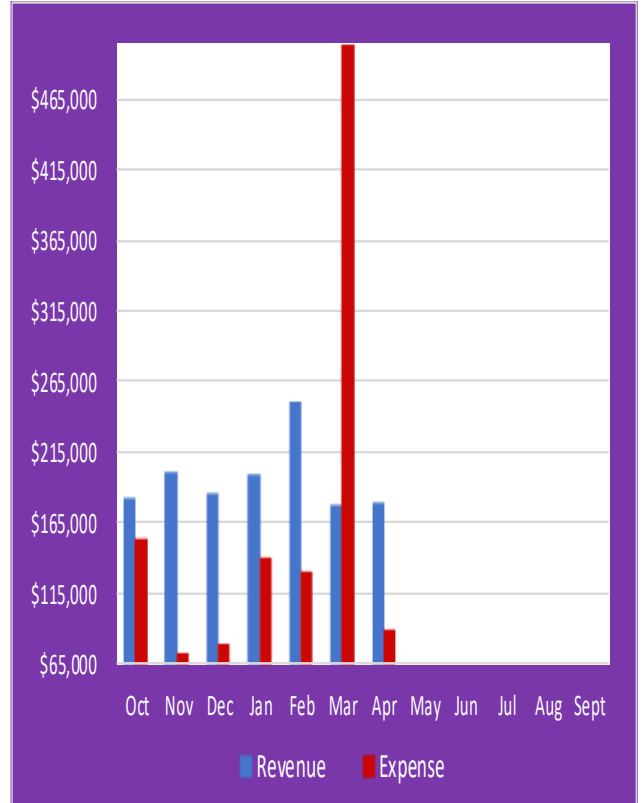


Summary of Revenues and Expenditures

As of April 30, 2018



<u>Month</u>	<u>FY2018 Revenue</u>	<u>FY2018 Expense</u>	<u>Monthly Variance</u>
Oct	\$ 181,304	\$ 153,512	\$ 27,792
Nov	198,934	73,131	\$ 125,803
Dec	184,206	79,169	\$ 105,037
Jan	198,427	139,551	\$ 58,876
Feb	248,753	130,625	\$ 118,128
Mar	176,436	501,898	\$ (325,462)
Apr	177,470	89,370	\$ 88,100
May			\$ -
Jun			\$ -
Jul			\$ -
Aug			\$ -
Sept			\$ -
Total	\$ 1,365,530	\$1,167,256	\$ 198,274



Positive

Overall the revenue to expenditure comparison reflects a positive variance year to date.



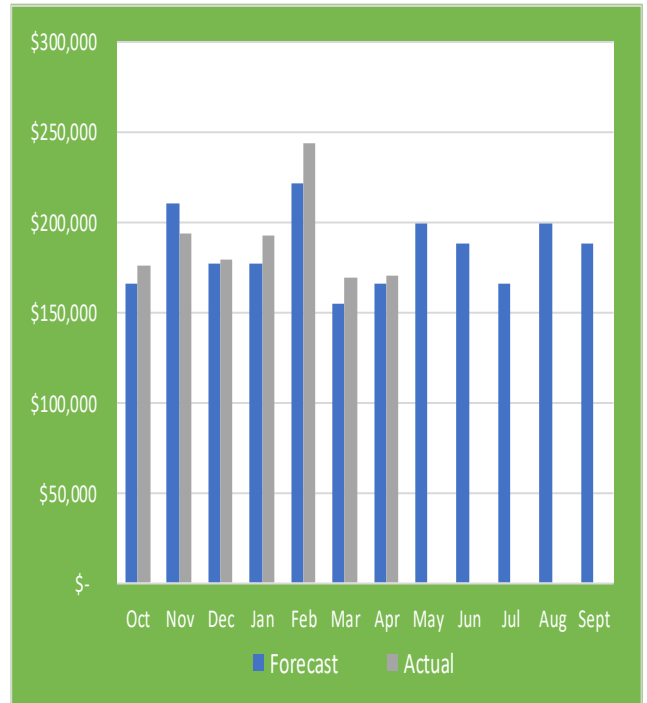
05/18/2018
Summary of Sales Tax Revenue
 As of April 30, 2018



REVENUE ANALYSIS

SALES TAX REVENUE

<u>Month</u>	FY2018 <u>Forecast</u>	FY2018 <u>Actual</u>	Monthly <u>Variance</u>
Oct	\$ 165,710	\$ 176,227	\$ 10,517
Nov	209,903	193,883	\$ (16,020)
Dec	176,760	178,653	\$ 1,893
Jan	176,760	192,395	\$ 15,635
Feb	220,950	242,931	\$ 21,981
Mar	154,665	168,464	\$ 13,799
Apr	165,713	170,591	\$ 4,878
May	198,855		\$ -
Jun	187,808		\$ -
Jul	165,713		\$ -
Aug	198,855		\$ -
Sept	187,808		\$ -



Total	\$ 2,209,500	\$ 1,323,144	\$ 52,683
Forecast YTD	\$ 1,270,461		
Actual to Forecast	\$ 52,683	4.15%	

Positive

Sales Tax revenue is 88.5% of total revenue (excluding bond proceeds). The amount in Oct. and Nov. are estimated due to the timing of receiving the payments. The State Comptroller has a two month lag between month earned and month distributed. The Actual to Forecast year to date is a positive 4%.



Expenditures Budget to Actual Comparison

As of April 30, 2018



EXPENDITURES COMPARISON

<u>Category</u>	<u>FY2018 Forecast</u>	<u>FY2018 Actual</u>	<u>Monthly Variance</u>
Personnel	\$ 200,428	\$ 208,445	\$ (8,017)
Supplies & Material	10,244	6,402	\$ 3,842
Maintenance & Repairs	8,682	2,850	\$ 5,832
Occupancy	30,380	28,868	\$ 1,512
Contractual Service	202,115	185,858	\$ 16,257
Marketing/Advertising	328,831	288,331	\$ 40,500
Contingency	-	-	\$ -
Debt Service	66,854	67,049	\$ (195)
Total	\$ 847,534	\$ 787,803	\$ 59,731
Forecast to Actual %	7.05%		

Positive

The forecast to actual comparison is a positive 7% year-to-date.



Expenditures Budget to Actual Comparison

As of April 30, 2018



CAPITAL OUTLAY PROJECTS


<u>Project</u>	<u>FY2018 Budget</u>	<u>FY2018 Actual</u>	<u>Budget Balance</u>
Trail System Downtown loop (only engineering and permitting expenses so far)	\$ 409,500	\$ 4,472	\$ 405,028
Bus. Ind. Park-Tech/MLK Infra (only engineering expenses so far)	1,496,800	78,157	\$ 1,418,643
Agnes/Home Depot Way Infra Engineering & Corp. portion of construction improvements	1,200,000	296,822	\$ 903,178
			\$ -
Total	\$ 3,106,300	\$ 379,451	\$ 2,726,849



BASTROP ECONOMIC DEVELOPMENT CORPORATION FUND FY 2017-2018 BUDGET

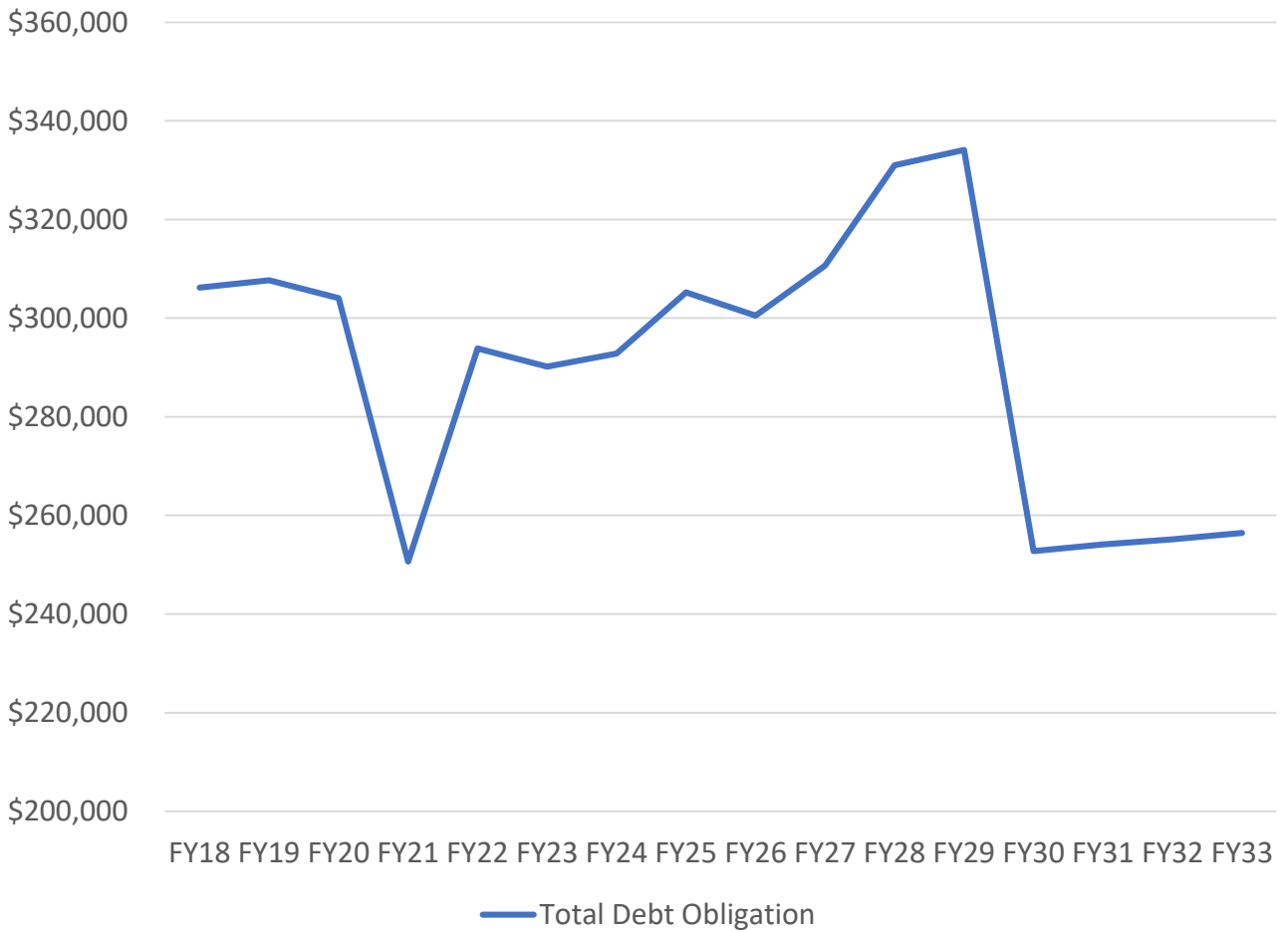
Audited Operating Fund Balance 9-30-2017	\$	3,895,093
FY 2017-2018		
Budgeted		
Revenues	\$	<u>3,708,922</u>
Total FY 2017 Resources	\$	7,604,015
Budgeted Expenditures:		
Operating Expenses	\$	(1,550,485)
Capital Expenses	\$	(3,209,500)
Debt Service	\$	<u>(381,480)</u>
	\$	(5,141,465)
Projected Ending Gross Fund Balance 09-30-2018	\$	2,462,550
Reserve 25% of Operating Expense	\$	387,621

* The projected operating balance includes a \$150,000 reduction for designated operating equity.





Total Debt Obligation



BEDC Financial Statements attached

05/18/2018

CITY OF BASTROP

FINANCIAL STATEMENT

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

REVENUES	PRIOR Y-T-D	CURRENT BUDGET	M-T-D ACTUAL	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>TAXES & PENALTIES</u>						
00-00-4005 SALES TAX	<u>1,240,009.95</u>	<u>2,209,500.00</u>	<u>170,590.80</u>	<u>1,323,142.57</u>	<u>886,357.43</u>	<u>59.88</u>
TOTAL TAXES & PENALTIES	1,240,009.95	2,209,500.00	170,590.80	1,323,142.57	886,357.43	59.88
<u>CHARGES FOR SERVICES</u>						
00-00-4047 LEASE AGREEMENT	<u>8,050.00</u>	<u>13,800.00</u>	<u>1,150.00</u>	<u>8,050.00</u>	<u>5,750.00</u>	<u>58.33</u>
TOTAL CHARGES FOR SERVICES	8,050.00	13,800.00	1,150.00	8,050.00	5,750.00	58.33
<u>OTHER REVENUE</u>						
<u>INTEREST INCOME</u>						
00-00-4400 INTEREST INCOME	16,748.81	24,000.00	5,681.37	33,935.10	(9,935.10)	141.40
00-00-4401 INTEREST RECEIVED ON NOTES	<u>665.28</u>	<u>1,000.00</u>	<u>47.58</u>	<u>401.38</u>	<u>598.62</u>	<u>40.14</u>
TOTAL INTEREST INCOME	17,414.09	25,000.00	5,728.95	34,336.48	(9,336.48)	137.35
<u>MISCELLANEOUS</u>						
00-00-4512 LAND/OTHER SALES	<u>0.00</u>	<u>215,622.00</u>	<u>0.00</u>	<u>0.00</u>	<u>215,622.00</u>	<u>0.00</u>
TOTAL MISCELLANEOUS	0.00	215,622.00	0.00	0.00	215,622.00	0.00
<u>TRANSFERS-IN</u>						
<u>OTHER SOURCES</u>						
00-00-4810 BOND PROCEEDS	<u>0.00</u>	<u>1,245,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,245,000.00</u>	<u>0.00</u>
TOTAL OTHER SOURCES	<u>0.00</u>	<u>1,245,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,245,000.00</u>	<u>0.00</u>
** TOTAL REVENUE **	1,265,474.04	3,708,922.00	177,469.75	1,365,529.05	2,343,392.95	36.82

FINANCIAL STATEMENT

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

EXPENDITURES	PRIOR Y-T-D	CURRENT BUDGET	M-T-D ACTUAL	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
DUE TO/FROM						
=====						
00-NON-PROGRAM						
=====						
BEDC ADMINISTRATION						
=====						
00-NON-PROGRAM						
=====						
<u>PERSONNEL COSTS</u>						
70-00-5101 BEDC OPERATIONAL SALARIES	133,595.60	259,350.00	27,740.22	155,877.27	103,472.73	60.10
70-00-5116 LONGEVITY	408.00	581.00	0.00	549.84	31.16	94.64
70-00-5150 SOCIAL SECURITY	9,939.25	19,920.00	2,072.77	11,828.00	8,092.00	59.38
70-00-5151 RETIREMENT	15,405.96	30,090.00	3,147.55	18,169.96	11,920.04	60.39
70-00-5155 GROUP INSURANCE	18,322.83	35,992.00	2,546.05	21,755.89	14,236.11	60.45
70-00-5156 WORKER'S COMPENSATION	<u>458.25</u>	<u>500.00</u>	<u>76.63</u>	<u>263.71</u>	<u>236.29</u>	<u>52.74</u>
TOTAL PERSONNEL COSTS	178,129.89	346,433.00	35,583.22	208,444.67	137,988.33	60.17
<u>SUPPLIES & MATERIALS</u>						
70-00-5201 OPERATIONAL SUPPLIES (OFFIC	2,886.31	7,000.00	404.91	2,307.28	4,692.72	32.96
70-00-5203 POSTAGE	0.00	360.00	0.00	10.00	350.00	2.78
70-00-5206 OFFICE EQUIPMENT	<u>5,070.67</u>	<u>8,500.00</u>	<u>282.69</u>	<u>4,084.69</u>	<u>4,415.31</u>	<u>48.06</u>
TOTAL SUPPLIES & MATERIALS	7,956.98	15,860.00	687.60	6,401.97	9,458.03	40.37
<u>MAINTENANCE & REPAIRS</u>						
70-00-5301 MAINT OF EQUIPMENT	0.00	1,000.00	0.00	0.00	1,000.00	0.00
70-00-5331 INDUSTRIAL PARK MAINT EXP	0.00	20,000.00	200.00	1,650.00	18,350.00	8.25
70-00-5345 BUILDING REPAIRS & MAINT.	<u>1,524.02</u>	<u>3,600.00</u>	<u>200.00</u>	<u>1,200.00</u>	<u>2,400.00</u>	<u>33.33</u>
TOTAL MAINTENANCE & REPAIRS	1,524.02	24,600.00	400.00	2,850.00	21,750.00	11.59
<u>OCCUPANCY</u>						
70-00-5401 COMMUNICATIONS	4,503.32	9,000.00	638.24	4,741.66	4,258.34	52.69
70-00-5402 OFFICE RENTAL	24,000.00	36,000.00	0.00	23,100.00	12,900.00	64.17
70-00-5403 UTILITIES	<u>1,196.15</u>	<u>3,480.00</u>	<u>210.98</u>	<u>1,026.66</u>	<u>2,453.34</u>	<u>29.50</u>
TOTAL OCCUPANCY	29,699.47	48,480.00	849.22	28,868.32	19,611.68	59.55

FINANCIAL STATEMENT

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

EXPENDITURES	PRIOR Y-T-D	CURRENT BUDGET	M-T-D ACTUAL	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>CONTRACTUAL SERVICES</u>						
70-00-5505 PROFESSIONAL SERVICES	42,328.64	30,000.00	750.00	11,399.00	18,601.00	38.00
70-00-5518 AUDIT	0.00	5,000.00	0.00	0.00	5,000.00	0.00
70-00-5525 LEGALS	9,588.90	24,000.00	9,758.26	23,244.02	755.98	96.85
70-00-5526 LEGAL PROJECTS	0.00	12,000.00	828.50	2,216.50	9,783.50	18.47
70-00-5530 ENGINEERING	8,333.75	15,000.00	0.00	1,900.00	13,100.00	12.67
70-00-5540 PROPERTY INSURANCE	523.14	1,200.00	243.93	731.81	468.19	60.98
70-00-5561 CONTRACTUAL SERVICES	3,500.00	6,000.00	500.00	3,500.00	2,500.00	58.33
70-00-5574 CITY PROJECTS & PROGRAMS	36,397.43	83,250.00	0.00	0.00	83,250.00	0.00
70-00-5575 CITY SHARED SERVICES	0.00	7,050.00	0.00	0.00	7,050.00	0.00
70-00-5580 BIP TECHNOLOGY/MLK INFRASTR	0.00	103,200.00	0.00	103,200.00	0.00	100.00
70-00-5596 MAIN STREET PROG SUPPORT	23,333.31	50,000.00	4,166.67	29,166.69	20,833.31	58.33
70-00-5598 CITY ADMINISTRATIVE SUPPORT	<u>14,535.61</u>	<u>18,000.00</u>	<u>1,500.00</u>	<u>10,500.00</u>	<u>7,500.00</u>	<u>58.33</u>
TOTAL CONTRACTUAL SERVICES	138,540.78	354,700.00	17,747.36	185,858.02	168,841.98	52.40
<u>OTHER CHARGES</u>						
70-00-5603 MARKETING TRAVEL	11,709.16	28,000.00	(173.20)	10,674.07	17,325.93	38.12
70-00-5604 BUSINESS DEVELOPMENT	3,186.99	10,000.00	1,361.74	3,395.31	6,604.69	33.95
70-00-5605 TRAINING TRAVEL	8,175.46	12,000.00	888.08	4,345.99	7,654.01	36.22
70-00-5606 AUTO ALLOWANCE - STAFF	0.00	9,000.00	0.00	0.00	9,000.00	0.00
70-00-5610 ISSUANCE COST	18,554.56	45,000.00	0.00	0.00	45,000.00	0.00
70-00-5615 DUES, SUBSCRIPTIONS & PUBLI	9,917.59	24,000.00	120.00	17,855.19	6,144.81	74.40
70-00-5631 BONDS FOR BEDC OFFICERS	805.00	1,000.00	0.00	885.50	114.50	88.55
70-00-5633 LOCAL/MISC ADV & SPONSORSHI	12,372.34	18,000.00	265.00	4,142.34	13,857.66	23.01
70-00-5634 NATIONAL/REG ADV & MARKETIN	10,488.14	42,000.00	6,055.00	14,646.57	27,353.43	34.87
70-00-5635 REGIONAL ADV & MARKETING	3,085.46	0.00	0.00	0.00	0.00	0.00
70-00-5636 DIGITAL ADV & MARKETING	4,750.00	10,000.00	0.00	1,308.82	8,691.18	13.09
70-00-5637 SPECIAL ADV & MARKETING	0.00	15,000.00	0.00	0.00	15,000.00	0.00
70-00-5640 SPL PROJ-REDEVELOPMENT GRAN	0.00	50,000.00	0.00	0.00	50,000.00	0.00
70-00-5641 SPL EDUC & WORKFORCE DEVELO	5,525.94	30,000.00	0.00	13,178.99	16,821.01	43.93
70-00-5642 SPL ENTREPRENEURIAL/SM BUS	1,702.00	20,000.00	9,644.20	15,457.98	4,542.02	77.29
70-00-5643 SPL RETAIL RECRUITING	0.00	25,000.00	0.00	11,095.00	13,905.00	44.38
70-00-5644 380 AGREEMENT REIMBURSEMENT	176,829.67	360,000.00	0.00	186,345.41	173,654.59	51.76
70-00-5645 WATER RIGHTS PROP FUNDING	0.00	60,000.00	0.00	0.00	60,000.00	0.00
70-00-5646 LAND/GRANT REBATES	0.00	28,050.00	0.00	5,000.00	23,050.00	17.83
70-00-5649 SPL PRJT DISASTER RELIEF GR	0.00	10,000.00	0.00	0.00	10,000.00	0.00
70-00-5650 SPL PRJT BUS RETEN & EXPAN	1,962.59	10,000.00	0.00	0.00	10,000.00	0.00
70-00-5689 OPPORTUNITY AUSTIN	0.00	10,000.00	0.00	0.00	10,000.00	0.00
70-00-5691 CLOSING COSTS	0.00	21,562.00	0.00	0.00	21,562.00	0.00
70-00-5700 TARGETED MARKETING	<u>1,079.01</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL OTHER CHARGES	270,143.91	838,612.00	18,160.82	288,331.17	550,280.83	34.38

FINANCIAL STATEMENT

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

EXPENDITURES	PRIOR Y-T-D	CURRENT BUDGET	M-T-D ACTUAL	Y-T-D ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>CONTINGENCY</u>						
70-00-5900 CONTINGENCY	0.00	25,000.00	0.00	0.00	25,000.00	0.00
TOTAL CONTINGENCY	0.00	25,000.00	0.00	0.00	25,000.00	0.00
<u>CAPITAL OUTLAY</u>						
70-00-6713 TRAIL SYS FROM ESKEW TO HWY	6,486.92	409,500.00	205.00	4,471.73	405,028.27	1.09
70-00-6714 921 MAINSTREET PROJECT	41,164.00	40,000.00	0.00	0.00	40,000.00	0.00
70-00-6715 BIP TECHNOLOGY/MLK INFRASTR	0.00	1,496,800.00	10,029.38	78,157.38	1,418,642.62	5.22
70-00-6716 AGNES/HOME DEPOT INFRASTRUC	0.00	1,200,000.00	5,707.50	296,822.50	903,177.50	24.74
TOTAL CAPITAL OUTLAY	47,650.92	3,146,300.00	15,941.88	379,451.61	2,766,848.39	12.06
<u>DEBT SERVICE</u>						
70-00-7133 C OF O SERIES 2013 PRINCIPL	40,833.31	71,000.00	0.00	0.00	71,000.00	0.00
70-00-7134 C OF O SERIES 2013 INTEREST	57,574.30	96,599.00	0.00	48,299.37	48,299.63	50.00
70-00-7137 C OF O SERIES 2010 PRINCIPA	26,314.19	46,498.00	0.00	0.00	46,498.00	0.00
70-00-7138 C OF O SERIES 2010 INTEREST	18,674.04	9,503.00	0.00	4,751.74	4,751.26	50.00
70-00-7156 GO REFUNDING 2017-INT	0.00	19,000.00	0.00	10,000.00	9,000.00	52.63
70-00-7501 C OF O SERIES 2008A PRINCIP	370,000.00	0.00	0.00	0.00	0.00	0.00
70-00-7502 C OF O SERIES 2008A, INTERE	16,827.50	0.00	0.00	0.00	0.00	0.00
70-00-7605 BOND PRINCIPAL 2018	0.00	48,750.00	0.00	0.00	48,750.00	0.00
70-00-7606 BOND INTEREST 2018	0.00	27,023.00	0.00	0.00	27,023.00	0.00
TOTAL DEBT SERVICE	530,223.34	318,373.00	0.00	63,051.11	255,321.89	19.80
TOTAL 00-NON-PROGRAM	1,203,869.31	5,118,358.00	89,370.10	1,163,256.87	3,955,101.13	22.73
<u>ADMINISTRATION</u>						
=====						
<u>CAPITAL OUTLAY</u>						
<u>DEBT SERVICE</u>						
70-10-7097 INTEREST EXPENSE ON FNB NOT	0.00	500.00	0.00	0.00	500.00	0.00
70-10-7603 BOND PRINCIPAL 2006	29,166.69	55,000.00	0.00	0.00	55,000.00	0.00
70-10-7604 BOND INTEREST 2006	5,781.65	7,607.00	0.00	3,998.37	3,608.63	52.56
TOTAL DEBT SERVICE	34,948.34	63,107.00	0.00	3,998.37	59,108.63	6.34
TOTAL ADMINISTRATION	34,948.34	63,107.00	0.00	3,998.37	59,108.63	6.34
TOTAL BEDC ADMINISTRATION	1,238,817.65	5,181,465.00	89,370.10	1,167,255.24	4,014,209.76	22.53
*** TOTAL EXPENSES ***	1,238,817.65	5,181,465.00	89,370.10	1,167,255.24	4,014,209.76	22.53

*** END OF REPORT ***

05/18/2018

BALANCE SHEET

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

ACCOUNT# TITLE

ASSETS

=====

00-00-1010	BEDC OPERATING ACCT	122,819.05
00-00-1012	TEXAS CLASS	1,989,624.99
00-00-1100	TEXPOOL	1,615,818.34
00-00-1135	DREYFUS MM ACCT	1,336.83
00-00-1141	CERTIFICATE OF DEPOSIT FN	535,000.00
00-00-1224	ACCT RECEIVABLE-SALES TAX	368,204.33
00-00-1227	ACCOUNTS RECEIVABLE-OTHER	429.84
00-00-1272	NOTES RECEIVABLE-GARMENT	22,917.42
00-00-1274	NOTES RECEIVABLE-GTG-LOAN	7,999.24
00-00-1275	NOTES RECEIVABLE-GTG-LOAN	8,402.12
00-00-1276	NOTES RECEIVABLE-GTG-LOAN	200.84
00-00-1420	EQUIPMENT	8,300.77
00-00-1460	FIXED ASSETS - BUILDING	845,593.73
00-00-1470	FIXED ASSETS - LAND	844,671.06
00-00-1480	FIXED ASSETS - INFRASTRUC	0.18
00-00-1490	CONST IN PROGRESS-INFRAST	135,723.26
00-00-1499	ACCUMULATED DEPRECIATION(312,805.44)
00-00-1575	DEFERRED OUTFLOWS-PENSION	22,006.00
00-00-1576	DEFERRED OUTFLOWS-ACTUARI	2,122.00
00-00-1577	DEFERRED OUTFLOWS-DEFICIT	20,962.00
00-00-1578	DEFERRED OUTFLOWS-ASSUMPT	2,710.00
00-00-1587	PREPAID EXPENSES	<u>43,000.00</u>

6,285,036.56

TOTAL ASSETS

6,285,036.56
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05/18/2018

BALANCE SHEET

AS OF: APRIL 30TH, 2018

601-BASTROP E.D.C. FUND

ACCOUNT# TITLE

LIABILITIES & FUND BALANCE

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00-00-2080	NOTES PAYABLE-CITY-WTR PR	360,000.00	
00-00-2081	NOTES PAYABLE-CITY-TDC (2,082.65)	
00-00-2101	BONDS PAYABLE CURRENT POR	257,498.00	
00-00-2102	TAX/REV 2006 BOND PAYABLE	110,000.00	
00-00-2125	ACCRUED INTEREST PAYABLE	21,846.48	
00-00-2127	ACCRUED EXPENSES-OTHER	41,316.94	
00-00-2235	UNEARNED REVENUE-TOWER	33,350.00	
00-00-2346	DUE TO CLEARING FUND	39,160.27	
00-00-2356	DUE TO OTHER GOVERNMENTS	3,125,692.44	
00-00-2376	DEFERRED INFLOW-ACTUARIAL	682.00	
00-00-2405	ENCUMBRANCE ACCOUNT (179,855.12)	
00-00-2406	RESERVE FOR ENCUMBRANCE	179,855.12	
00-00-2850	NET PENSION LIABLIITY	127,450.00	
00-00-2870	COMPENSATED ABSENCES PAYA	<u>15,653.49</u>	
			<u>4,130,566.97</u>
	TOTAL LIABILITIES		4,130,566.97
	SURPLUS (DEFICIT)	198,273.81	
00-00-3000	NET ASSETS	2,078,689.25	
00-00-3119	DESIGNATED OPERATING	150,000.00	
00-00-3400	CONTRIBUTED CAPITAL	521,695.50	
00-00-3502	RESTRICTED - JAMCO	73,644.00	
00-00-3505	RESTRICTED-COGLAN GRP	5,000.00	
00-00-3506	RESTRICTED-ELLIOTT PARTNE	18,686.42	
00-00-3507	RESTRICTED - AEI TECHNOLO	27,999.00	
00-00-3700	PRIOR PERIOD ADJ (<u>919,518.39</u>)	
	TOTAL EQUITY		<u>2,154,469.59</u>
	TOTAL LIABILITIES & FUND EQUITY		6,285,036.56

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Agenda Item: 3.3

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Consider all matters incident and related to the issuance and sale of “Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018”, including the adoption of Resolution R-2018-0004 authorizing the issuance of such bonds.

Prepared by: Angela Ryan, Assistant Director

At the Board Meeting on April 16, 2018, the Board voted to move forward with a \$1.2 million debt issuance and a 15-year term.

Bids have been received from five banks. The winning bid was from Amegy Bank, with a 3.39% interest rate.

Jason Hughes, Financial Advisor at Hilltop Securities, will be give additional details at the meeting. Kristen Savant with Norton Rose Fulbright has drawn up the necessary resolution and accompanying documents. She will also be in attendance at the meeting to answer any legal questions the Board may have concerning the bond issuance.

Attachments:
Draft Resolution

Recommendation – Approve the Resolution as submitted.

[**RECOMMENDED MOTION**] – I move to approve Resolution R-2018-0004.

RESOLUTION NO. R-2018-0004

A RESOLUTION authorizing the issuance of "BASTROP ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, SERIES 2018"; pledging certain "Pledged Revenues" of the Corporation to the payment of the principal of and interest on said Bonds; enacting other provisions incident and related to the issuance, payment, security and delivery of said bonds, including the approval of a Paying Agent/Registrar Agreement and a Bond Purchase Agreement; and providing an effective date.

WHEREAS, Bastrop Economic Development Corporation (the "Corporation") has been duly created and organized pursuant to the provisions of the Development Corporation Act, Texas Local Government Code, Title 12, Subtitle C1, as amended (formerly known as the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Article 5190.6), specifically Chapters 501 and 505 of the Local Government Code (the "Act"); and

WHEREAS, the Board of Directors of the Issuer hereby finds and determines that issuing the Bonds for infrastructure street improvements and extensions, including Agnes Street and related drainage improvements (the "Project") will promote and develop new and expanded business enterprises and constitute projects within the meaning of Section 501.103 of the Act (the "Project"); and

WHEREAS, the Board of Directors of the Corporation further finds and determines that bonds of the Corporation in the principal amount of \$1,250,000 should be issued and sold at this time to finance the costs of the Project and to pay costs of issuance associated; and

WHEREAS, in accordance with a Notice of Public Hearing duly published on October 28, 2017 in the Bastrop Advertiser, a newspaper of general circulation in the City of Bastrop, Texas (the "City"), a public hearing was duly held and conducted on October 31, 2017 on the Corporation's intention to undertake and spend funds on the Project; and

WHEREAS, the Board of Directors hereby further finds and determines that such revenue bonds shall be payable from certain "Pledged Revenues" (hereinafter defined) of the Corporation, including sales tax receipts of the Corporation in the manner and to the extent hereinafter provided; and

WHEREAS, the Board of Directors hereby finds and determines such bonds can and should be issued on a parity with the outstanding and unpaid "Previously Issued Bonds" (hereinafter identified and defined) in that the terms and conditions prescribed for the issuance of "Additional Parity Obligations" can be met and satisfied, to wit: (1) the President of the Corporation or other officer of the Corporation having the primary responsibility for the financial affairs of the Corporation, will execute a certificate stating that, to the best of their knowledge and belief, the Corporation is not now in default as to any covenant, obligation or agreement contained in the resolutions authorizing the issuance of the Previously Issued Bonds and (2) the Corporation will secure from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Corporation, Pledged Revenues received by the Issuer for either (i) the last completed Fiscal Year next preceding the adoption of this Resolution or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of this Resolution equal to not less than 1.25 times the average

Annual Debt Service Requirements for all Parity Obligations then Outstanding after giving effect to the issuance of the Bonds herein authorized; now, therefore,

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

SECTION 1: Authorization Designation Principal Amount - Purpose. Bonds of the Corporation shall be and are hereby authorized to be issued in the aggregate principal amount of \$1,250,000 to be designated and bear the title "BASTROP ECONOMIC DEVELOPMENT CORPORATION SALES TAX REVENUE BONDS, SERIES 2018", hereinafter referred to as the "Bond" or "Bonds", for the purpose of financing costs the Project, in conformity with the Constitution and laws of the State of Texas, including the Act.

SECTION 2: Fully Registered Obligations Authorized Denominations Stated Maturities – Bond Date. The Bonds shall be issued as a single fully registered obligation, without coupons, shall be dated May 15, 2018 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple thereof and shall become due and payable finally on August 15, 2033 (the "Stated Maturity") with principal installments thereof to become due and payable on August 15 in each of the years in accordance with the following schedule:

<u>Installment Due August 15</u>	<u>Principal Installment</u>
2019	\$60,000
2020	70,000
2021	70,000
2022	70,000
2023	75,000
2024	75,000
2025	80,000
2026	85,000
2027	85,000
2028	90,000
2029	90,000
2030	95,000
2031	100,000
2032	100,000
2033	105,000

The Bonds shall bear interest on the unpaid principal amounts from the date of delivery to the initial purchaser, anticipated to be June 21, 2018 (the "Delivery Date") at the per annum rate of 3.390% (calculated on the basis of a 360 day year of twelve 30 day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing February 15, 2019, until maturity or prior prepayment.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, prepayment or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of ZB, N.A., Houston, Texas to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the Corporation by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the Corporation may prescribe. The Chair and Secretary of the Board of Directors of the Corporation are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid in full and discharged. Any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the Corporation agrees to promptly cause a written notice to be sent to the Holder affected by United States Mail, first class postage prepaid, which notice shall identify and give the address of the new Paying Agent/Registrar.

Principal of and interest on the Bond shall be payable to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date with respect to payment of interest and the last business day of the month next preceding each principal installment date with respect to the payment of principal) and shall be paid by the Paying Agent/Registrar (1) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder; provided, however, the final principal installment or upon prepayment of the Bond shall be paid only upon presentation and surrender of the Bond to the Paying Agent/Registrar for cancellation at its designated offices in Salt Lake City, Utah (the "Designated Payment/Transfer Office"). If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of a non-payment of interest on one or more maturities on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment for such maturity or maturities (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder of such maturity or maturities appearing on the Security

Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Prepayment.

(a) Optional Prepayment. The Bonds shall be subject to prepayment prior to maturity, at the option of the Corporation, in whole or in part, on any date at the prepayment price of par plus accrued interest to the prepayment date.

(b) Exercise of Prepayment Option. At least forty five (45) days prior to a date set for the prepayment of Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Corporation shall notify the Paying Agent/Registrar of its decision to exercise the right to prepay Bonds, the principal installments to be prepaid, and the date set for the prepayment thereof. The decision of the Corporation to exercise the right to prepay Bonds shall be entered in the minutes of the governing body of the Corporation.

(c) Selection of Bonds for Prepayment. If less than all the outstanding principal installments of the Bonds are to be prepaid on a prepayment date, the Prepayment Ledger appearing on the Bond shall be completed and signed by an authorized officer of the Paying Agent/Registrar with respect to such partial prepayment, upon presentation and surrender of the Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) Notice of Prepayment. Not less than thirty (30) days prior to a prepayment date for the Bonds, a notice of prepayment shall be sent by United States Mail, first class postage prepaid, in the name of the Corporation and at the Corporation's expense, to the Holder of the Bond to be prepaid in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of prepayment so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

(e) All notices of prepayment shall (i) specify the date of prepayment for the Bonds, (ii) identify the Bonds to be prepaid and, in the case of a portion of the principal amount to be prepaid, the principal amount thereof to be prepaid, (iii) state the prepayment price, (iv) state that the Bonds, or the portion of the principal amount thereof to be prepaid, shall become due and payable on the prepayment date specified, and the interest thereon, or on the portion of the principal amount thereof to be prepaid, shall cease to accrue from and after the prepayment date, and (v) specify that payment of the prepayment price for the Bonds, or the principal amount thereof to be prepaid, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior prepayment and has been called for prepayment and notice of prepayment thereof has been duly given or waived as herein provided, such Bond (or the principal amount thereof to be prepaid) shall become due and payable, and interest thereon shall cease to accrue from and after the prepayment date therefor, provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be prepaid) at the then applicable prepayment price are held for the purpose of such payment by the Paying Agent/Registrar.

(f) Conditional Notice of Prepayment. With respect to any optional prepayment of the Bonds, unless certain prerequisites to such prepayment required by this Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be prepaid shall have been received by the Paying Agent/Registrar prior to the giving of such notice of prepayment, such notice may state that said prepayment is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such prepayment. If a conditional notice of prepayment is given and such prerequisites to the prepayment are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the Corporation shall not prepay such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of prepayment was given, to the effect that the Bonds have not been prepaid.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of the registered owner of the Bond issued under and pursuant to the provisions of this Resolution. The registration of the Bonds shall be transferable only in whole and only on the Security Register, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

When the registration of the transfer in the Security Register has been recorded and the Bond is surrendered for cancellation, the Paying Agent/Registrar shall provide, in the name of the transferee, a new single fully registered Bond in the principal amount remaining to be paid at the time of the transfer or assignment.

When a Bond has been duly assigned and transferred, a new Bond shall be delivered to the Holder at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holder and, upon the registration and delivery thereof, such Bond shall be the valid obligation of the Corporation evidencing the same obligation to pay, and entitled to the same benefits under this Resolution, as the Bond surrendered in such assignment and transfer.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to Section 26 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the Corporation nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for prepayment, in whole or in part, within forty-five (45) days of the date fixed for the prepayment of such Bond; provided, however, such limitation on transferability

shall not be applicable to an exchange by the Holder of the balance of a Bond called for prepayment in part.

SECTION 6: Execution - Registration. The Bonds shall be executed on behalf of the Corporation by its Chair of the Board of Directors of the Corporation under its seal reproduced or impressed thereon and attested by the Secretary of the Board of Directors of the Corporation. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the Corporation on the date of adoption of this Resolution shall be deemed to be duly executed on behalf of the Corporation, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchasers and with respect to Bonds delivered in subsequent exchanges and transfers.

No Bond shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8(c), manually executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 8(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond duly signed shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 7: Initial Bond. The Bond herein authorized shall be initially issued as a single fully registered bond in the total principal amount noted in Section 1 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (hereinafter called the "Initial Bond") and the Initial Bond shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor a single definitive Bond of like Stated Maturity, principal amount and bearing like interest rate for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

(a) Forms Generally. The Bond, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be printed on the Initial Bond only), the Certificate of Registration, the form of Assignment and form of Prepayment Ledger to be printed on the Bond, shall be substantially in the form set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the Board of Directors of the Corporation or determined by the officers executing such Bonds as evidenced by the execution thereof. Any portion of the

text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Definitive Bond and the Initial Bond shall be typewritten, printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by the execution thereof.

(b) Form of Bond.

REGISTERED
NO. [T-1] [R-1]

REGISTERED
\$1,250,000

UNITED STATES OF AMERICA
STATE OF TEXAS
BASTROP ECONOMIC DEVELOPMENT CORPORATION
SALES TAX REVENUE BOND, SERIES 2018

Bond Date:
May 15, 2018

Interest Rate:
3.390%

Final Stated Maturity:
August 15, 2033

Delivery Date:
June 21, 2018

Registered Owner: ZB, N.A.

Principal Amount: ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

The Bastrop Economic Development Corporation (hereinafter referred to as the "Corporation"), a non-profit industrial development corporation organized and existing under the laws of the State of Texas, including the Development Corporation Act, Texas Local Government Code, Title 12, Subtitle C1, as amended (the "Act") (formerly known as the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Article 5190.6), specifically Chapters 501 and 505 of the Local Government Code, with its principal office located in Bastrop County, Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, solely from the revenues and sources pledged under this Resolution identified below, on the Stated Maturity date specified above and payable in principal installments on August 15 in each year in accordance with the following schedule:

<u>Installment Due</u> <u>August 15</u>	<u>Principal</u> <u>Installment</u>
2019	\$60,000
2020	70,000
2021	70,000
2022	70,000
2023	75,000
2024	75,000
2025	80,000
2026	85,000
2027	85,000
2028	90,000
2029	90,000

2030	95,000
2031	100,000
2032	100,000
2033	105,000

(or so much thereof as shall not have been paid upon prior prepayment), and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Delivery Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in in each year, commencing February 15, 2019, until maturity or prepayment.

Principal installments of this Bond are payable in each of the years stated above or on an applicable prepayment date. Principal installments and interest on this Bond shall be payable to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date with respect to payment of interest and the last business day of the month next preceding each principal installment date with respect to the payment of principal) and shall be paid by the Paying Agent/Registrar (1) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (2) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder; provided, however, the final principal installment of the Bond or principal upon prior prepayment shall be paid only upon presentation and surrender of the Bond to ZB, N.A., Houston, Texas (the "Paying Agent/Registrar") for cancellation at its designated offices in Salt Lake City, Utah (the "Designated Payment/Transfer Office"), or its successor. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$1,250,000 (herein referred to as the "Bonds") for the purpose of financing the Project, in conformity with the Constitution and laws of the State of Texas, including the Act, and pursuant to a Resolution adopted by the governing body of the Corporation (herein referred to as the "Resolution").

The Bond may be prepaid prior to its Stated Maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof on any date at the prepayment price of par, together with accrued interest to the date of prepayment.

At least thirty days prior to the date fixed for any prepayment of Bonds, the City shall cause a written notice of such prepayment to be sent by United States Mail, first class postage prepaid, to the registered owner of the Bond to be prepaid at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Resolution. If the Bond (or any portion of its principal amount) shall have been duly called for prepayment and notice of such prepayment duly given, then upon such prepayment date such Bond (or the portion of its principal amount to be prepaid) shall become due and payable, and interest thereon shall cease to accrue from and after the prepayment date therefor; provided moneys for the payment of the prepayment price and the interest on the Bond are held for the purpose of such payment by the Paying Agent/Registrar.

Payment of the prepayment price of all of a portion of this Bond shall be made to the registered owner only upon presentation and surrender of the Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar. The Prepayment Ledger appearing hereon will be completed and signed by an authorized officer of the Paying Agent/Registrar with respect to such partial prepayment. If the Bond is selected for prepayment, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer the Bond to an assignee of the registered owner within 45 days of the prepayment date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the balance of a Bond prepaid in part.

With respect to any optional prepayment of the Bonds, unless certain prerequisites to such prepayment required by the Resolution have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be prepaid have been received by the Paying Agent/Registrar prior to the giving of such notice of prepayment, such notice may state that said prepayment is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such prepayment. If a conditional notice of prepayment is given and such prerequisites to the prepayment are not satisfied or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not prepay such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of prepayment was given, to the effect that the Bonds have not been prepaid.

The Bonds, together with the Previously Issued Bonds, are payable solely from and equally and ratably secured by a pledge of the "Pledged Revenues" (as defined in the Resolution) received by the Corporation, including the receipts from a Sales Tax levied for the benefit of the Corporation pursuant to the Act and an election held in the City. The Bonds do not constitute a legal or equitable, pledge, charge, lien or encumbrance upon any property of the Corporation or the City of Bastrop, Texas (the "City") except with respect to the "Pledged Revenues". This Bond may not be paid in whole or in part from any property taxes raised or to be raised by the City and is not a debt of and does not give rise to a claim for payment against the City, except as to the sales and use tax revenues held by the City and required under the Act to be paid over to the Corporation. Neither the State of Texas, the City or any political corporation, subdivision or agency of the State of Texas shall be obligated to pay this Bond or the interest hereon and neither the faith and credit nor the taxing power of the State, the City or any other political corporation, subdivision or agency thereof is pledged to the payment of the principal of and interest on this Bond except as noted above.

Subject to satisfying the terms and conditions prescribed therefor, the Corporation has reserved the right to issue additional revenue obligations payable, in whole or in part, from the

"Pledged Revenues" and equally and ratably secured in like manner and effect as the Previously Issued Bonds and the Bonds.

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the payment of the Bonds; the rights of Holders of the Bonds the terms and conditions for the issuance of additional obligations; the terms and conditions relating to the payment, transfer or exchange of this Bond; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Corporation and the Paying Agent/Registrar; the terms and provisions upon which the encumbrances, pledges, charges and covenants made therein may be discharged; and for the other terms and provisions contained therein. Capitalized terms used herein have the same meanings assigned in the Resolution.

This Bond, subject to certain limitations contained in the Resolution, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, a new single fully registered Bond of the same Stated Maturity, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee.

The Corporation and the Paying Agent/Registrar, and any agent of either, may treat the registered owner hereof whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of the principal installments thereof and interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of final principal installment at its Stated Maturity, or its prepayment, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the Corporation nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and covenanted that the Corporation is a non-profit industrial development corporation duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas, including the Act; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid special obligations of the Corporation have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and that due provision has been made for the payment of the principal of and interest on the Bonds from the sources and in the manner provided in the Resolution. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any

way be affected or impaired thereby. The terms and provisions of this Bond and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Directors of the Corporation has caused this Bond to be duly executed under the official seal of the Corporation.

BASTROP ECONOMIC DEVELOPMENT CORPORATION

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

(c) Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
)
OF PUBLIC ACCOUNTS) REGISTER NO. _____
)
THE STATE OF TEXAS)

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____ .

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Certificate of Paying Agent/Registrar to Appear on definitive Bonds.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Resolution and duly approved, or a Predecessor Bond hereof duly approved, by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar located in _____, is the "Designated Payment/Transfer Office" for this Bond.

as Paying Agent/Registrar

Registration date:

By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)

(Social Security or other identifying number _____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) Form of Prepayment Ledger.

PREPAYMENT LEDGER

<u>DATE OF PREPAYMENT</u>	<u>PRINCIPAL AMOUNT PREPAID</u>	<u>SIGNATURE OF BANK'S AUTHORIZED OFFICER</u>

SECTION 9: Definitions. For all purposes of this Resolution and in particular for clarity with respect to the issuance of the Bonds herein authorized and the pledge and appropriation of revenues to the payment of the Bonds, the following definitions are provided:

"Act" shall mean The Development Corporation Act, Texas Government Code, Title 12, Subtitle C1, as amended (the "Act") (formerly known as the Development Corporation Act of 1979, Tex. Rev. Civ. Stat. Ann. Article 5190.6), specifically Chapters 501 and 505 of the Local Government Code.

"Additional Parity Obligations" shall mean bonds, notes warrants, certificates of obligation or other debt obligations which the Issuer 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 21 of this Resolution and which, together with the Previously Issued Bonds and the Bonds, are equally and ratably secured by a first lien on and pledge of the Pledged Revenues on a parity with the Previously Issued Bonds and the Bonds under the terms of this Resolution and an Additional Parity Obligation Resolution.

"Additional Parity Obligation Resolution" shall mean any resolution of the Board authorizing and providing the terms and provisions of the Additional Parity Obligations.

"Average Annual Debt Service Requirement" means, as of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Issuer on such Debt, or be payable in respect of any required purchase of such Debt by the Issuer) in such Fiscal Year, and, for such purposes, anyone or more of the following rules shall apply at the election of the Issuer:

- (a) If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Issuer) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue

discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and throughout this Resolution as "Balloon Debt"), the amount of principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation;

(b) In the case of Balloon Debt, if the Issuer's financial officer shall deliver a certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (b) shall apply only to Balloon Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such Debt on or before the times required by such schedule; and provided further that this clause (b) shall not apply where the Issuer has elected to apply the rule set forth in clause (a) above;

(c) Principal of and interest on the Bond and Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Debt; and

(d) As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Issuer, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or

(B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two Series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Board" or "Board of Directors" shall mean the Board of Directors of the Corporation.

"Bond" or "Bonds" shall mean the "Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018" authorized by this Resolution.

"City" shall mean the City of Bastrop, Texas.

"City Council" shall mean the governing body of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas, and any successor official or officer thereto.

"Corporation" or "Issuer" shall mean the Bastrop Economic Development Corporation, a non-profit industrial development corporation organized and existing under and pursuant to the laws of the State of Texas, including the Act and on behalf of the City of Bastrop, Texas.

"Cost" shall mean with respect to the Project, the cost of acquisition, cleanup, construction, reconstruction, improvement and expansion including the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, inventory, raw materials and other supplies, research and development costs, interest prior to and during construction and for one year after completion of construction whether or not capitalized, necessary reserve funds, cost of estimates and of engineering, and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, cleaning, constructing, reconstructing,

improving, and expanding any such Project, administrative expense, and such other expense as may be necessary or incident to the acquisition, cleanup, construction, reconstruction, improvement and expansion thereof, the placing of the same in operation, and the financing or refinancing of the Project including the refunding of any outstanding obligations, mortgages, or advances issued, made or given by any person for any of the aforementioned costs.

“Debt” and “Debt of the Issuer payable from the Pledged Revenues” means:

(a) all indebtedness payable from Pledged Revenues incurred or assumed by the Issuer for borrowed money and all other financing obligations payable from Pledged Revenues that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet; and

(b) all other obligations payable from Pledged Revenues (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Issuer, or that is in effect guaranteed, directly or indirectly, by the Issuer through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise.

For the purpose of determining Debt, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, prepayment, or satisfaction of such Debt or (b) evidence of cancellation of such debt; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Issuer in prior Fiscal Years.

"Defeasance Securities" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the Corporation are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political

subdivision of a state that have been refunded and on the date of their acquisition or purchase by the Corporation, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bond.

"Depository" shall mean one or more official depository banks of the Issuer.

"Election" means the sales and use tax election held by the City on January 21, 1995 pursuant to the provisions of the Act.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the twelve-month accounting period used by the Issuer, currently ending on September 30 of each year, which may be any twelve consecutive month period established by the Issuer, but in no event may the Fiscal Year be changed more than one time in any three calendar year period.

"Funded Debt" means all Obligations created or assumed by the Issuer that mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Issuer to a date, more than one year after the original creation or assumption of such Debt by the Issuer.

"Holder" or "Holders" means the registered owner, whose name appears in the Security Register, for any Parity Obligation.

"Investment Act" shall mean the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

"Maturity" means, when used with respect to any Debt, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for prepayment, or otherwise.

"Obligations" shall mean collectively, the Parity Obligations and any Subordinate Obligations.

"Outstanding" when used in this Resolution with respect to Bonds or Parity Obligations, as the case may be, means, as of the date of determination, all Bonds and Parity Obligations theretofore sold, issued and delivered by the Corporation, except: those Bonds or Parity Obligations canceled or delivered to the transfer agent or registrar for cancellation in connection with the exchange or transfer of such obligations; those Bonds or Parity Obligations paid or deemed to be paid in accordance with the provisions of Section 24 hereof or similar provisions of any Supplemental Resolution authorizing the issuance of Additional Parity Obligations; or those Bonds or Parity Obligations that have been mutilated,

destroyed, lost, or stolen and replacement obligations have been registered and delivered in lieu thereof.

"Parity Obligations" shall mean collectively, the Previously Issued Bonds, the Bonds and Additional Parity Obligations.

"Paying Agent/Registrar" shall mean the financial institution so designated in accordance with the provisions of Section 3 of this Resolution and any successor thereto.

"Permitted Investments" means, those investments authorized by the Investment Act and the Issuer's Investment Policy.

"Pledged Revenues" shall mean all of the Issuer's receipts of the Sales Tax, less any amounts due or owing to the Comptroller as charges for collection or retention by the Comptroller for refunds and to redeem dishonored checks and drafts, to the extent such charges and retentions are authorized or required by law.

"Previously Issued Bonds" shall mean the outstanding "Bastrop Economic Development Corporation Taxable Sales Tax Revenue Bonds, Series 2006", dated May 1, 2006.

"Project" shall mean the Project as defined in the preamble of this Resolution.

"Purchaser" shall have the meaning given in Section 35 of this Resolution.

"Record Date" means Record Date as defined in Section 3 of this Resolution.

"Registration Books" means the books or records for the registration of the transfer and exchange of the Bond.

"Reserve Fund" means the special fund authorized to be created, established and maintained by the provisions of Section 15 of this Resolution.

"Reserve Fund Obligation" means a surety bond or insurance policy deposited in the Reserve Fund to satisfy any required reserve amount.

"Resolution" means this Resolution authorizing the issuance of Bastrop Economic Development Corporation Sales Tax Revenue Bond, Series 2018.

"Sales Tax" means the one-half of one percent sales and use tax levied by the City within the boundaries of the City as they now or hereafter exist, together with any increases in the aforesaid rate if provided and authorized by the laws of the State of Texas, including specifically the Act, and collected for the benefit of the Issuer, all in accordance with the Act, including particularly Chapter 505 thereof.

“Sales Tax Collection Resolution” means the resolution approved by the Board of Directors on March 4, 1996 and the resolution approved by the City Council on March 5, 1996 providing for the collection, handling and transfer of sales tax revenues due and owing to the Issuer.

“Stated Maturity” means the annual principal payments of the Parity Obligations payable on the respective dates set forth in the Resolutions which authorized the issuance of such Parity Obligations.

“Subordinate Lien Obligations” means (i) any bonds, notes, warrants, certificates of obligation, contractual obligations or other Debt issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, such pledge being subordinate and inferior to the lien on and pledge of the Pledged Revenues that are or will be pledged to the payment of any Parity Obligations issued by the Issuer, and (ii) obligations hereafter issued to refund any of the foregoing if issued in a manner that provides that the refunding bonds are payable from and equally and ratably secured, in whole or in part, by a lien on and pledge of the Pledged Revenues on a parity with the Subordinate Lien Obligations.

“Term of Issue” means with respect to any Balloon Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or (ii) twenty-five years.

SECTION 10: Pledge. (a) The Bonds and any interest payable thereon, and any Additional Parity Obligations which may be issued in accordance herewith and any interest payable thereon, are and shall be secured by and payable from a first lien on and pledge of the Pledged Revenues, which lien on and pledge is prior in right and claim to the lien and pledge of the Pledged Revenues securing the payment of any Subordinate Lien Obligation hereafter issued; and the Pledged Revenues are further pledged to the establishment and maintenance of the Debt Service Fund as hereinafter provided. The Bond is and will be secured by and payable only from the Pledged Revenues and amounts on deposit in the Debt Service Fund, and not from amounts on deposit in any other Funds or accounts of the Issuer, and are not secured by or payable from a mortgage or deed of trust on any real, personal or mixed properties constituting the Project.

(b) Section 1208, Government Code, applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the Corporation under this Section 10, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the Corporation under this Section 10 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the Corporation agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 11: Special Funds. The below listed special funds (collectively, the “Funds”) are hereby continued or created and shall be established and maintained on the books of the Issuer, so long as any Bond is outstanding and unpaid:

(a) *Bastrop Economic Development Corporation Sales Tax Revenue Fund*, hereinafter called the "Revenue Fund."

(b) *Bastrop Economic Development Corporation Debt Service Fund*, hereinafter called the "Debt Service Fund."

(c) *Bastrop Economic Development Corporation Project Development Fund*, hereinafter called the "Project Fund."

Though all of such funds may be subaccounts of the City's funds held by the Depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a commingling of the monies in such funds or of such funds and the Issuer shall keep full and complete records indicating the monies and investments credited to each of such funds.

SECTION 12: Revenue Fund. All Pledged Revenues shall be credited to the Revenue Fund immediately upon receipt as provided in the Sales Tax Collection Resolution.

SECTION 13: Flow of Funds. All Pledged Revenues deposited and credited to the Revenue Fund shall be pledged and appropriated to the extent required for the following uses and in the order of priority shown:

First: To the payment of the amounts required to be deposited in the Debt Service Fund for the payment of debt service on the Parity Obligations as the same becomes due and payable;

Second: On a pro rata basis, to each debt service reserve fund, created by any Additional Parity Obligations Resolution, which contains less than the amount to be accumulated and/or maintained therein, as provided in such Additional Parity Obligations Resolutions;

Third: To the payment of amounts required to be deposited in any other fund or account required by any Additional Parity Obligations Resolution;

Fourth: To any fund or account held at any place or places, or to any payee, required by any other resolution of the Board which authorized the issuance of Subordinate Lien Obligations; and

Fifth: To the payment of the amounts required for any lawful purpose.

Any Pledged Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other lawful purpose now or hereafter permitted by law.

SECTION 14: Debt Service Fund. The Debt Service Fund is for the sole purpose of paying the principal of and interest on the Parity Obligations Outstanding at any time, as the same come due (including principal coming due as a result of any mandatory prepayment of the Parity Obligations). The Issuer covenants that there shall be deposited into the Debt Service Fund prior to each principal and interest payment date from the Pledged Revenues an amount equal to one hundred per cent (100%) of the interest on and the principal of the Parity Obligations then falling due and payable.

The required deposits to the Debt Service Fund for the payment of principal of and interest on the Parity Obligations shall continue to be made as hereinabove provided until (i) the total amount on deposit in the Debt Service Fund and any Reserve Fund (excluding any Reserve Fund Obligation) is equal to the amount required to fully pay and discharge all Parity Obligations (principal and interest) then Outstanding or (ii) the Parity Obligations are no longer Outstanding.

Accrued interest and capitalized interest, if any, received from the purchaser of any Parity Obligation shall be taken into consideration and reduce the amount of the semi-annual deposits and credits hereinabove required into the Debt Service Fund.

SECTION 15: Reserve Fund. The Issuer may create and establish a debt service reserve fund pursuant to the provisions of any Parity Obligations Resolution for the purpose of securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said debt service reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the owners of the particular Parity Obligations for which such debt service reserve fund was established. Each such debt service reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such debt service reserve fund from the debt service reserve funds created for the benefit of other Parity Obligations. The Issuer reserves the right to enter into Reserve Fund Obligations in connection with the satisfaction of any future reserve deposit. No Reserve Fund is being created to secure the Bond.

SECTION 16: Transfer. (a) Pursuant to the provisions of the Sales Tax Collection Resolution, the City has agreed to do any and all things necessary to accomplish the transfer of the Sales Tax collected for the benefit of the Issuer to the Revenue Fund on a monthly basis. The Sales Tax Collection Resolution shall govern matters with respect to the collection of the Sales Taxes from the Comptroller, credits and refunds due and owing to the Comptroller, and other matters with respect to the collection and transfer of the Sales Tax.

(b) The Chair and the Secretary of the Board are hereby ordered to do any and all things necessary to accomplish the transfer of money to the Funds established hereby in ample time to pay the principal of and interest on the Bond.

SECTION 17: Investments. Money in any Fund established by this Resolution may, at the option of the Board, be invested in Permitted Investments; provided that all such investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Investment earnings realized on investments attributable to the Debt Service Fund shall be retained therein and shall constitute a credit against the amount of money that is required to be on deposit therein for each payment of principal or interest. Investment earnings realized on investments attributable to the Revenue Fund shall be retained therein. Such investments shall be valued in terms of current market value as of the last day of each Fiscal Year. Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

SECTION 18: Funds Secured. Money in all Funds created by this Resolution to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

SECTION 19: Payment. While any of the Parity Obligations are outstanding, the Issuer shall transfer to the respective paying agent/registrar therefor, from funds on deposit in and credited to the Debt Service Fund, and, if necessary, in any Reserve Fund created pursuant to any Parity Obligation Resolution, amounts sufficient to fully pay and discharge promptly the interest on and principal of the Parity Obligations as shall become due on each interest or principal payment date, or date of prepayment of the Parity Obligations; such transfer of funds must be made in such manner as will cause immediately available funds to be deposited with each respective paying agent/registrar for the Parity Obligations not later than the business day next preceding the date such payment is due on the Parity Obligations. The Paying Agent/Registrar shall destroy all paid Parity Obligations and furnish the Issuer with an appropriate certificate of cancellation or destruction.

SECTION 20: Deficiencies-Excess Pledged Revenues. (a) If on any occasion there shall not be sufficient Pledged Revenues (after making all payments pertaining to Parity Obligations) to make the required deposits and credits to the Debt Service Fund and any Reserve Fund, then such deficiency shall be cured as soon as possible from the next available unallocated Pledged Revenues, or from any other sources available for such purpose, and such deposits and credits shall be in addition to the amounts otherwise required to be deposited and credited to these Funds.

(b) Subject to making the deposits and credits required by this Resolution, or Additional Parity Obligations Resolution, or the payments and credits required by the provisions of the resolutions authorizing the issuance of any Subordinate Lien Obligations hereafter issued by the Issuer, the excess Pledged Revenues may be used for any lawful purpose.

SECTION 21: Additional Parity Obligations. The Issuer shall have the right and power at any time and from time to time and in one or more series or issues, to authorize, issue and deliver Additional Parity Obligations, in accordance with law, in any amounts, for any lawful purpose including the refunding of any Parity Obligations, Subordinate Lien Obligations or other obligations of the Issuer. Such Additional Parity Obligations, if and when authorized, issued and delivered in accordance with this Resolution, shall be secured by and made payable equally and ratably on a parity with all other Outstanding Parity Obligations, from the lien on and pledge of the Pledged Revenues herein granted.

(a) The President of the Issuer (or other officer of the Issuer then having the primary responsibility for the financial affairs of the Issuer) shall have executed a certificate stating that, to the best of his or her knowledge and belief, the Issuer is not then in default as to any covenant, obligation or agreement contained in this Resolution or Additional Parity Obligation Resolution.

(b) The Issuer has secured from a certified public accountant a certificate or opinion to the effect that, according to the books and records of the Issuer, the Pledged Revenues received by the Issuer for either (i) the last completed Fiscal Year next preceding the adoption of the Parity Obligation Resolution or (ii) any twelve (12) consecutive months out of the previous eighteen (18) months next preceding the adoption of the Parity Obligation Resolution equal to not less than 1.25 times the average Annual Debt Service Requirements for all Parity Obligations then Outstanding after giving effect to the issuance of the Additional Parity Obligations then being issued.

(c) The Issuer may create and establish a reserve fund pursuant to the provisions of any resolution authorizing the issuance of Additional Parity Obligations for the purpose of

securing that particular issue or series of Parity Obligations or any specific group of issues or series of Parity Obligations and the amounts once deposited or credited to said reserve funds shall no longer constitute Pledged Revenues and shall be held solely for the benefit of the Holders of the particular Parity Obligations for which such reserve fund was established. Each such reserve fund shall be designated in such manner as is necessary to identify the Parity Obligations it secures and to distinguish such reserve fund from the reserve funds created for the benefit of other Parity Obligations.

(d) For purposes of the Certificate required in Section 21(b) above, the full amount of each payment on Balloon Debt must be included as debt service in the year payable (without giving effect to any assumed amortization).

SECTION 22: Subordinate Lien Obligations. The Issuer hereby reserves the right to issue or create Subordinate Lien Obligations 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 10 of this Resolution with respect to the Pledged Revenues to the payment and security of the Parity Obligations.

SECTION 23: General Covenants. The Issuer further covenants and agrees that in accordance with and to the extent required or permitted by law:

(a) It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and in every Bond; it will promptly pay or cause to be paid the principal of and interest on every Bond on the dates and in the places and manner prescribed in this Resolution and the Bond; and it will, at the times and in the manner prescribed, deposit or cause to be deposited the amounts required to be deposited into the Funds created hereby; and any registered owner of the Bond may require the Issuer, its officials and employees to carry out, respect or enforce the covenants and obligations of this Resolution, by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Issuer, its officials and employees, or by the appointment of a receiver in equity.

(b) It is a duly created and existing industrial development corporation, and is duly authorized under the laws of the State of Texas, including the Act, to create and issue the Bond; that all action on its part for the creation and issuance of the Bond has been duly and effectively taken, and that the Bond in the hands of the registered owners thereof are and will be valid and enforceable special obligations of the Issuer in accordance with their terms.

(c) (i) The Issuer hereby confirms the earlier levy by the City of the Sales Tax at the rate voted at the Election, and the Issuer hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time.

(ii) For so long as the Bond is Outstanding, the Issuer covenants, agrees and warrants to take and pursue all action permissible under applicable law to cause the Sales Tax, at said rate or at a higher rate if permitted by applicable law, to be levied and collected continuously, in the manner and to the maximum extent permitted by applicable 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 so long as the Bond shall remain Outstanding.

(iii) If the City shall be authorized hereafter by applicable 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, the Issuer, to the extent it legally may do so, hereby covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

(iv) The Issuer agrees to take and pursue all action permissible under applicable law to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by applicable law.

(v) The Issuer agrees and covenants at all times to use its best efforts to cause the City to comply with the Sales Tax Collection Resolution.

(d) It will keep proper books of record and account in which full, true and correct entries will be made of all dealings, activities and transactions relating to the Project, the Pledged Revenues and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any bondholders.

(e) It will maintain its corporate existence during the time that the Bond is Outstanding hereunder.

SECTION 24: Satisfaction of Obligation of Corporation. If the Corporation shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, 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 the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds or any principal amount(s) shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds at maturity or to the prepayment date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the Bonds on the Stated Maturities thereof or (if notice of prepayment has been duly given or waived or if irrevocable arrangements therefor accepted to the Paying Agent/Registrar have been made) the prepayment date thereof. The Corporation covenants that no deposit of moneys or Government Obligations will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section in excess of the amount required for the payment of the Bonds shall be remitted to the Corporation or deposited as directed by the Corporation. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable prepayment date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Corporation, be remitted to the Corporation against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Corporation shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 25: Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Corporation, and shall not be amended or repealed by the Corporation while any Bond remains Outstanding except as permitted in this Section. The Corporation, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Corporation may, with the written consent from the owners holding a majority in aggregate principal amount of the Parity Obligations then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the written consent of all Holders of Outstanding Bonds effected, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the prepayment price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds or Parity Obligations, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

SECTION 26: Mutilated - Destroyed - Lost and Stolen Bonds. In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the Corporation and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the Corporation and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Corporation, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and ratably with all other Outstanding Bonds.

SECTION 27: Remedies in the Event of Default. In addition to all of the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and

agreed particularly that in the event the Issuer (i) defaults in the payments to be made to the Debt Service Fund, as required by this Resolution, or (ii) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Resolution, the Holder or Holders of any Parity Obligations shall be entitled to appointment of a receiver in equity or a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the Issuer, its officers, the Board of Directors, and/or all of them, to observe and perform any covenants, conditions, or obligations prescribed in this Resolution.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

The specific remedies herein provided shall be cumulative of all other existing remedies and the specifications of such remedies shall not be deemed to be exclusive

SECTION 28: No Recourse Against Officials. No recourse shall be had for the payment of principal of or interest on any Parity Obligations or for any claim based thereon or on this Resolution against any official of the Issuer or the City or any person executing any Parity Obligations.

SECTION 29: 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 on January 21, 1995, and such Sales Tax is to be imposed within the corporate limits of the City and the receipts of such Sales Tax are to be remitted to the City by the Comptroller of Public Accounts on a monthly basis.

(b) While any Bonds are 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 any Bonds shall remain Outstanding.

(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 Act, 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 the Act and shall cause the Pledged Revenues to be deposited to the credit of the Revenue Fund 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 Pledged Revenues directly to the Corporation for deposit to the Revenue Fund.

SECTION 30: Records and Accounts. The Corporation hereby covenants and agrees that while any of the Bonds are 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 particularly 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 may be reflected in the audit of the City) 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 Bonds 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 upon written request, to any Holders of any of said Bonds. The audits herein required shall be made within 180 days following the close of each Fiscal Year insofar as is possible.

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

SECTION 31: Representations as to Security for the Bonds. (a) The Corporation represents and warrants that, except for the Parity Obligations, 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.

(b) The Bonds 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 and all the rights of the Holders against all claims and demands of all persons whomsoever.

(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 the owners and holders of Parity Obligations without distinction as to priority and rights under this Resolution.

(f) The Parity Obligations shall constitute special obligations of the Corporation, payable solely from, and equally and ratably secured by a parity pledge of and lien on, the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Bonds 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 the Holders, 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 32: Notices to Holders - Waiver. Wherever this Resolution provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Resolution provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 33: Cancellation. All Bonds surrendered for payment, prepayment, transfer or exchange, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Corporation, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Corporation may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Corporation may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Corporation.

SECTION 34: Covenants Regarding Tax-Exempt Status. This Section 34 is limited in its applicability to the Bonds only.

(a) Definitions. When used in this Section 34, the following terms have the following meanings:

“*Closing Date*” means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

“*Code*” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

“*Investment*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Nonpurpose Investment*” means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Regulations*” means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The Corporation shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the Corporation receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the Corporation shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. The Bonds are being issued to finance the costs of the Project for and on behalf of the City, a political subdivision of the State of Texas and, in connection therewith, the City and the Corporation will execute an agreement relating to the ownership, operation and maintenance of the Project while the Bonds are outstanding and unpaid, which agreement provides that, except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the Project shall at all times prior to the last Stated Maturity of Bonds:

(1) be exclusively owned, operated and maintained by the City, and prohibits the City from using or permitting the use of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public; and

(2) prohibits the City from directly or indirectly imposing or accepting any charge or other payment for use of Gross Proceeds of the Bonds or for any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of

general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the Corporation shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Corporation shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the Corporation shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The Corporation shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The Corporation and the City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last outstanding Series 2010A Bond is discharged. However, to the extent permitted by law, the Corporation may commingle Gross Proceeds of the Bonds with other money of the Corporation, provided that the Corporation separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the Corporation shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The Corporation shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the Corporation shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The Corporation shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the Corporation shall not, at any time prior to the earlier of the Stated Maturity or final payment of Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The Corporation hereby directs and authorizes the Chair, Vice Chair or Secretary of the Board of Directors, President of the Corporation or Executive Director of the Corporation, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Qualified Tax Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the Corporation hereby designates the Bonds to be "qualified tax exempt obligations" in that the Bonds are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax-exempt obligations" to be issued by the Corporation (including the City and all subordinate entities of the City) for the calendar year 2018 will not exceed \$10,000,000.

SECTION 35: Sale of Bonds. The offer of ZB, N.A. (herein referred to as the "Purchasers") to purchase the Bonds evidenced by the Bond Purchase Agreement, attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Resolution for all purposes, is hereby accepted and the sale of the Bonds to said Purchasers is hereby approved and authorized. The Chair of the Board of Directors is hereby authorized and directed to sign the acceptance clause of the Purchase Agreement for and on behalf of the Corporation and as the act and deed of this Board of Directors. Delivery of the Bonds to the Purchasers shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale. Terms of such sale are declared to be in the best interest of the Corporation.

SECTION 36: Proceeds of Sale. The proceeds of sale of the Bonds, excluding the amounts to pay costs of issuance, shall be deposited in a construction fund created and maintained at a depository of the Corporation. Pending expenditure for the Project, such proceeds of sale may be invested in authorized investments in accordance with the provisions of Texas Government Code, Chapter 2256, including specifically guaranteed investment contracts permitted in Texas Government Code, Section 2256.015, et seq, and any investment earnings realized shall be expended for the Project or deposited in the Bond Fund. All surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of the Project shall be deposited to the credit of the Bond Fund.

SECTION 37: Legal Opinion. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds.

SECTION 38: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the Corporation nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 39: Control and Custody of Bonds. The Chair of the Board of Directors shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers.

SECTION 40: 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, the Paying Agent/Registrar and the Holders, 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, the Paying Agent/Registrar and the Holders.

SECTION 41: 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 42: 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 43: 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 44: 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 45: Incorporation of Findings and Determinations. The findings and determinations of the Board of Directors contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

SECTION 46: Further Procedures. Any one or more of the Chair, Vice Chair or Secretary of the Board of Directors, President of the Corporation or Executive Director of the Corporation are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Corporation all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution and the issuance of the Bonds. In addition, prior to the initial delivery of the Bonds, the Chair, Vice Chair or Secretary of the Board of Directors, President of the Corporation or Executive Director, or Bond Counsel to the Corporation are each hereby authorized and directed to approve any changes or corrections to this Resolution or to any of the documents authorized and approved by this Resolution: (i) in order to cure any ambiguity, formal defect or omission in this Resolution or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such changes are consistent with the intent and purpose of this Resolution, which determination shall be final. In the event that any officer of the Corporation whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47: 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 Texas Government Code, Chapter 551, as amended.

SECTION 48: Effective Date. This Resolution shall be in force and effect from and after its passage on the date shown below.

[Remainder of Page Intentionally Left Blank]

PASSED AND ADOPTED, this May 21, 2018.

BASTROP ECONOMIC DEVELOPMENT
CORPORATION

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

(Seal)

DRAFT

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

DRAFT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of May 21, 2018 (this "Agreement"), by and between the Bastrop Economic Development Corporation (the "Issuer"), and ZB, N.A., Houston, Texas, a banking corporation organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas or its successors (the "Bank").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018" (the "Securities"), dated May 15, 2018, which Securities are scheduled to be delivered to the initial purchasers on or about June 21, 2018; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Bond Resolution" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the "Bond Resolution".

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO
DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Bank Office” means the offices of the Bank at the address appearing on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Bond Resolution” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Clerk or any other officer of the Issuer and delivered to the Bank.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Resolution).

“Record Date” means the last business day of the month next preceding each interest payment date.

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Resolution.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Securities” means the securities defined in the recital paragraphs herein.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Bond Resolution the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

ZB, National Association dba Amegy Bank
One South Main Street, 17th Floor
Salt Lake City, UT 84133

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Resolution). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the fiduciary account provided in Section 5.05 hereof, sent by United States mail, first class, postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities at the dates specified in the Bond Resolution.

ARTICLE FOUR REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and Bank may prescribe. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities

Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, cancel and destroy, pursuant to the Securities and Exchange Act of 1934, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06. Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Bond Resolution, to deliver and issue

Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost or stolen.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02. Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts

or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Moneys Held by Bank - Fiduciary Account/Collateralization. A fiduciary account shall at all times be kept and maintained by the Bank for the receipt, safekeeping and disbursement of moneys received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for fiduciary accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such fiduciary account shall be made by check drawn on such fiduciary account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank its directors, officers and employees, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on

deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any Person claiming any interest herein.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page hereof.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an

early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. No Boycott Israel. To the extent this Agreement is a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended the Bank hereby verifies that the Bank does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Section 6.12. Iran, Sudan and Foreign Terrorists Organizations. To the extent this Agreement is a governmental contract, within the meaning of Section 2252.151 of the Texas Government Code, as amended, the Bank represents that it is not a company engaged in business with Iran, Sudan, or a foreign terrorist organization (as defined in Section 2252.151(2), Texas Government Code) and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2270.0201 or 2252.153, Texas Government Code.

Section 6.13. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[remainder of page left blank intentionally]

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

ZB, N.A.

BY _____

Title: _____

Address: 1801 Main Street, Suite 850
Houston, Texas

DRAFT

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

BASTROP ECONOMIC DEVELOPMENT CORPORATION

BY _____
Chair, Board of Directors

Address: 301 Highway 71 West,
Suite 214
Bastrop, Texas 78602

Attest:

Secretary, Board of Directors

ANNEX A
FEES AND CHARGES

-0-

DRAFT

EXHIBIT B
PURCHASE AGREEMENT

DRAFT

PURCHASE AGREEMENT

May 21, 2018

Bastrop Economic Development Corporation
301 Highway 71 West, Suite 214
Bastrop, Texas 78602

Re: \$1,250,000 "Bastrop Economic Development Corporation Sales Tax Revenue Bonds, Series 2018", dated May 15, 2018

Ladies and Gentlemen:

ZB, N.A. (the "Purchaser") hereby offers to purchase from the Bastrop Economic Development Corporation (the "Corporation") the captioned Bonds (the "Bonds") and, upon acceptance of this offer by the Corporation, such offer will become a binding agreement between the Purchaser and the Corporation. This offer must be accepted by 10:00 p.m., Bastrop, Texas, time, May 21, 2018, and if not so accepted will be subject to withdrawal.

1. Purchase Price: The purchase price for the Bonds is par, \$1,250,000.
2. Terms of Bonds: The Bonds shall be issued in the principal amounts, shall bear interest at such rates, mature on such dates and in such amounts and have such other terms and conditions as are set forth in the resolution adopted by the Board of Directors of the Corporation on May 21, 2018 (the "Resolution") authorizing the issuance of the Bonds, a copy of which has been provided to the Purchaser. Pursuant to and as more fully described in the Resolution, the Bonds shall be payable from the proceeds of sales and use tax approved at an election held in the City of Bastrop, Texas on January 21, 1995.
3. Closing: The Corporation shall deliver the Initial Bond to, or for the account of, the Purchaser and the Purchaser shall purchase the Bonds at 10:00 a.m. Dallas, Texas, time, on June 21, 2018, or at such other time as shall be mutually agreed upon (hereinafter referred to as the "Closing"). The Closing shall take place at the offices of Norton Rose Fulbright US LLP, Dallas, Texas, or such other location as may be mutually agreed upon. The Corporation will also deliver a signed copy of the Resolution to the Purchaser.
4. Conditions to Closing: The Purchaser shall not have any obligation to consummate the purchase of the Bonds unless the following requirements have been satisfied prior to Closing:

Bastrop Economic Development Corporation

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May 21, 2018

- (a) The Corporation shall have adopted the Resolution authorizing the issuance of the Bonds.
 - (b) Norton Rose Fulbright US LLP, Bond Counsel shall have issued its approving legal opinion as to the due authorization, issuance and delivery of the Bonds and as to the exemption of the interest thereon from federal income taxation, upon which the Purchaser shall be entitled to rely.
 - (c) The Bonds shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
 - (d) The Corporation shall have executed its Certificate as to Tax Exemption and IRS Form 8038-G in the form provided by Bond Counsel.
 - (e) The City Council of the City of Bastrop, Texas has adopted a resolution approving the Resolution of the Corporation.
 - (f) The Corporation shall furnish a certificate or certificates, dated as of closing, of an appropriate official of the Corporation, to the effect that (1) the Corporation is not party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Corporation, would have a materially adverse effect on the financial condition of the Corporation, (2) the Corporation has been duly and validly created, and (3) the representations and information contained in this Purchase Agreement is true and correct in all material respects on and as of the date of closing as if made on the date of closing.
5. Nature of Purchase: The Purchaser acknowledges that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Bonds. The Purchaser is a financial institution or other accredited investor as defined in the Securities Act of 1933, Regulation D, 17 C.F.R. § 230.501(a), accustomed to purchasing tax-exempt obligations such as the Bonds. Norton Rose Fulbright US LLP, Bond Counsel, has not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the Corporation or the Bonds, and the Purchaser has not looked to that firm for, nor has that firm made, any representations to the Purchaser with respect to that information. The Purchaser has satisfied itself that it may lawfully purchase the Bonds. The Bonds (i) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) will not be listed on any stock or other securities exchange; and (iii) will not carry any rating from any rating service. The Purchaser is familiar with the financial condition and affairs of the Corporation, particularly with respect to its ability to pay its ad valorem tax-supported obligations such as the Bonds. The Purchaser has received from the Corporation all information that it has requested in order for it to assess and evaluate the security and source of payment for the Bonds. The Purchaser is purchasing the Bonds for its own account or for that of an affiliate as evidence of a loan to the Corporation and has no present intention to make a public distribution or sale of the Bonds. In no event will the

Bastrop Economic Development Corporation

Page 3

May 21, 2018

Purchaser sell the Bonds to purchasers who are not sophisticated investors unless an official statement or other disclosure document is prepared with respect to such sale of the Bonds.

6. In consideration of the purchase of the Bonds by the Purchaser, and so long as the Purchaser is the 100% owner of the Bonds, the Corporation agrees as follows:
 - (a) The Corporation agrees to deliver to the Purchaser within 270 days after the end of each fiscal year, its audited financial statements.
 - (b) The Corporation agrees to deliver to the Purchaser any other financial information that the Purchaser may reasonably request from time to time.
7. Role of Purchaser. The Purchaser and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to this Agreement and any other information, materials or communications provided by the Purchaser: (a) the Purchaser and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Purchaser and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Agreement, information, materials or communications; (c) the Purchaser and its representatives are acting for their own interests; and (d) the Corporation has been informed that it should discuss this Agreement and any such other information, materials or communications with any and all internal and external advisors and experts that the Corporation deems appropriate before acting on this Agreement or any such other information, materials or communications.

The Corporation acknowledges and agrees that the Purchaser is purchasing the Bonds in evidence of a privately negotiated loan and in that connection the Bonds shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.

8. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: THIS PURCHASE AGREEMENT, THE RESOLUTION OF THE CORPORATION AUTHORIZING THE BONDS, THE ATTORNEY GENERAL OPINION, THE OPINION OF BOND COUNSEL AND THE BONDS TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL

Bastrop Economic Development Corporation

Page 4

May 21, 2018

AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.

9. Anti-Boycott Verification. To the extent this Agreement is a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, the Purchaser hereby verifies that the Purchaser does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
10. Iran, Sudan and Foreign Terrorist Organizations. To the extent this Agreement is a governmental contract, within the meaning of Section 2252.151 of the Texas Government Code, as amended, the Purchaser represents that it is not a company engaged in business with Iran, Sudan, or a foreign terrorist organization (as defined in Section 2252.151(2), Texas Government Code) and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2270.0201 or 2252.153, Texas Government Code.

[signatures begin on next page]

Bastrop Economic Development Corporation

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May 21, 2018

If this purchase agreement meets with the Purchaser's and the Corporation's approval, please execute it in the place provided below.

By: _____

Title: _____

[signatures continue on next page]

ACCEPTED BY THE BASTROP ECONOMIC DEVELOPMENT CORPORATION

Chair, Board of Directors

DRAFT



Agenda Item: 3.4

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Consideration, discussion and possible action regarding Resolution R-2018-0005 of the Bastrop Economic Development Corporation to allocate \$50,000 to FY 2018 Beautification Projects.

Prepared by: Sarah O'Brien, Hospitality & Downtown Director, City of Bastrop

At the March 19th Board Meeting, the Bastrop EDC Board of Directors received a report detailing a recommendation to suspend the FY 18 Grant Program and allow staff to present a plan for allocation of the \$50,000 based on capacity and timing issues. That recommendation was accepted and the Board voted to suspend the FY 18 Grant Program.

On April 16th, Main Street presented a report about downtown beautification efforts, budget, and shortfall, requesting that the FY 18 Grant Program funds be reallocated to cover a portion of those efforts. The consensus of the Board was that they had an interest in doing so.

After consulting the EDC's legal counsel and on the advice of Tracy Waldron, the City of Bastrop's Finance Director, it was determined that using the line item "City Projects and Programs" in the EDC's FY 18 budget would be a more efficient way of funding Main Street's beautification efforts. It is less cumbersome that transferring EDC budgeted funds to the City, and the line item was placed into the FY18 budget for the purpose of supporting eligible City projects.

Attached is a resolution which states that the EDC is committing \$50,000 from the City Projects and Programs fund, line item #601-70-00-5574, to be used toward beautification efforts.

Attachments:

Draft Resolution

FY 18 Beautification Plan

Recommendation – Approve the Resolution as submitted.

[RECOMMENDED MOTION] – I move to approve Resolution R-2018-0005.

RESOLUTION NO. R-2018-0005**A RESOLUTION OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION
TO ALLOCATE \$50,000 TO
FY 2018 BEAUTIFICATION PROJECTS**

WHEREAS, the Bastrop Economic Development Corporation (“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, the BEDC approved its Fiscal Year 2018 Final Budget on August 21, 2017, which included line item #601-70-00-5574 titled “City Projects and Programs” (“FY2018CPP”) in the amount of \$83,250.00 for any BEDC “eligible project”; and,

WHEREAS, this \$83,250.00 of funding is already earmarked and approved for any eligible City Project, including the Beautification Projects; and

WHEREAS, the current Fiscal Year 2018 Beautification Projects (“FY2018BP”) include a substantial increase in the number of Waste Receptacles, Bicycle Racks, Lighting, Seating, Parklets, Planter Boxes, Signage, and Landscaping in the Downtown area of the City of Bastrop; and

WHEREAS, the City Projects for FY2018BP include Strategic HOT (Hotel Occupancy Tax) developments, the creation of a Hospitality and Downtown Department, the “Visit Bastrop” campaign, and a Cultural Arts Master Plan; and

WHEREAS, these eligible projects paid for by FY2018BP are designed to shore up sales tax and increase tourism; and

WHEREAS, these City Projects under FY2018BP are designed to lead to increased foot traffic, broader tourism and economic development appeal, improved recruitment and retention rates, increased business and property owner pride and motivation, and increase the involvement of members of the community; and

WHEREAS, the City Projects funded by the FY2018BP are critical to the Main Street Design Committee Work Plan; the #mybastrop promotion; the Main Street Improvement Project; and the City’s economic and civic future; and

WHEREAS, many of the projects backed by the FY2018BP are already underway; and

WHEREAS, current FY2018BP funding has a shortfall of \$46,916, and has requested BEDC provide and allocate \$50,000.00 from the above \$83,250.00 in line item #601-70-00-5574; and

WHEREAS, the staff of the BEDC developed a plan for the allocation of FY2018CPP to FY2018BP based on capacity and timing issues; and

RESOLUTION NO. R-2018-0005

WHEREAS, the sum of FIFTY THOUSAND (\$50,000.00) DOLLARS shall be allocated to the Fiscal Year 2018 Beautification Projects from the EIGHTY-THREE THOUSAND TWO HUNDRED FIFTY (\$83,250.00) DOLLARS in funds available from the BEDC in line item #601-70-00-5574; and

WHEREAS, 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.

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

SECTION 1. 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 approves the allocation of funds from the BEDC Fiscal Year 2018 "City Projects and Programs" fund, line item #601-70-00-5574, in the amount of \$50,000 to be used for Fiscal Year 2018 Beautification Projects.

SECTION 3. This Resolution is effective upon passage.

DULY RESOLVED AND ADOPTED on this 21st day of May 2018 by the Board of Directors of the Bastrop Economic Development Corporation.

[SIGNATURE PAGE FOLLOWS]

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Camilo Chavez, Board Chair

ATTEST:

Sam Kier, Board Secretary

APPROVED AS TO FORM:

Denton, Navarro, Rocha, Bernal & Zech, P.C.

DRAFT



FY 18 Grant Funding

THANK YOU



- \$500,000 in grant funds to property owners since 2007
- Main Street Program operation support
- Small Business Development
- Entrepreneurship Support
- Joint Training Programs
- Downtowntx.org
- Small Business Saturday
- Coffee Chat's
- Capital Improvement Projects
- #mybastrop
- Culinary District and Customer Service support



WE HAVE A VISION...

- COMP Plan 2036
- Council Mission & Vision and Focus Areas
- FY 18 Work Plan
- FY 18 Budget designed to shore up sales tax and Increase tourism
 - Strategic HOT policy developments
 - Hospitality & Downtown Department
 - Visit Bastrop
 - Cultural Arts Master Plan



★ 05/18/2018

**DOWNTOWN
BASTROP
IS
OPEN FOR
BUSINESS**



COME TO DOWNTOWN BASTROP FOR A UNIQUE SHOPPING EXPERIENCE. YOU'LL FIND UPSCALE BOUTIQUE STORES HOUSED IN RESTORED CIRCULAR BUILDINGS, AND FEATURING HARD-TO-FIND TREASURES INCLUDING HANDCRAFTED JEWELRY, GOURMET KITCHENWARE, SUSTAINABLE CRAFTS AND SKINCARE, HOME ACCESSORIES, FOODS AND THOUGHTFUL MAIN STREET IN DOWNTOWN BASTROP BOASTS AN ARRANGEMENT OF POP SHOPS, SELLING TOYS, ITEMS, COLLECTABLES, AND CLOTHING. PLUCK A BANJO IN YOUR HAND AT A HIMALAYAN BOWL. YOU'LL ALSO FIND GOURMET COFFEE BY THE TEXAS WINES AND HANDMADE SOAPS. WITH PLENTY OF FLAVOR AND MORE THAN 100 WORLD-CLASS FINDS, YOU'LL ENJOY SHOPPING IN DOWNTOWN BASTROP.



WHY BEAUTIFICATION? WHY NOW?

- #mybastrop
- 5 Star, Triple Diamond or Best Western?
- FY 18 Work Plan UE #3 & UE #4
- Main Street Design Committee Work Plan
- Main Street Improvement Project Status
- Special Events
- It's only our future....



AND SO WE GOT TO WORK....

- FY 18 H&D Budget Allocation from CC Cost Savings
- Staff Walk Through & Action List
- Streetscape Inventory
- CARTS interlocal agreement
- Main Street Design Committee & MSAB Input
- Partnerships Developed
- Project List & Budget Developed



05/18/2018

LET'S NOT REINVENT THE WHEEL...

**FY 18 BEAUTFICATION
NEEDS**

\$100,300.00

FY 18 FUNDING

\$53,384.00

SHORTFALL:

BEDC FY 18 GRANT FUNDING

\$50,000



*the ah-ha
moment*

FY 18 HIT LIST:

- Seating
- Parklets
- Waste Receptacles
- Planter Box Program
- Lighting
- Bike Racks
- Signage
- Landscaping





THERE'S MORE!

SPECIALTY SHOPS

DINING & ENTERTAINMENT

COLORADO RIVER BRIDGE



DOWNTOWN BASTROP

WWW.DOWNTOWNBASTROP.COM
FACEBOOK.COM/DOWNTOWNBASTROP
INSTAGRAM.COM/DOWNTOWNBASTROPTX

BEAUTIFICATION LEADS TO...

- Increased foot traffic
- Broader tourism and economic development appeal
- Improved recruitment and retention rates
- Business & Property owner pride= motivation
- Greater involvement from community members



WITH HISTORIC ARCHITECTURE, BOUTIQUE SHOPPING, RUSTIC EATERIES, INSPIRING ART GALLERIES AND MUSEUMS, PLUS THE BEAUTIFUL COLORADO RIVER AND 20 ACRES OF ROLLING WATERSIDE PARKLAND, DOWNTOWN BASTROP HAS SOMETHING FOR EVERYONE.

WWW.BASTROPDOWNTOWN.COM



A LOOK AHEAD...

- FY 19 Beautification Projects
- Sustainable beautification and planting programming
 - Special Events Revenues
 - Bastrop in Bloom Programming
- Discussions about small business and downtown needs
- FY 19 grant funding
- Long range planning to address:
 - Future growth
 - Capital projects

05/18/2018



**QUESTIONS?
DIRECTION?**



Agenda Item: 3.5

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Consideration, discussion and possible action regarding updates from Tracy Bratton with Bowman Consulting on BEDC Projects: Agnes Street Extension, MLK/Technology Drive Extension, Business Park Detention Pond, and the Downtown Trail Expansion Project.

Prepared by: Angela Ryan, Assistant Director

Tracy Bratton with Bowman Consulting will be updating the Board on the BEDC projects he is working on.

Attachments:
None

Recommendation – Agenda item is for update purposes only; no action is required.



Agenda Item: 3.6

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Consideration, discussion and possible action regarding authorization to Bowman Consulting to begin accepting bids and qualifications regarding BEDC's Agnes Street Extension Project, and to provide said bids and qualifications to the BEDC for future consideration, discussion and possible action.

Prepared by: Angela Ryan, Assistant Director

Tracy Bratton with Bowman Consulting would like to discuss the bid process for the Agnes Street Extension Project with the Board, make his recommendations, and receive input from the Board.

Mr. Bratton is requesting Board authorization to begin accepting bids and qualifications on the project. Now that Seton has broken ground, completion of the road is essential for access to the hospital, scheduled to open in spring 2019.

Attachments:
None

Recommendation – Authorize Bowman Consulting to begin accepting bids and qualifications on the Agnes Street Extension Project.

[RECOMMENDED MOTION] – I move to authorize Bowman Consulting to begin accepting bids and qualifications on the Agnes Street Extension Project (*or similar motion*).



Agenda Item: 3.7

AGENDA MEMORANDUM

Meeting Date: May 21, 2018

Agenda Item: Consideration, discussion and possible action regarding Resolution R-2018-0006 approving a change order with Bowman Consulting for the Downtown Trail Expansion Project for environmental permitting required by TxDOT to comply with grant funding requirements, not part of the original scope of work for the project, in an amount of \$6,000.

Prepared by: Angela Ryan, Assistant Director

The EDC Board approved funding the Downtown Trail Expansion Project on July 17, 2017 (Resolution R-2017-0009) and entering into a Professional Services Agreement with Bowman Consulting for the project on September 16, 2017 (Resolution R-2017-0012). Since then, the City and EDC have been presented with the opportunity to receive grant funding for the project by both Keep Bastrop County Beautiful and Capital Area Metropolitan Planning Organization (CAMPO).

This grant funding requires TxDOT environmental permitting that was not originally included in the scope of work for the project.

Bowman Consulting is requesting a change order in the about of \$6,000 to perform the necessary environmental investigations and coordination to complete the environmental permitting process required by TxDOT, so that the project will be eligible for grant funding.

Attachments:

Draft Resolution

Exhibit A – Change Order

Recommendation – Approve the Resolution as submitted.

[**RECOMMENDED MOTION**] – I move to approve Resolution R-2018-0006.

**A RESOLUTION OF THE BASTROP ECONOMIC DEVELOPMENT CORPORATION
APPROVING A CHANGE ORDER WITH BOWMAN CONSULTING FOR THE DOWNTOWN
TRAIL EXPANSION PROJECT FOR ENVIRONMENTAL PERMITTING REQUIRED FOR
GRANT FUNDING, IN AN AMOUNT OF \$6,000.**

WHEREAS, the Bastrop Economic Development Corporation Board of Directors has found the Downtown Trail Expansion Project as an allowable project under Texas Local Government Code Chapter Sections 505.152 and 505.158 through Resolution 2017-0009; and

WHEREAS, the Bastrop Economic Development Corporation approved Resolution 2017-0012 approving a Professional Services Agreement with Bowman Consulting for the preparation of construction plans, permitting and owner representation during the construction of the Project; and

WHEREAS, TxDOT has since committed grant funding to the Project; and

WHEREAS, the grant funding requirements added to the Project require compliance with TxDOT environmental permitting not originally included in the scope of work for the Project; and

WHEREAS, Bowman Consulting has proposed a Change Order to perform the necessary environmental investigations and coordination to complete the environmental permitting process required by TxDOT for the driveway permit, as directed by the project engineer, in an amount of \$6,000.00, not originally included in the Professional Services Agreement.

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

SECTION 1.

- a. The Board authorizes the Chair and/or Vice-Chair to execute a Change Order **[Exhibit A]** with Bowman Consulting in an amount of \$6,000.00.

SECTION 2. Approval

PASSED AND APPROVED on the 21st day of May 2018, by the Board of Directors of the Bastrop Economic Development Corporation.

[SIGNATURE PAGE FOLLOWS]

BASTROP ECONOMIC
DEVELOPMENT CORPORATION

Camilo Chavez, Board Chair

ATTEST:

Sam Kier, Board Secretary

APPROVED AS TO FORM:

Denton, Navarro, Rocha, Bernal & Zech, P.C.

DRAFT

Exhibit "A"

Change Order with Bowman Consulting in an amount of \$6,000.00. (1 page).

DRAFT



CHANGE ORDER

Date: May 11, 2018

Bowman Consulting Group, Ltd.
1120 S. Capital of Texas Highway
Building 3, Suite 220
Austin, TX 78746

Bastrop Economic Development Corp.
301 Hwy 71
Suite 214
Bastrop, TX 78602

Phone (512) 327-1180

Phone: (512) 303-9700
Email:

Project Name: Sidewalk Plans, Permitting & Construction Observation

BCG Job # : 070206-01-004
Task #: 0005
Change Order # : 1

Client Project #: 070206-01-004

SCOPE OF SERVICES COVERED BY CHANGE ORDER

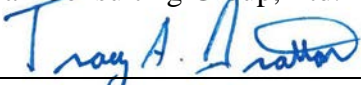
Grant funding requirements added to the project after its beginning require compliance with TxDOT environmental permitting not originally part of the project scope. The task below adds the necessary services to comply with TxDOT and grant environmental compliance. This task assumes the work is authorized under TxDOT's simplified environmental checklist.

Task 5: BCG will perform the necessary environmental investigations and coordination to complete the environmental permitting process required by TxDOT for the driveway permit application. Environmental investigations will include a biological evaluation, desktop cultural resources investigation, endangered species assessment, hazardous materials, and other environmental considerations as identified by TxDOT's scope development tool.

FEE: \$6000.00

Bowman Consulting Group, Ltd.

Bastrop Economic Development Corp.

By: 

By: _____

Name: Tracy A. Bratton

Name _____

Title Principal

Title _____

Date May 11, 2018

Date _____