Regular Agenda via Audio/Video Broadcast
7/22/2020

Notice is hereby given in accordance with an order of the Office of the Governor issued March 16, 2020, of a Regular Meeting of the City of San Angelo Development Corporation (COSADC) scheduled for July 22, 2020 at 8:30 AM. The McNease Convention Center – South Meeting Room, 501 Rio Concho Drive, San Angelo, Texas WILL NOT be open to the public. COSADC members and staff will attend virtually in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). There will be no public access to the regular meeting location. A public, free-of-charge audio/video broadcast of the meeting will be available on the City's YouTube channel at https://www.youtube.com/user/CityofSanAngeloTx.

The Meeting Agenda and the Agenda Packet are posted online at
https://www.cosatx.us/departments-services/economic-development/city-of-san-angelo-development-corporation

Members of the public who wish to submit **Public Comment** on agenda items must send their written comments via email to nora.nevarez@cosatx.us by noon July 21, 2020.

The subject must be in the following format: "Public Comment: [item number, description] – July 22, 2020." All emails must include your name and address.

Please note all Public Comment emails relevant to posted agenda items received by the deadline will be published as part of the agenda packet prior to the meeting are therefore public record. Call 325- 653-7197 for staff assistance.

A recording of the meeting will be available to the public in accordance with the Open Meetings Act upon written request.

1. **Call to Order/Roll Call to Establish Quorum**
2. **Prayer**
3. **Public Comment**

Issues or items that are not on the agenda may be raised by the public at this time. Citizens should speak from the podium, begin by stating their name and limit remarks to less than three minutes. Board members may request that a discussed item be placed on a future agenda. The Board takes public comment on all Regular Agenda items during the discussion of those items.

4. **Consent Agenda**
   a. Consider approving the June 24, 2020 meeting minutes
   b. Consider approving the necessary corporation disbursement

5. **Regular Agenda**
   a. Consider approving the June 2020 Financial Statements (Presentation made by Tina Dierschke, Director of Finance)
   b. Discussion related to the COSADC Draft Budget for FY 2020-2021 (Presentation made by Tina Dierschke, Director of Finance)
   c. Consider and approve negotiation and execution of a one year Lease Agreement with options to extend for three additional one year terms, and an MOU with ASU Small Business Development Center for operation of the Business Factory program. (Presentation by Guy Andrews, Director of Economic Development)
6. **Follow Up and Administrative Issues**
   a. Announcements and consideration of Future Agenda Items
7. **Adjournment**

CERTIFICATION

I hereby certify that the above notice of meeting was published on the City of San Angelo's website on the 17th day of July 2020 at 5:00 p.m.

Nora Nevarez on behalf Guy Andrews
Guy Andrews, Economic Development Director

All agenda items are subject to action. All contracts/agreements may be subject to further negotiation prior to execution. The Board reserves the right to consider business out of posted order and/or meet in a closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

In compliance with the Americans with Disabilities Act, the City of San Angelo Development Corporation will provide for reasonable accommodations for persons attending board meetings. To better serve you, requests should be received 48 hours prior to the meetings. Please contact the Economic Development Office at 325-653-7197.

Citizen requests to display materials on the city's monitors must submit the request 96 hours prior to the meeting by email to nora.nevarez@cosatx.us. Time limits of discussion are as stated above and materials cannot exceed 10 pages. Citizens bringing materials for distribution to City of San Angelo Development Corporation members during the meeting must bring a minimum of 12 copiers.

COSADC meetings are broadcast on Channel 17-Government Access at 8:00 A.M. on every Wednesday on the Wednesday after each meeting.

Report to Board

City of SAN ANGELO
TEXAS
Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 22, 2020

Item type: Consent Item

Caption:

Consider approving the June 24, 2020 meeting minutes

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. COSADC Minutes 06-24-2020 COSADC Minutes 06-24-2020.docx

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo, Texas
Development Corporation Meeting
Via Audio/Video broadcasting
Wednesday, June 24, 2020

Present:
Todd Kolls, President
Bill Dendle, First Vice President
Dr. David, Cummings, Second Vice President
Edward Carrasco, Director
Max Puello, Director
Garland Freeze, Director

1. **Call to Order**

With a quorum of the City of San Angelo Development Corporation Board Members present, President Kolls called the regular session of the City of San Angelo Development Corporation to order at 8:37 a.m., on Wednesday, June 24, 2020, via Zoom livestreamed to the City's YouTube channel at youtube.com/CityofSanAngelo.

2. **Prayer**

An invocation was provided by President Kolls.

3. **Public Comment**

No public comments were received by noon, June 23, 2020.

4. **Consent Agenda**

   a. Consider approving the May 27, 2020 meeting minutes

   b. Consider approving the necessary corporation disbursement

   c. Consider approving the May 2020 Financial Statements

   d. Consider adoption of a motion authorizing the Board President to negotiate and execute an annual agreement with J. R. Silva Tree Service and Landscaping, for the BRC building and Industrial Park signage area.

Motion: First Vice President Dendle made a motion, seconded by Director Freeze to approve the consent agenda as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

5. **Regular Agenda**

   a. Update presentation regarding the 2018 COSADC contract Audit. (Presentation by Internal Auditor, Brandon Sanders)

No Action Taken on this item.

b. Public Hearing regarding the use of sales and use tax funds in an amount not to exceed $400,000 to provide an Economic Development Incentive to WMC LIQUIDATION CO. D/B/A BRYAN WENDLAND CORPORATION, D/B/A WENDLAND TANK CORP., AND FORMERLY D/B/A WENDLAND MANUFACTURING CORP., for a project related to Business Enterprises that create or retain primary jobs, as authorized for a Type B Corporation under Local Government Code Chapter 505 Subchapter C. (Presentation by Shannon Scott, Business, Retention & Expansion Coordinator)

No Public Comment was received.

c. Public Hearing for the expenditure of up to $70,000 for a project using Sales and Use Tax funds in an amount not to exceed $70,000 to partially fund City of San Angelo cleanup, open space improvement, landscaping and related facilities necessary to enhance the Knickerbocker Rd. right of way and adjoining Bureau of Reclamation land as open space fronting the San Angelo Regional Airport—Mathis Field, a project authorized under Section 501.103 Infrastructure Improvements (street landscaping) and Section 505.152 of the Texas Local Government Code for open space improvements necessary to promote tourism and develop new or expanded business enterprises (Presentation Made by Robert Schneeman, Economic Development Project Manager)

No Public Comment were received.

d. Public Hearing regarding the use of Sales and Use Tax funds of up to and not to exceed $250,000, in increments as authorized from time to time by the Board, subject to City Council approval, for planning, engineering, other professional services, and construction and related services and materials, for development of industrial transportation infrastructure and improvements suitable for industrial rail transportation service, necessary to promote or develop new or expanded business enterprises that create or retain primary jobs, on a tract of land acquired by COSADC, being 180 acres more or less, located adjacent to the south right-of- way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

No Public Comment was received.

e. Public Hearing regarding the use of Sales and Use Tax funds for the purchase of additional water supply by the City of San Angelo under inter local agreement with the cities of Midland and Abilene, for an indefinite period subject to review on every tenth anniversary, pursuant to ballot proposition adopted November 2nd, 2010, a project authorized for a Type 4B Development

Corporation under Chapters 501 and 505 of the Texas Development Corporation Act. (Presentation made by Guy Andrews, Director of Economic Development)

No Public Comment was received.

f. Consider approving the expenditure not to exceed $25,000 for maintenance, mowing, upkeep, liability insurance and other routine expenses associated with the 180.452 acre tract of land acquired by COSADC located adjacent to the south right-of-way of FM 2105, 1.5 miles west of Hwy 277, and adjacent to the easterly boundary of an abandoned railroad right-of-way, a project authorized under Chapter 505 of the Texas Development Corporation Act. (Presentation made by Robert Schneeman, Economic Development Project Manager)

Motion: Director Carrasco made a motion, seconded by First Vice President Dendle to approve the expenditure not to exceed $25,000 as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

g. Consider a resolution authorizing the use of Sales and Use Tax funds in an amount not to exceed $150,000 dollars to partially fund City of San Angelo, open space improvement, landscaping and related facilities necessary to enhance the Highway 87 right of way, a project authorized under Section 501.103 Infrastructure Improvements (Street Landscaping) and Section 505.152 of the Texas Local Government Code for open space improvements necessary to develop new or expanded business enterprises; and, authorizing the Board President to negotiate and execute a memorandum of understanding (MOU) with the City of San Angelo providing terms for performance, and any other related documents, in a form approved by the City Attorney, subject to approval of City Council. (Presentation made by Guy Andrews, Director of Economic Development)

Motion: Director Freeze made a motion, seconded by Director Puello to approve the resolution as presented. The motion carried unanimously six (6) ayes to zero (0) nays.

6. Closed Session

Executive Session under the provision of Government Code, Title 5. Open Government; Ethics, Subtitle A. Open Government, Chapter 551. Open Meetings, Subchapter D. Exceptions to Requirement that Meetings be Open under the following sections:

No Items Were Discussed.

7. Follow Up and Administrative Issues

a. Consideration and possible action of items discussed in Closed Session, if needed

b. Announcements and consideration of Future Agenda Items

No announcements or future agenda items were discussed

8. Adjournment

There being no further business, the meeting adjourned at 9:11 a.m.

THE CITY OF SAN ANGELO

____
Corporation President

ATTEST:

____
Corporation Secretary

In accordance with Chapter 2, Article 2.300, of the Official Code of the City of San Angelo, the minutes of this meeting consist of the preceding Minute Record and the Supplement Minute Record. Details on Board meetings may be obtained from the City Clerk's Office at 325-657-4405 or a video of the entire meeting may be purchased from the Public Information Officer at 325-481-2727. (Portions of the Supplemental Minute Record video recording may be distorted due to equipment malfunction or other uncontrollable factors.)

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 22, 2020

Item type: Consent Item

Caption:

Consider approving the necessary corporation disbursement

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1. Disbursement 07-22-2020 Disbursement 07-22-2020.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation
Check Disbursements
For Board Approval July 22, 2020

Economic Development

Reece Albert, Inc.	$	390,650.16	Work completed - Indust Park - Phase 2.2 (Inv. 11504)	
Construction Services		1,660.00	Indust Park - Phase 2.2 (Inv. 004-014)	
Total for Board Consideration	**$**	**392,310.16**		
Dirt Doctor	$	725.00	Mo cleaning serv at BRC (Inv. 4300)	
Russell Wallace		596.00	Mo IT Serv for Business Factory (Inv. 1009)	
Ener-tel		490.00	Serv call - software transp (Inv. 215324 & 215432)	*Ck. 5135*
Clare's Heating & Air Conditioning		462.00	Serv Call - add freon to a/c units (Inv. 6484)	
Canon Financial Services		205.58	Mo copier rental for Business factory (Inv. 21534787)	*Ck. 5162*
CTWP		148.16	Overage copy charge (Inv. 1171669)	
Acme Millwork, Inc.		134.00	Install plex in conf room (Inv. 5181)	
MC Electric		118.79	Change out bulbs; retrofitted 1 fixture to LED in BRC (Inv. 925)	
Ener-tel		100.00	Mo burglar & fire security at BRC (Inv. 220115)	
MDK Services		79.00	Qtly. Pest control at BRC (Inv. 29728)	
Atmos Energy		56.68	Mo Gas utilities at BRC (Serv Date 05/06 to 06/05/2020)	*Ck. 5157*
Angelo Water Serv Co		56.75	Water delivery to BRC (Serv date 07/01 - 07/31/2020)	
Staples		55.89	Office supplies (Inv. 3448678504)	*Ck. 5163*
House of Chemicals		47.34	Paper towels for BRC (Inv. 566939)	
Republic Service		27.86	Trash serv for BRC (Inv. 0691-000966929)	
	$	**3,303.05**		
Total Economic Development Disbursements	**$**	**395,613.21**		

Ballot

First Title Co.	$	40,000.00	Buy down assistance - 705 W. 19th St.	*Ck. 2004*
Total for Board Consideration	**$**	**40,000.00**		
Total Routine Disbursements	**$**	**-**		
Total Ballot Disbursements	**$**	**40,000.00**		
Grand Total Disbursements this Period	**$**	**435,613.21**		

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 22, 2020

Item type: Regular Item

Caption:

Consider approving the June 2020 Financial Statements (Presentation made by Tina Dierschke, Director of Finance)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	COSADC Stmts 2006	COSADC Stmts 2006.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

City of San Angelo Development Corporation

Financial Information and Schedules
As of June 30, 2020

Contents

This UNAUDITED information is designed for internal use and analysis only.

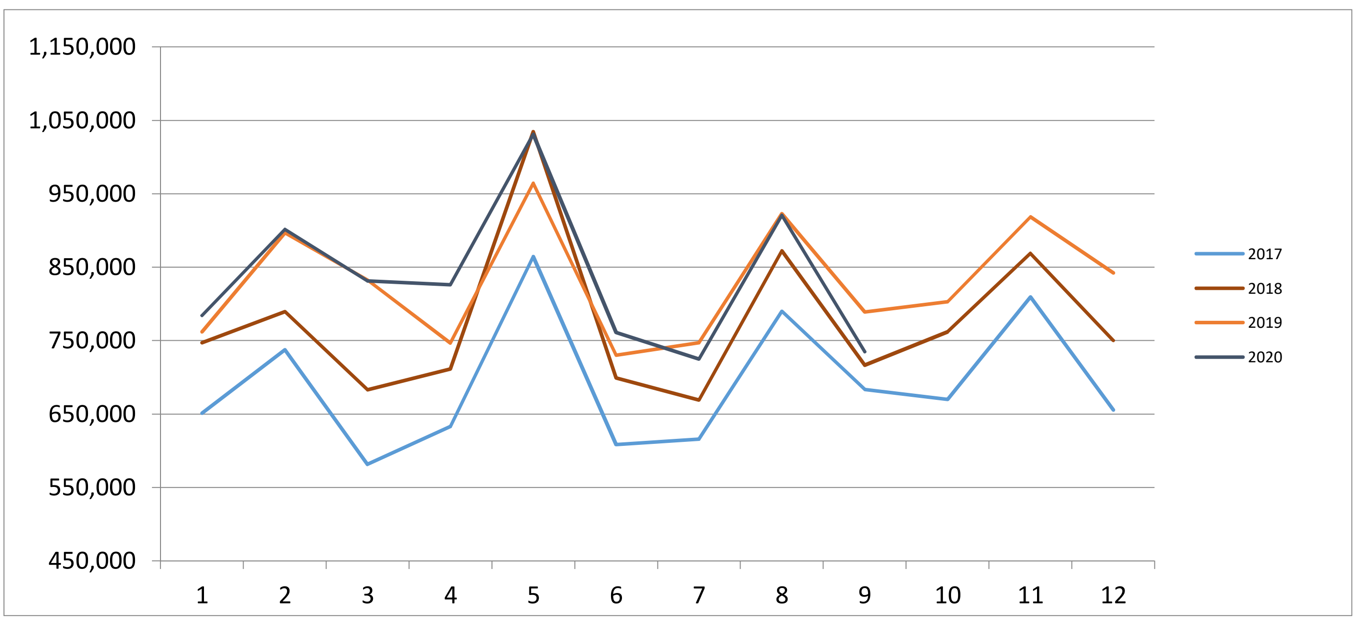
City of San Angelo Development Corporation
Executive Summary
June 2020

Available Fund Balances

Unassigned Fund Balance-Economic Development	4,408,191
Unassigned Fund Balance-Ballot	1,864,437

Sales Tax Analysis

Month	2017	2018	2019	2020	% Over/(Under)
Oct	650,926	747,063	761,865	784,232	2.94%
Nov	737,436	789,302	896,890	901,416	0.50%
Dec	581,382	683,012	832,486	831,209	-0.15%
Jan	632,603	711,415	746,604	826,116	10.65%
Feb	864,339	1,034,662	964,281	1,030,912	6.91%
Mar	608,253	699,086	730,020	761,229	4.28%
Apr	615,673	669,034	747,020	725,032	-2.94%
May	789,680	872,259	923,026	920,877	-0.23%
Jun	683,530	716,509	789,102	734,988	-6.86%
Jul	669,686	761,927	802,784		
Aug	809,685	868,604	918,423		
Sep	655,327	750,212	842,023		



City of San Angelo Development Corporation
Balance Sheet - Economic Development
As of June 30, 2020

ASSETS	
Current Assets	
Checking/Savings	
Cash	84,549
Money Market	10,185,079
Total Checking/Savings	10,269,628
Accounts Receivable	
Leases	11,682
Total Accounts Receivable	11,682
Other Current Assets	
Investments	2,000,000
Total Other Current Assets	2,000,000
Total Current Assets	12,281,311
Fixed Assets	
Land -Industrial Park	69,395
Industrial Park-Phase I	567,414
Industrial Park-Phase II	38,624
Industrial Park-Phase III	20,377
Building-Business Resource Ctr	2,004,967
Accum Depr-Building	(870,465)
Total Fixed Assets	1,830,312
TOTAL ASSETS	14,111,623
LIABILITIES & FUND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	1,732
Total Current Liabilities	1,732
Total Liabilities	1,732
Fund Equity	
Committed for Eco. Dev. Projects	7,871,388
Restricted for Fixed Assets	1,830,312
Unassigned Fund Balance	4,408,191
Total Fund Equity	14,109,891
TOTAL LIABILITIES & FUND EQUITY	14,111,623

City of San Angelo Development Corporation
Revenue & Expenditure Report - Economic Development
June 2020

	Budget	Month Actual	YTD Actual	YTD Actual W/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	2,609,674	205,797	2,104,483	2,104,483	(505,191)	81%
Interest on Investments	225,000	47,007	178,523	178,523	(46,477)	79%
Lease Income	67,679	1,430	38,868	38,868	(28,811)	57%
Grant Income	1,250,000	-	-	-	(1,250,000)	0%
Miscellaneous Income	-	-	1,650	1,650	1,650	100%
Gain on Sale Assets	-	500	310,175	310,175	310,175	100%
Total Revenues	4,152,353	254,734	2,633,699	2,633,699	(1,518,654)	63%
Expenditures						
Administrative	131,237	1,121	53,376	57,118	(74,119)	44%
Partner Affiliations	115,547	-	111,297	111,297	(4,250)	96%
City Services	640,310	160,068	483,281	483,281	(157,029)	75%
Industrial Park Ops & Maint	16,222	99	5,799	7,425	(8,797)	46%
Marketing-Chamber of Commerce	243,750	62,507	243,757	243,757	7	100%
Advertising	46,500	964	5,954	7,910	(38,590)	17%
Utilities	46,500	4,362	33,404	46,656	156	100%
Capital	67,000	60	29,188	29,188	(37,812)	44%
Business Factory	104,767	1,465	39,508	45,398	(59,369)	43%
Total Operating Expenditures	1,411,833	230,646	1,005,564	1,032,030	(379,803)	73%
Projects						
Air Service Marketing	955	-	-	-	(955)	0%
TGC/GAFB	8,399	-	-	-	(8,399)	0%
Principle LED	11,803	-	3,951	3,951	(7,852)	33%
Phase II Sewer Line	96,000	-	-	-	(96,000)	0%
TXDOT Aside Program Grant	60,500	-	-	-	(60,500)	0%
CalTech	181,950	-	-	-	(181,950)	0%
Parkhill	52,108	-	7,881	52,108	-	100%
Grant Works	50,000	-	-	-	(50,000)	0%
Netco	5,500	-	-	-	(5,500)	0%
Elite Solutions	15,260	-	-	-	(15,260)	0%
Goodfellow AFB	1,188,705	472,509	805,524	805,524	(383,181)	68%
Industrial Park-Phase II	4,111,063	266,805	1,698,776	3,095,396	(1,015,667)	75%
Howard College Const Tr	71,885	-	71,885	71,885	-	100%
US Customs Retention	25,000	-	-	-	(25,000)	0%
US Customs Retention II	1,100,000	-	-	-	(1,100,000)	0%
Principle LED BREP	200,147	-	177,102	177,102	(23,045)	88%
Carter Fentress	4,000	-	-	-	(4,000)	0%
Shea Transportation	33,093	-	33,051	33,093	-	100%
Chadbourne Street	2,250,000	-	-	-	(2,250,000)	0%
Comm Dev Strategies	2,035	-	391	2,035	-	100%
Centurion	380	-	-	-	(380)	0%
West Texas Steel	59,000	-	-	-	(59,000)	0%
SMC Global	200,000	-	-	-	(200,000)	0%
J's Deer & Wild Game	60,000	-	-	-	(60,000)	0%
Schwertner Property	590,500	-	539,414	539,414	(51,086)	91%
Bradford Area	638,861	-	638,861	638,861	-	100%
Double Barrel	70,000	-	-	-	(70,000)	0%
Air Service Marketing II	13,000	-	13,000	13,000	-	100%
Industrial Park Turn Lane	24,765	19,685	19,685	19,685	(5,080)	79%
Centurion BREP	36,000	-	-	-	(36,000)	0%
Airport Clearing	70,000	-	-	-	(70,000)	0%
Wendland Manufacturing	400,000	-	-	-	(400,000)	0%
Rail Transloading Facility	250,000	-	-	-	(250,000)	0%
Future Projects	47,791	-	-	-	(47,791)	0%
Total Project Expenditures	11,928,700	758,999	4,009,521	5,452,054	(6,476,646)	34%
Total Expenditures	13,340,533	989,645	5,015,085	6,484,084	(6,856,449)	38%
Revenue Over/(Under) Expenditures	(9,188,180)	(734,911)	(2,381,386)	(3,850,385)		

City of San Angelo Development Corporation
Economic Development Projects
As of June 30, 2020

Project	Original Allocation	Current Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Air Service Marketing	60,000	60,000	-	59,045	955
TGC/GAFB	633,000	633,000	-	624,601	8,399
Principle LED	550,001	516,123	3,951	508,271	7,852
Phase II Sewer Line	100,000	100,000	-	4,000	96,000
TXDOT Aside Program Grant	100,000	100,000	-	39,500	60,500
CalTech	603,999	223,050	-	41,100	181,950
Parkhill	308,000	323,000	7,881	278,773	44,227
Grant Works	54,000	54,000	-	4,000	50,000
Netco	60,000	60,000	-	54,500	5,500
Elite Solutions	40,260	15,260	-	-	15,260
Goodfellow AFB	1,500,000	1,500,000	805,524	1,116,819	383,181
Industrial Park-Phase II	2,000,000	4,111,263	1,698,776	1,698,976	2,412,287
Howard College Const Tr	168,000	166,780	71,885	166,780	-
US Customs Retention	25,000	25,000	-	-	25,000
US Customs Retention II	46,435	1,149,225	-	49,225	1,100,000
Principle LED BREP	300,147	300,147	177,102	277,102	23,045
Carter Fentress	20,000	20,000	-	16,000	4,000
Shea Transportation	49,000	43,400	33,051	43,358	42
Chadbourne Street	1,500,000	3,750,000	-	1,500,000	2,250,000
Comm Dev Strategies	65,000	65,000	391	63,356	1,644
Centurion	7,500	7,500	-	7,120	380
West Texas Steel	59,000	59,000	-	-	59,000
SMC Global	200,000	200,000	-	-	200,000
J's Deer & Wild Game	60,000	60,000	-	-	60,000
Schwertner Property	600,000	600,000	539,414	548,914	51,086
Bradford Area	638,861	638,861	638,861	638,861	-
Double Barrel	70,000	70,000	-	-	70,000
Air Service Marketing II	13,000	13,000	13,000	13,000	-
Industrial Park Turn Lane	24,765	24,765	19,685	19,685	5,080
Centurion BREP	36,000	36,000	-	-	36,000
Airport Clearing	70,000	70,000	-	-	70,000
Wendland Manufacturing	400,000	400,000	-	-	400,000
Rail Transloading Facility	250,000	250,000	-	-	250,000
	10,611,968	15,644,374	4,009,521	7,772,986	7,871,388
Total Committed, Not Expended					7,871,388

City of San Angelo Development Corporation
Balance Sheet - Ballot
As of June 30, 2020

ASSETS	
Current Assets	
Checking/Savings	
Cash	30,344
Money Market	2,429,420
Total Checking/Savings	2,459,764
Total Current Assets	2,459,764
TOTAL ASSETS	2,459,764
LIABILITIES & FUND EQUITY	
Fund Equity	
Committed for Ballot Projects	257,571
Assigned for Debt Service	337,756
Unassigned Fund Balance	1,864,437
Total Fund Equity	2,459,764
TOTAL LIABILITIES & FUND EQUITY	2,459,764

City of San Angelo Development Corporation
Revenue & Expenditure Report - Ballot
June 2020

	Budget	Month Actual	YTD Actual	YTD Actual w/ Enc	Over/(Under) Budget	% of Budget
Revenues						
Sales & Use Tax	6,710,590	529,191	5,411,528	5,411,528	(1,299,062)	81%
Interest on Investments	75,000	322	38,841	38,841	(36,159)	52%
Total Revenues	6,785,590	529,513	5,450,369	5,450,369	(1,335,221)	80%
Expenditures						
City Services	30,135	7,534	22,601	22,601	(7,534)	75%
Loan/Debt Service	5,452,250	-	5,039,438	5,039,438	(412,812)	92%
Total Operating Expenditures	5,482,385	7,534	5,062,039	5,062,039	(420,346)	92%
Projects						
West TX Water Partnership	200,000	10,170	55,150	55,150	(144,850)	28%
Affordable Housing	304,865	34,144	192,144	192,144	(112,721)	63%
Future Projects	798,340	-	-	-	(798,340)	0%
Total Project Expenditures	1,303,205	44,314	247,294	247,294	(1,055,911)	19%
Total Expenditures	6,785,590	51,848	5,309,333	5,309,333	(1,476,257)	78%
Revenue Over/(Under) Expenditures	-	477,665	141,036	141,036		

City of San Angelo Development Corporation
Ballot Projects
As of June 30, 2020

Project	Project Allocation	Current Year Activity	Inception to Date	Remaining Allocation
Ballot Projects:				
Water Supply Projects				
West Texas Water Partnership	692,740	55,150	547,890	144,850
* Reclaimed Water Alternatives	1,389,965	-	1,389,965	-
* Red Arroyo Storm Water Basin	151,040	-	151,040	-
Total Expenditures	2,233,745	55,150	2,088,895	144,850
Total Water Supply Projects				144,850
Affordable Housing				
Revenues				
* Sale of Fixed Assets - Blackshear Properties	394,351	-	394,351	-
Total Revenues				
Expenditures				
Affordable Housing	3,347,965	192,144	3,235,244	112,721
* Administrative Contract	120,405	-	120,405	-
* Blackshear Neighborhood Boundary	28,300	-	28,300	-
* Blackshear Properties	404,125	-	404,125	-
* Neighborhood Blitz	550,000	-	550,000	-
* Neighbors Helping Neighbors	53,000	-	53,000	-
* Rebuilding Together - Housing One Stop	23,759	-	23,759	-
* Rebuilding Together - Housing Repair	74,920	-	74,920	-
* Rehabs	114,487	-	114,487	-
* Roofing Grant	200,000	-	200,000	-
Total Expenditures	4,916,961	192,144	4,804,241	112,721
Total Affordable Housing				112,721
Other Projects				
* Sports Facilities Maintenance	285,353	-	285,353	-
Total Expenditures	285,353	-	285,353	-
Total Ballot Projects Committed, Not Expended				257,571
Voter Approved Projects:				
* Fort Concho Improvements	900,000	-	900,000	-
* Sports & Athletics Facilities	708,744	-	708,744	-
* 29th Street Sports Complex	1,750,000	-	1,750,000	-
Total Expenditures	3,358,744	-	3,358,744	-
Total Voter Approved Projects Committed, Not Expended				-

* Completed

	Group #	PO #	Type	Date	Number	Description	Amount
Fund 700 DEVELOPMENT CORPORATION							
700-0000-313.00-00 TAX / SALES AND USE TAX							
	6022		AJ	6/30/2020	555	COSADC SALES TAX J	205,796.58
700-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS							
	5982		AJ	6/30/2020	544	SECURITIES MATURED	45,000.00
	6039		AJ	6/30/2020	558	COSADC Bank Intere	49.70
	6039		AJ	6/30/2020	558	COSADC Bank Intere	1,957.48
700-0000-363.11-00 RENT / RENT							
	6003		AJ	6/30/2020	548	RECD LEASE PAYMT Q	513.14
	5651		AJ	6/17/2020	MR		(180.58)
	5617		AJ	6/15/2020	MR		180.58
	5684		AJ	6/15/2020	MR		916.78
700-0000-380.80-00 MISC / SALE OF PROPERTY							
	6003		AJ	6/30/2020	548	RECD ALLEN'S TRANS	500.00
700-0700-411.03-11 PROFESSIONAL & TECHNICAL / INDIRECT COST							
	6030		AJ	6/30/2020	556	COSADC ADMIN SRV C	61,419.25
700-0700-411.03-12 PROFESSIONAL & TECHNICAL / ADMINISTRATIV							
	6030		AJ	6/30/2020	556	COSADC ADMIN SRV C	98,649.25
700-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL							
	6003		AJ	6/30/2020	548	WTWP REIMB CRCTN	(10,170.17)
PROJECT#: DC0123							
	6042		AJ	6/30/2020	561	JUNE MONTHLY CORRE	(10,170.17)
PROJECT#: DC0123							
	6071		AJ	6/30/2020	567	CORRECT WTWP ADJUS	10,170.17
PROJECT#: DC0123							
	5559		AP	6/10/2020	5156	TOM GREEN COUNTY A	472,509.38
PROJECT#: DC0146							
	5721	122296	AP	5/29/2020	5159	REECE ALBERT INC	65,701.23
PROJECT#: DC0147							
	5721	122296	AP	5/29/2020	5159	REECE ALBERT INC	201,103.68
PROJECT#: DC0147							
	5551	122548	AP	4/1/2020	5153	CENTURION PLANNING	19,685.00
PROJECT#: DC0169							
700-0700-411.03-60 PROFESSIONAL & TECHNICAL / CONTRACT SERV							
	6042		AJ	6/30/2020	561	JUNE MONTHLY CORRE	7.03
	5720	121340	AP	6/1/2020	5160	SAN ANGELO CHAMBER	62,500.00
700-0700-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI							
	5321		AJ	6/3/2020	UT	UB CHARGE UPDATE	128.68
	5298		AJ	6/2/2020	UT	UB CHARGE UPDATE	15.00
700-0700-411.04-12 PURCHASED SERVICES / NATURAL GAS							
	5646	121088	AP	6/5/2020	5157	ATMOS ENERGY	56.68
700-0700-411.04-13 PURCHASED SERVICES / ELECTRICITY							
	6037		AP	6/22/2020	676192	GEXA ENERGY, LP	2,789.36
700-0700-411.04-31 PURCHASED SERVICES / BLDG. & GROUNDS MAI							
	5880	120875	AP	6/21/2020	5164	ANGELO WATER SERVI	56.75
	6014	122547	AP	6/17/2020	5165	CLARE'S HEATING &	462.00
	5912	121314	AP	6/13/2020	5167	DIRT DOC, LLC	725.00
	5447	121754	AP	6/1/2020	5143	ENER-TEL SERVICES	100.00
	5528	121087	AP	5/31/2020	5155	REPUBLIC SERVICES,	27.86
700-0700-411.04-42 PURCHASED SERVICES / RENT OF EQUIPMENT							
	5764		AP	6/22/2020	675851	CTWP	121.76
	5880	121698	AP	6/22/2020	5166	CTWP	148.16
700-0700-411.05-30 PURCHASED SERVICES / COMMUNICATION							
	6042		AJ	6/30/2020	561	JUNE MONTHLY CORRE	263.76
	6078		AJ	6/30/2020	575	SUDDENLINK CHRGS J	117.68
	6093		AJ	5/31/2020	574	SUDDENLINK CHRG MA	117.68
	5788		AJ	5/30/2020	533	VOIP - JUNE 20	263.76

City of San Angelo Development Corporation
Transaction Detail by Account
June 2020

Group #	PO #	Type	Date	Number	Description	Amount
6092		AJ	4/30/2020	573	SUDDENLINK CHRG AP	117.68
6091		AJ	3/31/2020	572	SUDDENLINK CHRG MA	117.68
6090		AJ	2/28/2020	571	SUDDENLINK CHRG FE	117.68
6089		AJ	1/31/2020	570	SUDDENLINK CHRG JA	117.68
6088		AJ	12/31/2019	569	SUDDENLINK CHRG DE	117.68
6087		AJ	11/30/2019	568	SUDDENLINK CHRG NO	117.68
700-0700-411.05-31 PURCHASED SERVICES / CELLULAR PHONE						
6045		AJ	6/30/2020	566	VERIZON CHARGES	51.46
6002		AJ	6/25/2020	549	AT&T JUNE 2020	57.00
5776		AJ	6/16/2020	532	AT&T May 2020	57.00
5775		AJ	6/15/2020	531	AT&T April 2020	57.00
700-0700-411.05-40 PURCHASED SERVICES / ADVERTISING						
5628	121300	AP	5/29/2020	5158	GO SAN ANGELO	500.69
5648	121300	AP	4/27/2020	5158	GO SAN ANGELO	463.38
700-0700-411.05-65 PURCHASED SERVICES / SPECIAL PROJECT "A"						
5799	121415	AP	6/12/2020	5162	CANON FINANCIAL SE	205.58
5447	121997	AP	6/1/2020	5146	SAN ANGELO CHAMBER	475.00
5447	122039	AP	6/1/2020	5150	WALLACE, RUSSELL E	596.00
5465	121415	AP	5/13/2020	5142	CANON FINANCIAL SE	188.45
700-0700-411.06-10 SUPPLIES / OFFICE SUPPLIES						
5799	121070	AP	6/10/2020	5163	STAPLES ADVANTAGE	55.89
5627	121070	AP	6/5/2020	5161	STAPLES ADVANTAGE	9.40
5466	121070	AP	4/18/2020	5149	STAPLES ADVANTAGE	6.00
700-0700-411.06-14 SUPPLIES / POSTAGE & SHIPPING						
5930		AP	6/30/2020	9193	POSTMASTER	0.50
5930		AP	6/30/2020	9193	POSTMASTER	3.00
5930		AP	6/30/2020	9193	POSTMASTER	7.55
5930		AP	6/30/2020	9193	POSTMASTER	3.00
5930		AP	6/30/2020	9193	POSTMASTER	0.50
5930		AP	6/30/2020	9193	POSTMASTER	3.50
700-0700-411.06-26 SUPPLIES / GASOLINE						
6006		AJ	6/30/2020	551	VM FUEL CHARGE JUN	29.63
700-0700-800.07-42 PROPERTY / VEHICLES						
5551	122515	AP	4/17/2020	5151	ALL ABOUT SIGNS	60.00
700-0705-411.04-11 PURCHASED SERVICES / WATER/SEWER UTILITI						
5455		AJ	6/8/2020	UT	UB CHARGE UPDATE	30.69
5395		AJ	6/5/2020	UT	UB CHARGE UPDATE	68.36

City of San Angelo Development Corporation
Transaction Detail by Account
June 2020

Group #	PO #	Type	Date	Number	Description	Amount
Fund 711 COSADC - BALLOT						
711-0000-313.00-00 TAX / SALES AND USE TAX						
6022		AJ	6/30/2020	555	COSADC SALES TAX J	529,191.19
711-0000-361.10-00 INTEREST / INTEREST ON INVESTMENTS						
6003		AJ	6/30/2020	548	RECD KIRBY PK PAYO	(2,492.26)
6039		AJ	6/30/2020	558	COSADC Bank Intere	4.10
6039		AJ	6/30/2020	558	COSADC Bank Intere	318.66
711-0700-411.03-13 PROFESSIONAL & TECHNICAL / ADM SVCS-AFFO						
6030		AJ	6/30/2020	556	COSADC ADMIN SRV C	7,533.75
711-0700-411.03-20 PROFESSIONAL & TECHNICAL / PROFESSIONAL						
6003		AJ	6/30/2020	548	WTWP REIMB CRCTN	10,170.17
PROJECT#: DC0123						
6042		AJ	6/30/2020	561	JUNE MONTHLY CORRE	10,170.17
PROJECT#: DC0123						
6071		AJ	6/30/2020	567	CORRECT WTWP ADJUS	(10,170.17)
PROJECT#: DC0123						
5864		AP	6/29/2020	2004	FIRST TITLE CO	40,000.00
PROJECT#: DC0200						
5780		CR	6/23/2020	293636	ECO DEV---PROF. TECH	(6,356.21)
PROJECT#: DC0200						
5559		AP	6/8/2020	5154	GLENN PARK APARTME	500.00
PROJECT#: DC0200						

THE CITY OF SAN ANGELO, TEXAS
Schedule of Revenues and Expenditures
Fiscal Year through June 30, 2020

2011A Tax/Revenue C.O. - Fund 514
For Airport, Ft. Concho, and Parks Improvements
Debt Payments Through 2024

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**855,955**		**855,955**			
REVENUES:							
C.O. Proceeds		-	-	-	-	13,780,000	13,780,000
Municipal Pool Donation		-	-	-	-	21,225	21,225
SASSRA Stock Barn		-	-	-	-	157,722	157,722
Transfer from Dev. Corp.		-	-	-	-	4,220,000	4,220,000
Interest Income		-	50	1,332	1,332	168,882	170,214
Total Revenues		-	50	1,332	1,332	18,347,829	18,349,161
EXPENDITURES:							
Airport Terminal Rehab	3925	-	-	-	-	500,000	500,000
Concho River	4119	258,084	-	2,630	(255,454)	8,341,918	8,344,548
Parks	6000	466,021	3,515	48,524	(417,497)	459,051	507,575
Red Arroyo Trail	6040	-	-	-	-	325,000	325,000
Recreation	6100	75,000	-	-	(75,000)	2,597,817	2,597,817
Fort Concho Improvements	6301	-	-	-	-	100,001	100,001
Auditorium	6602	-	-	-	-	3,750,001	3,750,001
Fairgrounds	6636	-	-	-	-	1,157,722	1,157,722
Transfer to Intergovernmental	1994	15,000	-	15,000	-	-	15,000
Issue Costs	9900	-	-	-	-	260,363	260,363
Total Expenditures		814,105	3,515	66,154	(747,951)	17,491,873	17,558,027
Revenue Over/(Under) Expenditures		**(814,105)**	**(3,465)**	**(64,822)**			
Ending Fund Balance		**41,850**		**791,133**			

THE CITY OF SAN ANGELO, TEXAS

Schedule of Revenues and Expenditures

Fiscal Year through June 30, 2020

Hickory Water Supply - Fund 516

Debt Payments Through 2031

	Dept	Current Budget	Month Actual	YTD W/Enc	Over/(Under) Budget	Previous Years Activity	Inception to Date
Beginning Fund Balance		**2,090,675**		**2,090,675**			
REVENUES:							
Interest		-	523	13,965	13,965	600,798	614,763
C.O. Proceeds		-	-	-	-	119,998,750	119,998,750
Total Revenues		-	523	13,965	13,965	120,599,548	120,613,513
EXPENDITURES:							
Easements/Property Damage	4150	-	-	-	-	106,865	106,865
Engineering	4157	2,076,396	211,875	2,076,396	-	17,632,306	19,708,702
Well Field Pipelines	4152	-	-	-	-	3,026,918	3,026,918
30 " Transmission Main	4153	-	-	-	-	38,681,022	38,681,022
Well Field Pumps	4154	-	-	-	-	12,831,038	12,831,038
Well Field Pump Station	4155	-	-	-	-	1,617,139	1,617,139
Well Field Expansion	4158	-	-	-	-	7,668,888	7,668,888
Treatment Plant	4156	-	-	-	-	27,132,194	27,132,194
Well Field Expansion #2	4159	-	-	-	-	9,640,252	9,640,252
Issue Costs	9900	-	-	-	-	172,251	172,251
Total Expenditures		2,076,396	211,875	2,076,396	-	118,508,873	120,585,269
Revenue Over/(Under) Expenditures		**(2,076,396)**	**(211,352)**	**(2,062,431)**			
Ending Fund Balance		**14,279**		**28,244**			

	Revenues
Previous Years Activity	120,599,548
Current Year Budget	-
Less Interest Earned	(600,798)
TOTAL	**119,998,750**

Report to Board

City of SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 22, 2020

Item type: Regular Item

Caption:

Discussion related to the COSADC Draft Budget for FY 2020-2021 (Presentation made by Tina Dierschke, Director of Finance)

Summary/History:

Financial Impact:

Other Information/Recommendation:

Attachments:

1.	2020 07-22 COSA DC Mtg Financial Summaries 2021	2020 07-22 COSA DC Mtg Financial Summaries 2021.pdf
2.	2020 Draft Budget	2020 Draft Budget.pdf

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

Development Corp.: Economic Development Fund
Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of May	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
700 REVENUES:						
Sales Tax	2,794,044	2,609,674	2,609,674	1,898,686	2,390,063	(219,611)
Rent	20,431	20,950	20,950	13,203	20,950	-
Interest	343,130	225,000	1,475,000	442,841	222,500	(2,500)
Transfers In	46,729	46,729	46,729	24,235	48,470	1,741
Total Revenues	**$ 3,204,334**	**$ 2,902,353**	**$ 4,152,353**	**$ 2,378,965**	**$ 2,681,983**	**$ (220,370)**
700 EXPENSES:						
Personnel	548,374	394,597	394,597	200,374	392,975	(1,622)
Operations & Maintenance	2,908,521	906,267	12,180,146	5,009,012	874,658	(31,609)
Capital	4,470	1,601,489	765,791	29,128	1,414,350	(187,139)
Total Expenditures	**$ 3,461,365**	**$ 2,902,353**	**$ 13,340,534**	**$ 5,238,514**	**$ 2,681,983**	**$ (220,370)**
Revenues Over/ (Under) Expenditures	(257,031)	-	(9,188,181)	(2,859,549)	-	-
Unreserved Beginning Fund Balance	15,094,565	14,837,534	14,837,534	14,837,534	14,837,534	-
Unreserved Ending Fund Balance	**$ 14,837,534**	**$ 14,837,534**	**$ 5,649,353**	**$ 11,977,985**	**$ 14,837,534**	**$ -**

Development Corp.: Ballot Fund Financial Summary

Description	FY19 Actual	FY20 Original Budget	FY20 Revised Budget	FY20 Year-to-date as of May	FY21 Proposed Budget	Increase (Decrease) from FY20 Original
711 REVENUES:						
Sales and Use Tax	7,184,684	6,710,590	6,710,590	4,882,336	6,145,876	(564,714)
Interest	58,843	75,000	75,000	41,011	32,200	(42,800)
Total Revenues	**$ 7,243,527**	**$ 6,785,590**	**$ 6,785,590**	**$ 4,923,347**	**$ 6,178,076**	**$ (607,514)**
711 EXPENSES:						
Personnel	60,930	-	-	-	-	-
Operations & Maintenance	5,548,113	5,987,250	5,987,250	5,267,656	6,500,054	512,804
Capital	-	798,340	798,340	-	-	(798,340)
Total Expenditures	**$ 5,609,043**	**$ 6,785,590**	**$ 6,785,590**	**$ 5,267,656**	**$ 6,500,054**	**$ (285,536)**
Revenues Over/ (Under) Expenditures *	1,634,484	-	-	(344,309)	(321,978)	(321,978)
Unreserved Beginning Fund Balance	684,244	2,318,728	2,318,728	2,318,728	2,318,728	-
Unreserved Ending Fund Balance	**$ 2,318,728**	**$ 2,318,728**	**$ 2,318,728**	**$ 1,974,419**	**$ 1,996,750**	**$ (321,978)**

* There is a planned use of fund balance in FY21 for Water Rights.

FY 2020 Draft Budget

Presentation by

Director of Finance, Tina Dierschke

City of SAN ANGELO TEXAS Development Corporation

Major funds revenue & expenditures

- Development Corporation
  - Economic Development
  - Ballot

City of SAN ANGELO TEXAS Development Corporation

COSA DC: Economic Dev.	2019-20	2020-21	Inc/(Dec)
Revenue			
Sales and Use Tax	2,609,674	2,390,063	(219,611)
Other	292,679	291,920	(759)
Total	**2,902,353**	**2,681,983**	**(220,370)**
Expenditure			
Personnel	394,597	392,975	(1,622)
O & M	906,267	874,658	(31,609)
Capital	1,601,489	1,414,350	(187,139)
Total	**2,902,353**	**2,681,983**	**(220,370)**
Revenue Over/(Under) Expenditure	**-**	**-**	

City of SAN ANGELO TEXAS Development Corporation

COSA DC: Ballot	2019-20	2020-21	Inc/(Dec)
Revenue			
Sales and Use Tax	6,710,590	6,145,876	(564,714)
Other	75,000	32,200	(42,800)
Total	**6,785,590**	**6,178,076**	**(607,514)**
Expenditure			
Personnel	-	-	-
O & M	5,987,250	6,500,054	512,804
Capital	798,340	-	(798,340)
Total	**6,785,590**	**6,500,054**	**(285,536)**
Revenue Over/(Under) Expenditure	**-**	**(321,978)**	

City of San Angelo Texas Development Corporation

Report to Board

CITY OF SAN ANGELO TEXAS Development Corporation

Requestor: Nora Nevarez, Executive Office Coordinator, COSADC, 325-653-7197

Meeting Date: July 22, 2020

Item type: Regular Item

Caption:

Consider and approve negotiation and execution of a one year Lease Agreement with options to extend for three additional one year terms, and an MOU with ASU Small Business Development Center for operation of the Business Factory program. (Presentation by Guy Andrews, Director of Economic Development)

Summary/History:

ASU SBDC requires a lease for office space in the Business Resource Center. Lease shall be renewed and extended for an additional three (3 years, beginning September 1, 2020, and terminating on August 31, 2024.

Financial Impact:

Other Information/Recommendation:

Attachments:

1. 20-0363_COSADC_ASU_BRC_LSE_07-15-20 20-0363_COSADC_ASU_BRC_LSE_07-15-20.docx

Presentation:

Approvals/Reviews:

Nora Nevarez	Created/Initiated
Dan Saluri	Approved
Nolan Sosa	Approved
Tina Dierschke	Approved
Guy Andrews	Final Approval

LEASE AGREEMENT

LESSOR: City of San Angelo Development Corporation (COSADC), a Texas non-profit development corporation.

LESSEE: Angelo State University, (ASU) a member of the Texas Tech University System.

LEASED PREMISES: Suites 110.0 through 110.10, located at the Business Resource Center (BRC), 69 North Chadbourne Street, San Angelo, Texas 76903-5848.

REFERENCE DATA

Commencement Date: September 1, 2020

Building Name: Business Resource Center

Leased Premises Address: 69 North Chadbourne Street, San Angelo, Texas 76903-5848 Suites 110.0 through 110.10

Lessor: City of San Angelo Development Corporation
69 North Chadbourne Street
San Angelo, Texas 76903

Lessee: Angelo State University, member Texas Tech University System, Mayer Administration Building, 2601 W. Avenue N, San Angelo, Texas 76909

Leasable Area: 2516 square feet (approx.)

Estimated Termination Date: Terminates on August 31, 2021, but may renew annually until August 31, 2024

Initial Term of Lease: One year, plus up to three annual extensions, for up to but not to exceed four (4) years (with yearly auto renewal & funding out clauses), subject to earlier termination as herein provided.

Annual Rent: In consideration of the premises and the mutual covenants set forth herein, and TEN DOLLARS.

Security Deposit: N/A

Use of Leased Premises: Office space for operation of ASU Small Business Development Center.

Exhibits: The exhibits marked in this section are incorporated in this Lease by reference hereto and are to be construed as part of this Lease Agreement.

X **Exhibit "A"**, Legal Description
X **Exhibit "B"**, Special Provisions
X **Exhibit "C"**, MOU Business Factory
X **Exhibit "D"**, Floor Plan, Suites 110.0-110.10

TABLE OF CONTENTS

LEASE AGREEMENT

This Lease Agreement is made by and between the City of San Angelo Development Corporation, a Texas Nonprofit Development Corporation (Lessor) and Angelo State University, a member of the Texas Tech University System, (Lessee) on the Execution Date stated in the REFERENCE DATA (page 1 above), which REFERENCE DATA is attached to and made a part hereof for all purposes.

W I T N E S S E T H:

Lessor does hereby lease to Lessee and Lessee accepts from Lessor the Leased Premises, located at the address specified in the REFERENCE DATA and hereinafter called the "Leased Premises", subject to the covenants, terms, provisions, and conditions of this Lease Agreement. The legal description of the real estate on which the building in which the Leased Premises is located (the "Building") is attached hereto as **Exhibit "A"**.

1. TERM OF LEASE

This Lease Agreement shall begin on the Commencement Date, and shall end on August 31, 2021, except that it shall automatically renew for three (3) additional one year terms if neither party objects at least thirty (30) days prior to the expiration of a term. In any case, this Lease Agreement shall not extend beyond August 31, 2024. This Lease Agreement may terminate on an earlier date pursuant to any of the other conditions or provisions of this Lease Agreement.

2. RENT

Lessee agrees to pay to Lessor, without demand therefore and without any deduction or offset whatsoever, an annual rent payment payable in advance during the full term of this Lease Agreement. Annual rent shall be due and payable on or before October 1st for each fiscal year of the term of this Lease or any extensions thereof. The Lessee shall have the right to cancel this contract at the end of the then current fiscal period (September 1 to August 31) if funds are not allotted for the next fiscal year to continue this contract. The Lessee may enact such cancellation by giving the Lessor written notice of its intention to cancel not less than thirty (30) days prior to the end of the then current fiscal period, stating its reasons for cancellation. Upon cancellation of this contract as provided in this section, the Lessee shall not be responsible for the payment of any services received which occur after the end of the current contract period.

Lessor reserves the option to adjust Annual Rent upon any automatic renewal or other extension of the Lease Term.

3. PAYMENT OF RENT

All rent hereunder shall be paid by check to the Landlord at the address shown at Paragraph 29, NOTICES, of this Lease Agreement, or to such other place as Lessor may from time to time designate in writing; provided, however, all rent must be actually received by Lessor on or before its due date.

4. SERVICES BY LESSOR

Lessor agrees to furnish to the Leased Premises during reasonable hours of generally recognized business days, heating and cooling required for the normal office use and occupation of the Leased Premises. Lessee requires 24/7 access to leased space and common areas. Lessor shall make water, gas, electric, and sewer utilities available to the Leased Premises. Failure to any extent to furnish these services resulting from causes beyond the control of Lessor shall not render Lessor to be in default hereof, however occurring, nor relieve Lessee from any of Lessee's obligations under this Lease Agreement.

5. MAINTENANCE AND REPAIRS

Lessor shall keep and repair the interior and exterior of the Leased Premises, including all paving, parking areas, exterior landscaping and exterior lighting associated with the Leased Premises, unless the need for such repair shall have been caused by the negligence or misconduct of Lessee or Lessee's employees, agents, or invitees. Lessor shall not be required to pay for any charges made for repair of the Leased Premises authorized by Lessee without notice to and prior approval of Lessor in writing and Lessor shall not have any liability for damage or injury arising out of any occurrence causing a need for such repair. Lessee hereby agrees to exercise all reasonable care to prevent damage to the Leased Premises. Lessor shall furnish janitorial services furnished by Lessor for the rest of the offices and common areas of the building.

6. COMMON AREA MAINTENANCE

Lessor is responsible for all common area maintenance.

7. TAXES

Lessor shall pay and fully discharge all of the real estate ad valorem taxes on the Leased Premises. To the extent that such taxes are applicable to Lessee as a tax-exempt entity, Lessee will pay all personal property taxes and all real estate ad valorem taxes and assessments levied, assessed, or imposed upon all improvements erected, installed or placed by Lessee on the Leased Premises.

8. INSURANCE

a. Lessor Fire Insurance and Limited Liability: Lessor shall at all times during the term of this Lease Agreement carry fire and extended coverage insurance on the Building for not less than eighty percent (80%) of the replacement cost of said improvements. Lessor shall not be required to insure and shall not be liable to Lessee for any loss or damage to Lessee's property including, but not limited to, furniture, fixtures, equipment and inventory and leasehold improvements added to the Leased Premises by Lessee which may be caused by fire, wind, rain, flood, other unforeseen Acts of God, or any other cause. Lessee is self-insured for liability purposes. Lessor shall not be responsible or liable to Lessee for any loss or damage to person or property that Lessee may incur by or through any act or failure to act of other tenants occupying any part of the building in which the Leased Premises are located, or for any loss or damage to property that Lessee may incur arising from bursting or leaking of water, gas, or sewer pipes, or for any damage or loss of property within the premises from any other reason whatsoever, except if caused by the negligence of the Lessor, or its agents or employees.

b. Lessee Self Insurance: For purposes of this Agreement ASU self-insures (Certificate attached).

9. SECURITY

To the extent allowed by Texas law, Lessor hereby disclaims, and Lessee hereby waives, any obligations on the part of Lessor to provide security for the Leased Premises at any time. To the extent allowed by Texas law, Lessee agrees that Lessor shall not be liable to Lessee or Lessee's employees, agents or invitees, or to any other person whomsoever for any injury to person or damage to property on or about the Leased Premises by reason of the absence and/or failure of security, and Lessee further agrees that the provisions of Paragraph 17, HOLD HARMLESS AND INDEMNITY, shall apply with respect to any claim, damage, cost and/or expense asserted against or incurred by Lessor and arising from the absence and/or failure of security for the Leased Premises insofar as Texas law allows.

10. ALTERATIONS

Lessee may not make any alteration to the Leased Premises. If Lessor, in Lessor's sole discretion, approves any alteration to the Leased Premises, except as agreed otherwise in writing by Lessor, all alterations shall at once become a part of the realty and belong to Lessor, except movable furniture and trade fixtures. Lessee shall keep the Leased Premises in good condition, and shall, at the expiration or termination of this Lease Agreement, deliver the Leased Premises to Lessor in as good a condition as of the date of possession, except for ordinary wear and tear, casualty and Lessor repairs.

11. ACCEPTANCE OF PREMISES

LESSEE ACCEPTS THE LEASED PREMISES AS IS AND WITHOUT WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION OF THE PREMISES OR ANY IMPROVEMENTS THEREON, INCLUDING WARRANTY OF HABITABILITY OR FITNESS FOR A PARTICULAR USE. To the extent that a reasonable person could have discovered any defects or conditions to indicate to the contrary, Lessee's taking possession shall be conclusive evidence that the Leased Premises was in good order and satisfactory condition when Lessee took possession. Further, there was nothing in or about the Leased Premises obviously dangerous to life, limb, or health, and, to the extent allowed by Texas law, Lessee waives any claim for damages that may arise from defects of that character. No promise of Lessor to alter, remodel, repair, decorate or improve the Leased Premises, and no representation respecting the condition of the Leased Premises has been made by Lessor to Lessee other than as may be contained herein or on the exhibits attached hereto.

12. USE OF LEASED PREMISES

Lessee shall use the Leased Premises for general office and educational purposes and for no other purpose without the prior written consent of Lessor. Lessee, its employees, agents, or invitees, shall not do or permit anything to be done in or about the Leased Premises which in any way will injure the reputation or appearance of the Leased Premises. Lessee shall not cause, maintain or permit any nuisance in, on, or about the Leased Premises. Lessee shall not conduct any business in the Leased Premises except that essentially connected with the stated use of the Leased Premises in the REFERENCE DATA.

13. LESSOR'S RIGHT OF ENTRY

The parties hereto agree that Lessor, its agents or representatives, shall have the right, without abatement of rent, to enter upon the Leased Premises to examine the Leased Premises, improve or repair the Leased Premises, provide services required of Lessor, or to make such repairs or alterations to Leased Premises as may be necessary for the safety and preservation of said Leased Premises. Such examinations, repairs, and alterations, except those of an emergency nature, shall be made so as to cause a minimum of interference with Lessee's business conducted in the Leased Premises, and, to the maximum extent possible, reasonable prior notice shall be provided to Lessee. For each of the aforesaid purposes, Lessor shall, at all times, have and retain a key to unlock all of the doors in and to the Leased Premises.

14. ASSIGNMENT AND SUBLETTING

Lessee may not assign this Lease Agreement or any interest herein, nor sublet the Leased Premises nor any part thereof nor any right or privilege pertinent thereto. If Lessor, in Lessor's sole discretion, approves a transfer, assignment or sublease, each transferee, assignee or sublessee must assume in writing all of Lessee's obligations under this Lease Agreement, and Lessee shall remain liable for each and every obligation hereunder. In the event Lessee assigns or sublets any portion of the Leased Premises without the prior written approval of Lessor, Lessee shall be deemed to be in default of this Lease Agreement and Lessor shall have all remedies provided in this Lease Agreement.

15. SURRENDER AND HOLDING OVER

Lessee, upon expiration or termination of this Lease Agreement, either by lapse of time or otherwise, agrees to surrender peaceably the Leased Premises to Lessor. In the event that Lessee shall fail to surrender the Leased Premises as provided above, such holding over shall be construed as tenancy from month to month upon the other terms and conditions as set out herein, and Lessee shall pay Lessor as rent twice the most recent monthly rental paid prior to the date of such termination.

16. DESTRUCTION OF LEASED PREMISES

In the event the Leased Premises is damaged by fire or other casualty, Lessor shall forthwith repair the same provided such repairs to the Leased Premises can normally be made within sixty (60) days from the date of the casualty. This Lease Agreement shall remain in full force and effect except that Lessee shall be entitled to a proportionate abatement in rent, unless such damage or casualty resulted from the negligence or other act of Lessee or its agents, licensees, invitees or employees, from the date of such damage and while such repairs are being made, such reduction to be determined by Lessor based pro rata on the extent to which the damage and the making of such repairs shall interfere with the use and occupancy by Lessee of the Leased Premises. If such repairs cannot be made within sixty (60) days, Lessor shall have the option by written notice given at any time within thirty (30) days after such damage, of terminating this Lease Agreement as of the date specified in such notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the giving of such notice. In the event of the giving of such termination notice, rent, proportionately abated as specified above, shall be paid by Lessee only through the specific termination date provided for in the notice, Lessor agreeing to refund to Lessee any rent theretofore paid in advance for any period of time subsequent to such date. In the event Lessor does not exercise the above set forth option to terminate this Lease Agreement shall continue in full force and effect, but the rent hereunder to be proportionately abated as provided above. Lessor shall not be required to repair or replace any property or improvements installed in the Leased Premises by Lessee. The foregoing notwithstanding, Lessor shall not be required to expend in repairing and restoring the Leased Premises any amount in excess of the insurance proceeds received by Lessor for such damage or casualty which are allocable to the Leased Premises.

17. HOLD HARMLESS AND INDEMNITY

To the extent allowed by Texas laws and the Constitution of the State of Texas, Lessor shall not be liable to Lessee or Lessee's employees, agents or invitees, or to any other person whomsoever for any injury to person or damage to property on or about the Leased Premises caused by or arising out of the negligence, misconduct, other acts or omissions of any person other than Lessor; the Leased Premises becoming out of repair; the lack of supervision or security for the Leased Premises; the management of Lessee's business in the Leased Premises; or the breach on the part of Lessee of any term or condition of this Lease Agreement. Only insofar as Texas laws and the Constitution of the State of Texas allows, Lessee agrees to indemnify and hold Lessor harmless from and against any and all liability and claims for any and all such injury or damage, including reasonable attorney's fees for the defense thereof. Only insofar as Texas law allows, in case of any action or proceeding brought against Lessor by reason of any such claim, Lessee covenants and agrees to defend such action or proceeding by legal counsel appointed by Lessee, and shall indemnify and hold Lessor harmless from any liability costs, expenses, judgment, or other loss arising out of any such action or proceeding.

18. SALE OR ASSIGNMENT BY LESSOR

In the event of a sale or conveyance by Lessor of the Leased Premises, provided the successor owner agrees in writing to assume all of Lessor's obligations under this Lease Agreement, the same shall operate to release Lessor from any future liability under this Lease Agreement to Lessee, and Lessee agrees, following such a sale or conveyance to look solely to the successor owner for performance of all the covenants and obligations of Lessor under this Lease Agreement. This Lease Agreement shall not otherwise be affected by any such sale or conveyance. Lessee agrees to attorn to the successor owner. Lessee agrees that Lessor may assign all of its rights as Lessor under this Lease Agreement only if each transferee or assignee assumes in writing all of Lessor's obligations under this Lease Agreement, unless otherwise agreed in writing by Lessor and Lessee prior to such assignment. Lessee further agrees to give such further evidence of Lessee's consent to such assignment as may be reasonably requested by Lessor or by Lessor's assignee.

19. DEFAULT BY LESSEE

Lessee shall be in default under this Lease Agreement if any of the following occur:

(a) Lessee shall fail to pay when due any rent or other sum of money required to be paid to Lessor pursuant to the terms of this Lease Agreement.

(b) Lessee shall fail to comply with any material term or condition of this Lease Agreement other than the payment of any rent or other sum as described in subparagraphs (a) hereinabove. Lessor agrees to give Lessee notice of any such failure and a reasonable time to cure such failure, generally no less than thirty (30) days, before declaring Lessee in default under this Lease Agreement if such notice and reasonable time can be given without prejudice to the protection of Lessor's rights hereunder.

20. REMEDIES BY LESSOR

(a) Should Lessee default under, or fail to perform, any provision of this Lease Agreement, Lessor may at its option do any one or more of the following, insofar as Texas law allows:

i. Terminate this Lease Agreement and Lessee shall immediately surrender the Leased Premises to Lessor. In the event Lessor elects to terminate this Lease Agreement, Lessee shall be liable to Lessor for all rentals and sums due for the remaining term of this Lease Agreement, all of which shall be immediately due and payable.

ii. Lessor may relet the Leased Premises or any part thereof for all or any part of the remainder of said term of this Lease Agreement to a part satisfactory to Lessor, and at such monthly rental as Lessor may with reasonable diligence secure. Lessee shall pay to Lessor upon demand all expense of reletting, and shall pay to Lessor upon demand the amount of the total projected deficiency for the remaining term of this Lease Agreement should the total rental provided for under the relet lease be less than the total rental Lessee was obligated to pay under this Lease Agreement.

iii. Lessor may enter the Leased Premises by any lawful means without being liable for prosecution or any claim for damages therefor and perform the obligations of Lessee under this Lease Agreement, and Lessee agrees to reimburse Lessor upon demand for any expenses incurred by Lessor in effecting compliance with Lessee's obligations.

(b) To the extent allowed by Texas law, Lessee agrees that Lessor shall not be liable for any damages resulting to Lessee from Lessor's election of any of the foregoing remedies. All rights and remedies of Lessor under this Lease Agreement shall be cumulative and none shall exclude any other right or remedy at law. Such rights and remedies may be exercised and enforced concurrently and whenever and as often as the occasion therefor may arise.

21. EXAMINATION NOT OPTION

Submission of this instrument for examination or signature by Lessee does not constitute a reservation of or option for lease and it is not effective as a lease or otherwise until execution and delivery by both Lessor and Lessee.

22. DAMAGE

Lessor shall not be responsible or liable to Lessee for any loss or damage which may be caused by or arising out of the acts or omissions of persons occupying other premises in the building, or, to the extent allowed by Texas law, for any loss or damage resulting to Lessee or Lessee's property from bursting, stoppage or leakage of water, gas, sewer or steam pipes.

23. REMEDIES BY LESSEE

In the event of any default by Lessor of any term or condition of this Lease Agreement, Lessee shall give written notice to Lessor of such default in reasonable detail and Lessor shall have thirty (30) days to commence to cure such default after receipt of written notice. If Lessor has not with reasonable diligence and good faith commenced to cure said default within said thirty (30) days, Lessee may at its option terminate this Lease Agreement.

24. WAIVER OF DEFAULT

No waiver of default of Lessee shall be implied, and no express waiver shall affect any default other than the default specified in such waiver and that only for the time and to the extent herein stated. The parties hereby agree that no action by Lessor pursuant to Paragraph 23, REMEDIES BY LESSOR, or any other paragraph of this Lease Agreement shall be deemed an acceptance by Lessor of Lessee's surrender of the Leased Premises, thereby relieving Lessee of any liability hereunder.

25. BINDING EFFECT

This Lease Agreement shall be binding upon and inure to the benefit of the representatives, successors and assigns, of the parties. Each person, corporation or other legal entity which is authorized by Lessee to conduct any business or other operations on the Leased Premises, either as a transferee, assignee, sublessee, licensee, invitee or otherwise, shall be liable for all of Lessee's obligations under this Lease Agreement and shall have assumed all such obligations by virtue of having conducted any business or other operations on the Leased Premises. Each of the persons executing this Lease Agreement on behalf of Lessee herein below is executing this Lease Agreement not only on behalf of the named Lessee but also on behalf of and as an authorized agent of any other person, corporation or other legal entity described in the preceding sentence.

26. *(Intentionally Left Blank)*

27. CONDEMNATION

If all or any substantial part of the Leased Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain, or conveyance in lieu thereof, Lessor shall give Lessee notice thereof and thereafter have the right, at its option, to terminate this Lease Agreement as of the date possession is taken hereunder. If the taking of a sufficient or a certain portion of the Leased Premises renders the balance of the Leased Premises inadequate for the operation of Lessee's business at the Leased Premises, Lessee shall have a right to terminate this Lease Agreement upon written notice to Lessor not later than thirty (30) days from the date such possession is to be taken, said termination to be effective as of the date possession is to be taken.

The entire compensation awarded to Lessor by reason of said eminent domain proceedings shall belong to Lessor without any deduction therefrom for any present or future estate or interest of Lessee.

In the event of a partial taking of the Leased Premises, if this Lease Agreement is not terminated, Lessor at its expense shall restore any damage to the Leased Premises as a result of the taking, and the rent and any other sums payable by Lessee to Lessor shall be reduced by the percentage that the area of the Leased Premises taken bears to the area of the entire Leased Premises prior to the taking.

28. USE OF LANGUAGE

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

29. NOTICES

All provisions for notice of any kind under this Lease Agreement shall be deemed sufficient notice if: (a) such notice to Lessee is in writing addressed to Lessee's address indicated in the REFERENCE DATA, or the last known post office address of Lessee **and deposited in the United States mail by registered or certified mail, return receipt requested, with postage prepaid**, and (b) such notice to Lessor is in writing addressed to Lessor's address indicated in the REFERENCE DATA, Attention: Director of Economic Development, or at such other address as Lessor may notify Lessee in writing **and deposited in the United States mail by registered or certified mail, return receipt requested, with postage prepaid.**

Notice shall be deemed given when mailed in accordance with the provisions of this Lease Agreement.

30. CAPTIONS

The captions or headings of paragraphs in this Lease Agreement are inserted for convenience only and shall not be considered in construing the provisions hereof if any question of intent should arise.

31. REMOVAL OF EQUIPMENT AND FIXTURES

Lessee shall have the right to remove from the Leased Premises signs, shelving, and other fixtures and equipment which have been installed upon the Leased Premises by Lessee, provided that Lessee is not in default under any of the terms and conditions of this Lease Agreement, and that Lessee shall repair any damage caused by removal of its property so as to restore the Leased Premises in the same or similar condition as provided in Paragraph 10, ALTERATIONS, hereof. The foregoing notwithstanding, Lessee shall not have the right to remove from the Leased Premises any item or items built and/or purchased by Lessee in whole or in part with funds provided by Lessor whether such funds are provided as a finish-out allowance under this agreement or otherwise; interior partitioning, wall coverings, floor and floor coverings, ceilings, lighting fixtures, heating and air conditioning and ventilating equipment and any other electrical, mechanical, plumbing or other similar items which would be used in the general occupancy of the Leased Premises; or any item or items used in lieu of permanent wall coverings, ceiling coverings and/or floor coverings, including, but not limited to, such items as wall cabinets or shelving which do not have built-in wall coverings behind them and built-in units which do not have permanent floor coverings below them.

32. FORCE MAJEURE

Neither party shall be required to perform any term, condition or covenant of this Lease Agreement so long as such performance is delayed or prevented by force majeure which shall mean acts of God, pandemics or local epidemics, strikes, lockouts, shortage of material or labor restrictions by any governmental authority, civil riot, floods, and any other cause not reasonably within the control of the party affected by the force majeure, and which, by the exercise of due diligence, that party is unable wholly or in part to prevent or overcome.

33. SIGNS

Lessee sign on exterior of building near entrance per SBDC cooperative agreement. See Special Provisions **Exhibit "B"**

34. ENTIRE AGREEMENT

This Lease Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the Leased Premises. No amendment, modification or alteration of the terms hereof shall be binding unless the same is in writing dated subsequent to the date hereof and duly executed by the parties hereto. If Lessor is a partnership (general or limited) or corporation, no partner, director, officer, stockholder or other individual associated with said Lessor shall be personally liable for any of Lessor's obligations or covenants hereunder to the extent allowed by Texas law. Each Lessee signing this Lease Agreement, if more than one, is jointly and severally liable for all of Lessee's obligations under this Lease Agreement, insofar as Texas law allows.

(Execution page to follow)

NEITHER THE EXECUTION OF THIS CONTRACT BY LESSEE NOR ANY OTHER CONDUCT OF ITS REPRESENTATIVES RELATING TO THIS AGREEMENT SHALL BE CONSIDERED A WAIVER OF LESSEE'S SOVEREIGN IMMUNITY TO SUIT.

EXECUTED on the dates referenced below.

LESSOR:

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

By:________________________________
Todd Kolls, President

Date: ______________________________

LESSEE:

ANGELO STATE UNIVERSITY, member
TEXAS TECH UNIVERSITY SYSTEM

By:________________________________
Angie Wright, Interim President
angie.wright@angelo.edu

Date:_______________________________

APPROVED AS TO CONTENT

____
Guy Andrews, Economic Development Director

APPROVED AS TO FORM

____
Dan T. Saluri, Deputy City Attorney

APPROVED FOR RISK

____
Charles Hagen

EXHIBIT "A"

LEGAL DESCRIPTION

Location of Leased Premises being that certain tract of land described in Warranty Deed recorded in Instrument Number 699748 Official Public Records of Tom Green County, Texas, also being 0.3407 acres (14,840 square feet) out of Acre Lots 15 and 16 of the Miles Addition to the City of San Angelo, and being 0.3111 acres (13,553 square feet) also being all of Lots 8 through 10 and the South 17.6 feet of Lot 11, W.C. Johnson's Subdivision of a part of Acre Lots 5 and 6, of the Miles Addition to the City of San Angelo, Tom Green County Texas.

Leased Premises: Suites 110.00 through 110.10.

EXHIBIT "B"

SPECIAL PROVISIONS

1. Lessee requires eight dedicated parking spaces for Lessee staff in lot owned by Lessor at corner of First Street and Chadbourne Street.

2. Lessee requires signage on front of building near the entrance per its cooperative agreement with lead SBDC center. Signage and installation of such was paid by Lessee. Signage is not more than ten (10) sq. ft. in size. Sign is in place.

EXHIBIT “C”
MOU BUSINESS FACTORY

MEMORANDUM OF UNDERSTANDING (MOU) BY AND BETWEEN THE CITY OF SAN ANGELO DEVELOPMENT CORPORATION (COSADC), OPERATOR OF THE BUSINESS RESOURCE CENTER (BRC), AND ANGELO STATE UNIVERSITY (ASU) RELATING TO THE OPERATION OF THE BUSINESS FACTORY.

WHEREAS, the City of San Angelo Development Corporation (COSADC) is a Texas non-profit development corporation organized pursuant to the Texas Development Corporation Act for purposes of promoting the development of new and expanding enterprises which create or retain jobs; and, the Business Factory (Business Incubator) is a program of COSADC, and,

WHEREAS, the Angelo State University (ASU), a member of the Texas Tech University System, is a state institution of higher education, and, the Small Business Development Center (SBDC) is a small business outreach and assistance program in the ASU Norris-Vincent College of Business.

WHEREAS, it is the intent of the parties that this MOU covering the same subject matter as the Lease Agreement entered into by and between the parties, to which this MOU is attached as Exhibit “C”, run concurrently with said Lease Agreement; and, that this MOU be automatically extended or terminated concurrently with any extension or termination of the Lease Agreement.

NOW, THEREFORE, the COSADC and ASU enter into the following Memorandum of Understanding (MOU) and agree as follows:

In regards to Business Factory program, COSADC will:

1. Continue to maintain contractual agreements with and provide requirements to incubator clients.
2. Continue to manage facility and responsibility for all repairs and maintenance.
3. Continue to maintain all service contracts for incubator amenities i.e. copier, Wi-Fi etc.
4. Continue to collect rent and service fees from incubator clients.
5. Reimburse SBDC for mutually agreed upon advertising expenses.

In regards to the Business Factory program, ASU SBDC will:

1. Assume responsibility for marketing the Business Factory as a partnership program between COSADC and ASU SBDC to secure incubator clients.
2. Assume responsibility for the recruitment of incubator clients.
3. Assume orientation of clients to business incubator and liaison with COSADC on requirements, policies, and responsibilities of clients in the business incubator.
4. Continue business development efforts with incubator clients with no-cost and confidential one –on-one business advising and no-cost to low-cost business training.
5. Assume responsibility of assisting incubator clients through the advisory panel reporting process.
6. Receive a rent reduction to $10 annually for the length of the MOU/lease amendment.

7. Term of Agreement. The Initial Term of this agreement and any extensions or termination thereof shall automatically be concurrent with the Initial Term, any extensions thereof or termination of the Lease Agreement entered into by and between the parties to this MOU of even date hereof, to which this MOU is attached as **Exhibit "C".**

Notice. Any notice to be given hereunder by any Party(s) to the other Parties shall be in writing and comply with the notice provisions of the Lease Agreement entered into by and between the parties to this MOU of even date hereof, to which this MOU is attached as **Exhibit "C** EXECUTED by the Parties hereto, each respective entity acting by and through its duly authorized officer as required by law, in multiple counterparts each of which shall be deemed to be an original, on the date specified.

CITY OF SAN ANGELO
DEVELOPMENT CORPORATION

By:_________________________________
Todd Kolls, President

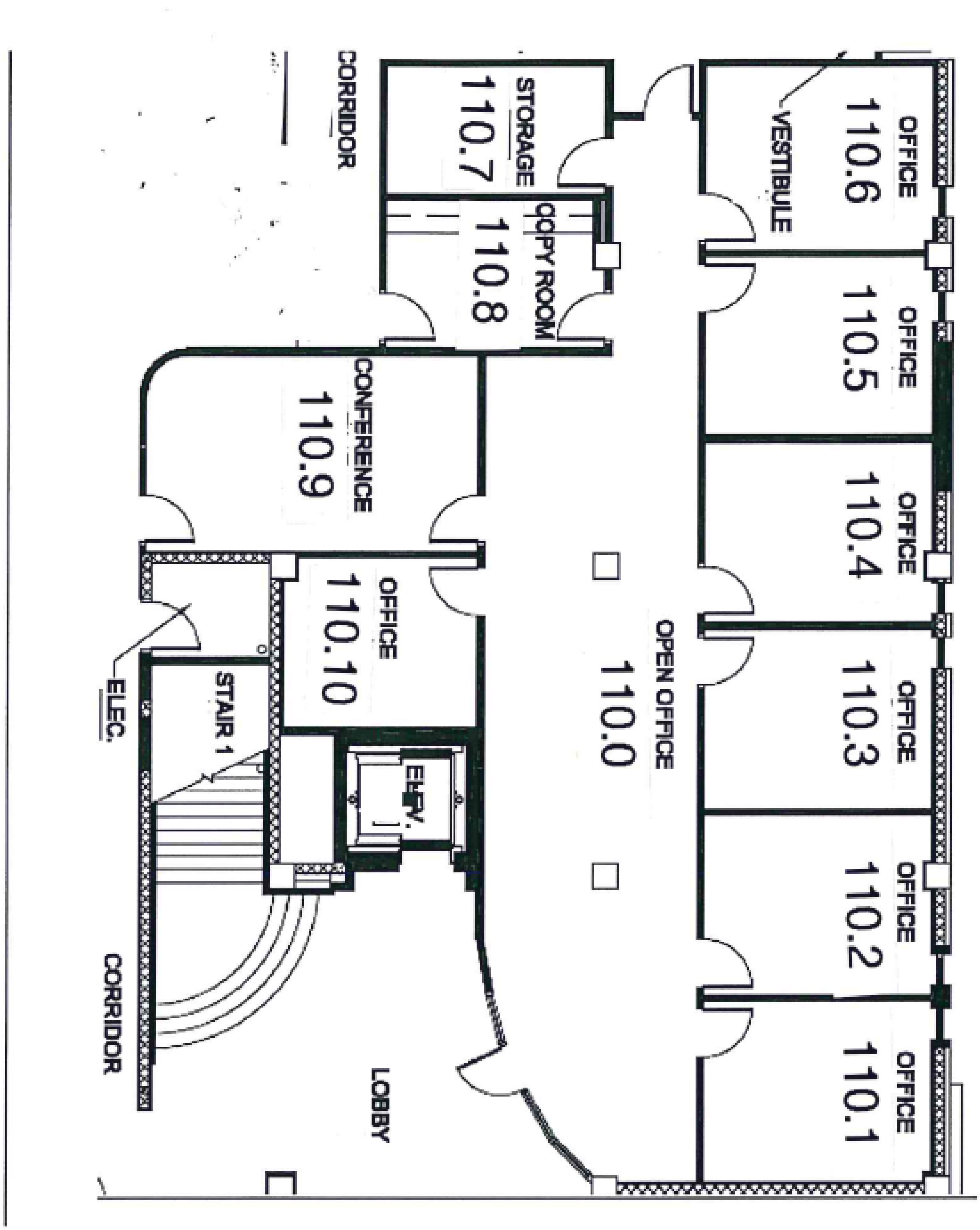
Date: _______________________________

ANGELO STATE UNIVERSITY, member
TEXAS TECH UNIVERSITY SYSTEM

By:_________________________________
Angie Wright, Interim President
angie.wright@angelo.edu

Date:_______________________________

EXHIBIT “D”
Floor Plan
Suites 110.0—110.10



TEXAS TECH UNIVERSITY SYSTEM
Risk Management™

September 1, 2019

To Whom It May Concern:

Texas Tech University System (TTUS) and its components Texas Tech University System Administration, Texas Tech University, Texas Tech University Health Sciences Center, Texas Tech University Health Sciences Center-El Paso and Angelo State University as Texas state agencies are self-funded for Commercial General Liability and Workers' Compensation. Consequently we cannot provide certificates of insurance for these coverages.

TTUS participates in a formal self-funded workers' compensation program which meets state limits and is administered through the State Office of Risk Management pursuant to Chapter 412 of the Texas Labor Code. The coverage extends domestically and in foreign countries.

TTUS does not purchase commercial general liability or employer's liability insurance for its general operations However, the Texas Tort Claims Act (the Act), Chapter 101 of the Texas Civil Practice and Remedies Code, does provide a limited waiver of the sovereign immunity that protects governmental units in Texas such as the institutions of Texas Tech University System. Thus, the Act may provide a remedy for claimants who make tort claims that fall under its provisions. Liability in cases of personal injury or death is limited to a maximum of $250,000 per person and $500,000 for each single occurrence. Maximum liability for injury to or destruction o property is $100,000 for each single occurrence.

TTUS maintains a self-funded auto plan for all University owned, hired and non-owned vehicles with limits of at least $250,000 per person and $500,000 per accident for bodily injury and $100,000 for property damage. Thes damage limits are set by the statute as discussed above.

Additionally, Texas Tech University, as a state institution of higher education, and thus a state agency, is precluded from granting full indemnity in an agreement with another entity. The preclusion has two bases, th first of which is the Texas Constitution. Article 3, Sections 50-52, of the constitution generally provide that the State has no power to give, lend, or pledge the credit of the State to any person, association, or corporation, o to make any grant of public moneys to any person, association, or corporation. The second basis for the preclusion is the doctrine of governmental immunity which, although abrogated in other states, continues to b the rule in Texas. The State cannot be sued in its courts without its (i.e., the State Legislature's) consent. Wals v. University of Texas, 169 S.W.2d 993 (Tex. Civ. Apl. - El Paso 1942, writ ref'd). The exception to general governmental immunity in Texas is the Texas Tort Claims Act, cited above, which waives immunity in two general areas: (i) injuries arising out of use of publicly owned motor vehicles and motor-driven equipment, an (ii) injuries arising out of conditions or use of property. Texas Tech University's liability under the Act is limited as discussed previously.

If additional information is needed, do not hesitate to contact our office. If necessary TTUS attorneys can answer any legal questions concerning the Texas Tort Claims Act or other issues with legal implications.

Respectfully,

Steve Bryant

Steve Bryant, CRM, ARM
Managing Director

Box 42003 | Lubbock, Texas 79409-2003