



**CITY COUNCIL AGENDA
SEPTEMBER 8, 2020, 6:00 PM
CITY HALL COUNCIL CHAMBERS
701 MAIN STREET, KERRVILLE, TEXAS**



The City Charter of Kerrville provides for a Council-Manager for of local government. The Mayor and Councilmembers function as the policy-making body of the city, determining the overall goals, objectives and direction for city services and adopting the annual operating budgets for all City Departments.

CALL TO ORDER:

INVOCATION AND PLEDGE OF ALLEGIANCE:

Led by Councilmember Place 3 Judy Eychner.

1 ANNOUNCEMENTS OF COMMUNITY INTEREST:

Announcement of items of community interest, including expressions of thanks, congratulations, or condolences; information regarding holiday schedules; honorary recognitions of city officials, employees, or other citizens; reminders about upcoming events sponsored by the city or other entity that is scheduled to be attended by city officials or employees; and announcements involving imminent threats to the public health and safety of the city. No action will be taken.

2 PRESENTATIONS:

2.A. Kerrville Kindness award.

Attachments:

[20200908_Certificate of Recognition_Kerrville Kindness Award 9-8 Area Restaurants.pdf](#)

2.B. Recognition of Chief David Knight.

Attachments:

[20200908_Certificate of Recognition_Chief David Knight.pdf](#)

2.C. Recognition and commendations for termed Board members.

Attachments:

[20200908_Commendations_Board members Early Gamble Pautler Wood.pdf](#)

3 VISITORS/CITIZENS FORUM:

Any citizen with business not scheduled on the agenda may speak to the City Council. Prior to speaking, each speaker must fill out the speaker request form and give it to the City Secretary. The speaker request form must be submitted to the City Secretary before the item is called or

read into record. City Council may not discuss or take any action on an item but may place the issue on a future agenda. Each speaker is limited to four minutes.

4 CONSENT AGENDA:

These items are considered routine and can be approved in one motion unless a Councilmember asks for separate consideration of an item. It is recommended that the City Council approve the following items which will grant the Mayor or City Manager the authority to take all actions necessary for each approval:

- 4.A. Agreement with Clean Harbors to conduct annual Household Hazardous Waste collection (HHW) events through 2023.

Attachments:

[20200908_Agreement_HouseholdHazardousWaste_Clean Harbor Environmental Services](#)

[20200908_Schedule A sheet_HouseholdHazardousWaste.pdf](#)

- 4.B. Purchase of Public Library technology infrastructure and Public Library computers.

Attachments:

[20200901_Proposal_Dell VxRail.pdf](#)

[20200901_Proposal_Updated Proposal.pdf](#)

[20200901_Proposal_Dell Computer Quotes.pdf](#)

- 4.C. Minutes for the City Council workshop held August 25, 2020.

Attachments:

[20200908_Minutes_workshop 8-25-20 4pm.pdf](#)

- 4.D. Minutes for the City Council meeting held August 25, 2020.

Attachments:

[20200908_Minutes_regular meeting 8-25-20 6pm.pdf](#)

END OF CONSENT AGENDA

5 ORDINANCES, SECOND READING:

- 5.A. Ordinance No. 2020-16. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2021; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.

Attachments:

[20200908_Ordinance_2020-16 adopting Citys annual budget FY2021 second reading.pdf](#)

- 5.B. Ordinance No. 2020-17. An Ordinance levying an ad valorem tax for the use and the support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2021; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

Attachments:

[20200908_Ordinance_2020-17 Tax Rate 2020 second reading.pdf](#)

6 CONSIDERATION AND POSSIBLE ACTION:

- 6.A. Appeal to administrative decisions and interpretations of Chief Building Officer and Fire Code Official for 1001 Water Street, Suite G. (L.Brent Bates).

Attachments:

[20200908_Board Details_Building Board of Adjustment and Appeals Board.pdf](#)

- 6.B. Resolution No. 18-2020. A Resolution amending the City of Kerrville Fee Schedule by revising fees charged for various services and uses provided or offered by the City.

Attachments:

[20200908_Resolution_18-2020 2021 Fee Schedule.pdf](#)
[Fee Schedule.pdf](#)

- 6.C. Killdeer Mountain Manufacturing Business Development Project, to include the following agreements:

- a.) Economic Development Grant and Real Estate Purchase Agreement.
- b.) Economic Development Incentive Grant Agreement with EIC.
- c.) Chapter 380 Economic Development Agreement between the City of Kerrville, Texas, and the City of Kerrville Economic Improvement Corporation.
- d.) Economic Development Incentive Agreement between the City of Kerrville, Texas, and the Killdeer Mountain Manufacturing, Inc.
- e.) Kerrville Public Utility Board Loan Agreement.

Attachments:

[20200908_Agreement_Economic Development Grant and Real Estate Purchase for KMM.pdf](#)
[20200908_Agreement_Economic Development Incentive Grant Agreement with EIC for KMM.pdf](#)
[20200908_380 Economic Development Agreement_City and EIC_KPUB loan property purchase for KMM.pdf](#)
[20200908_Agreement_Economic Development Incentive Agreement City of Kerrville with KMM.pdf](#)
[20200908_Agreement_Kerrville Public Utility Board Loan.pdf](#)

7 INFORMATION AND DISCUSSION:

- 7.A. Briefing and possible action as to the City's ongoing preparedness and response to COVID-19 (Coronavirus).

Attachments:

8 ITEMS FOR FUTURE AGENDAS:

City Council may suggest items or topics for future agendas.

9 EXECUTIVE SESSION:

City Council may, as permitted by law, adjourn into executive session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberation regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (deliberation regarding economic development negotiations) of Chapter 551 of the Texas Government Code.

10 ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

ADJOURN.



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Kerrville Kindness award.

AGENDA DATE OF: September 8,
2020

DATE SUBMITTED: Jul 20, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200908_Certificate of Recognition_Kerrville Kindness Award 9-8 Area Restaurants.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Recognition of a citizen or company who has shown great kindness toward the citizens of Kerrville.

Recipient: Cartewheels, The Humble Fork, Monroe's East End Grill, Pint & Plow Brewing Company, and Rails: A Cafe at the Depot restaurants.

RECOMMENDED ACTION:

Announce recipient.



CITY OF KERRVILLE

recognizes

PINT & PLOW, MONROE'S, CARTEWHEELS, RAILS, THE HUMBLE FORK

with the September 8, 2020

KERRVILLE KINDNESS AWARD

Kerrville restaurants Pint & Plow Brewing Company, Monroe's East End Grill, Cartewheels, Rails: A Café at the Depot, and The Humble Fork have all provided substantially to address the essential food needs of area individuals during the COVID-19 pandemic. These restaurants have been on the front line in the battle against hunger, serving free meals to local citizens at a variety of food banks in the Kerrville community.

Mayor Bill Blackburn

Councilmember Gary Cochrane

Councilmember Kim Clarkson

Councilmember Judy Eychner

Councilmember Delayne Sigerman



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Recognition of Chief David Knight.

AGENDA DATE OF: September 8,
2020

DATE SUBMITTED: Aug 26, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200908_Certificate of Recognition_Chief David Knight.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
0	0	0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

For 25 years of dedicated service to the citizens of Kerrville.

RECOMMENDED ACTION:

Present Certificate of Recognition.



CITY OF KERRVILLE CERTIFICATE OF RECOGNITION

is hereby presented to

**DAVID KNIGHT
KERRVILLE POLICE CHIEF**

For 25 years of dedicated service to the citizens of Kerrville

David Knight began his career with the Kerrville Police Department in 1995 as a patrol officer assigned to field operations, and has moved up through the ranks after serving in numerous leadership roles over the last 25 years. David served as a corporal and sergeant in field operations and as an investigator in criminal investigations, and he also drew specialty assignments with the special operations unit (SOU), firearms and tactical training unit, traffic unit, and evidence collection. He was promoted to captain and assumed command of the field operations division in 2005. In 2013, he was promoted to assistant chief and in 2015 was selected Chief of Police. Knight is also a graduate of the FBI National Academy, 44th Management College of the Institute of Law Enforcement Administration, and the Law Enforcement Management Institute of Texas. Chief Knight has served this community with integrity, positivity and honor, with his focus on the safety of his officers and citizens. The City of Kerrville would like to recognize his accomplishments and contributions to our city, and honor and congratulate Chief Knight on his retirement.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Kerrville to be affixed this 8 day of September 2020.


Mark McDaniel, City Manager



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Recognition and commendations for termed Board members.

AGENDA DATE OF: September 8,
2020

DATE SUBMITTED: Aug 05, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200908_Commendations_Board members Early Gamble Pautler Wood.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$0	\$0	\$0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Kerrville Public Utility Board of Directors: Fred Gamble, April 2020

Kerrville - Kerr County Joint Airport Board: Bill Wood, May 2020

Economic Improvement Corporation: Kenneth Early, June 2020

Kerrville Recovery Community Coalition: Steve Pautler, July 2020

RECOMMENDED ACTION:

Present commendations.



CITY OF KERRVILLE COMMENTATION

is hereby presented to

KENNETH EARLY



WHEREAS, KENNETH EARLY has served as a member of the Economic Improvement Corporation.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

KENNETH EARLY be recognized for outstanding service as a dedicated member of the Economic Improvement Corporation. The City Council wishes to show appreciation for your willingness to serve on the Economic Improvement Corporation, and thanks you for your volunteer service to the City of Kerrville. On behalf of the citizens of Kerrville, as well as ourselves individually, we wish to express our sincere appreciation for contributions to the City and Community.

PASSED AND APPROVED, this the ____ day of _____, 2020.



Bill Blackburn, Mayor

Kim Clarkson, Councilmember Place 2

Judy Eychner, Mayor Pro-Tem

Delayne Sigerman, Councilmember Place 4

Gary Cochrane, Councilmember Place 1

Shelley McElhannon, City Secretary



CITY OF KERRVILLE COMMENDATION

is hereby presented to

FRED GAMBLE

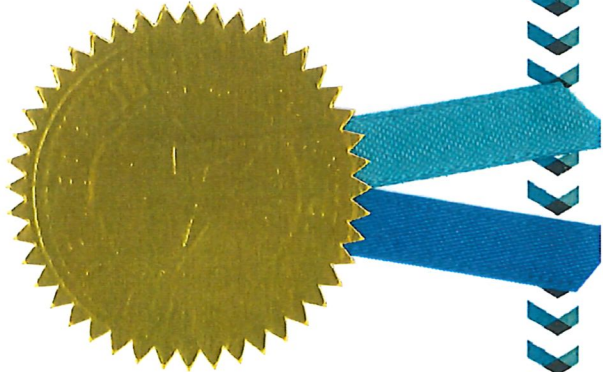


WHEREAS, FRED GAMBLE has served as a member of the Kerrville Public Utility Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

FRED GAMBLE be recognized for outstanding service as a dedicated member of the Kerrville Public Utility Board of Directors. The City Council wishes to show appreciation for your willingness to serve on the Kerrville Public Utility Board of Directors, and thanks you for your volunteer service to the City of Kerrville. On behalf of the citizens of Kerrville, as well as ourselves individually, we wish to express our sincere appreciation for contributions to the City and Community.

PASSED AND APPROVED, this the ___ day of _____, 2020.



Bill Blackburn, Mayor

Kim Clarkson, Councilmember Place 2

Judy Eychner, Mayor Pro-Tem

Delayne Sigerman, Councilmember Place 4

Gary Cochrane, Councilmember Place 1

Shelley McElhannon, City Secretary



CITY OF KERRVILLE COMMENDATION

is hereby presented to

STEVE PAUTLER



WHEREAS, STEVE PAUTLER has served as a member of the Recovery Community Coalition.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

STEVE PAUTLER be recognized for outstanding service as a dedicated member of the Recovery Community Coalition. The City Council wishes to show appreciation for your willingness to serve on the Recovery Community Coalition, and thanks you for your volunteer service to the City of Kerrville. On behalf of the citizens of Kerrville, as well as ourselves individually, we wish to express our sincere appreciation for contributions to the City and Community.

PASSED AND APPROVED, this the ___ day of _____, 2020.



Bill Blackburn, Mayor

Kim Clarkson, Councilmember Place 2

Judy Eychner, Mayor Pro-Tem

Delayne Sigerman, Councilmember Place 4

Gary Cochrane, Councilmember Place 1

Shelley McElhannon, City Secretary



CITY OF KERRVILLE COMMENDATION

is hereby presented to

BILL WOOD

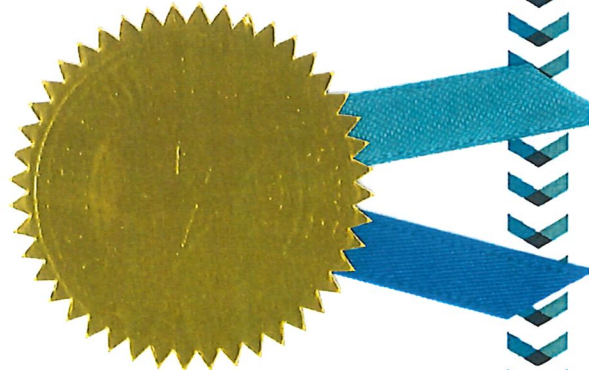


WHEREAS, **BILL WOOD** has served as a member of the Kerrville – Kerr County Joint Airport Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

BILL WOOD be recognized for outstanding service as a dedicated member of the Kerrville – Kerr County Joint Airport Board. The City Council wishes to show appreciation for your willingness to serve on the Kerrville – Kerr County Joint Airport Board, and thanks you for your volunteer service to the City of Kerrville. On behalf of the citizens of Kerrville, as well as ourselves individually, we wish to express our sincere appreciation for contributions to the City and Community.

PASSED AND APPROVED, this the ___ day of _____, 2020.



Bill Blackburn, Mayor

Kim Clarkson, Councilmember Place 2

Judy Eychner, Mayor Pro-Tem

Delayne Sigerman, Councilmember Place 4

Gary Cochrane, Councilmember Place 1

Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Agreement with Clean Harbors to conduct annual Household Hazardous Waste collection (HHW) events through 2023.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Aug 27, 2020

SUBMITTED BY: David Barrera

EXHIBITS: [20200908_Agreement_HouseholdHazardousWaste_Clean Harbor Environmental Services](#)
[20200908_Schedule A sheet_HouseholdHazardousWaste.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
	\$25,000 Grant Funding; \$25,000 01-0162-3140	\$50,000	85-8562-3140; 01-0162-3140

PAYMENT TO BE MADE TO: Clean Harbor

Kerrville 2050 Item?	Yes
Key Priority Area	F - Public Facilities and Services
Guiding Principle	F5. Consider opportunities for interlocal agreements and collaborations with other government entities and partner agencies for the provision of services
Action Item	N/A

SUMMARY STATEMENT:

Prior to every event Household Hazardous Waste Collection event facilitated by the City, a Request for Quote (RFQ) is sent out to potential contractors. The last RFQ in 2018 allowed the recipient of the 2019 contract an opportunity to negotiate a multi-year agreement. By doing so, this eliminates various tasks associated with an RFQ being completed every year. In addition, the uncertainty of the service level with a new contractor every year can present operational challenges. Clean Harbors has been awarded the contract for the previous seven years and their commitment to providing great service is superb. The contract is contingent upon approved funding by the City Council on a yearly basis, and is

described in section 8.0.

The term of this contract includes the event tentatively scheduled for September 19, 2020. Funding for this event has been allocated in this years budget through secured grant funding and the department's adopted operating budget. This agenda item is being brought forward for Council approval due to the value of the contract in its entirety, for multiple years of service, which exceeds \$50,000. This multi-year contract is contingent upon budget approval each year, and the event has often utilized grant funding from the Alamo Area Council of Governments (AACOG).

RECOMMENDED ACTION:

Allow City Manager to finalize and execute agreement.

AGREEMENT OF TERMS AND CONDITIONS FOR HOUSEHOLD HAZARDOUS WASTE SERVICES

This Agreement, made and entered into as of the ___ day of _____, 2020 by and between the City of Kerrville, Texas, hereinafter referred to as “Customer,” and Clean Harbors Environmental Services, Inc., 4303 Profit Drive, San Antonio, Texas 78219, hereinafter referred to as “Contractor”.

WITNESSETH:

WHEREAS, Customer has Household Hazardous Waste, hereinafter referred to as “HHW”, and wishes the HHW to be packaged, transported and properly disposed;

WHEREAS, Contractor is willing to accept certain of Customer’s HHW and ensure that it is properly packaged, transported, and disposed of according to the terms and conditions herein;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1.0 HHW SERVICES

Contractor shall ensure legal servicing, treatment, and disposal of such types of HHW listed on the attached **Schedule A**, as requested by Customer. **Schedule A** may be modified if required by the parties’ joint execution of an amendment. Services to be provided may include packaging, supplies, transportation, and disposal of HHW materials and additional services as requested by Customer.

2.0 TRANSPORTATION

2.1 Contractor shall be responsible for providing suitable means to transport the HHW.

2.2 Contractor shall prepare all shipping papers, manifest, and labels with each shipment of HHW in accordance with all applicable requirements of the United States Department of Transportation (“DOT”) and the United States Environmental Protection Agency (“EPA”) under the Toxic Substances Control Act (“TSCA”), the Resource Conservation and Recovery Act (“RCRA”), and all other federal, state, and local statutes, regulations, and ordinances.

2.3 Contractor or Contractor’s contracted transporter shall maintain in force and require all carriers it engages to carry vehicular liability insurance equivalent to that specified in Section 9.0 of this Agreement and shall, upon request, provide the other party with certificates of insurance evidencing such coverages.

2.4 Customer will provide satisfactory area, roadways, and approaches to safely conduct mobile HHW collection event.

3.0 RESPONSIBILITIES

3.1 Contractor shall mobilize all manpower, equipment, materials, and technical services required to perform mobile HHW collection event.

3.2 Contractor shall arrive on-site prior to collection hours and perform site set-up.

3.3 Contractor shall unload, package, transport, and dispose of HHW collected from participant vehicles.

3.4 Contractor shall demobilize after event completion and leave site clean.

3.5 Contractor shall provide project summary and document after completion of project.

4.0 WARRANTIES

4.1 Contractor warrants that its services performed under this Agreement shall comply with all requirements of federal, state, and local laws, regulations, and ordinances.

4.2 Contractor warrants that all permits, licenses, authorizations, and approvals required for transportation of the HHW by federal, state, and local laws, regulations, and ordinances shall be in effect at the time of transportation.

4.3 Contractor warrants that the containers Contractor supplies comply with all laws, regulations, or ordinances which may be applicable to their packaging or transportation, including but not limited to U.S. Department of Transportation regulations. Customer warrants that HHW for disposal will be packaged in Contractor supplied containers that meet above requirements.

5.0 INDEMNIFICATION AND SUBROGATION

5.1 Contractor agrees to indemnify, hold harmless, and defend Customer, its officers, directors, shareholders, agents, employees, and affiliates, from any and all liabilities, claims, penalties, forfeitures, suits, and the costs and expenses incident thereto, including costs of defense, settlement, and reasonable attorneys' fees, which Customer may hereafter incur, become responsible for, or pay out as a result of death or bodily injury to any person, destruction or damage to any property, contamination of or adverse effects on the environment, or any violation of governmental laws, regulations or orders, to the extent that such damage was caused by:

- (i) Contractor's breach of any term or provision of this Agreement;
- (ii) the failure of any warranty of Contractor to be true, accurate, and complete; or
- (iii) any negligent, intentional, or willful act or omission of Contractor or its employees, subcontractors, or agents.

Contractor's indemnification of the City is limited by excluding claims arising to the extent from the intentional or negligent acts or omissions of the City, its employees or agents.

5.2 With respect to any claim for indemnification, the party claiming a right to indemnity shall:

- (i) give written notice of the claim within a reasonable period following the event or occurrence and identify the basis of the indemnification asserted; and
- (ii) allow the other party, including its employees, agents, insurers, and counsel, reasonable access to any of its employees, property, and records for the purpose of conducting an investigation of such claim and for the purpose of obtaining statements, photographs, physical evidence, and chemical analyses and taking such other steps as may be necessary to preserve evidence of the event or occurrence on which the claim is based. If the party claiming a right to indemnity denies the other party reasonable access as set forth above, the party claiming such right shall forfeit that right and assume sole responsibility for the claim for which indemnification is sought and shall not be entitled to indemnity.

5.3 Notwithstanding any term or condition of this Agreement to the contrary and, to the greatest extent allowed by law, City agrees that Contractor's aggregate liability to City or to anyone claiming by, through, or under City, and to any third party for any and all injuries, claims, demands, losses, expenses, or damages, of whatever kind or character including but not limited to an action or claim based on contract, warranty, equity, tort, strict liability, or any other theory of liability whatsoever, arising out of or in any way related to this Agreement, the Work/Services, or the project site, shall be limited to the specific insurance limits required by the carried hereunder.

6.0 CHARGES AND FEES

6.1 Contractor's charges for its services pursuant to this Agreement are set forth in **Schedule A**.

6.2 When possible, Contractor shall weigh all containers including drums, lab packs, etc., prior to transporting and record the weight on shipping documents. Invoices will be based upon the containerized pricing as provided in **Schedule A**.

7.0 PAYMENT

Each invoice for HHW received by Contractor and/or services provided to Customer shall be paid, net terms, by Customer within thirty (30) days from Customer's receipt of invoice. Invoices not paid when due shall accrue interest at the rate of one percent (1 %) per month from the due date.

8.0 TERM

8.1 This Agreement shall commence on the date first above written and shall continue in full force and effect until July 30, 2023, unless terminated by either party providing the other party with at least thirty (30) days prior written notice of termination. Either party shall have the right

to cancel this Agreement at any time if the other party becomes insolvent, makes an assignment for the benefit of creditors, or has a bankruptcy petition filed by or against it. Contractor acknowledges and agrees that Customer appropriates funds for its payments for services in the budget year for which they are paid. Any payment made by Customer to Contractor must be made solely from the annual budgeting and appropriations of Customer. In the event that Customer does not appropriate funds in any fiscal year for a payment under this Agreement, Customer will not be liable to Contractor for any such or future payments and either Customer or Contractor will have the right to terminate this Agreement, to be effective at the end of Customer's then existing fiscal year (September 30).

8.2 Should this Agreement be terminated by either party, Contractor shall be responsible for removing any and all equipment and/or materials associated with this Agreement and collected during the course of performing HHW collections at Kerrville, Texas. Customer shall be responsible for payment of fees for final services as listed in **Schedule A**.

9.0 INSURANCE

Contractor shall have in effect and shall maintain for the term of this Agreement the following insurance:

<u>TYPE OF INSURANCE</u>	<u>POLICY LIMITS</u>
Workmen's Compensation	\$2,000,000 single limit
Automobile Liability	\$2,000,000 single limit
Comprehensive General Liability	\$2,000,000 each occurrence \$3,000,000 aggregate
Environmental Impairment Liability	\$10,000,000 each occurrence
Contractor's Pollution Liability	\$10,000,000 each occurrence

Contractor shall provide notice to Customer of any changes in coverage limits and will provide certificates of insurance upon request. Contractor shall direct that all of the above-described insurance policies except Workmen's Compensation Policy and Environmental Impairment Liability be endorsed to name Customer as an additional insured. Prior to the date of the collection event, Contractor shall direct that a certificate of insurance is issued to Customer indicating that the above described coverages and endorsements are in full force and effect.

10.0 GENERAL PROVISIONS

10.1 In the performance of this Agreement, Contractor is an independent contractor.

10.2 Each party grants the other, its agents and employees, during the term of this Agreement, reasonable access to the other party's facilities for purposes of fulfilling obligations under this Agreement. Each party agrees to comply with reasonable safety standards adopted by the other while on the other's premises. Each party further agrees to protect and hold confidential

technologies observed while on the other's premises. Contractor agrees to protect and hold confidential all non-public data on HHW received from Customer, unless legal or regulatory requirements mandate disclosure. Contractor and Customer agree to protect and hold confidential all non-public information concerning the other party's business, operations, technologies, formulas, procedures, processes, methods, trade secrets, ideas, improvements, plans, programs, plants, equipment, or customers unless legal or regulatory requirements mandate disclosure

10.3 This Agreement constitutes the entire Agreement between Contractor and Customer, and all previous representations relative thereto, either written or oral, are hereby annulled and superseded. No modification shall be binding on Contractor or Customer unless in writing and signed by both parties.

11.0 DEFAULTS

11.1 Except as provided in Section 11.2 herein, if, during the term of the Agreement, either party shall become delinquent in settling its account or shall be in default of any provisions of the Agreement, the other party may suspend its performance hereunder until such delinquency or default has been corrected.

11.2 Any delay or failure of either party in the performance of its required obligations hereunder shall be excused if and to the extent caused by acts of God, strikes, action of regulatory agencies, fire, flood, windstorm, explosion, riot, war, sabotage, court injunction or order, loss of permits, and cause or causes beyond the reasonable control of the party affected provided that a prompt notice of such delay is given by such party to the other and each of the parties hereto shall be diligent in attempting to remove such cause or causes. Performance hereunder shall be suspended only for the amount of time reasonably necessary to remove such cause or causes which result in the delay.

12.0 NOTICE

Any notice required to be given by the terms of this Agreement shall be delivered by hand or mailed to at the following; or to such other address for either party as that party may, by notice, designate.

Clean Harbors Environmental Services, Inc.
4303 Profit Drive
San Antonio, TX 78219

City of Kerrville
City Hall, 701 Main St.
Kerrville, Texas 78028

IN WITNESS WHEREOF, Contractor and Customer have each caused this Agreement to be executed by its duly authorized representative on the day and year set forth.

ACCEPTED:

Clean Harbors Environmental Services, Inc.

ACCEPTED:

City of Kerrville, Texas

William B. Hallam, Regional Vice President
Technical Services

Mark McDaniel, City Manager

DATE _____

DATE _____

ATTEST:

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

Michael C. Hayes, City Attorney

SCHEDULE A COST SHEET

The following pricing includes labor, equipment, supplies, transportation, and disposal for a one-day collection event. The event opens to residents only from 8:00 am until 12:00 pm. This pricing is based on all inclusive per container price. This scenario enables easy cost tracking and accountability.

Waste Category	Handling/ Packaging	Meter Box	55 gal	30 gal	20 gal	10 gal	5 gal		
Aerosols	IN/RC- loosepack	\$711.26	\$204.87	\$153.65	\$122.92	\$122.92	\$61.46		
Alkaline Battery	LF-loosepack	N/A	\$127.12	\$95.60	\$95.60	\$69.34	\$69.34		
Battery Lithium	LF-loosepack	N/A	N/A	N/A	N/A	N/A	\$300.47		
Corrosives	IN-loosepack	N/A	\$301.52	\$220.63	\$180.91	\$180.91	\$123.97		
Flammables	IN-loosepack	\$769.04	\$301.52	\$220.63	\$180.91	\$180.91	\$123.97		
Flammables	IN-bulk	N/A	\$133.43	\$100.07	N/A	N/A	N/A		
Fluorescent Tubes	RC-loosepack	\$0.55 per pound all sizes for CFL1							
Fluorescent Bulbs	RC-loosepack	\$2.51 per pound for CFL4 and CFL8							
Latex Paint	LF-bulk	N/A	\$237.44	\$178.08	\$142.46	\$142.46	\$71.23		
Latex Paint	LF-loosepack	\$485.00	\$223.78	\$167.83	\$134.27	\$134.27	\$67.13		
Mercury	RC-labpack	N/A	\$1337.76	\$1003.32	\$802.66	\$802.66	\$401.33		
Ni-Cad Battery	RC-loosepack	N/A	N/A	\$321.48	\$257.19	\$257.19	\$138.68		
Oil Base Paint	IN-loosepack	\$425.00	\$217.26	\$162.95	\$130.36	\$130.36	\$65.18		
Oxidizers	IN-loosepack	N/A	\$324.64	\$238.49	\$195.41	\$195.41	\$129.22		
PCB waste	IN-loosepack	N/A	\$548.13	\$511.64	\$350.48	\$350.48	\$161.79		
Poisons/liquids	IN-loosepack	\$769.04	\$301.52	\$220.63	\$180.91	\$180.91	\$123.97		
Poisons/solids	IN-loosepack	\$769.04	\$301.52	\$220.63	\$180.91	\$180.91	\$123.97		
Propane (BBQ)	RC-palletize	\$30.00 per barbecue size cylinder							
Propane (small)	IN-loosepack	\$13.00 per camping size cylinder							
Reactives	IN-labpack	N/A	\$738.92	\$538.96	\$443.35	\$443.35	\$221.68		
Mobilization (one day collection event)			\$9,000.00 per event						
Other Mobilization costs			N/A						

IN = Incineration
 RC = Recycle
 LF = Landfill



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Purchase of Public Library technology infrastructure and Public Library computers.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Aug 31, 2020

SUBMITTED BY: Charvy Tork

EXHIBITS: [20200901_Proposal_Dell VxRail.pdf](#)
[20200901_Proposal_Updated Proposal.pdf](#)
[20200901_Proposal_Dell Computer Quotes.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
\$105,000	\$133,000	\$133,000	15-1500-5320 and 15-1500-1110 (Library Memorial Fund)

PAYMENT TO BE MADE TO: Dell and CDWG

Kerrville 2050 Item?	Yes
Key Priority Area	F - Public Facilities and Services
Guiding Principle	F3. Address long-term technology needs through public-private partnerships to support public safety, information services and the library
Action Item	N/A

SUMMARY STATEMENT:

Technology is an integral part of the Butt-Holdsworth Memorial Library services. Besides offering public computers for use; eBooks; public WIFI; the library's technology can be a lifeline and empowerment tool for those in need of technology services.

Our current technology infrastructure at the library is obsolete and more than thirteen years old. Our reservation computers are more than eight years old and are on an old operating system. These factors drastically impacts our ability to provide engaging, reliable and up to date technology services to our patrons.

The Library Department, along with the Information Technology Department, worked together to look at solutions to address our current challenges. In our discussions, we identified the following initiatives:

1. An economical solution that would provide performance, redundancy and ease of management
2. A system that can integrate into the City's virtual ecosystem to provide zero learning curve to adopt the new platform
3. A cloud ready system to provide the ability to migrate to cloud providers as part of a future disaster recovery plan
4. The ability to add hardware, nodes or software upgrades without interruption to business operations

With those objectives in mind, we met with several vendors to find the best solution to meet our needs. The solution we are proposing is a complete refresh of the Library's datacenter to provide a robust and scalable solution for the next seven to nine years. The proposed solution will allow us to add additional servers in the future without the need to purchase additional hardware. In addition to scalability, the solution will provide redundancy, allowing for a seamless transition if there is a server failure with no impact to library patrons.

We will be working with CDWG in conjunction with Dell to implement the solution. The virtual server solution is a turnkey solution and will cost us \$77,806.00. This is a complete rip and replace of our current equipment including network switches. The replacement of computers will cost us \$26,947.08. This is a complete replacement of 36 computers and monitors. The total cost of the proposed solution is \$104,753.08. We will leverage the National IPA Technology Solutions (2018011-01) contract for the purchase. Funding for the project will come from the Library Memorial Fund. Implementation of the solution will take between four to six weeks from the date of when the purchase order is approved.

The proposed solution ties into the Library Department's Business Plan under Objective 7: Develop the library into a leading technology center that will address the needs and wants of the community, while cultivating technology literacy for all ages. It also ties in the IT Department's Business Plan under Objective 3: Provide technology support and solutions to enhance the City's overall service and achieve operational excellence.

RECOMMENDED ACTION:

Approve purchase of proposed virtual server infrastructure and public computers.



VxRail Proposal



Prepared For: City Kerville
Customer #: 667202

Submitted By: Lena Pekaj
Account Manager
Phone: (312) 705-4579
E-Mail: lenapek@cdwg.com
Quote #: 6003070642 V12

Project: Dell
Date: 10/22/2019

Qty.	Part Numbers	Description
1	VXR-14G-MGR-DE-4.7	VXRAIL SOFTWARE IMAGE V4.7=MA
1	INSTALCTRYUSAR640H	VXRAIL-500 USA SHIPMOD H
1	TPM1.2MODULEH	VXRAIL-500 TPM 1.2 MODULE H
1	VXRNOADDPROC	VXR NO ADDITIONAL PROCESSOR FOR GEN 2
1	SYSE5601SVSTDH	VXRAIL 14G E560 1U1N 1S VSAN STD H
2	PWR200VRACK	C13-C14 PDU RACK PWR CRD 2M N. AM
1	1S5STDFANE560165L	VXRAIL-500 1S 5 STD FAN LESS THAN 165W
1	1SE560HSKDM165OL	VXRAIL-500 1S E560 165WL HTK DIMM BLNK
1	PROGD52151SH	VXR INTEL CPU GD 5215 2.5G,10C/20T 1S H
1	RISER640CNFG4SNGL	VXRAIL-500 RISER R640 CONFIG4 LP
1	RRAILKIT1U1NCMAH	VXRAIL-500 A7 READYRAILS II W/CMA 1U1N
6	MEM16GB2933MTH	VXRAIL MEMORY 16GB 2933MT RDIMM H
1	RDIMM2933INFO	VXRAIL FACTORYORD RQ 2933MHZ RDIMM
1	NDCX550QP10GBRJH	VXRAIL-500 NDC INTEL X550 QP 10GB RJ45 H
4	CAPACITYHDD1.8TBH	VXR 1.8TB CAPACITY 10K RPM 2.5IN HDD H
2	CACHESD800GBH	VXR 800GB CACHE SSD 2.5IN H
2	PWRC13-NEMA5-15P	C13 CORD NEMA 5-15 125V 10A - NON DPE
1	458-002-518	VXRAIL VMWARE VSAN STANDARD
1	456-113-804	VXRAIL VMWARE VSAN STANDARD 3Y MAINT=IG
1	458-002-204	HCIA NP VXRAIL VSPHERE SOFTWARE
1	VXROSGDPROC	VXRAIL HCI SYSTEM SOFTWARE(G H)=IG
1	VXR-14G-MGR-DE-4.7	VXRAIL SOFTWARE IMAGE V4.7=MA
1	INSTALCTRYUSAR640H	VXRAIL-500 USA SHIPMOD H
1	TPM1.2MODULEH	VXRAIL-500 TPM 1.2 MODULE H
1	VXRNOADDPROC	VXR NO ADDITIONAL PROCESSOR FOR GEN 2
1	SYSE5601SVSTDH	VXRAIL 14G E560 1U1N 1S VSAN STD H
2	PWR200VRACK	C13-C14 PDU RACK PWR CRD 2M N. AM
1	RISER640CNFG4SNGL	VXRAIL-500 RISER R640 CONFIG4 LP
1	PROGD52151SH	VXR INTEL CPU GD 5215 2.5G,10C/20T 1S H
1	1SE560HSKDM165OL	VXRAIL-500 1S E560 165WL HTK DIMM BLNK
1	1S5STDFANE560165L	VXRAIL-500 1S 5 STD FAN LESS THAN 165W
1	RRAILKIT1U1NCMAH	VXRAIL-500 A7 READYRAILS II W/CMA 1U1N
1	RDIMM2933INFO	VXRAIL FACTORYORD RQ 2933MHZ RDIMM
6	MEM16GB2933MTH	VXRAIL MEMORY 16GB 2933MT RDIMM H
1	NDCX550QP10GBRJH	VXRAIL-500 NDC INTEL X550 QP 10GB RJ45 H
4	CAPACITYHDD1.8TBH	VXR 1.8TB CAPACITY 10K RPM 2.5IN HDD H
2	CACHESD800GBH	VXR 800GB CACHE SSD 2.5IN H
2	PWRC13-NEMA5-15P	C13 CORD NEMA 5-15 125V 10A - NON DPE
1	458-002-518	VXRAIL VMWARE VSAN STANDARD
1	456-113-804	VXRAIL VMWARE VSAN STANDARD 3Y MAINT=IG
1	458-002-204	HCIA NP VXRAIL VSPHERE SOFTWARE
1	VXROSGDPROC	VXRAIL HCI SYSTEM SOFTWARE(G H)=IG
2	470-ABOV	SEL - QSFP28 - 100G DAC 1M ATTACH

Hardware

Extended Sell

Qty.	Part Numbers	Description	Hardware Total:	\$25,545.82
Software	1	458-001-937	RECOVERPOINT FOR VM FOR 1-NODE HCIA	Extended Sell
	1	456-111-959	RECOVERPOINT FOR VM FOR 1-NODE HCIA =IB	
	1	456-113-161	HCIA NP VSPH ROBOSTD 25VM W/3YRMNT=IB	
	4	VXROS1.8TBH	VXR HCI SYSTEM SOFTWARE(CAP 1.8 HDD)= CF	
	1	458-001-937	RECOVERPOINT FOR VM FOR 1-NODE HCIA	
	1	456-111-959	RECOVERPOINT FOR VM FOR 1-NODE HCIA =IB	
	1	456-113-161	HCIA NP VSPH ROBOSTD 25VM W/3YRMNT=IB	
	4	VXROS1.8TBH	VXR HCI SYSTEM SOFTWARE(CAP 1.8 HDD)= CF	
	1	770-BCQZ	SEL G4I7HFP - DUAL SHELF S4112	
	2	210-AOZD	SEL S4112T-ON, PSUTOIO 2XAC PSU OS10 TAA	
			Software Total:	\$16,300.57
Support	1	M-PSP-HW-J-001-3Y	PROSUPPORT PLUS 4HR/MC VSAN STD HW-3 YR	Extended Sell
	1	M-PSP-SW-D3-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-005	PROSUPPORT PLUS 4HR/MC VSAN STD SW SPPT	
	1	M-PSP-SW-J-002	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-HW-J-001-3Y	PROSUPPORT PLUS 4HR/MC VSAN STD HW-3 YR	
	1	M-PSP-SW-D3-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-005	PROSUPPORT PLUS 4HR/MC VSAN STD SW SPPT	
	1	M-PSP-SW-J-002	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	1	M-PSP-SW-J-001	PROSUPPORT PLUS 4HR/MC SOFTWARE SUPPORT	
	2	4112TAMER3PPMC	SEL S4112T-ON 3YR PROSUPPORTPLUS MC(4HR)	
			Support Total:	\$20,103.92
Services	600	CE-PDPHCITC0001	1 TRAINING CREDIT VALID 1YR (PDP HCI)	Extended Sell
	1	PS-PDP-P30VXRIL	30DAYPOSTDEPLOYASSIST VXRIL	
	1	PS-PDP-RP4VMDP	PDP FOR RECOVERPOINT FOR VM	
	2	PSINST-ESRS	ZERO DOLLAR ESRS INSTALL	
	1	PS1100WPSH	VXRIL-500 DUAL HOTPLG 1100W PS H	
	2	PS-PDP-VXRDP	PDP FOR VXRIL DEPLOY PER NODE	
	1	INSTKITRJ45H	HCIA INSTALL KIT 10GBE RJ45 H	
	1	PS-PDP-P30DPS	30DAYPOSTDEPLOYASSIST DPS	
	200	CE-PDPDPDTC0001	1 TRAINING CREDIT VALID 1YR (PDP DP)	
	1	PS1100WPSH	VXRIL-500 DUAL HOTPLG 1100W PS H	
	1	INSTKITRJ45H	HCIA INSTALL KIT 10GBE RJ45 H	
	400	CE-PDPSTRTC0001	1 TRAINING CREDIT VALID 1YR (PDP STR)	
	1	PS-PDP-P30CNCTRIX	30DAYPOSTDEPLOYASSIST CONNECTRIX	
	2	PS-PDP-S4XXXDP	PDP FOR DELL EMC NETWORKING S4XXX	
	2	4112TAMER1RTD	SEL S4112T-ON 1 YR RETURN TO DEPOT	
			Extended Sell	
			Solution Total:	\$98,068.00

Pricing expires 30 calendar days from date on Proposal

Prepared By: Marion Massey (Solution Architect Support Specialist)

Prices are contingent on final pricing approval from Manufacturer

Quote provided based on specification provided by customer. No workload validation has been done.

The terms and conditions provided on this link apply: <https://www.cdwg.com/content/cdwg/en/terms-conditions.html>

Applicable Taxes and Shipping not shown.

QUOTE CONFIRMATION



DEAR CHARVY TORK,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
LPGW266		VXRAIL AND SWITCHES	0667202	\$77,806.00

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
DELL CTO VXRAIL E560 5215 Mfg. Part#: 3000066745347 Contract: National IPA Technology Solutions (2018011-01)	1	6197703	\$34,526.00	\$34,526.00
DELL CTO VXRAIL E560 5215 Mfg. Part#: 3000066745346 Contract: National IPA Technology Solutions (2018011-01)	1	6197706	\$28,111.00	\$28,111.00
DELL CTO S4112T 12X10GBT 3X100GB PS Mfg. Part#: 3000066745344 Contract: National IPA Technology Solutions (2018011-01)	1	6196758	\$7,591.00	\$7,591.00
DELL CTO S4112T 12X10GBT 3X100GB PS Mfg. Part#: 3000066745345 Contract: National IPA Technology Solutions (2018011-01)	1	6196755	\$7,578.00	\$7,578.00

PURCHASER BILLING INFO	SUBTOTAL	AMOUNT
Billing Address: CITY OF KERRVILLE ACCOUNTS PAYABLE 701 MAIN ST KERRVILLE, TX 78028-5301 Phone: (830) 257-8390 Payment Terms: NET 30-VERBAL	SHIPPING	\$0.00
	SALES TAX	\$0.00
	GRAND TOTAL	\$77,806.00
	DELIVER TO Shipping Address: CITY OF KERRVILLE IT DEPARTMENT CHARVY TORK 219 CLAY ST KERRVILLE, TX 78028-5302 Shipping Method: DROP SHIP-GROUND	
Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515		

Need Assistance? CDW•G SALES CONTACT INFORMATION

	Lena Pekaj		(866) 567-1653		lenapek@cdwg.com
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This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdwg.com/content/terms-conditions/product-sales.aspx>
 For more information, contact a CDW account manager
 © 2020 CDW•G LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239



A quote for your consideration.

Based on your business needs, we put the following quote together to help with your purchase decision. Below is a detailed summary of the quote we've created to help you with your purchase decision.

To proceed with this quote, you may respond to this email, order online through your [Premier page](#), or, if you do not have Premier, use this [Quote to Order](#).

Quote No.	3000067404321.5	Sales Rep	Madie Sears
Total	\$26,947.08	Phone	(800) 456-3355, 5130780
Customer #	530017777163	Email	Madie_Sears@Dell.com
Quoted On	Aug. 25, 2020	Billing To	ACCOUNTS PAYABLE
Expires by	Sep. 24, 2020		KERRVILLE, TEXAS
Deal ID	20596166		701 MAIN ST
			KERRVILLE, TX 78028-5301

Message from your Sales Rep

Please contact your Dell sales representative if you have any questions or when you're ready to place an order. Thank you for shopping with Dell!

Regards,
Madie Sears

Shipping Group

Shipping To	Shipping Method
KEITH MAGNELL KERRVILLE, TEXAS 219 CLAY ST KERRVILLE, TX 78028-5302 (830) 258-1291	Standard Delivery

Product	Unit Price	Qty	Subtotal
Dell 19 Monitor - P1917S	\$133.53	36	\$4,807.08
OptiPlex 3070 SFF MLK	\$615.00	36	\$22,140.00

Subtotal:	\$26,947.08
Shipping:	\$0.00
Non-Taxable Amount:	\$26,947.08
Taxable Amount:	\$0.00
Estimated Tax:	\$0.00

Total:	\$26,947.08
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Special lease pricing may be available for qualified customers. Please contact your DFS Sales Representative for details.

Shipping Group Details

Shipping To

KEITH MAGNELL
KERRVILLE, TEXAS
219 CLAY ST
KERRVILLE, TX 78028-5302
(830) 258-1291

Shipping Method

Standard Delivery

Dell 19 Monitor - P1917S	\$133.53	Qty 36	Subtotal \$4,807.08
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Estimated delivery if purchased today:
Sep. 03, 2020
Contract # C000000006841
Customer Agreement # DIR-TSO-3763

Description	SKU	Unit Price	Qty	Subtotal
Dell 19S Monitor - P1917S	210-AIIJ	-	36	-
Dell Limited Hardware Warranty	814-9381	-	36	-
Advanced Exchange Service, 3 Years	814-9382	-	36	-

			Qty 36	Subtotal \$22,140.00
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OptiPlex 3070 SFF MLK

Estimated delivery if purchased today:
Sep. 02, 2020
Contract # C000000006841
Customer Agreement # DIR-TSO-3763

Description	SKU	Unit Price	Qty	Subtotal
OptiPlex 3070 SFF BTX	210-ASBL	-	36	-
Intel (R) Core (TM) i5-9500 (6 Cores/9MB/6T/3.0GHz to 4.4GHz/65W)	338-BRSY	-	36	-
Win 10 Pro 64 English, French, Spanish	619-AHKN	-	36	-
8GB 1X8GB 2666MHz DDR4 Memory	370-AEBK	-	36	-
M.2 256GB PCIe NVMe Class 35 Solid State Drive	400-BEUP	-	36	-
M.2 22x30 Thermal Pad	412-AAQT	-	36	-
M2X3.5 Screw for SSD/DDPE	773-BBBC	-	36	-
No Additional Hard Drive	401-AANH	-	36	-
Intel Integrated Graphics, Dell OptiPlex	490-BBFG	-	36	-
ODD Bezel, Small Form Factor	325-BCXP	-	36	-
8x DVD+/-RW 9.5mm Optical Disk Drive	429-ABFH	-	36	-
No Media Card Reader	379-BBHM	-	36	-
No Wireless LAN Card	555-BBFO	-	36	-
No Wireless Driver	340-AFMQ	-	36	-
No PCIe add-in card	492-BBFF	-	36	-
OptiPlex 3070 Small Form Factor with 200W up to 85% efficient Power Supply (80Plus Bronze)	329-BEJV	-	36	-
Black Dell KB216 Wired Multi-Media Keyboard English	580-ADJC	-	36	-
Black Dell MS116 Wired Mouse	275-BBBW	-	36	-
No Cable Cover	325-BCZQ	-	36	-
No Additional Cable Requested	379-BBCY	-	36	-

Not selected in this configuration	817-BBBC	-	36	-
No Stand Option	575-BBBI	-	36	-
SupportAssist	525-BBCL	-	36	-
Dell(TM) Digital Delivery Cirrus Client	640-BBLW	-	36	-
Dell Client System Update (Updates latest Dell Recommended BIOS, Drivers, Firmware and Apps)	658-BBMR	-	36	-
Waves Maxx Audio	658-BBRB	-	36	-
Dell Developed Recovery Environment	658-BCUV	-	36	-
Software for OptiPlex Systems	658-BEGX	-	36	-
No Media	620-AAOH	-	36	-
ENERGY STAR Qualified	387-BBLW	-	36	-
Fixed Hardware Configuration	998-DOFL	-	36	-
System Power Cord (Philippine/TH/US)	450-AAOJ	-	36	-
SERI Guide (ENG/FR/Multi)	340-AGIK	-	36	-
Dell Watchdog Timer	379-BDLB	-	36	-
No Out-of-Band Systems Management	631-ACDC	-	36	-
Quick Setup Guide 3070 Small Form Factor	340-CMOE	-	36	-
US Order	332-1286	-	36	-
Chassis Intrusion Switch - SFF	461-AAEE	-	36	-
No AutoPilot	340-CKSZ	-	36	-
Print on Demand Label	389-BDQH	-	36	-
Trusted Platform Module (Discrete TPM Enabled)	329-BB JL	-	36	-
Ship Material for OptiPlex Small Form Factor	340-CDWZ	-	36	-
Shipping Label for DAO	389-BBUU	-	36	-
Optional VGA Video Port for SFF	382-BBFF	-	36	-
No Additional Add In Cards	382-BBHX	-	36	-
SFF: EPA Regulatory LBL for Mexico	389-DQPX	-	36	-
No CompuTrace	461-AABF	-	36	-
No Hard Drive Bracket, Dell OptiPlex	575-BBKX	-	36	-
Intel(R) Core(TM) i5 Processor Label	340-CKVN	-	36	-
CMS Essentials DVD no Media	658-BBTV	-	36	-
Desktop BTS/BTP Shipment	800-BBIP	-	36	-
No Optane	400-BFPO	-	36	-
Dell Limited Hardware Warranty Plus Service	803-8583	-	36	-
ProSupport: Next Business Day Onsite, 3 Years	803-8646	-	36	-
ProSupport: 7x24 Technical Support, 3 Years	803-8702	-	36	-
Thank you choosing Dell ProSupport. For tech support, visit //support.dell.com/ProSupport	989-3449	-	36	-
"No Microsoft Office License Included – 30 day Trial Offer Only	658-BCSB	-	36	-
Foxit PhantomPDF Standard	634-BWQP	-	36	-
McAfee Small Business Security 30 Day Free Trial	650-0028	-	36	-

Subtotal: \$26,947.08

Shipping:	\$0.00
Estimated Tax:	\$0.00

Total:	\$26,947.08
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Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier's affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

^Dell Business Credit (DBC):

OFFER VARIES BY CREDITWORTHINESS AS DETERMINED BY LENDER. Offered by WebBank to Small and Medium Business customers with approved credit. Taxes, shipping and other charges are extra and vary. Minimum monthly payments are the greater of \$15 or 3% of account balance. Dell Business Credit is not offered to government or public entities, or business entities located and organized outside of the United States.

Customer agrees to accept delivery of its order within a reasonable amount of time from when the order is shipped.



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes for the City Council workshop held August 25, 2020.

AGENDA DATE OF: September 8,
2020

DATE SUBMITTED: May 13, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200908_Minutes_workshop 8-25-20 4pm.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
0	0	0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes for the City Council workshop held August 25, 2020 at 4:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY COUNCIL MINUTES
WORKSHOP, COUNCIL CHAMBERS**

**KERRVILLE, TEXAS
AUGUST 25, 2020 4:00 PM**

CALL TO ORDER: On August 25, 2020, at 4:00 p.m., the Kerrville City Council Workshop was called to order by Mayor Bill Blackburn in City Hall Council Chambers, 701 Main Street.

COUNCILMEMBERS PRESENT:

Bill Blackburn Mayor
Judy Eychner Mayor Pro Tem, Councilmember Place 3
Kim Clarkson Councilmember Place 2
Delayne Sigerman Councilmember Place 4

COUNCILMEMBER ABSENT:

Gary Cochran Councilmember Place 1

CITY STAFF PRESENT:

Mark McDaniel City Manager
Mike Hayes City Attorney
Shelley McElhannon City Secretary
Amy Dozier Chief Financial Officer
Guillermo Garcia Executive Director for Innovation

VISITORS PRESENT: No citizens were present at the City Council workshop due to the COVID-19 pandemic restrictions and the Governor's Disaster Declaration on March 16, 2020; public participation and engagement was offered through Zoom by telephone, written comments, and by email.

1. PUBLIC COMMENT:

No person(s) signed up to provide comment.

2. INFORMATION AND DISCUSSION:

2.A. Quarterly progress report regarding Development Services and other improvement initiatives.

Guillermo Garcia presented information and responded to questions.

Councilmember Judy Eychner made a motion the City Council adjourn into closed executive session under 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), and 551.087 (business prospect/economic development). Councilmember Delayne Sigerman seconded, and the motion passed 4-0.

RECESS: Mayor Blackburn recessed workshop at 4:29 p.m.

RECONVENE: The workshop was reconvened in closed executive session by Mayor Blackburn in the upstairs large conference room at 4:40 p.m.

3. EXECUTIVE SESSION:

City Council may adjourn into executive (closed) session at any time to discuss any matter listed above including if they meet the qualifications in Sections 551.071 (consultation with attorney), 551.072 (deliberation regarding real property), 551.073 (deliberations regarding gifts), 551.074 (personnel/officers), 551.076 (deliberation regarding security devices), and 551.087 (business prospect/economic development) of Chapter 551 of the Texas Government Code. Council will discuss the following matters in executive session:

3.A. Killdeer Mountain Manufacturing, Inc. business development project (551.071, 551.072, 551.087)

The closed executive session adjourned, Council returned to open session at 5:31 p.m.

4. ACTION ON ITEMS DISCUSSED IN EXECUTIVE SESSION IF ANY

No action was taken in executive session.

ADJOURN.

The workshop was adjourned at 5:31 p.m.

APPROVED BY COUNCIL: _____

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Minutes for the City Council meeting held August 25, 2020.

AGENDA DATE OF: September 8,
2020

DATE SUBMITTED: May 13, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS: [20200908_Minutes_regular meeting 8-25-20 6pm.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
0	0	0	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

Minutes for the City Council meeting held August 25, 2020 at 6:00 p.m.

RECOMMENDED ACTION:

Approve minutes as presented.

**CITY COUNCIL MINUTES
REGULAR MEETING**

**KERRVILLE, TEXAS
AUGUST 25, 2020**

On August 25, 2020, at 6:04 p.m. the meeting was called to order by Mayor Bill Blackburn in the City Hall Council Chambers at 701 Main Street. The invocation was offered by Mayor Blackburn, followed by the Pledge of Allegiance led by Mayor Blackburn.

COUNCILMEMBERS PRESENT:

Bill Blackburn	Mayor
Judy Eychner	Councilmember, Mayor Pro Tem
Kim Clarkson	Councilmember
Delayne Sigerman	Councilmember

COUNCILMEMBER ABSENT:

Gary Cochrane	Councilmember
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CITY EXECUTIVE STAFF PRESENT:

Mark McDaniel	City Manager
E.A. Hoppe	Deputy City Manager
Mike Hayes	City Attorney
Shelley McElhannon	City Secretary
Stuart Barron	Director of Public Works
Amy Dozier	Chief Financial Officer
David Knight	Chief of Police
Dannie Smith	Fire Chief

VISITORS PRESENT: No citizens were present physically at the City Council meeting due to the COVID-19 pandemic restrictions and the Governor's Disaster Declaration on March 16, 2020; public participation and engagement was offered through telephone, written comments, and by email.

1. PRESENTATIONS:

1A. Kerrville Kindness award.

Mayor Blackburn presented the Kerrville Kindness award to the Community Foundation.

The following person spoke over Zoom:

- Austin Dickson with the Community Foundation

2. CONSENT AGENDA:

Citizen George Baroody requested to pull item 2B, Councilmember Kim Clarkson and Councilmember Judy Eychner requested to pull item 2C, and Mayor Blackburn requested to pull item 2D from the consent agenda.

Councilmember Clarkson made a motion to approve items 2A, 2E, 2F, and 2G on the consent agenda, and Councilmember Delayne Sigerman seconded. The motion passed 4-0.

2A. Annual Kerrville Economic Improvement Corporation budget for Fiscal Year 2021.

2E. Minutes for the City Council workshop held August 11, 2020.

2F. Minutes for the City Council meeting held August 11, 2020.

2G. Minutes for the City Council workshop held August 18, 2020.

END OF CONSENT AGENDA

2B. Administrative Services Contract between City of Kerrville, Texas and City of Kerrville, Texas Economic Improvement Corporation.

The following person(s) spoke over Zoom:

- George Baroody

E.A. Hoppe provided information and responded to questions by Council.

Councilmember Eychner made a motion to approve item 2B, and Councilmember Sigerman seconded. The motion passed 4-0.

2C. City of Kerrville Funding Agreement with Kerr Economic Development Corporation.

Mark McDaniel presented information and responded to questions.

Councilmember Clarkson made a motion to approve item 2C the Funding Agreement with the Kerr Economic Development Corporation, but strike to item 1E *'the Kerr Economic Development Corporation provide a quarterly report to Council'* from the actual Funding Agreement, seconded by Councilmember Eychner.

Presenting over Zoom, Gil Salinas with the Kerr Economic Development Corporation provided information and responded to questions.

Following discussion, Councilmember Clarkson withdrew the motion and Councilmember Eychner withdrew the second.

Councilmember Clarkson made a motion to approve item 2C the Funding Agreement with the Kerr Economic Development Corporation, seconded by Councilmember Eychner. The motion passed 4-0.

2D. Amendment to the City of Kerrville Certificate of Convenience and Necessity for Water Service (CCN) pursuant to application from Solar Village Homeowners Association (100 Stacey Lane, Kerr County).

Stuart Barron presented information and responded to questions.

Mayor Blackburn made a motion to approve item 2D, seconded by Councilmember Eychner. The motion passed 4-0.

3. PUBLIC HEARING AND ORDINANCES, FIRST READING:

3A. Ordinance No. 2020-16. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2021; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.

Shelley McElhannon read Ordinance No. 2020-16 caption into record.
Amy Dozier presented information and responded to questions by City Council.

Mayor Blackburn opened the public hearing at 6:27 p.m.
The following person(s) spoke over Zoom:

- George Baroody

Mayor Blackburn closed the public hearing at 6:48 p.m.

Councilmember Sigerman made a motion to approve Ordinance No. 2020-16, seconded by Councilmember Eychner. This motion was passed and approved on first reading, the vote recorded as follows:

	YES	NO
Bill Blackburn, Mayor	<u> X </u>	<u> </u>
Kim Clarkson, Place 2	<u> X </u>	<u> </u>
Judy Eychner, Place 3	<u> X </u>	<u> </u>
Delayne Sigerman, Place 4	<u> X </u>	<u> </u>

4. ORDINANCES, FIRST READING:

4A. Ordinance No. 2020-15. An Ordinance authorizing the issuance of up to \$13,685,000 in principal amount of City of Kerrville, Texas General Obligation Refunding Bonds, series 2020; authorizing the approval and execution of all agreements and other instruments and procedures related thereto; delegating authority to certain city officials to select outstanding obligations to be refunded and approve all final terms of the bonds; approving an official statement; and calling certain obligations for redemption.

Shelley McElhannon read Ordinance No. 2020-15 caption into record.
Amy Dozier introduced the item.
Presenting over Zoom, Anne Berger-Entrekin with Hilltop Securities provided information and responded to questions.

The following person(s) spoke over Zoom:

- George Baroody – declined to comment when called upon

Councilmember Eychner made a motion to approve Ordinance No. 2020-15, seconded by Councilmember Clarkson. The motion passed 4-0.

Note: Amy Dozier advises that per Section 1201.028 of the Texas Government Code, ordinances related to the issuance of bonds become effective with only one reading. This state law supersedes the City’s Charter that directs two readings for ordinances and applies to all other Texas municipalities with similar Charter provisions.

4B. Ordinance No. 2020-17. An Ordinance levying an ad valorem tax for the use and the support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2021; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

Shelley McElhannon read Ordinance No. 2020-17 caption into record.
Amy Dozier presented information and responded to questions by City Council.

Councilmember Sigerman made a motion to approve Ordinance No. 2020-17, seconded by Mayor Blackburn. This motion was passed and approved on first reading, the vote recorded as follows:

	YES	NO
Bill Blackburn, Mayor	<u> X </u>	<u> </u>
Kim Clarkson, Place 2	<u> X </u>	<u> </u>
Judy Eychner, Place 3	<u> X </u>	<u> </u>
Delayne Sigerman, Place 4	<u> X </u>	<u> </u>

Note: Amy Dozier advises that no public hearing is required as no new or increase of City taxes.

5. CONSIDERATION AND POSSIBLE ACTION:

5A. Purchase replacement generator for the Kerrville Police Department in the amount of \$60,893.00.

Shelley McElhannon read item 5A caption into record.
Chief David Knight presented information, and Mark McDaniel provided comments.

Councilmember Eychner made a motion to approve the purchase of the replacement generator and installation for the police department, seconded by Councilmember Sigerman. The motion passed 4-0.

5B. Briefing and possible action as to the City’s ongoing preparedness and response to COVID-19 (Coronavirus).

Shelley McElhannon read item 5B caption into record.
Fire Chief Dannie Smith presented information and responded to questions.
Councilmember Eychner provided an update on food relief and the Food Bank.

The following person(s) spoke over Zoom:

- George Baroody – left the Zoom call at 19:08 hours, before being called upon

5C. Declaration of local state of disaster due to a public health emergency, March 20, 2020.

Shelley McElhannon read item 5C caption into record.
City Council's opportunity to discuss the declaration. No comments.

6. INFORMATION AND DISCUSSION:

6A. Financial update for the month ended July 31, 2020.

Shelley McElhannon read item 6A caption into record.
Amy Dozier presented information and responded to questions.

7. BOARD APPOINTMENTS:

7A. Appointment to the Main Street Advisory Board.

Councilmember Eychner made a motion to reappoint Mary Elaine Jones, reappoint Anne Overby, and appoint Diana Howard as a new member. Councilmember Clarkson seconded, and the motion passed 4-0.

8. EXECUTIVE SESSION:

City Council did not convene Executive Session.

9. ACTIONS ON ITEMS DISCUSSED IN EXECUTIVE SESSION, IF ANY:

No action.

ADJOURN. The meeting adjourned at 7:26 p.m.

APPROVED BY COUNCIL: _____

APPROVED:

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Ordinance No. 2020-16. An Ordinance adopting the annual budget for the City of Kerrville, Texas, Fiscal Year 2021; providing appropriations for each City department and fund; containing a cumulative clause; and containing a savings and severability clause.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Sep 01, 2020

SUBMITTED BY: Amy Dozier

EXHIBITS: [20200908_Ordinance_2020-16 adopting Citys annual budget FY2021 second reading.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

The FY2021 Proposed Budget, while austere, continues to advance many of the guiding principles of Kerrville 2050 as well as City Council priorities. Budget highlights include:

- * Overall revenues of \$58.2M, overall expenditures of \$70.5M
- * General Fund is balanced with revenues and expenditures of \$28.1M, which is \$698K less than FY2020
- * Water Fund is balanced with revenues and expenditures of \$13.1M, which is \$27K more than FY2020
- * Expenditures exceed revenues in other funds primarily due to capital projects that were funded in previous years

* The proposed property tax rate is LOWERED from \$0.5400 to \$0.5116 per \$100 of assessed value. The proposed tax rate equals the no-new-revenue tax rate. This marks the 3rd time in 4 years that the tax rate has been lowered and the 11th consecutive year of the same or lower tax rate.

* There are NO proposed changes to water or sewer rates

* Capital projects to address high priority drainage items

* Capital projects for complete renovation of some of the City's worst streets

* Additional funding for annual street repairs

Staff began the process of preparing the budget in February 2020. Budget workshops were held with City Council on March 10th, June 16th, and July 21st. A Council Retreat was held on June 12th. The FY2021 Proposed Budget was filed with the City Secretary, placed on the City website and at the Butt-Holdsworth Memorial Library for public viewing on July 31, 2020. A Public Hearing was held on August 25, 2020. The new fiscal year begins on October 1, 2020.

The Ordinance was approved 4-0 at first reading on August 25, 2020 with Mayor Blackburn, Councilmember Clarkson, Councilmember Eychner, and Councilmember Sigerman voting for the Ordinance. Councilmember Cochrane was absent as previously planned.

The second ordinance reading and vote will occur on September 8, 2020.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-16 on second reading. MUST BE A RECORD VOTE.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-16**

**AN ORDINANCE ADOPTING THE ANNUAL
BUDGET FOR THE CITY OF KERRVILLE, TEXAS,
FISCAL YEAR 2021; PROVIDING
APPROPRIATIONS FOR EACH CITY
DEPARTMENT AND FUND; CONTAINING A
CUMULATIVE CLAUSE; AND CONTAINING A
SAVINGS AND SEVERABILITY CLAUSE**

WHEREAS, in accordance with Sections 8.01 and 8.03 of the City Charter and Section 102.005 of the Texas Local Government Code, the City Manager prepared and filed with the City Secretary on July 31, 2020, a proposed budget for the City of Kerrville, Texas, for the fiscal year beginning October 1, 2020, and ending September 30, 2021 (sometimes referred to as “Fiscal Year 2021” or “FY2021”); and

WHEREAS, in accordance with Section 8.03 of the City Charter and Sections 102.006 and 102.065 of the Texas Local Government Code, and after providing the required public notice in the City’s official newspaper not less than two weeks prior to the date of the public hearing, a public hearing was duly held on August 25, 2020, at the time and place set forth in the public notice, said date being more than fifteen days subsequent to the filing of the proposed budget by the City Manager, at which all interested persons were given an opportunity to be heard for or against any item within the proposed budget; and

WHEREAS, after due deliberation, study, and consideration of the proposed budget, to include the opportunity of making any amendments to the budget proposed by the City Manager that City Council has determined are (1) warranted by law or (2) in the best interest of the taxpayers of the City, City Council is of the opinion that the Official Budget for the Fiscal Year 2021, with any such amendments described and discussed, should be approved and adopted, in accordance with Section 8.05 of the City Charter and Section 102.007 of the Texas Local Government Code;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. The Official Budget of the City of Kerrville, Texas, a copy of which is on file in the office of the City Secretary, referenced by the date and number of this Ordinance, and incorporated herein by reference as if fully set out herein, is adopted, in accordance with Article VIII of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION TWO. The appropriations by department, fund, or other organization unit and the authorization and allocation for each program or activity are hereby deemed to provide a complete financial plan of City funds and activities

for the Fiscal Year 2021, in accordance with Section 8.04 of the City Charter and Chapter 102 of the Texas Local Government Code.

SECTION THREE. The following policies, which City Council has previously approved, are included within the budget document referenced in Section One. Some of the policies include amendments, as indicated, which City Council hereby approves. City Council may revise a policy(s) before the adoption of next year's budget, by the adoption of a resolution indicating the revisions. The policies are as follows:

- Financial Management Policy
- Investment Policy
- Purchasing Policy
- Real Estate Policy
- Travel Policy
- Vehicle and Equipment Replacement Policy
- Fee Schedule
- Official Bonds Applicable to Specified Employees

SECTION FOUR. By adoption of this Ordinance, City Council is also approving and adopting the City's Holiday Schedule for FY2021, which is attached as **Exhibit A.**

SECTION FIVE. The provisions of this Ordinance are to be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein; provided, however, that all prior ordinances or parts of ordinances inconsistent with or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent of any such inconsistency or conflict.

SECTION SIX. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be unconstitutional or invalid, such holding shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of Kerrville, Texas, hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared unconstitutional or invalid.

THE MEMBERS OF CITY COUNCIL VOTED AS FOLLOWS IN ACCORDANCE WITH THE CITY CHARTER AND STATE LAW:

FIRST READING:

City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	<u>X</u>	_____
Gary Cochrane, Place 1	<u>_____</u>	<u>_____</u> <i>did not vote, excused absence</i>
Kim Clarkson, Place 2	<u>X</u>	_____
Judy Eychner, Place 3	<u>X</u>	_____
Delayne Sigerman, Place 4	<u>X</u>	_____

PASSED AND APPROVED ON FIRST READING, this the 25 day of August A.D., 2020.

SECOND READING:

City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	_____	_____
Gary Cochrane, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Judy Eychner, Place 3	_____	_____
Delayne Sigerman, Place 4	_____	_____

PASSED AND APPROVED ON SECOND AND FINAL READING, this the _____ day of _____, A.D., 2020.

ATTEST:

Bill Blackburn, Mayor

Shelley McElhannon, City Secretary

APPROVED AS TO FORM:

[Handwritten Signature]

Michael C. Hayes, City Attorney

City of Kerrville FY2021 Holiday Schedule

Veteran's Day	Wednesday, November 11, 2020
Thanksgiving Day	Thursday, November 26, 2020
Friday After Thanksgiving	Friday, November 27, 2020
Christmas Eve Holiday	Thursday, December 24, 2020
Christmas Day Holiday	Friday, December 25, 2020
New Year's Day	Friday, January 1, 2021
Martin Luther King Day	Monday, January 18, 2021
Good Friday	Friday, April 2, 2021
Memorial Day	Monday, May 31, 2021
Independence Day (observed)	Monday, July 5, 2021
Labor Day	Monday, September 6, 2021
Floating Holiday	Day of Employee Choice (Supervisor Approval Required)

For Fire Fighters Only

HB 2113, which amended 142.013, TX. Local Government Code, was passed and signed by the Governor of the State of Texas on June 19, 2009. The new law states: "A fire fighter shall be granted the same number of vacation days and holidays, or days in lieu of vacation days or holidays, granted to other municipal employees, at least one of which shall be designated as September 11th."

The City will designate the regular City floating holiday as the September 11th holiday for City of Kerrville Fire Fighters. The September 11th holiday may be used on a date other than September 11th but must have supervisor approval. Upon separation from the City, a fire fighter will not be paid for an unused September 11th holiday.

Call: **896-7777**

Fax: **(830)896-1150**

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Public Notice

**CITY OF KERRVILLE
 NOTICE OF PUBLIC HEARING ON PROPOSED BUDGET**

The Kerrville City Council will hold a public hearing on the FY2021 Proposed Budget on Tuesday, August 25, 2020 at 701 Main Street, Kerrville, TX at 6:00 pm in the City Council Chambers.

The budget's proposed ad valorem tax rate is \$0.5116 per \$100 of assessed value, which is lower than last year's tax rate of \$0.5400. The rate equals the no-new-revenue rate of \$0.5116 and is lower than the voter-approval rate of \$0.5338.

Copies of the FY2021 Proposed Budget are available for review at City Hall (City Secretary's Office) located at 701 Main Street between 8 am and 5 pm Monday through Friday, the Butt-Holdsworth Memorial Library at 505 Water Street during regular library hours and the City's website at www.kerrvilletx.gov.

Pursuant to Section 8.03 of the City Charter, the City Council is publishing the following table as a general summary of the City of Kerrville FY2021 Proposed Budget. This table shows revenues and expenditures for each of the City's two main operating funds. The balance of the funds are combined into a single presentation labeled "Other Funds."

	FY2020 Budget	Proposed FY2021 Budget	Increase (Decrease)
General Fund			
Revenues	\$ 28,762,077	\$ 28,064,250	\$ (697,827)
Expenditures	28,762,077	28,064,250	(697,827)
Revenues Over (Under) Expenditures	-	-	-
Water Fund			
Revenues	13,035,594	13,062,669	27,075
Expenditures	13,035,594	13,062,669	27,075
Revenues Over (Under) Expenditures	-	-	-
Other Funds			
Revenues	17,970,742	17,035,151	(935,591)
Expenditures	36,448,878	29,365,168	(7,083,710)
Revenues Over (Under) Expenditures	(18,478,136)	(12,330,017)	
Total Funds			
Revenues	59,768,413	58,162,070	(1,606,343)
Expenditures	78,246,549	70,492,087	(7,754,462)
Revenues Over (Under) Expenditures	\$(18,478,136)	\$(12,330,017)	

The FY2021 Proposed Budget is a balanced budget where current revenues meet or exceed expenditures for all major funds. Expenditures in the Other Funds section exceed revenues primarily due to capital projects that were funded in previous years, but will be constructed in FY2021.

Help Wanted
 Full-Time

Dental Assistant needed for a well-established dental office, with wonderful patient population, an enthusiastic team, and a sincere dentist dedicated to quality care. We'd love to have you join us FT Monday-Thursday and alternating Fridays. Front Office experience would be a plus, but a great attitude and a strong work ethic are our first priorities. Please send a resume and a paragraph about yourself to maje7803@yahoo.com, or fax a copy to (830) 955-5195. We look forward to meeting you!

Full Time Ranch Hand needed.

Must pass drug screening and background investigation, Able to work outdoors for extended periods, Full time Ranch hand needed.
 • Must pass a background investigation and drug screening before being hired.
 • The property is located approximately 12 miles outside of Ingram so please have reliable transportation to and from work.
 • No Housing available

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**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Ordinance No. 2020-17. An Ordinance levying an ad valorem tax for the use and the support of the Municipal Government for the City of Kerrville, Texas, for Fiscal Year 2021; providing for apportioning each levy for specific purposes; and providing when taxes shall become due and when same shall become delinquent if not paid.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Sep 01, 2020

SUBMITTED BY: Amy Dozier

EXHIBITS: [20200908_Ordinance_2020-17 Tax Rate 2020 second reading.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

This is the second reading of Ordinance No. 2020-17 on the proposed property (ad valorem) tax rate of \$0.5116 per \$100 of assessed value for Fiscal Year 2021 (FY2021). The first reading was approved 4-0 on August 25, 2020. The vote must be a record vote using the language provided in the ordinance. Mayor Blackburn, Councilmember Clarkson, Councilmember Eychner, and Councilmember Sigerman voted for the Ordinance. Councilmember Cochrane was absent as previously planned.

The second ordinance reading and vote will occur on September 8, 2020.

At the August 11, 2020 City Council meeting, Council approved a resolution establishing the proposed property tax rate ceiling for tax year 2020 (FY2021) at \$0.5116 per \$100 of assessed value. This rate is:

- * Equal to the no-new-revenue tax rate
- * Lower than the voter-approval rate of \$0.5338
- * Lower than the current tax rate of \$0.5400
- * Marks the 3rd time in last 4 years that the rate has been lowered
- * Is the 11th straight year of no tax rate increase

A notice of meeting to vote on the tax rate was published in the Kerrville Daily Times on August 22nd and is running 5 times per day on the City's public access channel. In addition, the tax rate calculation and required disclosures are available on the City's website. The rate is composed of the maintenance and operations portion and the debt rate portion. The maintenance and operations portion is being lowered from \$0.4665 to \$0.4381 per \$100 of assessed value. The debt portion of the rate remains unchanged at \$0.0735. The two rates added together result in the total rate of \$0.5116.

RECOMMENDED ACTION:

Approve Ordinance No. 2020-17 on second reading. MUST BE A RECORD VOTE.

**CITY OF KERRVILLE, TEXAS
ORDINANCE NO. 2020-17**

AN ORDINANCE LEVYING AN AD VALOREM TAX FOR THE USE AND THE SUPPORT OF THE MUNICIPAL GOVERNMENT FOR THE CITY OF KERRVILLE, TEXAS, FOR THE FISCAL YEAR 2021; PROVIDING FOR APPORTIONING EACH LEVY FOR SPECIFIC PURPOSES; AND PROVIDING WHEN TAXES SHALL BECOME DUE AND WHEN SAME SHALL BECOME DELINQUENT IF NOT PAID

WHEREAS, City Council finds that an ad valorem tax must be levied to provide for expenses and improvements for the City of Kerrville, Texas, during Fiscal Year 2021; and

WHEREAS, City Council further finds that an ad valorem tax must be levied to provide for the payment of principal and interest on outstanding debt maturing in Fiscal Year 2021; and

WHEREAS, after due deliberation, study, and consideration of the proposed tax rate for Fiscal Year 2021, City Council has determined that adoption of the rate is in the best interest of the taxpayers of the City and it should be adopted in accordance with law;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:

SECTION ONE. There is hereby levied and there shall be collected for the use and support of the municipal government of the City of Kerrville, Texas, and to provide interest and sinking funds for the Fiscal Year 2021, a tax of **\$0.5116** on each one hundred dollars (\$100.00) valuation of all property, real, personal, and mixed, within the corporate limits of the City subject to taxation, for the specific purposes herein set forth:

A. For the current expenditures of the City of Kerrville and for the general improvement, use, and support of the City and its property, there is hereby levied and ordered to be assessed and collected for the Fiscal Year 2021 on all property situated within the corporate limits of the City, and not exempt from taxation by a valid law, an ad valorem tax rate of **\$0.4381** on each one hundred dollars (\$100.00) valuation of such property.

B. For the purpose of paying principal and interest and providing payments into various debt service funds for each issue of tax supported debt, there is hereby levied and ordered to be assessed and collected for the Fiscal Year 2021 on all property situated within the corporate limits of the City and not exempt

from taxation by a valid law, an ad valorem tax for each issue of debt described in this Section, the sum of such levies being **\$0.0735** on each one hundred dollars (\$100.00) valuation of such property.

SECTION TWO. The ad valorem taxes levied are due on October 1, 2020, and may be paid up to and including January 31, 2021, without penalty, but if not paid, such taxes are delinquent on February 1, 2021; provided, however, in accordance with Section 31.03(a) of the Texas Tax Code, the ad valorem taxes due hereunder may, at the option of the taxpayer, be paid in two payments without penalty or interest so long as the first payment of one-half of the taxes levied is paid before December 1, 2020, and the remaining one-half is paid before July 1, 2021.

SECTION THREE. No discounts are authorized on property tax payments made prior to January 31, 2021.

SECTION FOUR. All taxes become a lien upon the property against which assessed and the designated City tax collector for the City of Kerrville is authorized and empowered to enforce the collection of such taxes according to the Constitution and Laws of the State of Texas and ordinances of the City of Kerrville, and shall by virtue of the tax rolls, fix and establish a lien by levying upon such property, whether real or personal, for the payment of said taxes, penalty, and interest. All delinquent taxes shall bear interest and other charges from date of delinquency as prescribed by state law.

FIRST READING:

City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	<u>X</u>	_____
Gary Cochrane, Place 1	<u>—</u>	<u>—</u> Did not vote, excused absence
Kim Clarkson, Place 2	<u>X</u>	_____
Judy Eychner, Place 3	<u>X</u>	_____
Delayne Sigerman, Place 4	<u>X</u>	_____

August PASSED AND APPROVED ON FIRST READING, this the 25 day of _____, A.D., 2020.

SECOND READING:

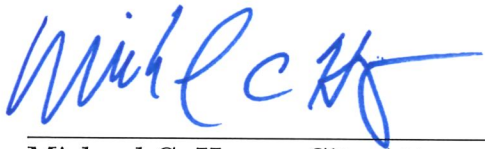
City Secretary to take record vote as follows:

	YES	NO
Bill Blackburn, Mayor	_____	_____
Gary Cochrane, Place 1	_____	_____
Kim Clarkson, Place 2	_____	_____
Judy Eychner, Place 3	_____	_____
Delayne Sigerman, Place 4	_____	_____

PASSED AND APPROVED ON SECOND AND FINAL READING, this
the _____ day of _____, A.D., 2020.

Bill Blackburn, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Appeal to administrative decisions and interpretations of Chief Building Officer and Fire Code Official for 1001 Water Street, Suite G. (L.Brent Bates).

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Sep 01, 2020

SUBMITTED BY: Guillermo Garcia

EXHIBITS: [20200908_Board Details_Building Board of Adjustment and Appeals Board.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

The Building Board of Adjustment and Appeal (BBAA) heard a request for an appeal and variance for the property located at 1001 Water Street, Building G. The BBAA voted to take no action during its called meeting on August 5, 2020, at 4:00 p.m., as per Chapter 26 - Buildings and Building Regulations, Article VIII - Building Board of Adjustment and Appeals, Section 26-251 (d), "the application for appeal shall be submitted to the city council for consideration and final action at a regular meeting."

The applicant has requested to hear an appeal of decisions and interpretations of the Chief Building Official and Fire Marshal for the following items:

1. Code Officials calculation of occupancy, based on Section 1004, Occupant Load, 2006 International Building Code. Calculation was made based on the maximum occupancy load allowed under code, not actual occupancy as allowed in section 1004.1.1 areas without fixed seating, sub-section Exception.

2. 1020.1 Enclosures required. To be allowed to provide an alternative method of enclosure and protection of occupants.

The applicant seeks a relief by the following:

1. Establish occupancy at 58+ persons, not 203 maximum possible occupancy for any and all business use group buildings.
2. To allow enclosure via limited area fire sprinkler system, or other equivalent method.

To grant a variance or appeal the following criteria must be met as per Section 26-251 (e) Variances. The board, when so appealed to and after a hearing, may grant a variance to the application of any provision of a standardized building code to any particular case when, in its opinion, the enforcement thereof would do manifest injustice and would be contrary to the spirit and purpose of this or the standardized building codes or public interest, and also finds each of the following:

1. That special conditions and circumstances exist which are peculiar to the building, structure, building component, or life safety system involved and which are not applicable to others;
2. That the special conditions and circumstances do not result from the action or inaction of the applicant;
3. That granting the variance requested will not confer on the applicant any special privilege that is denied by a standardized building code to other buildings, structures, building component, or life safety system;
4. That the variance granted is the minimum variance that will make possible the reasonable use of the building, structure, building component, or life safety system; and
5. That the grant of the variance will be in harmony with the general intent and purpose of this standardized building code, this chapter, and will not be detrimental to the public health, safety and welfare.

RECOMMENDED ACTION:

Deny the requested appeals and/or variance.

ARTICLE VIII. - BUILDING BOARD OF ADJUSTMENT AND APPEALS

Sec. 26-250. - Building Board of Adjustment and Appeals.

- (a) *Creation.* There is hereby created the City of Kerrville, Texas, Building Board of Adjustment and Appeals, otherwise known in this chapter as the "board." This board shall act as the body authorized to hear appeals, grant variances, and to recommend amendments to and the adoption of standardized building codes to be considered by the city council, said codes to include the International Residential Code, the International Building Code, the International Plumbing Code, the National Electrical Code, the International Mechanical Code, the International Fuel Gas Code, the International Fire Code, and the International Existing Building Code, as amended (collectively referred to as the "standardized building codes").
- (b) *Membership.* The board shall consist of seven regular members appointed by the city council as follows:
- (1) An architect licensed to practice in the state;
 - (2) A professional engineer licensed to practice in the state;
 - (3) A master electrician licensed to practice in the state;
 - (4) An unrestricted master plumber licensed to practice in the state;
 - (5) A mechanical contractor licensed to practice in the state;
 - (6) A person licensed by the city as a contractor; and
 - (7) A person that is active in the construction industry; provided, however, if the city council determines that it is unable to fill any one of the other regular positions specified above, then council shall select a person meeting this description to serve.
- (c) *Alternates.* In an effort to obtain a quorum, increase efficiency, or for other reasons, the city council may appoint two or more alternate members to the board. Each alternate member shall meet any one of the qualification provisions applicable to regular members. An alternate member shall serve only in the absence of one or more regular members when requested to do so by the chief building official so that all cases considered by the board are heard by a minimum of at least four members. Alternate members may only participate in meetings if called to act and shall then act as a regular member for the entire meeting. Even where not called upon to act as a regular member, alternate members shall attend all meetings and are subject to the attendance requirements applicable to the board.
- (d) *Qualifications.* Each regular member and each alternate member shall be a resident of the county; however, no two members, regular and alternate combined, may be employed by or have an ownership interest in the same business or firm.
- (e) *Term of appointment.* All regular and alternate members of the board shall be appointed to serve two-year terms beginning on September 1 and ending on August 31 of the appropriate years. The terms of four of the regular members appointed shall expire in odd-numbered years. The terms of the remaining three regular members shall expire in even-numbered years. The expiration of the term for each alternate, if any, shall alternate between an even and odd year. The city council may appoint members to the board, regular or alternate, for terms of lesser duration than two years when making the initial appointments or when otherwise necessary to comply with the provisions of this article. For purposes of making initial appointments and to stagger the terms, council shall appoint the regular members meeting the qualifications of subsection (b)(1), (2), (6), and (7) for terms not to exceed one year and shall appoint the regular members meeting the qualifications of subsection (b)(3), (4), and (5) for terms not to exceed two years.
- (f) *Vacancies.* Upon the death, resignation, or removal from office of any regular or alternate member of the board prior to the end of the member's term, the city council shall appoint a successor who shall hold that position for the unexpired term of the person who he or she is appointed to succeed. Any

regular member who fails to meet the qualifications for the position for which he or she was appointed due to the loss of a license or employment, relocation, change of residency, or any other change in status that makes that member ineligible for the position, shall be considered to have resigned immediately and without any notice or required action.

- (g) *Officers.* The board shall elect a chair and vice-chair who shall be appointed from among its voting members. The board shall appoint such officers at the first meeting of the board held after September 1 of each year. Officers shall serve a term of one year and all such terms shall end on August 31 after the date of election or until a successor is elected, but in every case each subsequent term shall end on August 31. An officer of the board may not serve in the office elected for more than two consecutive terms.
- (h) *Authority of chair.* It shall be the duty of the chair, or in the absence of the chair, the vice-chair, to preside over all meetings of the board.
- (i) *Compensation of members.* Board members shall receive no compensation for their services on the board.
- (j) *Meetings; voting.* Meetings of the board shall be held at least quarterly, at the call of the chair, and at such other times as the members of the board determine. All board members, regular and an alternate member(s), but only where the alternate is substituting for and acting as a regular member, shall be voting members and have the right, duty, and obligation to vote on all matters that come before the board except for matters which involve a board member's company or employer, a board member's workmanship, or where prohibited by this article or law. A majority of members present and voting shall be necessary to constitute an official action of the board unless as provided herein.
- (k) *Procedural rules.* The Board shall comply with the Texas Open Meetings Act and the Procedural Rules (for) Kerrville City Boards. No member shall communicate or deliberate about a matter coming before the board or over which the board has authority outside of a posted meeting in an attempt to evade the Open Meetings Act. Such prohibited conduct also applies to email or telephonic conversations.
- (l) *Quorum.* Four voting members of the board, which may include an alternate member(s) but only where substituting for and acting as a regular member, shall constitute a quorum for the transaction of business.
- (m) *Conflicts of interest.* No member or alternate member shall hear an appeal in which that member has a personal, professional, or financial interest or where a conflict of interest arises pursuant to law.
- (n) *Quasi-judicial decisions.* The requirements of procedural due process necessitate a fair hearing before an impartial body with the goal of ensuring that all sides, including the public, are provided an opportunity to present their views in a public meeting. Thus, all quasi-judicial decisions made by the board must be based upon what is in the official public record. Quasi-judicial decisions include decisions made with respect to appeals of administration decisions and requests for variances and permits. In any quasi-judicial matter, no board member shall intentionally or knowingly, outside of a meeting, communicate with a person for which there are reasonable grounds for believing that the person is a party to the matter being considered, if such communication is designed to influence the member's consideration of or action on the matter. A "party" is defined as being either an applicant or appellant to the quasi-judicial matter. This type of communication could be considered an ex parte communication as it involves one party discussing or presenting information to a board member when another party or the public is not present to witness the conversation or where the other party does not receive the disclosed information. If any such communication should occur (ex parte communication), the member shall disclose it at an open meeting of the Board prior to its consideration of the matter and shall then recuse himself/herself from all further discussions and actions on the matter. Where a member receives an unsolicited inquiry or communication, personally or through electronic means, the member shall not engage in such communications and if possible, return the communication to the sender. Further, the member shall also advise the person or sender that such information should be presented at a board meeting.

- (o) *General powers and duties.* The board shall have the following powers and duties:
- (1) To hear appeals of decisions and interpretations of the chief building official and fire code official and to consider variances to the standardized building codes as more specifically described in section 26-251. No appeal may arise out of the city's issuance of citation for violation of any of the standardized building codes as the procedure for the consideration and decision regarding citations is solely under the purview and authority of the municipal court. In addition, the board shall have no authority to waive, and is prohibited from waiving, any requirement of the standardized building codes;
 - (2) Recommend amendments to this chapter; any standardized building code adopted by the city council; or any other code, application, or process applicable to the city's review, application, interpretation, and enforcement of the standardized building codes with the goal toward addressing any deficiencies, voids, inconsistencies, inefficiencies, or technical errors; and
 - (3) To hear appeals, issue orders, and fulfill other duties pursuant to the authority established in article VII of this chapter for unsafe building abatement.

(Ord. No. 2010-15, § 9, 7-27-2010; Ord. No. 2010-26, § 1, 11-23-2010; Ord. No. 2017-09, §§ 1, 2, 4-25-2017)

Sec. 26-251. - Appeals and variances.

- (a) *Appeals to administrative decisions and interpretations.* The owner of a building, structure, building component or life safety system, or their duly authorized agent (the "appellant"), may appeal a decision of the chief building official or fire code official to the board whenever any one of the following conditions are claimed to exist:
- (1) The chief building official or fire code official rejected or refused to approve the mode or manner of construction proposed to be followed or materials to be used in the installation or alteration of a building, structure, building component, or life safety system;
 - (2) The provisions of a standardized building code do not apply in this specific case;
 - (3) That an equally good or more desirable form of installation can be employed in any specific case; or
 - (4) The true intent and meaning of a standardized building code or any of the regulations thereunder have been misconstrued or incorrectly interpreted.
- (b) *Form of appeal.* To be effective, the appellant must appeal in writing on a form established by the city and must specify and/or provide evidence of the following:
- (1) A citation to the section of the standardized building code, state statute, ordinance, or other law that is the subject of the appeal;
 - (2) The earliest date on which the chief building official or fire code official communicated the decision which is the subject of the appeal to the appellant, or, if more than one decision is alleged to be in error, the date each decision was communicated;
 - (3) A summary of the decision made by the chief building official or fire code official which is the basis for the appeal;
 - (4) If the decision of the chief building official or fire code official was made in writing, a copy of the document in which the decision is stated;
 - (5) The specific grounds upon which the appeal is based;
 - (6) An alternative, but equally effective, way of addressing the code provision;
 - (7) A description of the property affected by the decision of the chief building official or fire code official which is sufficient to identify the location and boundaries of the property;

- (8) The reason the appellant should be considered a person aggrieved by the decision; and
 - (9) The signature of the appellant.
- (c) *Perfection of appeal.* An appeal shall be deemed timely filed and perfected only if the notice of appeal:
- (1) Is filed with the director of development services not later than ten business days after the date on which the decision of the chief building official or fire code official was communicated to the appellant;
 - (2) Is accompanied by the filing fee established by the city council; and
 - (3) Contains all the information set forth in subsection (b) of this section.
- (d) *Hearing date.* Unless a later date is requested in writing from the appellant, the board shall hold a hearing not later than ten business days after the filing and perfection of the notice of appeal. The board shall render a decision within five business days. If the board does not convene to hear an appeal within the ten business days after the city's receipt of the written appeal or fails to reach a decision within the five business days thereafter, the application for appeal shall be submitted to city council for consideration and final action at a regular meeting.
- (e) *Variations.* The board, when so appealed to and after a hearing, may grant a variance to the application of any provision of a standardized building code to any particular case when, in its opinion, the enforcement thereof would do manifest injustice and would be contrary to the spirit and purpose of this or the standardized building codes or public interest, and also finds each of the following:
- (1) That special conditions and circumstances exist which are peculiar to the building, structure, building component, or life safety system involved and which are not applicable to others;
 - (2) That the special conditions and circumstances do not result from the action or inaction of the applicant;
 - (3) That granting the variance requested will not confer on the applicant any special privilege that is denied by a standardized building code to other buildings, structures, building component, or life safety system;
 - (4) That the variance granted is the minimum variance that will make possible the reasonable use of the building, structure, building component, or life safety system; and
 - (5) That the grant of the variance will be in harmony with the general intent and purpose of this standardized building code, this chapter, and will not be detrimental to the public health, safety and welfare.
- (f) *Required vote.* The concurring vote of a majority of all members of the board, to include an alternate member(s) when substituting for and acting as a regular member is required to modify or reverse an order, requirement, decision, or determination of the chief building official or fire code official.
- (g) *Conditions of the variance.* In granting the variance, the board may prescribe a reasonable time limit within which the action for which the variance is required shall be commenced or completed or both. In addition, the board may prescribe appropriate conditions and safeguards in conformity with the standardized building code. Violation of the conditions of a variance is prohibited.
- (h) *Authority of chief building official and fire code official not diminished.* The authority granted to the board to approve variances shall not be construed as diminishing the authority granted the chief building official or fire code official to approve modifications pursuant to this chapter.

(Ord. No. 2010-15, § 9, 7-27-2010)



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Resolution No. 18-2020. A Resolution amending the City of Kerrville Fee Schedule by revising fees charged for various services and uses provided or offered by the City.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Sep 01, 2020

SUBMITTED BY: Amy Dozier

EXHIBITS: [20200908_Resolution_18-2020 2021 Fee Schedule.pdf](#)
[Fee Schedule.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

The fee schedule is reviewed and updated annually. The FY2021 fee schedule contains relatively few fee changes. Notable changes include:

1. Golf - increases of \$1 to \$3 for green fees and cart fees.
2. GIS - the addition of fees for GIS services, including printing and mailing.
3. Parks and Recreation - increases to RV site monthly fees at Kerrville-Schreiner Park. The fees remain comparable to fees at Texas State Parks.
4. Garbage - increases to fees for residential garbage service in accordance with the City's contract with Republic Services. Residential customers will see a monthly increase of \$0.53, from \$19.94 to \$20.47.
5. Tap Fees - increases for water and sewer tap fees in order to cover increased materials

cost.

The attached fee schedule shows both the current FY2020 fee and the proposed FY2021 fee. Changes are highlighted in yellow. In addition, the proposed fee schedule is included in the Proposed Budget Book that was issued on July 31, 2020 and is available on the City's website, at the Library or in the City Secretary's office.

RECOMMENDED ACTION:

Approve resolution 18-2020.

CITY OF KERRVILLE, TEXAS
RESOLUTION NO. 18-2020

**A RESOLUTION AMENDING AND ADOPTING THE CITY OF
KERRVILLE FEE SCHEDULE FOR FEES THAT THE CITY
CHARGES FOR VARIOUS SERVICES AND USES PROVIDED
OR OFFERED BY THE CITY**

WHEREAS, the City Council of the City of Kerrville adopted a Fee Schedule by Resolution No. 91-138 on September 24, 1991, and has amended said document on a number of occasions; and

WHEREAS, as part of the City's annual budget process, City staff has studied and now recommends that City Council adopt fees that the City charges for various services and uses provided or offered by the City, which includes new fees and revising some of the City's existing fees as indicated; and

WHEREAS, City Council has determined that it is in the public interest to adopt the *Fiscal Year 2020-2021 Fee Schedule*, as amended;

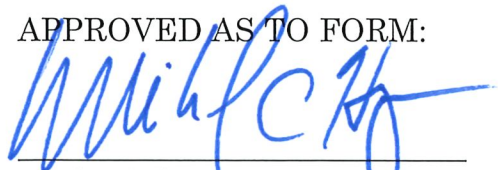
**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF KERRVILLE, KERR COUNTY, TEXAS:**

The *Fiscal Year 2020-2021 Fee Schedule of the City of Kerrville, Texas*, as amended, is adopted as set forth in **Exhibit A**, attached hereto and incorporated herein by reference, such fees to be effective October 1, 2020.

**PASSED AND APPROVED ON this the _____ day of _____ A.D.,
2020.**

Bill Blackburn, Mayor

APPROVED AS TO FORM:



Michael C. Hayes, City Attorney

ATTEST:

Shelley McElhannon, City Secretary

FEE SCHEDULE



FEE SCHEDULE

CITY SECRETARY		
PUBLIC INFORMATION REQUESTS	CURRENT FEE	FY2021 PROPOSED FEE
Standard Size Copy (double sided copies count as 2 copies)		
Black and White	\$0.10 per page	\$0.10 per page
Color	\$0.25 per page	\$0.25 per page
Oversized Paper Copy	\$0.50 per page	\$0.50 per page
Black and White	\$0.00 per page	\$0.75 per page
Color	\$0.00 per page	\$0.75 per page
Notary Fees		
Basic Notary Service	\$5.00 per document	\$5.00 per document
Certified/Embossed Notary Service	\$0.00 per endorsement	\$5.00 per embossment, plus \$1.00 per page \$20 per document max
Acknowledgement	\$0.00 per endorsement	\$5.00 per acknowledgement
Fax Transmissions		
Local	\$0.10 per page	\$0.10 per page
Long distance	\$0.50 per page	\$0.50 per page
Other	actual cost	actual cost
Other	actual cost	actual cost
Labor	\$15.00 per hour	\$15.00 per hour
Overhead charge (if applicable under state law)	20% of personnel charge	20% of personnel charge
LAND RECORD FILING FEES	CURRENT FEE	FY2021 PROPOSED FEE
First Page	\$26.00 per page	\$26.00 per page
Additional Pages	\$4.00 per page	\$4.00 per page
Records Management Fees	\$10.00 per document	\$10.00 per document
Courthouse Security Fee	\$1.00 per document	\$1.00 per document
Records Archive Fee	\$10.00 per document	\$10.00 per document
Note: Fees subject to change based on County fee schedule		
OTHER	CURRENT FEE	FY2021 PROPOSED FEE
Vehicle for Hire Permit	\$25.00 per permit	\$25.00 per permit
Banners		
Permit Fee	\$60.00 per permit	\$60.00 per permit
Administrative Fee (non-refundable)	\$25.00 per permit	\$25.00 per permit
Alcoholic Beverage Certificate	50% of TABC	50% of TABC
Exception: Brewery, Brewpub, or similar	on premise retailer fee	on premise retailer fee
Sidewalk Café Permit	\$50.00 per table/year	\$50.00 per table/year



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT		
BUILDING SERVICES		
PROFESSIONAL & OCCUPATIONAL LICENSES	CURRENT FEE	FY2021 PROPOSED FEE
General Contractor License	\$300.00 initial license	\$300.00 initial license
General Contractor License: Renewal	\$100.00 annual	\$100.00 annual
General Contractor License Renewal: Late Fee	\$0.00 late fee	\$200.00 late fee
General Contractor License: Single Project	\$150.00 per project	\$150.00 per project
BUILDING PERMITS: SINGLE & TWO FAMILY RESIDENTIAL	CURRENT FEE	FY2021 PROPOSED FEE
Building Permit: Minimum Charge	\$25.00 per permit	\$25.00 per permit
New Construction	\$0.36 per sq. foot (all floor area under one roof)	\$0.36 per sq. foot (all floor area under one roof)
Addition	\$0.36 per sq. foot (all floor area under one roof)	\$0.36 per sq. foot (all floor area under one roof)
Alteration or Remodel	\$0.21 per sq. foot (all floor area under one roof)	\$0.21 per sq. foot (all floor area under one roof)
Fire Repair	\$0.21 per sq. foot (all floor area under one roof)	\$0.21 per sq. foot (all floor area under one roof)
Storage or Accessory Building (>200 square feet)	\$0.21 per sq. foot (all floor area under one roof)	\$0.21 per sq. foot (all floor area under one roof)
Building Permit Extension	50% of original permit fee	50% of original permit fee
Plan Review Fee (per review) Due with permit application	50% of building permit fee	50% of building permit fee
Flat work	\$0.00 late fee	\$150 Flat fee
BUILDING PERMITS: COMMERCIAL BY VALUE	CURRENT FEE	FY2021 PROPOSED FEE
Permit (value up to \$1,000) plus Value: \$1,000 and above	\$25.00 per permit \$5.00 per \$1,000	\$25.00 per permit \$5.00 per \$1,000
Value: \$500,000 and above Requires City Manager approval Fees determined by actual cost	TBD	REMOVE
NOTE: Value of construction is the greater of the value quoted by contractor or the calculated value using ICC valuation tables		
Temp Certificate of Occupancy (min 90 Days)	\$100.00 per certificate	\$100.00 per certificate
Temp Certificate of Occupancy Extension (min 30 days)	\$100.00 per certificate	\$100.00 per certificate
Building Permit Extension	50% of building permit fee	50% of original permit fee
Plan Review Fee (per review)	50% of building permit fee	50% of original permit fee
First review due with permit application Subsequent review due to substantial submittal or project changes	50% of original permit fee	50% of original permit fee
SIGN PERMITS: BY VALUE	CURRENT FEE	FY2021 PROPOSED FEE
Sign Permit: Non-Electric Value: up to \$1,000	\$25.00 per permit	\$25.00 per permit
Value: \$1,001 and up	\$5.00 per \$1,000	\$5.00 per \$1,000
Sign Permit: Electric Value: up to \$1,000	\$25.00 per permit	\$25.00 per permit
Value: \$1,001 and up	\$5.00 per \$1,000	\$5.00 per \$1,000
BUILDING PERMIT: ELECTRIC	CURRENT FEE	FY2021 PROPOSED FEE
Building Permit: Electric	\$40.00 per permit	\$40.00 per permit
Additional Fees		
Circuits	\$2.00 each	\$2.00 each
Fixtures	\$0.50 each	\$0.50 each
Motors (<1 HP)	\$2.00 each	\$2.00 each
Motors (1-10 HP)	\$2.50 each	\$2.50 each
Motors (11-25 HP)	\$3.00 each	\$3.00 each
Motors (>25 HP)	\$5.00 each	\$5.00 each
Services	\$7.50 each	REMOVE
Services (per additional meter)	\$7.50 each	\$7.50 each
Appliances	\$2.00 each	\$2.00 each
Equipment (welder)	\$3.00 each	\$3.00 each
Equipment (transformers)	\$5.00 each	\$5.00 each
Equipment (other)	\$3.00 each	\$3.00 each
Signs	\$5.75 each	\$5.75 each
Neon Signs for Transformer	\$1.00 each	\$1.00 each
Temporary Service (T-Pole)	\$50.00 each	\$50.00 each



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT, CONTINUED		
BUILDING SERVICES, CONTINUED		
BUILDING PERMIT: MECHANICAL	CURRENT FEE	FY2021 PROPOSED FEE
HVAC Permit Application Fee		
Permit	\$30.00 per permit	\$30.00 per permit
Value: Up to \$1,000	\$15.00 per permit	\$15.00 per permit
Value: Over \$1,000	\$3.00 per \$1,000	\$3.00 per \$1,000
Inspection Fees		
Add or replace electrical wiring or panel	\$15.00 per unit	\$15.00 per unit
Replace equipment	\$15.00 per unit	\$15.00 per unit
New equipment	\$15.00 per unit	\$15.00 per unit
Alter existing equipment	\$15.00 per unit	\$15.00 per unit
BUILDING PERMIT: PLUMBING & GAS	CURRENT FEE	FY2021 PROPOSED FEE
Permit	\$30.00 per permit	\$30.00 per permit
Fixtures	\$2.50 per unit	\$2.50 per unit
Building Drain	\$7.50 per unit	\$7.50 per unit
Water Heater and/or Vent	\$10.00 per unit	\$10.00 per unit
Gas Piping (1-5 outlets)	\$10.00 per unit	\$10.00 per unit
Piping for Water Treatment	\$7.50 per unit	\$7.50 per unit
Water/Sewer Yard Line	\$10.00 per unit	\$10.00 per unit
Gas Yard Line	\$7.50 per unit	\$7.50 per unit
Annual Gas Test	\$7.50 per unit	\$7.50 per unit
Pressure Regulator Valve	\$5.00 per unit	\$5.00 per unit
BUILDING PERMIT: POOLS (BY VALUE)	CURRENT FEE	FY2021 PROPOSED FEE
Commercial Pool Building Permit (by value)		
Basic Permit (value up to \$1,000) plus	\$25.00 per permit	\$25.00 per permit
\$1,001 - \$49,999	\$5.00 per \$1,000	\$5.00 per \$1,000
\$50,000 and up	\$5.00 per \$1,000	\$5.00 per \$1,000
>\$500,000	TBD City Manager Approval	REMOVE
Residential Pool Building Permit (by value)		
Basic Permit (value up to \$50,000) plus	\$25.00 per permit	\$25.00 per permit
\$50,001 - \$99,999	\$4.00 per \$1,000	\$4.00 per \$1,000
\$100,000 - \$499,999	\$3.00 per \$1,000	\$3.00 per \$1,000
>\$500,000	TBD City Manager Approval	REMOVE
Note: Value of construction is the greater of the value quoted by contractor or the calculated value using the ICC project valuation tables.		
BUILDING PERMIT: IRRIGATION SYSTEM (BY VALUE)	CURRENT FEE	FY2021 PROPOSED FEE
City Water Customer		
Permit (plus)	\$30.00 per permit	\$30.00 per permit
Value per \$1,000	\$3.00 per \$1,000	\$3.00 per \$1,000
Plan Review	50% of permit fee	50% of permit fee
Non-City Water Customer		
Permit	\$45.00 per permit	\$45.00 per permit
2 inspection minimum	\$100.00 per inspection	\$100.00 per inspection
Plan Review	50% of permit fee	50% of permit fee
DEMOLITION AND MOVING PERMITS	CURRENT FEE	FY2021 PROPOSED FEE
Moving/Demolition Deposit	\$500.00 per permit	\$500.00 per permit
Demolition Permit	\$100.00 per permit	\$100.00 per permit
Moving Permit	\$100.00 per permit	\$100.00 per permit
INSPECTION FEES	CURRENT FEE	FY2021 PROPOSED FEE
First Reinspection	\$0.00 same permit	\$0.00 same permit
Second Reinspection	\$100.00 same permit	\$100.00 same permit
Subsequent Reinspection	\$150.00 same permit	\$150.00 same permit
Special Inspection Fees		
During business hours: same day	\$50.00 per permit	\$50.00 per permit
After business hours: scheduled	\$50.00 per hr 2 hr min	\$50.00 per hr 2 hr min
After business hours: emergency	\$50.00 per hr 4 hr min	\$50.00 per hr 4 hr min



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT, CONTINUED		
BUILDING SERVICES, CONTINUED		
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Change of Contractor on Active Project	\$100.00 per permit	\$100.00 per permit
Note: Regular permit fees & requirements apply to new contractor for changes to original plans.		
Change of Occupancy (existing structure)	\$50.00 per structure	\$50.00 per structure
Certificate of Occupancy (vacant structures) Includes full inspection for structures vacant for more than 1 year or for change of use	\$150.00 per structure	\$150.00 per structure
Issuance of Permit (after start of project first occurrence by contractor)	Greater of double the permit fee or \$75	Greater of double the permit fee or \$75
Issuance of Permit (after start of project subsequent occurrences by contractor)	Greater of double the permit fee or \$250	Greater of double the permit fee or \$250
Appeal to Building Board of Adjustments Mechanics, Plumbing, Electrical Boards of Adjustments and Appeals	\$150.00 per appeal	\$150.00 per appeal



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT, CONTINUED		
CODE COMPLIANCE		
PERMITS / LICENSE	CURRENT FEE	FY2021 PROPOSED FEE
Group Boarding Homes		
Permit	\$1,000.00 per permit	\$1,000.00 per permit
Permit renewal	\$350.00 per year	\$350.00 per year
Re-inspection Fee	\$75.00 per inspection	\$75.00 per inspection
Variance Fee for Distance	\$150.00 per variance	\$150.00 per variance
Junkyard Operation License	\$5.00 per site	\$5.00 per site
Peddler and Solicitor Fees		
Base Charge	\$600.00 per year	\$600.00 per year
Each additional person	\$10.00 30 days	\$10.00 30 days
Each additional person	\$100.00 per year	\$100.00 per year
Deposit (refundable)	\$750.00 each	\$750.00 each
Sexually Oriented Business		
Annual License	\$500.00 per business	\$500.00 per business
Annual Fee per Employee	\$50.00 per employee	\$50.00 per employee
Traveling Show and Exhibition License	\$100.00 per 30 days	\$100.00 per 30 days
Exemptions		
<ul style="list-style-type: none"> * Temporary special events * Sales/Festivals/Carnivals sponsored by IRS recognized charitable organizations * Governmental subdivisions * School districts * Chamber of Commerce * Visitor's Bureau * Council approved events * Open-air markets (required information must be provided showing compliance with laws and zoning regulations) * Traveling salespeople or solicitors calling only on commercial businesses * Garage Sales * Organized sales shows/convention organized by charitable organization * Fresh produce sales (fruits, nuts, vegetables) * Firewood sales * A business with a separate location in the City (must furnish proof of payment of all ad valorem and personal property taxes) 		



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT, CONTINUED		
HEALTH		
PERMITS	CURRENT FEE	FY2021 PROPOSED FEE
Bars and Lounges: Free Standing		
<1,000 square feet	\$70.00 per sq foot	\$70.00 per sq foot
1,000-1,999 square feet	\$85.00 per sq foot	\$85.00 per sq foot
2,000-2,999 square feet	\$100.00 per sq foot	\$100.00 per sq foot
3,000-3,999 square feet	\$125.00 per sq foot	\$125.00 per sq foot
4,000-4,999 square feet	\$150.00 per sq foot	\$150.00 per sq foot
5,000-10,000 square feet	\$200.00 per sq foot	\$200.00 per sq foot
>10,000 square feet	\$350.00 per sq foot	\$350.00 per sq foot
Catering Establishments		
<1,000 square feet	\$70.00 per sq foot	REMOVE
1,000-1,999 square feet	\$85.00 per sq foot	REMOVE
2,000-2,999 square feet	\$100.00 per sq foot	REMOVE
3,000-3,999 square feet	\$125.00 per sq foot	REMOVE
4,000-4,999 square feet	\$150.00 per sq foot	REMOVE
5,000-10,000 square feet	\$200.00 per sq foot	REMOVE
>10,000 square feet	\$350.00 per sq foot	REMOVE
Catering License	\$70.00 per year	\$70.00 per year
General Service Catering Vehicle	\$75.00 each	REMOVE
Health/Catering Permits		
<1,000 square feet	\$70.00 per sq foot	\$70.00 per sq foot
1,000-1,999 square feet	\$85.00 per sq foot	\$85.00 per sq foot
2,000-2,999 square feet	\$100.00 per sq foot	\$100.00 per sq foot
3,000-3,999 square feet	\$125.00 per sq foot	\$125.00 per sq foot
4,000-4,999 square feet	\$150.00 per sq foot	\$150.00 per sq foot
5,000-10,000 square feet	\$200.00 per sq foot	\$200.00 per sq foot
>10,000 square feet	\$350.00 per sq foot	\$350.00 per sq foot
Hotel Permit	\$50.00 per year	\$50.00 per year
Mobile Food Establishment Permits	\$225.00 per unit / year	\$225.00 per unit / year
Peddler and Solicitor Fees		
Base Charge	\$600.00 per year	\$600.00 per year
Each additional person	\$10.00 30 days	\$10.00 30 days
Each additional person	\$100.00 per year	\$100.00 per year
Deposit (refundable)	\$750.00 each	\$750.00 each
Non-Profit Organization Permit (14 Consecutive Days)	\$10.00 per event	\$50.00 per event
Temporary Food Service Permit		
Single Event	\$45.00 per 14 days	\$45.00 per 14 days
Non-profit Health Permit	\$10.00 per year	\$50.00 per year
INSPECTIONS	CURRENT FEE	FY2021 PROPOSED FEE
After Hours Inspection		
Emergency (4 hr minimum)	\$50.00 per hour	\$50.00 per hour
Certificate of Occupancy Inspection	\$50.00 per site	\$50.00 per site
Hotel Complaint Inspection		
First complaint	\$100.00 per inspection	\$100.00 per inspection
Subsequent complaints	\$150.00 per inspection	\$150.00 per inspection
Reinspection Fees (same violation)		
First reinspection	no charge	no charge
Second reinspection	\$100.00 each	\$100.00 each
Subsequent reinspections	\$150.00 each	\$150.00 each
Sanitation and Environmental Inspections		
Foster homes, daycare centers, pools	\$40.00 per site	\$40.00 per site
Semi-Public Pools/Spas		
Single pool facilities	\$75.00 each	\$75.00 each
Additional pool/spa	\$25.00 each	\$25.00 each
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Health Permit Late Fee	\$50.00 per permit	\$50.00 per permit
Replacement Permit or Certificate	\$5.00 each	\$5.00 each



FEE SCHEDULE

DEVELOPMENT SERVICES DEPARTMENT, CONTINUED		
PLANNING		
Fees	CURRENT FEE	FY2021 PROPOSED FEE
Concept Plans	\$500.00 each	REMOVE
Preliminary Plats (plus)	\$300.00 each plus greater of \$20 per lot or \$10 per acre	\$300.00 each plus greater of \$20 per lot or \$10 per acre
Plats Minor, vacating, development, amendments, or replats	\$150.00 each plus \$10 per lot	\$150.00 each plus \$10 per lot
Zoning Map Amendment-Change Planned development/special use	\$300.00 per amendment	\$300.00 per amendment
Zoning Variance	\$150.00 each	\$150.00 each
Text Amendment	\$300.00 per amendment	REMOVE
Appeals		
To City Council	\$15.00 each	\$15.00 each
To Planning & Zoning Commission	\$15.00 each	\$15.00 each
Administrative Appeal	\$150.00 each	\$150.00 each
Alcoholic Beverage Distance Variance Request	\$150.00 each	\$150.00 each

Note: In cases where legal notice of public hearing is required and applicant defers scheduled action, reapplication is required.



FEE SCHEDULE

EMERGENCY MEDICAL SERVICES		
NON-EMERGENCY AMBULANCE LICENSE	CURRENT FEE	FY2021 PROPOSED FEE
Annual License	\$400.00 per year	\$400.00 per year
Annual Ambulance Permit	\$150.00 per year	\$150.00 per year
Re-issue for Lost Permit	\$50.00 per unit	\$50.00 per unit
Inspection Reschedule Fee	\$50.00 per unit	\$50.00 per unit
NON-EMERGENCY TRANSFER AGREEMENT	CURRENT FEE	FY2021 PROPOSED FEE
Local Transport	\$168.00 per person	\$186.00 person
Local Mileage	\$9.00 per loaded mile	\$4.71 per loaded mile
RESPONSE/TRANSPORTATION	CURRENT FEE	FY2021 PROPOSED FEE
Basic Life Support: Non Emergency	\$453.06 per person	\$453.06 per person
Basic Life Support: Emergency	\$724.90 per person	\$724.90 per person
Advanced Life Support 1: Non Emergency	\$543.68 per person	\$543.68 per person
Advanced Life Support 1: Emergency	\$860.82 per person	\$860.82 per person
Advanced Life Support 2: Emergency	\$1,245.92 per person	\$1,245.92 per person
Specialty Care Transport	\$1,245.92 per person	\$1,245.92 per person
Aid Only: No Transport	\$195.00 per person	\$195.00 per person
Dedicated Standby	\$100.00 per hour	\$100.00 per hour
Response Fee	\$75.00 per person	\$75.00 per person
Local Transport: No Supplies Used	\$150.00 per person	\$150.00 per person
Mileage	\$22.86 per loaded mile	\$22.86 per loaded mile



FEE SCHEDULE

ENGINEERING		
CAPACITY ANALYSIS	CURRENT FEE	FY2021 PROPOSED FEE
Existing Water Capacity Analysis	\$500.00 per analysis	\$500.00 per analysis
Existing Sewer Capacity Analysis	\$500.00 per analysis	\$500.00 per analysis
Additional Capacity Analysis	to be determined per analysis	to be determined per analysis
OTHER	CURRENT FEE	FY2021 PROPOSED FEE
Construction Inspection Overtime (4 hr min on weekend)	\$50.00 per hour	\$50.00 per hour
Floodplain Development Permit	\$25.00 each	\$25.00 each
Sidewalk Waiver Application	\$0.00 per waiver	\$300.00 per waiver
Right of Way Abandonment	\$0.00 per occurrence	\$300.00 per occurrence
PREVAILING WAGE RATES		
The City shall determine prevailing wages by using those rates determined by the United States Department of Labor in accordance with the Davis-Bacon Acts to ensure compliance with Texas Local Govt. Code section 2258.		



FEE SCHEDULE

FIRE DEPARTMENT		
PERMITS	CURRENT FEE	FY2021 PROPOSED FEE
Access-Controlled Egress Doors, etc.	\$20.00 per device	\$20.00 per device
Amusement Building Permit	\$50.00 per site	\$50.00 per site
Blasting Permit	\$150.00 per site	\$150.00 per site
Bulk Storage and Dispensing of LP Gas	\$100.00 per year	\$100.00 per year
Commercial Bar-B-Que Pit	\$20.00 per site	\$20.00 per site
Cooking Hood Fire Suppression System	\$50.00 per system	\$100.00 per system
Event Permit (carnivals/fairs)	\$100.00 per event	\$100.00 per event
Exhibit or Trade Show	\$50.00 per site	\$100.00 per site
Fire Alarm Installation		
New installation, repair, remodel, or addition	\$100.00 per permit / per floor	\$100.00 per permit / per floor
Fire Protection/Detection Systems		
Electronic security gates, delay egress locks, security grills	\$100.00 per system	\$100.00 per system
Fire Pump Acceptance Test	\$100.00 per test	\$100.00 per test
Fire Pump Equipment Installation/Modification	\$100.00 per system	\$100.00 per system
Fire Sprinkler		
New installation, repair, remodel, or addition (above ground)	\$100.00 per system / per floor	\$100.00 per system / per floor
New installation, repair, remodel, or addition (underground)	\$100.00 per system	\$100.00 per system
Standpipe system	\$100.00 per permit / per floor	\$100.00 per permit / per floor
Flammable/Combustible Liquids		
Storage, handling, dispensing	\$75.00 per incident	\$75.00 per incident
Hazardous Material Permit	\$150.00 per permit	\$150.00 per permit
High Pile Storage Permit	\$50.00 per site	\$50.00 per site
Industrial Oven Permit	\$20.00 per site	\$20.00 per site
Investigation Fee		
If permit is issued after construction is started without approved permit	applicable permit fee amount	applicable permit fee amount
Liquid Propane Tank Installation	\$75.00 per permit	\$75.00 per permit
Misc. Combustible Storage	\$75.00 per site	\$75.00 per site
Ceremonial Fire Permits (bonfires)	\$250.00 per site	\$250.00 per site
Controlled Burns	\$150.00 per site	\$150.00 per site
Recreational Fire		
(less than 3ft. Diameter x 2ft height)	no charge for permit	no charge for permit
Other Permit		
Designated by <i>International Fire Code</i>	\$20.00 per incident	\$20.00 per incident
Spray Room, Dip Tank or Booth used for combustible finishes	\$50.00 per space	\$50.00 per space
Storage of Portable LP Gas Containers	\$20.00 per site	\$20.00 per site
Storage or Handling of Compressed Gases		
In excess of amounts listed in table 105.6.9 of the e2006 <i>International Fire Code</i>	\$50.00 per site	\$50.00 per site
Tent, Canopy, Membrane Structure	\$20.00 per structure	\$20.00 per structure
Underground Fuel Storage Tank Removal	\$100.00 per site	\$100.00 per site
Under/Above Ground Fuel Storage Tank		
New installation	\$100.00 per tank	\$100.00 per tank
Repair/replace existing tank	\$100.00 per tank	\$100.00 per tank
Repair/replace existing product line	\$100.00 per site	\$100.00 per site
FIRE ALARM FEES	CURRENT FEE	FY2021 PROPOSED FEE
False Alarm Fee		
3-5 times in preceding 12 month period	\$50.00 per violation	\$50.00 per violation
6-7 times in preceding 12 month period	\$78.00 per violation	\$78.00 per violation
8+ times in preceding 12 month period	\$100.00 per violation	\$100.00 per violation



FEE SCHEDULE

FIRE DEPARTMENT, CONTINUED		
INSPECTION /RE-INSPECTION FEES	CURRENT FEE	FY2021 PROPOSED FEE
State Mandated Occupancy Inspections (outside city limits)		
Change of Occupancy	\$20.00 per site	\$20.00 per site
Daycare/Foster/Adoption/Group Home		
7 Children or Less	\$50.00 per site	\$50.00 per site
More than 7 Children	\$75.00 per site	\$75.00 per site
Youth Camps and Day Camps	\$150.00 per site	\$150.00 per site
Schools and Instructional Facilities	\$150.00 per site	\$150.00 per site
Hospital, Nursing Home, and Assisted Living Facilities	\$150.00 per site	\$150.00 per site
Fire Inspection Requested/Scheduled outside of business hours		
2 hr. min. - paid in advance		
Non-holiday	\$60.00 per hour	\$100.00 per hour
City recognized holiday	\$80.00 per hour	\$100.00 per hour
All Other	\$100.00 per site	\$100.00 per site
Re-inspection for Requested/Scheduled Inspections (excludes annual fire inspection)		
First inspection list(s) not completed on first or subsequent requests.		
Not ready for inspection upon arrival	\$50.00 per inspection	\$50.00 per inspection
Contractor fails to keep appointment	\$50.00 per inspection	\$50.00 per inspection
No access to site or building	\$50.00 per inspection	\$50.00 per inspection
PUBLIC SAFETY STAFFING	CURRENT FEE	FY2021 PROPOSED FEE
Personnel		
Minimum 2 hours per Fire Department staff	\$40.00 per hour	\$40.00 per hour
Vehicle		
Minimum 2 hours per vehicle	\$25.00 per hour	\$25.00 per hour
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Plan Review Fee		
Credited to permit cost when approved	\$100 per review plus \$0.05 per/sq ft. per review	\$100 per review plus \$0.05 per/sq ft. per review
Request for Public Information	see City Secretary	see City Secretary
Water Flow Test	\$75.00 per hydrant	\$150.00 per hydrant
Appeal to Building Board of Adjustments	\$150.00 per appeal	\$150.00 per appeal



GOLF: SCOTT SCHREINER GOLF COURSE				
GREEN FEES				
Weekend Rates Apply Friday-Sunday (Except for Seniors)				
GUEST RATES	CURRENT RATE WALKING	FY2021 PROPOSED FEE	CURRENT RATE W/CART	FY2021 PROPOSED FEE
<u>Regular</u> Weekday				
9 Holes	\$16.00	\$17.00	\$23.50	\$25.00
18 Holes	\$26.00	\$27.00	\$41.00	\$43.00
Weekend/Holiday				
9 Holes	\$22.00	\$23.00	\$29.50	\$31.00
18 Holes	\$33.00	\$34.00	\$48.00	\$50.00
<u>Twilight (after 2pm)</u> Weekday				
9 Holes	\$16.00	\$17.00	\$23.50	\$25.00
18 Holes	\$16.00	\$17.00	\$31.00	\$33.00
Weekend/Holiday				
9 Holes	\$21.00	\$22.00	\$28.50	\$30.00
18 Holes	\$21.00	\$22.00	\$36.00	\$38.00
SPECIAL RATES	CURRENT RATE WALKING	FY2021 PROPOSED FEE	CURRENT RATE W/CART	FY2021 PROPOSED FEE
<u>Senior (age 65+)</u> Weekday (M-F)				
18 Holes	\$15.00	\$16.00	\$30.00	\$32.00
<u>Military</u> Weekday				
18 Holes	\$20.00	\$21.00	\$35.00	\$37.00
Weekend/Holiday				
18 Holes	\$26.00	\$27.00	\$41.00	\$43.00
MEMBER RATES	CURRENT RATE WALKING	FY2021 PROPOSED FEE	CURRENT RATE W/CART	FY2021 PROPOSED FEE
<u>Regular</u> Weekday				
9 Holes	\$6.00	\$7.00	\$13.50	\$15.00
18 Holes	\$8.00	\$9.00	\$23.00	\$25.00
Weekend/Holiday				
9 Holes	\$7.00	\$8.00	\$14.50	\$16.00
18 Holes	\$9.00	\$10.00	\$24.00	\$26.00
<u>Twilight (after 2pm)</u> Weekday				
9 Holes	\$5.00	\$6.00	\$12.50	\$14.00
18 Holes	\$5.00	\$6.00	\$20.00	\$22.00
Weekend/Holiday				
9 Holes	\$6.00	\$7.00	\$13.50	\$15.00
18 Holes	\$6.00	\$7.00	\$21.00	\$23.00
JUNIOR/STUDENT RATES	CURRENT RATE WALKING	FY2021 PROPOSED FEE	CURRENT RATE W/CART	FY2021 PROPOSED FEE
<u>Grades K-12</u> Weekday				
9 Holes	\$5.00	\$7.00	\$12.50	\$15.00
18 Holes	\$9.00	\$11.00	\$24.00	\$27.00
Weekend/Holiday				
9 Holes	\$7.00	\$9.00	\$14.50	\$17.00
18 Holes	\$10.00	\$12.00	\$25.00	\$28.00
<u>College</u> Weekend/Holiday				
18 Holes	\$15.00	\$17.00	\$30.00	\$33.00
Weekend/Holiday				
18 Holes	\$21.00	\$23.00	\$36.00	\$39.00



FEE SCHEDULE

GOLF: SCOTT SCHREINER GOLF COURSE, CONTINUED					
MEMBERSHIP FEES		CURRENT RATE		FY2021 PROPOSED FEE	
Annual Membership		\$575.00	Per Person	\$575.00 Per Person	
Second Family Member		\$450.00	Per Person	\$450.00 Per Person	
Quarterly Membership		\$220.00	Per Person	\$220.00 Per Person	
Second Family Member		\$200.00	Per Person	\$200.00 Per Person	
Annual Range Pass		\$300.00	Per Person	\$300.00 Per Person	
Quarterly Range Pass		\$100.00	Per Person	\$100.00 Per Person	
Family Membership		\$900.00	2 adults + all jrs.	\$900.00 2 adults + all jrs.	
UNLIMITED GOLF		CURRENT RATE WALKING	FY2021 PROPOSED FEE	CURRENT RATE W/CART	FY2021 PROPOSED FEE
18 Holes		\$200/month	\$200/month	\$300/month	\$300/month
No course fees					
DRIVING RANGE FEES		CURRENT RATE		FY2021 PROPOSED FEE	
Small Bucket		\$4.00 Per Bucket		\$5.00 Per Bucket	
Large Bucket		\$8.00 Per Bucket		\$10.00 Per Bucket	
Range Memberships					
Annual		\$300.00 Per Year		\$300.00 Per Year	
Quarterly		\$100.00 Per Quarter		\$100.00 Per Quarter	
CART FEES		CURRENT RATE 9 HOLES	FY2021 PROPOSED FEE	CURRENT RATE 18 HOLES	FY2021 PROPOSED FEE
Cart Use Fees		\$7.50	\$8.00	\$15.00	\$16.00
Private Cart Membership					
Annual members only		\$220.00	\$220.00	\$220.00	\$220.00
Trail Fee Private Cart					
w/cart membership & green fees		\$4.00	\$5.00	\$7.00	\$8.00
Non-member w/ green fees		\$6.00	REMOVE	\$11.00	REMOVE
Passenger or Private Cart					
without green fees		\$7.00	\$8.00	\$14.00	\$16.00
CART STORAGE		CURRENT RATE		FY2021 PROPOSED FEE	
		\$420.00	Per Year	\$420.00	Per Year
		\$140.00	Per Quarter	\$140.00	Per Quarter
TOURNAMENT FEES		CURRENT RATE		FY2021 PROPOSED FEE	
Weekday/Weekend Afternoons		\$30.00	per player	\$40.00	per player
Weekend Mornings		\$40.00	per player	\$50.00	per player
Note: Contact Pro-Shop in order to schedule tournament play.					
RENTAL AND OTHER FEES		CURRENT RATE 9 HOLES	FY2021 PROPOSED FEE	CURRENT RATE 18 HOLES	FY2021 PROPOSED FEE
Club Rental		\$15.00	\$15.00	\$25.00	\$25.00
Pull Cart Rental		\$3.00	\$3.00	\$6.00	\$6.00
Notes: Fees will be prorated, as necessary, to ensure that all fees expire on the same date.					



FEE SCHEDULE

INFORMATION TECHNOLOGY		
GIS SERVICES	CURRENT FEE	FY2021 PROPOSED FEE
Labor (locating, compiling, reproducing)	\$0.00	\$45.00 per hour
Overhead charge	\$0.00	20% of labor charge
Printouts		
8.5"x11"	\$0.00	\$5.00 per page
11"x17"	\$0.00	\$7.00 per page
24"x36"	\$0.00	\$10.00 per page
Shipping	\$0.00	\$15.00 per page
Map Tube	\$0.00	actual cost
USB Drive	\$0.00	actual cost
Custom Maps	\$0.00	quoted per job



FEE SCHEDULE

LIBRARY: BUTT HOLDSWORTH MEMORIAL LIBRARY		
RENTALS	CURRENT FEE	FY2021 PROPOSED FEE
Conference Room	\$10.00 per hour	\$10.00 per hour
Meeting Room		
Two Hour Minimum	\$15.00 per hour	\$15.00 per hour
Full Day Use (during operating hours)	\$100.00 per day	\$100.00 per day
Gazebo	\$50.00 per day	\$50.00 per day
In-House A/V Equipment (Set up and Use)	\$20.00 per day	\$20.00 per day
Repairs for damages to furniture, equipment, or facilities	actual cost	actual cost
COPIES / PRINTING	CURRENT FEE	FY2021 PROPOSED FEE
Photocopier		
Black & White	\$0.10 per page	\$0.10 per page
Color	\$0.25 per page	\$0.25 per page
Computer/Internet		
Black & White	\$0.10 per page	\$0.10 per page
Color	\$0.25 per page	\$0.25 per page
CIRCULATION CHARGES	CURRENT FEE	FY2021 PROPOSED FEE
Resident Card	No Charge	No Charge
Non-Resident (Outside Kerr County)		
Materials Checkout Only	\$35.00 per year	\$35.00 per year
Computer Use Only	\$35.00 per year	\$35.00 per year
Temporary Use	\$8.00 per month	\$8.00 per month
Full Use	\$65.00 per year	\$65.00 per year
Library Card Replacement	\$1.00 per card	\$1.00 per card
OVERDUE FINES	CURRENT FEE	FY2021 PROPOSED FEE
Books		
Adult Materials	\$0.10 per item, per day, \$15 max	\$0.10 per item, per day, \$15 max
Child Materials	\$0.10 per item, per day, \$5 max	\$0.10 per item, per day, \$5 max
Audiobooks & CDs	\$0.10 per item, per day, \$15 max	\$0.10 per item, per day, \$15 max
DVDs and Blu-ray	\$1.00 per item, per day, \$15 max	\$1.00 per item, per day, \$15 max
Story Time Kits	\$5.00 per item, per day, \$15 max	\$5.00 per item, per day, \$15 max
Other Kits	\$1.00 per item, per day, \$15 max	\$1.00 per item, per day, \$15 max
Collection Agency Submission Fee	\$10.00 per submission	\$10.00 per submission
Note: Fines of \$5.00 and above will result in suspension of borrowing privileges.		
INTERLIBRARY LOAN	CURRENT FEE	FY2021 PROPOSED FEE
Any Overdue Item	\$1.00 per item, per day, \$15 max	\$1.00 per item, per day, \$15 max
Lost / Damaged Item		
Cost assessed by lending library plus	\$5.00 per item	\$5.00 per item
Return Postage	\$3.00 per item	\$3.00 per item
REPLACEMENT OF MISCELLANEOUS PARTS	CURRENT FEE	FY2021 PROPOSED FEE
CD/DVD Case		
Single	\$1.00 per item	\$1.00 per item
Multiple	\$4.00 per item	\$4.00 per item
Book on CD Case (up to 12 CDs)	\$10.00 per item	\$10.00 per item
Book on CD Case (up to 24 CDs)	\$15.00 per item	\$15.00 per item
CD Jewel Case (2 disc)	\$3.00 per item	\$3.00 per item
AV Storage Bags	\$1.00 per item	\$1.00 per item
LOST / DAMAGED ITEM CHARGES	CURRENT FEE	FY2021 PROPOSED FEE
CDs, Audiobook, Music, MP3		
Actual cost plus	\$5.00 per item	\$5.00 per item
Individual CD in a set		
Audiobook, Music, MP3		
\$10.00 per disc plus)	\$5.00 per item	\$5.00 per item
DVD-Includes Sets (actual cost plus)	\$5.00 per item	\$5.00 per item
Kits (actual cost plus)	\$5.00 per item	\$5.00 per item
Books		
Library (actual cost plus)	\$5.00 per item	\$5.00 per item
History Center-Rare/Out of Print		
Lesser of appraised value plus	\$100.00 per item	\$100.00 per item
Personal Earbuds	\$2.00 per set	\$2.00 per set



FEE SCHEDULE

MUNICIPAL COURT		
Online Transaction Fee	\$1.50 per transaction	\$1.50 per transaction
Technology Fee	\$4.00 per conviction	\$4.00 per conviction
Building Service Fee	\$3.00 per conviction	\$4.50 per conviction
Kiosk Payment Fee	\$1.50 per transaction	\$1.50 per transaction
Administrative Fee	\$10.00 per offense	\$10.00 per offense

For full schedule of fees and other costs, visit the Municipal Court page on the City's website: kerrvilletx.gov. Fees are prescribed by the state and subject to change. Judges assess fines within limits set by the state.



FEE SCHEDULE

PARKS AND RECREATION KERRVILLE - SCHREINER PARK		
DAY USE FEES	CURRENT FEE	FY2021 PROPOSED FEE
Adult (13 and over) \$15 per vehicle max	\$6.00 per person	\$6.00 per person
Veterans with 60% or greater service connected disability or loss of lower extremity	No Charge	No Charge
Child (12 and under)	\$2.00 per person	\$2.00 per person
Senior (over 65)	\$2.00 per person	\$2.00 per person
Commercial Vehicles	\$20.00 per vehicle	\$20.00 per vehicle
School Sponsored Trip (ages 13-18 not overnight)	\$0.50 per person	\$0.50 per person
Annual Day Use Pass		
First Vehicle	\$50.00 per year	\$50.00 per year
Second Vehicle (when registered with first)	\$25.00 per year	\$25.00 per year
CAMPING FEES	CURRENT FEE	FY2021 PROPOSED FEE
Tent Site with Water	\$20.00 per night	\$20.00 per night
RV SITE FEES	CURRENT FEE	FY2021 PROPOSED FEE
Mountain View Loop (30 amp w/water)	\$25.00 per night	\$25.00 per night
October-February	\$500.00 per month	\$630.00 per month
Pecan Loop (Riverside) (30 amp w/water & sewer)	\$30.00 per night	\$30.00 per night
October-February	\$600.00 per month	\$750.00 per month
Deerfield Loop (30 amp w/water & sewer)	\$30.00 per night	\$30.00 per night
October-February	\$600.00 per month	\$750.00 per month
Sycamore Circle (Riverside) (30/50 amp w/water & sewer)	\$35.00 per night	\$35.00 per night
October-February	\$650.00 per month	\$900.00 per month
Note: Camping fees include entrance for up to 4 people per site. Campsites accommodate 8 people. Guests #5-8 must pay daily entrance fee.		
CABIN/HOUSE RENTAL FEES	CURRENT FEE	FY2021 PROPOSED FEE
Mini Cabin	\$60.00 per night	\$60.00 per night
Deposit	\$25.00 per stay	\$25.00 per stay
Park Cabin	\$120.00 per night	\$120.00 per night
Deposit	\$50.00 per stay	\$50.00 per stay
Ranch House	\$200.00 per night	\$200.00 per night
Deposit	\$150.00 per stay	\$150.00 per stay
Bunk House	\$55.00 per night	\$55.00 per night
Deposit	\$50.00 per stay	\$50.00 per stay
Note: State and local hotel/motel tax will be added in addition to rental fee.		



PARKS AND RECREATION, CONTINUED		
FACILITY RENTAL FEES		
HALLS, PARKS, & PAVILIONS	CURRENT FEE	FY2021 PROPOSED FEE
KSP Group Dining Hall	\$145.00 per day	\$145.00 per day
Deposit	\$50.00 per use	\$50.00 per use
KSP Group Recreation Hall	\$350.00 per day	\$350.00 per day
Deposit	\$100.00 per use	\$100.00 per use
KSP Amphitheater	\$100.00 per day	\$100.00 per day
Deposit	\$50.00 per use	\$50.00 per use
KSP Pollinator Garden	\$50.00 per event	\$50.00 per event
Boardwalk Pavilion	\$100.00 per hour	\$100.00 per hour
Deposit	\$200.00 per use	\$200.00 per use
Louise Hays Park Large Pavilion & Plaza Area	\$200.00 per day	\$200.00 per day
Deposit	\$100.00 per use	\$200.00 per use
Table Rental	\$5.00 each	\$5.00 each
Chair Rental	\$2.00 each	\$2.00 each
Deposit: tables/chairs	\$100.00 per use	\$100.00 per use
Louise Hays Park Family Pavilion	\$100.00 per day	\$100.00 per day
Deposit	\$100.00 per use	\$100.00 per use
Louise Hays Park Fountain and Plaza	\$500.00 per 1/2 day	\$500.00 per 1/2 day
Deposit	\$300.00 per use	\$300.00 per use
Tranquility Island	\$200.00 per day	\$200.00 per day
Deposit	\$200.00 per use	\$200.00 per use
Carver Park Pavilion and BBQ Area	\$100.00 per day	\$100.00 per day
Deposit	\$100.00 per use	\$100.00 per use
Small Park Pavilions (various locations)	\$40.00 per day	\$40.00 per day
Deposit	\$25.00 per use	\$25.00 per use
River Trail Trailheads	\$200.00 per trailhead / per day	\$200.00 per trailhead / per day
Deposit	total rental amount	total rental amount
Centennial Stage (with field)		
With electricity	\$200.00 per day	\$200.00 per day
Without electricity	\$100.00 per day	\$100.00 per day
Deposit	\$200.00 per use	\$200.00 per use
Downtown Restroom After Hours Use (Between 5:30pm-9:30am)	\$150.00 per day	REMOVE
Deposit	\$100.00 per day	REMOVE
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Cancellation Fee		
Applies to each site, facility, program	\$20.00 each	\$20.00 each
RV/Trailer Dump Fee		
If not camping in park - no entrance fee	\$25.00 per vehicle	\$25.00 per vehicle
Excess Vehicle Parking	\$5.00 per vehicle	\$5.00 per vehicle
Excess Person Occupancy Fee	\$6.00 per person	\$6.00 per person



FEE SCHEDULE

PARKS AND RECREATION, CONTINUED		
ATHLETIC FIELDS/COURTS/AQUATICS RENTAL FEES		
FEES	CURRENT FEE	FY2021 PROPOSED FEE
Athletic Field/Court Rental		
With lights	\$30.00 per hour	\$30.00 per hour
Without lights	\$20.00 per hour	\$20.00 per hour
Singing Wind Softball Fields		
With lights	\$170.00 per day	\$170.00 per day
Without lights	\$150.00 per day	\$150.00 per day
Deposits		
Tournament	\$150.00 per tournament	\$150.00 per tournament
Scoreboard equipment	\$100.00 per event	\$100.00 per event
Tennis Court		
Non-member	\$4.00 per person / per day	\$5.00 per person / per day
Tennis Tournament Fees		
Exemptions: KISD tournaments/practices / Schreiner University Tournaments	per agreement	per agreement
Tennis Memberships		
Junior (under 21 years old)	\$100.00 per person/year	\$100.00 per person/year
Adult (over 21 years old)	\$160.00 per person/year	\$160.00 per person/year
Family	\$225.00 per year	\$225.00 per year
KISD Joint Use	per agreement	per agreement
Kerrville Sports Complex		
Soccer Fields		
Practice		
With lights	\$40.00 per field	\$40.00 per field
Without lights	\$30.00 per field	\$30.00 per field
Game (2 hour minimum)		
With lights	\$60.00 per field	\$60.00 per field
Without lights	\$50.00 per field	\$50.00 per field
Hill Country Youth Soccer Assn	\$0.00 per field	\$0.00 per field
Hill Country United	\$0.00 per field	\$0.00 per field
ATHLETIC FIELDS/COURTS/AQUATICS RENTAL FEES		
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Soccer Tournament Fee	per agreement	per agreement
Residents	\$250.00 per day	\$250.00 per day
Non-residents	\$400.00 per day	\$400.00 per day
Baseball/Softball Fields	dbatkerrville.com	dbatkerrville.com
Contact: D-BAT	830-955-8232	830-955-8232
Kerrville Little League	\$0.00 per field	\$0.00 per field
Olympic Pool Rental	\$200.00 per 2 hours	\$250.00 per 2 hours
Deposit	\$100.00 per use	\$100.00 per use
Olympic Pool Pavilion Rental		
Deposit	\$25.00 per use	\$25.00 per use
2 hour rental	\$35.00 per 2 hours	\$35.00 per 2 hours
Full day rental	\$95.00 per day	\$95.00 per day
Olympic Pool Picnic Area	\$15.00 per day	\$15.00 per day
AQUATICS PROGRAMS	CURRENT FEE	FY2021 PROPOSED FEE
Swim Lessons		
Group	\$45.00 per person	\$45.00 per person
Private	\$100.00 per person	\$100.00 per person
Semi-Private	\$150.00 per 2 people	\$150.00 per 2 people
Junior Lifeguard Camp	\$60.00 per person	\$60.00 per person
Mermaid Class	\$60.00 per person	\$60.00 per person
EVENT FEES	CURRENT FEE	FY2021 PROPOSED FEE
Special Event Permit	\$40.00 per event	\$40.00 per event
Holiday Parade	\$20.00 per entry	\$20.00 per entry



FEE SCHEDULE

POLICE		
REPORTS	CURRENT FEE	FY2021 PROPOSED FEE
Accident Reports	\$6.00 per report	\$6.00 per report
Offense/Incident Reports	\$0.10 per page	\$0.10 per page
Letters of Clearance	\$10.00 per person	\$10.00 per person
ALARM FEES	CURRENT FEE	FY2021 PROPOSED FEE
Alarm Service	\$25.00 per service	\$25.00 per service
False Alarm Fee		
3-5 times in preceding 12 month period	\$50.00 per violation	\$50.00 per violation
6-7 times in preceding 12 month period	\$75.00 per violation	\$75.00 per violation
8 or more times in preceding 12 month period	\$100.00 per violation	\$100.00 per violation
Alarm Service Permit Fee		
Residential	\$50.00 per location	\$50.00 per location
Commercial	\$100.00 per location	\$100.00 per location
ESCORT FEES	CURRENT FEE	FY2021 PROPOSED FEE
Oversized Load Escort (excludes mobile homes)		
Small		
10'-16' wide & under 110' long AND under 16'6" high	\$100.00 per load	\$100.00 per load
Large		
EXCEEDS any of the small load criteria	\$350.00 per load	\$350.00 per load
Funeral Escort		
Minimum of 2 officers for 2 hours each	\$160.00 per event	\$160.00 per event
PARADE FEES	CURRENT FEE	FY2021 PROPOSED FEE
Parade Deposit		
Class A		
Less than 50 entries	\$250.00 per event	\$250.00 per event
Class B		
More than 50 entries	\$750.00 per event	\$750.00 per event
Class C		
Motorcades, marches, etc.	\$100.00 per event	\$100.00 per event
Parade Fees		
Class A		
Less than 50 entries	\$50.00 per event	\$50.00 per event
Class B		
More than 50 entries	\$100.00 per event	\$100.00 per event
Class C		
Motorcades, marches, etc.	\$25.00 per event	\$25.00 per event
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Stock Driver Permit	\$5.00 per event	REMOVE
Fingerprinting	\$10.00 per person	\$10.00 per person
Public Safety Staffing		
Personnel		
Minimum of 2 hours per KPD staff member	\$40.00 per hour	\$40.00 per hour
Minimum of 2 hours per vehicle	\$5.00 per hour	\$5.00 per hour



FEE SCHEDULE

PUBLIC WORKS		
ALL PUBLIC WORKS DIVISIONS		
EQUIPMENT FEES	CURRENT FEE	FY2021 PROPOSED FEE
Backhoe/Loader	\$45.00 per hour	\$55.00 per hour
Excavator	\$0.00 per hour	\$45.00 per hour
Dump Truck	\$30.00 per hour	\$45.00 per hour
Crane Truck	\$40.00 per hour	\$45.00 per hour
Vac-con Hydro-Jet Cleaner/Vacuum Truck	\$95.00 per hour	\$100.00 per hour
Vac-Trailer	\$0.00 per hour	\$60.00 per hour
Street Sweeper	\$0.00 per hour	\$85.00 per hour
Air Compressor	\$12.50 per hour	\$12.50 per hour
Televising Wastewater Mains Crew & Equipment	\$155.00 per hour	\$155.00 per hour
Service Truck with tools	\$25.00 per hour	\$25.00 per hour
Backflow Prevention Test Reduced pressure zone device	\$100.00 per test	\$100.00 per test
Double check device	\$70.00 per test	\$70.00 per test
Scale Fee	\$1.00 each	\$1.00 each
Inspection Fee Privately installed taps	\$50.00 each	\$50.00 each



FEE SCHEDULE

PUBLIC WORKS, CONTINUED		
LABORATORY		
SERVICES / TESTS	CURRENT FEE	FY2021 PROPOSED FEE
Alkalinity	\$20.00 per test	\$20.00 per test
Ammonia Nitrogen	\$30.00 per test	\$30.00 per test
Biochemical Oxygen Demand (BOD)	\$33.00 per test	\$33.00 per test
Carbonaceous BOD (CBOD)	\$40.00 per test	\$40.00 per test
Chemical Oxygen Demand (COD)	\$20.00 per test	\$20.00 per test
Chloride	\$10.00 per test	\$10.00 per test
Conductivity	\$5.00 per test	\$5.00 per test
Iron	\$15.00 per test	\$15.00 per test
Hardness, Total	\$15.00 per test	\$15.00 per test
Nitrate	\$18.00 per test	\$18.00 per test
Nitrite	\$18.00 per test	\$18.00 per test
Oil and Grease	\$45.00 per test	\$45.00 per test
Phosphorus, Total	\$20.00 per test	\$20.00 per test
Solids, Total Dissolved (TDS)	\$35.00 per test	\$35.00 per test
Solids, Total Suspended (TSS)	\$15.00 per test	\$15.00 per test
Solids, Volatile Suspended (VSS)	\$15.00 per test	\$15.00 per test
Sulfate	\$15.00 per test	\$15.00 per test
Total Organic Carbon	\$50.00 per test	\$50.00 per test
BACTERIOLOGICAL TESTS	CURRENT FEE	FY2021 PROPOSED FEE
Total Coliform/E. Coli Presence/absence (P/A)	\$20.00 per test	\$20.00 per test
Total Coliform/E. coli Enumeration Quanti-tray	\$22.00 per test	\$22.00 per test
SAMPLE COLLECTION FEE	CURRENT FEE	FY2021 PROPOSED FEE
Water Sample Collection Inside City Limits Only	\$25.00 per test	\$25.00 per test
STANDARD ANALYSIS PACKAGE: DRINKING WATER	CURRENT FEE	FY2021 PROPOSED FEE
Includes: Alkalinity, Chloride, Conductivity, Total Hardness Iron, Nitrate, Sulfate, Total Dissolved Solids Total Coliform/E.coli	\$100.00 per test	\$100.00 per test



PUBLIC WORKS, CONTINUED		
SOLID WASTE		
MUNICIPAL SOLID WASTE	CURRENT FEE	FY2021 PROPOSED FEE
Compacted (plus surcharge)	\$60.84 per ton	\$62.46 per ton
Compacted minimal	\$60.84 less than 1 ton	\$62.46 less than 1 ton
Loose (plus surcharge)	\$60.84 per ton	\$62.46 per ton
Loose Minimal (plus surcharge)	\$22.02 less than 360lb	\$22.60 less than 360lb
Surcharge	\$13.00 per ton	\$13.00 per ton
OTHER SOLID WASTE DISPOSAL FEES	CURRENT FEE	FY2021 PROPOSED FEE
Special Waste--Liquids (plus surcharge)	\$0.27 per gallon	\$0.28 per gallon
Small Animal (plus surcharge)	\$9.58 each	\$9.83 each
Large Animal (plus surcharge)	\$36.85 each	\$37.83 each
Weight/Scale	\$1.32 each	\$1.36 each
Ticket Copy	\$2.63 each	\$2.70 each
Loads Not Covered With Tarp	\$15.00 per occurrence	\$17.50 per occurrence
Surcharge	\$13.00 per ton	\$13.00 per ton
RESIDENTIAL GARBAGE COLLECTION	CURRENT FEE	FY2021 PROPOSED FEE
Residential Garbage Collection: Curbside Fee Breakdown		
Garbage Collection	\$8.60 per month	\$8.83 per month
Disposal Pass Through Fee	\$5.16 per month	\$5.30 per month
Composting	\$2.34 per month	\$2.40 per month
Recycling	\$3.84 per month	\$3.94 per month
Total Garbage Collection: Curbside Service	\$19.94 per month	\$20.47 per month
MOBILE HOME GARBAGE COLLECTION	CURRENT FEE	FY2021 PROPOSED FEE
Mobile Home Garbage Collection: Curbside Fee Breakdown		
Garbage Collection	\$7.02 per month	\$7.21 per month
Disposal Pass Through Fee	\$5.16 per month	\$5.30 per month
Composting	\$2.34 per month	\$2.40 per month
Recycling	\$3.84 per month	\$3.94 per month
Total Garbage Collection: Curbside Service	\$18.36 per month	\$18.85 per month
ADDITIONAL GARBAGE COLLECTION FEES	CURRENT FEE	FY2021 PROPOSED FEE
Toter Exchange	\$25.00 per tote	\$25.00 per tote
Replacement Toter		
Lost/damaged by customer	\$50.00 per tote	\$50.00 per tote
Extra Toter	\$5.41 per month	\$5.55 per month
Out of Cycle Brush or Bulk Waste Pick Up		
First 2 cubic yards	\$50.00 per 2 cu. yards	\$50.00 per 2 cu. yards
Additional pickup	\$25.00 per cu. yard	\$25.00 per cu. yard
Animal Pickup (Greater than 10lb)		
Greater than 10lb.	\$50.00 per animal	\$50.00 per animal
Recycling Drop Off Fee (at landfill)		
Customers With City Garbage Service	\$0.00 per load	REMOVE
Without City Garbage Service	\$2.00 per load	REMOVE
OTHER FEES (BILLED WITH GARBAGE SERVICE)	CURRENT FEE	FY2021 PROPOSED FEE
Environmental Fee	\$0.40 per month	\$0.40 per month

Note: Rates are set by Republic Services based on Consumer Price Index, per contract.



FEE SCHEDULE

PUBLIC WORKS, CONTINUED		
STREETS		
OTHER FEES	CURRENT FEE	FY2021 PROPOSED FEE
Traffic Control Fee	\$29.00 per hr/person	\$29.00 per hr/person
Street Signs	\$250.00 per sign	\$250.00 per sign



FEE SCHEDULE

PUBLIC WORKS, CONTINUED		
WATER DISTRIBUTION		
WATER TAPS (INCLUDES METER & SET FEE)	CURRENT FEE	FY2021 PROPOSED FEE
3/4" Tap	\$1,890.00 per tap	\$1,947.00 per tap
1" Tap	\$2,100.00 per tap	\$2,163.00 per tap
1.5" Tap	\$3,830.00 per tap	\$3,945.00 per tap
1" Water Service Split	\$735.00 per split	\$757.00 per split
2" Water Service (Commercial & Residential)	\$4,830.00 per tap	\$4,988.00 per tap
2" Irrigation Water Service	\$3,675.00 per tap	\$3,805.00 per tap
2" and above	quoted by job	quoted by job
Tap in TXDOT Right of Way	quoted by job	quoted by job
WATER METER SET/INSTALL IF WATER TAP EXISTS	CURRENT FEE	FY2021 PROPOSED FEE
5/8" Meter	\$315.00 per meter	\$324.00 per meter
3/4" Meter	\$315.00 per meter	\$324.00 per meter
1" Meter	\$475.00 per meter	\$489.00 per meter
1.5" Meter	\$685.00 per meter	\$706.00 per meter
2" Meter and Above	quoted by job	quoted by job
SEWER TAPS (INCLUDES METER & SET FEE)	CURRENT FEE	FY2021 PROPOSED FEE
4" Tap - Off City Main	\$1,680.00 per tap	\$1,730.00 per tap
4" Tap - Internal Manhole Drop	\$1,365.00 per tap	\$1,406.00 per tap
6" Tap - Out of Manhole	\$1,785.00 per tap	\$1,839.00 per tap
6" Tap - With Manhole	\$4,200.00 per tap	\$4,326.00 per tap
Additional charge for manholes over 8' deep	\$200.00 per foot	\$200.00 per foot
Tap in TXDOT Right of Way	quoted by job	quoted by job
REQUESTED SERVICES	CURRENT FEE	FY2021 PROPOSED FEE
Labor		
Business Hours	\$29.00 per hr/person	\$29.00 per hr/person
After Business Hours	\$42.50 per hr/person	\$42.50 per hr/person
After Business Hours	\$42.50 per hr/person	\$42.50 per hr/person



FEE SCHEDULE

PUBLIC WORKS, CONTINUED		
WATER RECLAMATION		
SEPTAGE	CURRENT FEE	FY2021 PROPOSED FEE
Septage Received at Plant		
Inside Kerr County Customers	\$0.09 per gallon	\$0.09 per gallon
Outside Kerr County Customers	\$0.18 per gallon	\$0.18 per gallon
Chemical Toilet Waste Received at Plant		
Inside Kerr County Customers	\$0.09 per gallon	\$0.12 per gallon
Outside Kerr County Customers	\$0.18 per gallon	\$0.21 per gallon
Septage/Chemical Toilet Waste Spill Surcharge	\$200.00 per incident	\$200.00 per incident
Septic Hauler Drying Bed Washout	\$0.00	\$125.00 per use
Manifest Books	\$8.00 per book	\$8.00 per book



FEE SCHEDULE

UTILITY BILLING		
NEW ACCOUNT FEES	CURRENT FEE	FY2021 PROPOSED FEE
Without E-Bill or Auto-Pay	\$40.00 per account	\$40.00 per account
With E-Bill	\$25.00 per account	\$25.00 per account
With E-Bill & Auto-Pay	\$20.00 per account	\$20.00 per account
UTILITY CUSTOMER DEPOSIT POLICY	CURRENT FEE	FY2021 PROPOSED FEE
Residential		
With Acceptable Score Via Utility System Soft Credit Check	\$0.00 per account	\$0.00 per account
With Unacceptable Score	\$100.00 per account	\$100.00 per account
Commercial		
With Acceptable Score Via Utility System Soft Credit Check	\$0.00 per account	\$0.00 per account
With Unacceptable Score (greater of)	\$100.00 per account or 2X Avg Usage at Address	\$100.00 per account or 2X Avg Usage at Address
Notes: Deposits for residential and commercial accounts are refundable as an account credit after 12 consecutive months with no late payments. Deposits for fire hydrants will be refunded upon discontinuation of services, less the final bill.		
SERVICE CHARGES	CURRENT FEE	FY2021 PROPOSED FEE
Lock or pull meter	\$30.00 per account	\$30.00 per account
Turn on (after cutoff) after business hours	\$50.00 per account	\$50.00 per account
Accounts not paid in full by 5pm on final due date	\$30.00 per account	\$30.00 per account
Additional trips to meter locations	\$30.00 per account	\$30.00 per account
Tampering with meter	\$50.00 per account	\$50.00 per account
Late Payment Fees		
Accounts not paid by due date	10% of balance	10% of balance
Lien Filing Fee	actual cost + \$10.00 svc fee	actual cost + \$10.00 svc fee
Returned Item Handling Fees		
Checks		
Bank Drafts		
Declined Credit or Debit Card Drafts	\$30.00 per item	\$30.00 per item
Collection Agency Submission Fee	\$0.00	\$10.00 per submission

Note: Damage to meters caused by tampering will be charged to customer at actual cost plus labor. Tampering with a meter constitutes criminal mischief.



FEE SCHEDULE

UTILITY BILLING, CONTINUED		
WATER		
RESIDENTIAL WATER RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$15.18 per account	\$15.18 per account
0-1,000 gallons	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
1,001-6,000 gallons	\$3.41 per 1,000 gallons	\$3.41 per 1,000 gallons
6,001-15,000 gallons	\$4.42 per 1,000 gallons	\$4.42 per 1,000 gallons
15,001-25,000 gallons	\$5.53 per 1,000 gallons	\$5.53 per 1,000 gallons
25,001-50,000 gallons	\$6.91 per 1,000 gallons	\$6.91 per 1,000 gallons
50,000 gallons and up	\$8.63 per 1,000 gallons	\$8.63 per 1,000 gallons
COMMERCIAL WATER RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$13.00 per account	\$13.00 per account
0-25,000 gallons	\$3.71 per 1,000 gallons	\$3.71 per 1,000 gallons
25,001-50,000 gallons	\$4.44 per 1,000 gallons	\$4.44 per 1,000 gallons
50,001 gallons and up	\$5.32 per 1,000 gallons	\$5.32 per 1,000 gallons
IRRIGATION RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$13.00 per account	\$13.00 per account
0-15,000 gallons	\$4.74 per 1,000 gallons	\$4.74 per 1,000 gallons
15,001-25,000 gallons	\$6.16 per 1,000 gallons	\$6.16 per 1,000 gallons
25,001 gallons and up	\$8.28 per 1,000 gallons	\$8.28 per 1,000 gallons
FIRE HYDRANTS RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$67.00 per account	\$67.00 per account
Refundable Deposit	\$2750.00 per account	\$2750.00 per account
Meter Set-up/Move	\$0.00 per account	\$0.00 per account
0-15,000 gallons	\$4.74 per 1,000 gallons	\$4.74 per 1,000 gallons
15,001-25,000 gallons	\$6.16 per 1,000 gallons	\$6.16 per 1,000 gallons
25,001 gallons and up	\$8.28 per 1,000 gallons	\$8.28 per 1,000 gallons
RESIDENTIAL WATER RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$22.77 per account	\$22.77 per account
0-1,000 gallons	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
1,001-6,000 gallons	\$5.12 per 1,000 gallons	\$5.12 per 1,000 gallons
6,001-15,000 gallons	\$6.63 per 1,000 gallons	\$6.63 per 1,000 gallons
15,001-25,000 gallons	\$8.30 per 1,000 gallons	\$8.30 per 1,000 gallons
25,001-50,000 gallons	\$10.37 per 1,000 gallons	\$10.37 per 1,000 gallons
50,000 gallons and up	\$12.95 per 1,000 gallons	\$12.95 per 1,000 gallons
COMMERCIAL RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$19.50 per account	\$19.50 per account
0-25,000 gallons	\$5.57 per 1,000 gallons	\$5.57 per 1,000 gallons
25,001-50,000 gallons	\$6.66 per 1,000 gallons	\$6.66 per 1,000 gallons



FEE SCHEDULE

UTILITY BILLING, CONTINUED		
WATER, CONTINUED		
IRRIGATION WATER RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$19.50 per account	\$19.50 per account
0-15,000 gallons	\$7.11 per 1,000 gallons	\$7.11 per 1,000 gallons
15,001-25,000 gallons	\$9.24 per 1,000 gallons	\$9.24 per 1,000 gallons
25,001 gallons and up	\$12.42 per 1,000 gallons	\$12.42 per 1,000 gallons
FIRE HYDRANT RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$100.50 per account	\$100.50 per account
Refundable Deposit	\$2,750.00 per account	\$2,750.00 per account
Meter Set-up/Move	\$0.00 per account	\$0.00 per account
0-15,000 gallons	\$7.11 per 1,000 gal.	\$7.11 per 1,000 gal.
15,001-25,000 gallons	\$9.24 per 1,000 gal.	\$9.24 per 1,000 gal.
25,001 gallons and up	\$12.42 per 1,000 gal.	\$12.42 per 1,000 gal.
EFFLUENT/REUSE WATER RATES	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$13.00 per account	\$13.00 per account
Commercial	\$0.65 per 1,000 gallons	\$0.65 per 1,000 gallons
Commercial Contract	per contract	per contract
Municipal	\$0.46 per 1,000 gallons	\$0.42 per 1,000 gallons
WATER BY LOAD--CUSTOMER PICK UP	CURRENT FEE	FY2021 PROPOSED FEE
Reuse/Effluent Water		
0-3,000 gallons	\$10.00 per load	\$10.00 per load
3,001-8,000 gallons	\$17.50 per load	\$17.50 per load
Potable Water		
0-3,000 gallons	\$15.00 per load	\$15.00 per load
3,001-8,000 gallons	\$22.00 per load	\$22.00 per load



FEE SCHEDULE

UTILITY BILLING, CONTINUED		
SEWER		
RESIDENTIAL SEWER RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$14.27 per account	\$14.27 per account
Account with no consumption history	\$16.65 4,000 gal. min	\$16.65 4,000 gal. min
Per winter average (Dec-Feb consumption)	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
	\$5.55 per 1,000 gallons > 1,001	\$5.55 per 1,000 gallons > 1,001
COMMERCIAL SEWER RATES INSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$14.61 per account	\$14.61 per account
Per 1,000 of water usage	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
	\$5.91 per 1,000 gallons > 1,001	\$5.91 per 1,000 gallons > 1,001
RESIDENTIAL SEWER RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$21.41 per account	\$21.41 per account
Account with no consumption history	\$24.98 4,000 gal. min	\$24.98 4,000 gal. min
Per winter average (Dec-Feb consumption)	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
	\$8.33 per 1,000 gallons > 1,001	\$8.33 per 1,000 gallons > 1,001
COMMERCIAL SEWER RATES OUTSIDE CITY LIMITS	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$21.92 per account	\$21.92 per account
Per 1,000 of water usage	\$0.00 per 1,000 gallons	\$0.00 per 1,000 gallons
	\$8.87 per 1,000 gallons > 1,001	\$8.87 per 1,000 gallons > 1,001
WHOLESALE SEWER RATES	CURRENT FEE	FY2021 PROPOSED FEE
Monthly Account Fee (plus)	\$13.50 per account	\$13.50 per account
Per 1,000 of water usage	\$6.26 per 1,000 gallons	\$6.26 per 1,000 gallons
Excess capacity rate	\$1,000.00 per day	\$1,000.00 per day



**TO BE CONSIDERED BY
ECONOMIC IMPROVEMENT CORPORATION
CITY OF KERRVILLE, TEXAS**



SUBJECT: Killdeer Mountain Manufacturing Business Development Project, to include the following agreements:
a.) Economic Development Grant and Real Estate Purchase Agreement.
b.) Economic Development Incentive Grant Agreement with EIC.
c.) Chapter 380 Economic Development Agreement between the City of Kerrville, Texas, and the City of Kerrville Economic Improvement Corporation.
d.) Economic Development Incentive Agreement between the City of Kerrville, Texas, and the Killdeer Mountain Manufacturing, Inc.
e.) Kerrville Public Utility Board Loan Agreement.

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** Aug 28, 2020

SUBMITTED BY: EA Hoppe

EXHIBITS: [20200908_Agreement_Economic Development Grant and Real Estate Purchase for KMM.pdf](#)
[20200908_Agreement_Economic Development Incentive Grant Agreement with EIC for KMM.pdf](#)
[20200908_380 Economic Development Agreement_City and EIC_KPUB loan property purchase for KMM.pdf](#)
[20200908_Agreement_Economic Development Incentive Agreement City of Kerrville with KMM.pdf](#)
[20200908_Agreement_Kerrville Public Utility Board Loan.pdf](#)

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item? Yes
Key Priority Area E - Economic Development
Guiding Principle E4. Balance, broaden and diversify the City's tax base, shifting the tax burden away from residential property owners

Action Item

E4.1 - Target strategic growth opportunities that will bring an increase in fiscal revenues (sales and property taxes and water/sewer fees, etc.)

SUMMARY STATEMENT:

The City Council will receive a presentation regarding the Agreements that have been drafted to consummate a business and employment expansion of Killdeer Mountain Manufacturing (KMM) to Kerrville, TX. KMM is a Tier 1 leading manufacturer of electronic components for military and aerospace industries, and currently operates solely out of western North Dakota. The company recently was awarded several incentives from the State of Texas to relocate to the state, and the presentation on Monday will outline the local incentives that dovetail with the State incentives. The Kerrville Economic Improvement Corporation (EIC) received a presentation on the proposed business expansion on August 17th, 2020 and held a subsequent Public Hearing on the EIC-associated Agreements on September 3rd, 2020. In addition, the Kerrville Public Utility Board approved the referenced Loan Agreement at their regular meeting held on August 19, 2020.

RECOMMENDED ACTION:

Authorize the City Manager to finalize and execute the Agreements.

**ECONOMIC DEVELOPMENT GRANT
AND REAL ESTATE PURCHASE AGREEMENT**

This **ECONOMIC DEVELOPMENT GRANT AND REAL ESTATE PURCHASE AGREEMENT** ("Agreement") is entered into as of the Effective Date by and between **KILLDEER MOUNTAIN MANUFACTURING, INC.** ("Company"), a North Dakota corporation, acting herein by and through its duly authorized Chief Executive Officer; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** ("EIC"), a Texas nonprofit corporation established pursuant to the Development Corporation Act (Chapters 501, 502, and 505 of the Texas Local Government Code and hereafter referred to as "the Act"), acting by and through its duly authorized President. Company and EIC are sometimes collectively referred to herein as "Parties" and individually as "Party".

WITNESSETH:

WHEREAS, EIC was formed to administer the special sales and use tax approved by City's qualified voters in May 1995 and collected for the purpose of paying expenditures in relation to "projects" as defined in the Act including:

Land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs, as that term is defined by the Act, and found by the EIC to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities as provided by Section 501.101 of the Act; and

WHEREAS, pursuant to the Act, EIC is authorized to provide funding relating to the construction of projects which EIC finds to be encompassed within the definition of "Projects", as that word is defined by Chapters 501 and 505 of the Act; and

WHEREAS, Company manufactures and sells various products, including circuit boards and fiber optics for use in the aerospace industry; and

WHEREAS, EIC has contracted to purchase the Property, as defined below; and

WHEREAS, Company desires to contract with EIC to purchase the Property from EIC with the intent of (i) making a Capital Investment (as hereafter defined) in the Improvements and acquiring Tangible Personal Property; and (ii) hiring a number of full time employment positions at the Property with the objective of

increasing such employment to at least 400 employees; and

WHEREAS, Company has advised EIC that a contributing factor that would induce Company to make the Capital Investment, acquire the Tangible Personal Property, and begin operations would be an agreement with EIC to provide an economic development incentive grant to Company to defray the costs of acquisition of the Property; and

WHEREAS, EIC has determined that the Purchase Grant (as hereafter defined) complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will help develop and expand a manufacturing and industrial facility and a business enterprise and create and retain primary jobs, and thus constitutes a “project” as defined in the Act; and

WHEREAS, EIC finds that it will be in the public interest to enter into this agreement with Company for EIC to purchase the Land (as defined below) using 4B Revenues (as defined below), to convey the Land to Company for its use in its manufacturing operations, and to apply the Purchase Grant to the Purchase Price; and

WHEREAS, on September 3, 2020, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, Company and EIC agree as follows:

**Article I
Definitions**

For purposes of this Agreement, each of the following terms has the meaning set forth herein unless the context clearly indicates otherwise:

“4B Revenues” means the \$0.005 local sales and use tax collected by EIC pursuant to the Act.

“Affiliate(s)” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

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

“Capital Investment” means (i) with respect to the Improvements, the total capitalized cost of construction of the Improvements (including design and construction of the Building and related improvements but not including costs related to purchase of the Property); and, (ii) with respect to Tangible Personal Property the total capitalized cost of acquisition and installation of Tangible Personal Property to be located at the Improvements and/or the Property.

“City” means the City of Kerrville, a Texas home rule municipality located in Kerr County, Texas.

“City 380 Agreement” means that certain Economic Development Incentive Agreement between City and Company entered into pursuant to Chapter 380 of the Texas Local Government Code and providing for a grant from City to Company for the construction of certain improvements on the Property and the waiver of certain City fees in relation to construction of the Improvements.

“City Limits” means City’s incorporated boundaries as they exist on the Effective Date and changed from time to time after the Effective Date through the annexation of land into, or disannexation of land out of, City’s incorporated boundaries.

“Commencement Date” means the date Commencement of Construction occurs.

“Commencement of Construction” means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Improvements on the Property; (ii) all necessary permits for the construction of the Improvements have been issued by all applicable governmental authorities; and (iii) active construction of the Improvements has commenced.

“Completion of Construction” means the date (i) the Improvements have been substantially completed; and, (ii) a certificate of occupancy has been issued by City for Company’s occupancy of the Property following construction of the Improvements.

“Consummated” shall have the same meaning assigned by Texas Tax Code, Section 321.203, or its successor.

“Control,” or any derivation thereof, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of securities, by contract, or otherwise.

“Deed of Trust” means a Deed of Trust in the form substantially as set forth in Appendix 1, attached hereto and incorporated herein by reference, conveying a first lien on the Property to Michael C. Hayes, Trustee, for the benefit of EIC in the amount of the Purchase Grant for the purpose of securing the repayment of the Purchase Grant.

“Effective Date” means the later of (i) the date this Agreement, or identical counterparts of this Agreement, bears the signatures of the authorized representative of each Party; and (ii) the date this Agreement has been authorized by City’s City Council pursuant to Section 505.158 of the Act.

“Employment Period” means each full calendar year after Completion of Construction.

“Force Majeure” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, pandemics, or work stoppages.

“Full-Time Position” means a position eligible for employee benefits at which an individual is scheduled to work at the Property for Company as an employee (*i.e.*, not as temp-to-hire worker) for at least (i) 2080 hours for a day shift; or (ii) 1,872 hours for a second shift, both of which occur within the calendar year and who, before deducting employee contributions to employee benefits, FICA, Federal payroll tax withholding, retirement plans, and other voluntary and involuntary deductions commonly deducted from employee wages prior to payment of the wages to the person, is paid an average hourly wage of not less than \$21.00 per hour, not including the value of employee benefits paid by Company. For purposes of the definition of “Full-Time Position,” employer contributions to FICA, retirement plans, group health, dental, or life insurance premiums, or other employer funded benefits shall not be included in determining an employee’s hourly wage or salary. A Full-Time Position does not include seasonal positions. The average calculation aggregates Full-Time Positions, as defined below, as follows: i) hourly positions at their hourly rate;

and ii) convert salaried positions to their hourly equivalent by dividing by 2080. The sum of the hourly rates and hourly equivalents will be divided by the cumulative number of Full-Time Positions for the applicable year as included in Section 4.6(a) for purposes of arriving at the average hourly rate required. For purposes of this definition, a salaried employee with a base annual salary equal to or greater than \$110,000 shall be treated as the equivalent of two Full-Time Positions.

“FTE Position” or “FTE” means one Full-Time Position filled by an individual working at the Property under contract or as an employee for Company a combined total of at least (i) 2080 hours for a day shift; or (ii) 1,872 hours for a second shift, during a calendar year.

“Grant Reimbursement Payment” means the amount of \$91,868.98, which, if the Purchase Grant were a loan, would be the amount of payment that would be made by Company to EIC based on the amount of the Purchase Grant accruing interest at an annual rate of two percent (2.0%) amortized over a period of 25 years and repaid in 25 annual installments.

“Improvements” means those alterations to, and improvements constructed on, the Property by Company at Company’s expense that are reasonable and necessary for Company to use the Property for the Required Use.

“Improvements Loan Grant Agreement” means that certain Economic Development Incentive Grant Agreement between the Parties substantially in the form attached hereto as Appendix 2 and incorporated herein by reference to be entered upon closing on the conveyance of the Property to Company.

“Land” means the real property described in **Exhibit A**, attached hereto and incorporated herein by reference.

“Local Sales and Use Tax” shall mean (a) the one percent (1%) sales and use tax imposed by the City pursuant to Chapter 321, Texas Tax Code and (b) the one-half of one percent (0.5%) sales and use tax imposed pursuant to the Development Corporation Act, Title 12, Subt. C-1, Chs. 501-505, Texas Government Code, for the benefit of EIC, on the sale of Taxable Items by Company Consummated within the City.

“Person” means an individual, corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“Project” means the design and construction of the Improvements, including costs related to site development with utilities, landscaping, parking, and other associated improvements, and the purchase and installation of manufacturing

equipment and other personal property reasonable and necessary for the operation of Company's manufacturing and distribution facility at the Land.

"Property" means, collectively, the Improvements and the Land.

"Purchase Agreements" means, collectively: (i) that certain *Commercial Contract – Unimproved Property* between EIC (as Buyer) and Kerrville Airport Commerce Park, Ltd. (as Seller) effective May 15, 2020, providing for the purchase by EIC of Tract 1 of the Land as described in **Exhibit A**; and (ii) that certain *Commercial Contract – Improved Property* between EIC (as Buyer) and Steven M. Chapman and Cynthia C. Chapman (as Seller) effective April 13, 2020, providing for the purchase by EIC of Tract 2 of the Land as described in **Exhibit A**.

"Purchase Grant" means an economic development incentive grant in the amount of \$1,793,600 to be applied by EIC to the Purchase Price of the Land upon the closing of said purchase by Company in accordance with this Agreement.

"Purchase Price" means the amount of \$1,793,600 to be paid by Company for the purchase of the Land and existing improvements.

"Related Agreement(s)" means any written agreement, not including this Agreement, by and between (i) EIC and/or City and (ii) Company or any of Company's Affiliates, including, but not limited to, (a) the City 380 Agreement and (b) the Economic Development Incentive Grant Agreement but not including the lease for office space.

"Required Use" means use of the Property for (i) warehousing, manufacturing, and general office purposes in association with Company's business of manufacturing and assembling circuit card assemblies and cable and fiber harnesses for the aerospace industry, similar activities thereto, and activities necessary to support the foregoing; and, (ii) such other purposes as EIC may from time to time authorize in writing.

"Taxable Items" shall mean both "taxable items" and "taxable services" as those terms are defined by Chapter 151, Texas Tax Code, as amended.

Article II Term

2.1. Effective Date and Termination. The term of this Agreement (the "Term") commences on the Effective Date, and terminates on September 1, 2045, unless terminated by mutual agreement of the Parties or as follows:

(a) On the date EIC elects to terminate this Agreement by providing notice to Company if Commencement of Construction of the Improvements does not occur by the date set forth in Section 4.5, provided such notice is delivered before Commencement of Construction has actually occurred;

(b) On the date EIC elects to terminate this Agreement by providing notice to Company if Completion of Construction does not occur by the date set forth in Section 4.5 and, provided such notice is delivered before Completion of Construction has actually occurred;

(c) when terminated pursuant to Articles VIII or IX;

(d) at Company's sole and absolute discretion upon Company's repayment of the remaining balance of the Purchase Grant calculated in the same manner as set forth in Section 3.5;

(e) if EIC fails to close on the purchase of the Land pursuant to the Purchase Agreements for any reason including obtaining financing relating to the purchase of Tract 2 of the Land;

(f) if Company fails to close on the purchase of the Land pursuant to the provisions set forth in **Exhibit B**, attached hereto and incorporated herein by reference; or

(g) as provided in Section 4.6(f).

2.2 Rights upon Termination. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect except to the extent such obligations expressly survive the termination of this Agreement. If termination of this Agreement occurs pursuant to Section 2.1(a), EIC shall have the option to repurchase the Land ("the Option") for the amount of the Purchase Price, less the amount of the Purchase Grant. If EIC elects to exercise the Option, EIC must exercise the Option by presenting written notice to Company of the exercise of the Option not later than 5:00 PM Central Time on January 4, 2022. Not later than thirty (30) days after EIC's exercise of the Option, Company shall execute and deliver to EIC a special warranty deed substantially in the same form EIC executed to convey the Land to Company. EIC shall have the right to require specific performance by Company of reconveyance of the Land to EIC pursuant to this Section 2.2 and shall be entitled to recover costs and reasonable attorneys' fees in the event EIC is required to institute legal proceedings to enforce the provisions of this Section 2.2.

Article III Purchase Grant

3.1 Payment of Purchase Grant. Subject to the obligation of Company to repay the Purchase Grant pursuant to Article IV or other provisions of this Agreement, and the continued satisfaction of all terms and conditions of this Agreement by Company, EIC agrees to provide Company with the Purchase Grant, which shall be credited against and applied to the Purchase Price of the Land upon the closing of said purchase by Company in accordance with the provisions set forth in **Exhibit B** (“the Purchase Agreement”).

3.2 Purchase Grant Limitations. Under no circumstances shall the obligations of EIC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, EIC shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by Company. None of the obligations of EIC under this Agreement may be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

3.3 Current Revenue. The Purchase Grant will be paid solely from lawfully available funds that have been appropriated by EIC. EIC shall have no obligation or liability to pay any installment of the Purchase Grant except as allowed by law.

3.4 Purchase Grant Limited to “Costs”. Payments made by EIC to or on behalf of Company from 4B Revenues will be limited to the payments of “costs” as defined by the Act and as specified above for the Project; provided, however, for purposes of this Agreement, “costs” do not include funds spent by interest or other fees paid by Company related to borrowing funds for the purpose of paying for the Project.

3.5 Reimbursement of Purchase Grant.

(a) Subject to and except as provided by Article IV, Company shall reimburse to EIC the Purchase Grant in twenty-five (25) annual equal installments in the amount of the Grant Reimbursement Payment, the first such installment to be paid on the first day of the calendar month following the month in which the first (1st) anniversary of the closing occurs, with each subsequent installment being due on or before the same date of each subsequent year thereafter until the Purchase Grant and all accrued interest have been paid in full.

(b) If Company defaults in the payment of the Grant Reimbursement Payment or in the performance of any obligation in this Agreement or a Related Agreement and such default continues for a period of thirty (30) days after EIC sends Company written notice of such default, EIC may declare the unpaid balance, earned interest, and any other amounts owed on the Purchase Grant immediately due. Company waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

(c) Company also agrees to pay reasonable attorney's fees and court and other costs if this Agreement is placed in the hands of an attorney to collect or enforce the repayment of the Purchase Grant. Such expenses will bear interest from the date that EIC sends Company written demand to pay such expenses, at the highest rate of interest allowed by law. Company will pay EIC such expenses and interest on demand at the place set forth for providing notices in Section 10.4, below. Such expenses and interest will become part of the debt evidenced by this Agreement and will be secured by any security for payment.

3.6 Accrual of Interest on Purchase Grant. The unpaid balance of the Purchase Grant shall accrue interest at a rate of two percent (2.0%) per year commencing on the first day of the calendar month following the Commencement Date.

Article IV

Conditions to the Economic Development Grant

4.1 Generally. The obligation of EIC to provide the Purchase Grant to and for the benefit of Company and Company's obligation to repay, and to be excused from repayment of all or any portion of the Purchase Grant to EIC, is conditioned upon Company's compliance with the terms and conditions of this Agreement and specifically, each of the conditions set forth in this Article IV.

4.2 Good Standing. Company shall not have an incurred a breach or default of this Agreement beyond any applicable notice and cure period.

4.3 Development Regulations. Notwithstanding that the Land is not on the Effective Date and on the date of closing of the conveyance of the Land to Company located within City's corporate limits, Company agrees to comply with all City ordinances and regulations, including all building codes, subdivision regulations, and zoning applicable to development of the Land and construction of

the Improvements if the Land were located within City's corporate limits.

4.4 Required Use. Commencing on the Completion of Construction and continuing thereafter until the termination of this Agreement, the Property shall be used solely for the Required Use and the operation and occupancy of the Property in conformance with the Required Use shall not cease for more than six (6) months, except in connection with and to the extent of an event of Force Majeure.

4.5 Commencement and Completion of Construction. Subject to delays resulting from Force Majeure events, Company shall cause Commencement of Construction of the Improvements to occur not later than January 4, 2021, and cause Completion of Construction of the Improvements not later than May 31, 2021. The foregoing deadlines for Commencement of Construction and Completion of Construction of the Improvements shall be extended one (1) business day for each business day that an event of Force Majeure results in the inability of Company to cause said Commencement of Construction and/or Completion of Construction to occur.

4.6 Full-Time Positions.

(a) After the Effective Date, but in no case later than the one hundred twentieth (120th) day after Completion of Construction, Company shall create and fill no fewer than fifteen (15) Full-Time Positions. Commencing with calendar year 2022 and each calendar year thereafter through the end of the Term, the number of Full-Time Positions created and filled by Company at the Property during the specified calendar year shall be as follows:

End of Calendar Year (12/31)	Minimum No. FTE's for Calendar Year
2021	15
2022	40
2023	60
2024	80
2025	100
2026	120
2027	140
2028	160
2029	180
2030	200

2031-2035	200
2036-2040	300
2041-2045	400

The minimum number of FTEs each year shall be based on a weekly average count of FTEs working at the Property for each calendar week during the calendar year. For purposes of the foregoing calculation, a person employed in a Full-Time Position who is not working at the Property because the person is on any type of excused paid leave (*e.g.*, vacation, sick leave, paid family leave, professional training, and similar purposes), or is on an unpaid leave pursuant to the Family Medical Leave Act or other federal or state law which requires Company to retain the person as an employee while absent from work, will be included in the weekly count of Full-Time Positions.

(b) Company shall use its best efforts and show a preference in its hiring process to hire 60% of FTE's who are permanent residents of Kerr County and shall encourage future employees who do not reside in Kerr County to re-locate there.

(c) Not later than February 1 following the end of each calendar year identified in Section 4.6(a), Company shall deliver to EIC a copy of employment records, Texas Workforce Commission reports, or other documentation as is reasonably required by EIC to demonstrate Company's compliance with the required number of Full-Time Positions required by Section 4.6(a) along with a sworn statement from an authorized officer of Company confirming Company's compliance with Sections 4.6(a) and 4.6(b). Company's failure to provide the information required by this Section 4.6(c) constitutes a breach of this Agreement and shall constitute the basis for requiring Company to make a Grant Reimbursement Payment in accordance with Section 3.5.

(d) If Company fails to establish that it has employed the minimum number of Full-Time Positions as required by Section 4.6(a) for a calendar year, not later than thirty (30) days after delivery of written demand from EIC, Company shall pay to EIC a Grant Reimbursement Payment for such calendar year in full. If, however, at least 85% of the minimum number of Full-Time Positions were employed as required by Section 4.6(a) for a calendar year, the amount of the Grant Reimbursement Payment shall be proportionate to the number of Full-Time Positions actually employed in relation to the number of Full-Time Positions that were required to be employed for said calendar year. Any Grant Reimbursement Payment not paid by Company to EIC on or before

the thirtieth (30th) day after the date of delivery of the demand for such payment shall bear interest at the maximum rate allowed by law. EIC shall further be entitled to costs and reasonable attorney fees if EIC institutes any action to collect any delinquent Grant Reimbursement Payment(s).

(e) Company's payment of a Grant Reimbursement Payment when required pursuant to Section 4.6(d) shall not constitute a default of this Agreement that constitutes the basis for termination of this Agreement. Further, the requirement for Company to pay a Grant Reimbursement Payment shall apply only to the calendar years for which Company fails to employ the required minimum number of Full-Time Positions.

(f) If Company employs 400 or more Full Time Positions for five (5) consecutive calendar years during the Term of this Agreement, this Agreement shall terminate on the last day of the calendar month after EIC verifies and determines that Company employed 400 or more Full Time Positions for the fifth (5th) of said five (5) consecutive years.

4.7 Records. Company shall keep and maintain complete and accurate records relating to its costs of the Improvements and employment information related to Full-Time Positions, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. The City Manager or designee, as representatives for EIC, shall be entitled to inspect Company's records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice at Company's offices in Kerrville, Texas.

4.8 Point of Sale. The sale of goods manufactured or assembled on the Property shall be deemed to be consummated at the Property for the purposes of determining the collection of state and local sales and use taxes to the extent allowed by Texas Tax Code §321.203, as amended.

4.9 Annexation. Concurrent with closing on the purchase of the Land, Company agrees to petition City to annex the Land into the City Limits as soon as reasonably possible after the closing.

4.10 Purchase of the Land. Company agrees to purchase the Land from EIC in accordance with the provisions set forth in **Exhibit B**.

4.11 Required Capital Investment. Company agrees to make a Capital Investment at the Property not later than August 31, 2021.

Article V
Sale of Project, Merger or Consolidation of Company

5.1 Sale of Company Assets. A sale of all or any of the assets of Company shall not release Company from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that Company's proposed successor shall have the financial condition to fully satisfy Company's duties and responsibilities hereunder and agrees to assume Company's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.

5.2 Merger. In the event of any proposed merger or other consolidation of Company with any third party not affiliated with Company, not later than thirty (30) days prior to any such merger or consolidation, Company shall provide EIC with information and assurance reasonably acceptable to EIC regarding: (i) the surviving entity's assumption and satisfaction of the Company's obligations hereunder; and (ii) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy Company's duties and responsibilities under this Agreement.

5.3 EIC Rights. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving Company. In the event of any sale or merger involving Company or its affiliates, the surviving entity shall assume Company's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

Article VI
Company's Representations and Warranties

Company represents and warrants as of the date hereof:

(a) Company is a North Dakota corporation existing in good standing and authorized to do business in the State of Texas;

(b) Execution of this Agreement has been duly authorized by Company and this Agreement is not in contravention of Company's corporate charter, or any agreement or instrument to which Company is a party or by which it may be bound as of the date hereof;

(c) No litigation or governmental proceeding is pending, or, to the knowledge of Company, threatened against or affecting Company, which may result in a material adverse change in Company's business, properties, or operations sufficient to jeopardize Company's legal existence or for-profit viability; and

(d) No written application, written statement, or correspondence submitted by Company to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of Company, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

(e) Except as expressly set forth in this Article VI, Company makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

Article VII

EIC'S Representations and Warranties

EIC represents and warrants as of the date hereof:

(a) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(b) Execution of this Agreement has been duly authorized by EIC;

(c) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement; and

(d) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement.

(e) Except as expressly set forth in this Article VII, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

Article VIII
Conditions Under Which EIC May Suspend Performance
of Its Obligations Under This Agreement

EIC may, at its sole option and after fifteen (15) days written notice to Company, suspend EIC's performance under this Agreement until such time as Company shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- (a) Company becomes insolvent;
- (b) The appointment of a receiver of Company, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter;
- (c) The adjudication of Company as bankrupt;
- (d) The filing by Company of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding; or
- (e) Except as allowed in Section 4.8, above, a change to a location outside the City Limits on the location where sales of Taxable Items are deemed to be Consummated such that Local Sales and Use Tax is not imposed on such sales.

Should any of the foregoing conditions not be cured by Company within ninety (90) days after the onset of the condition, Company will be considered to have breached this Agreement and EIC may, at its option, with written notice to Company, terminate this Agreement, and Company shall be obligated to pay in full to EIC the remaining unpaid balance of the Purchase Grant plus any accrued but unpaid interest on such unpaid balance.

Article IX
Remedies

9.1 Notice and Opportunity to Cure. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any Party, or any successor to such Party, such defaulting or breaching Party (or successor) shall upon written notice from the other proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time

(but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved Party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act. This provision and specifically the notice and time to cure shall not apply to the obligation of Company found within Article IV.

9.2 Termination. Upon breach of this Agreement by either Party and the failure to cure as permitted by Section 9.1, the non-breaching Party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement. Each Party acknowledges and agrees that no Party hereunder shall be entitled to recover any amounts in excess of the Purchase Grant plus unpaid accrued interest contracted for under this Agreement.

9.3 Breach of Related Agreements. Company's breach of a Related Agreement shall constitute a default of this Agreement. Company shall timely cure any default of the provisions of a Related Agreement in accordance with the terms of the Related Agreement. In the event of termination of a Related Agreement following Company's failure to timely cure a default of said Related Agreement, EIC may, at its sole option, terminate this Agreement, in which case Company shall be required to pay any remaining balance of the Purchase Grant plus any accrued but unpaid interest as provided in this Agreement.

9.4 Delay Not Waiver. Any delay by any Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another Party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

Article X General Provisions

10.1 Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there

shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

10.2 Amendment. This Agreement may be amended only by written amendment signed by both Parties.

10.3 Venue. All obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in a state court of competent jurisdiction in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

10.4 Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice; or (ii) if personally delivered, on the actual date of delivery; or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing; or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC

President

City of Kerrville, Texas, Economic Improvement Corporation
City Hall, 701 Main Street
Kerrville, Texas 78028

With a copy to:

City Manager

City of Kerrville
City Hall, 701 Main Street
Kerrville, Texas 78028

For Company

Killdeer Mountain Manufacturing, Inc.
Attn: President/CEO

233 Rodeo Drive
Killdeer, North Dakota 58640

10.5 Assignment. This Agreement is binding upon the Parties and their successors and assigns. Except as set forth in Article V, this Agreement may not be assigned by either Party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a Party consents to any valid assignment of this Agreement by the other Party, the assigning Party shall be relieved of any and all obligations and liabilities on the part of such assigning Party under this Agreement. Company may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by Company or by the parent, subsidiary, or affiliate of Company provided the entity assumes all of Company's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical, and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of Company and Company provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

10.6 Parties in Interest. Nothing in this Agreement shall entitle any Party other than Company or EIC to any claim, cause of action, remedy, or right of any kind except as expressly provided in Article IX.

10.7 Interpretation. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any Party.

10.8 No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties.

10.9 Survival of Terms. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination.

10.10 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

10.11 Recitals. The recitals to this Agreement are incorporated herein.

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

10.13 Employment of Undocumented Workers. During the term of this Agreement, Company agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the Purchase Grant herein and any other funds received by Company from EIC as of the date of such violation within 120 days after the date Company is notified by EIC of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. Company is not liable for a violation of this Section by a subsidiary, Affiliate, or franchisees of Company or by a person with whom Company contracts, or any other Person other than Company.

10.14 Non-Business Day. If the final date of any period provided herein for the performance of an obligation or for the taking of any action falls on a Saturday, Sunday, or a City recognized holiday, then the end of such period shall be extended to the next business day.

10.15 Headings. Section headings are for convenience of reference only and do not modify or restrict any provisions hereof and shall not be used to construe any provisions.

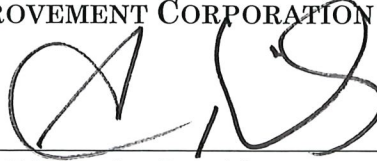
10.16 Prohibition of Boycott of Israel. Company verifies that (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the Agreement. This section does not apply if Company is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

10.17 EIC Inspection Rights. Authorized representatives of EIC shall have the right to enter the Property during the term of this Agreement for purposes of making such inspections as reasonable and necessary to ensure Company's compliance with this Agreement. Such inspections shall be during Company's regular business hours and conducted no earlier than 24 hours after EIC provides written notice to Company of EIC's intent to conduct such inspection.

(Signature Page to Follow)

SIGNED AND AGREED on this _____ day of _____, 2020.

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION



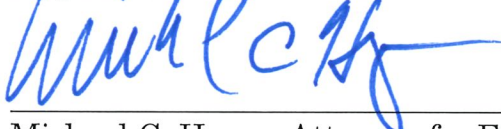
Greg Richards, President

Attest:



Keshia Franchina, Recording Secretary

Approved as to Form:



Michael C. Hayes, Attorney for EIC

SIGNED AND AGREED on this _____ day of _____,
2020.

KILLDEER MOUNTAIN MANUFACTURING, INC.

Donald Hedger, President/CEO

EXHIBIT A
DESCRIPTION OF THE LAND

Tract 1:

Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in volume 1186, page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½” rebar with “Voelkel” cap found in the southwest right-of-way line of State Highway No. 27, (100’ right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12’ 48” E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84’ (S 52° 14’ E) to a ½” rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55’ 28” E, with the west boundary line of Lot 1, Block 1, a distance of 479.85’ (S 00° 57’ E) to a ½” rebar with “Voelkel” cap found for southeast corner at the southwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07’ 25” W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13’ (S 89° 03’ 06” W, 351.18’) to a ½” rebar with “Voelkel” cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54’ 57” W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89’ (N 00° 57’ W, 2029.5’) to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

EXHIBIT B
TERMS AND CONDITIONS OF SALE OF LAND TO COMPANY

As a condition of this Agreement, EIC agrees to sell to Company, and Company agrees to purchase from EIC, the Land, pursuant to the following terms and conditions:

1. **Title and Survey.**

(a) Not later than (10) days after the Effective Date, EIC will, at EIC's expense, cause the Title Company to issue, with respect to the Land, the following:

(i) a current commitment for an Owner's Policy of Title Insurance for the Land from the Title Company, setting forth the state of title to the Land together with any easements or restrictions (existing or created pursuant hereto) benefiting or burdening the Land, together with all exceptions or conditions to such title;

(ii) best available copies of all documents referenced in the Title Commitment;

(iii) tax certificate(s) regarding the payment of ad valorem taxes for current and prior years;

(iv) copies of any surveys of the Land in EIC's possession; and

(v) copies of any environmental studies of the Land in EIC's possession.

(b) EIC has previously acquired a survey of the Property which is believed by EIC to be acceptable to the Title Company and has provided a copy of such survey to Company. EIC agrees to provide to Company and Title Company a Form T-47 affidavit with respect to said survey. However, not later than fifteen (15) calendar days after the Effective Date, Company may, at Company's expense and option, obtain an updated survey (the "Update Survey") of the Land prepared by a duly licensed Texas Registered Public Land Surveyor. The Updated Survey shall be staked on the ground, and the plat shall show the location of all improvements, highways, streets, roads, railroads, rivers, creeks, or other water courses, fences, easements, and rights-of-way on or adjacent to the Land, if any, and shall contain the surveyor's certification that there are no encroachments on the Land other than what are listed on the Title Commitment and shall set forth a metes and bounds description of the Land. If different than the platted description of the Land because of save and except portions of the platted lot, then, the legal description contained in said Updated Survey shall be used by the Parties as the legal description contained in the Special Warranty Deed. Otherwise, if there are no save and except portions of the

platted lot, then the platted lot legal description will be used in the Special Warranty Deed.

(c) Company shall, not later than five (5) days after Company's receipt of the last of the Updated Survey (or after the expiration of the period for obtaining the Updated Survey, whether or not an Updated Survey is obtained, whichever is earlier), and the Title Commitment notify EIC and Title Company in writing of any objections to the Updated Survey or Title Commitment related to the Land. If there are any timely written objections made by Company in accordance with this Section 1(c), EIC may, but shall be under no obligation to, attempt to satisfy same prior to Closing. EIC shall not be required to incur any cost to cure any of Company's objections. If EIC delivers written notice to Company not later than the fifth (5th) business day after EIC's receipt of Company's objections that EIC is unwilling or unable to satisfy such objections, Company may, as its sole and exclusive remedy, either (i) waive such objections and accept such title as EIC is able to convey prior to the expiration of the Inspection Period, or (ii) terminate this Agreement by written notice to EIC and the Title Company prior to the expiration of the Inspection Period, whereupon neither Party shall have any further rights or obligations hereunder except as to those rights or obligations which are stated to expressly survive the termination of this Agreement. Any exceptions to title to which Company does not timely object in accordance with this Section 1(c) or to which Company objects but are subsequently waived by Company shall be deemed to be Permitted Exceptions.

(d) The transaction described in this Agreement and the transactions described in the Purchase Contracts shall be treated by the Title Company as a pass-through transaction such that Title Company shall issue only one owner's title policy to Company as the ultimate purchaser and owner of the Land pursuant to the Purchase Contracts.

2. Inspection Period.

(a) During the twenty (20) day period after the Effective Date (the "Inspection Period"), Company and its agents, contractors, representatives, consultants or employees shall have the right to enter upon the Land during regular business hours to conduct such non-invasive inspections, tests and studies as they may deem necessary; provided, however, that the costs, risks and expenses of Company's investigation shall be borne solely by Company and Company shall use its best efforts to avoid damage to the Land. If for any reason Company determines not to purchase the Land, Company may, as its sole and exclusive remedy under this Section 2(a), terminate this Agreement by notifying EIC and Title Company in writing prior to the end of the Inspection Period, in which event, neither Party shall have any further claim against the other under this Agreement, except as otherwise provided herein.

(b) Company may enter the Land to conduct its inspection but shall be

solely responsible for any damages caused thereby. To the extent allowed by law, Company hereby indemnifies, protects and holds EIC, the Sellers of the Land in the Purchase Agreements, and their respective, officers, employees, agents, beneficiaries, heirs, successors, and assigns (collectively, “the Indemnitees”) harmless from any and all liens, claims, causes of action, damages, liabilities and expenses (including reasonable attorneys’ fees) and including, without limitation, physical damage or injury, directly or indirectly caused or resulting from Company’s review and inspections of the Land, except to the extent proximately caused by the negligent act(s) or omission(s) or willful misconduct of one or more of the Indemnitees. Nothing stated herein shall be construed as a waiver of the protections afforded EIC pursuant to the Act or other law, including, but not limited to, any immunity to liability or immunity from suit afforded EIC under the Texas Tort Claims Act (Chapter 101, Tex. Civ. Prac. & Rem Code, as amended). Notwithstanding anything to the contrary in this Agreement, Company’s indemnification obligations set forth in this Section 2(b) will survive termination and closing of this Agreement.

(c) The provisions of this Section 2 shall expressly survive any termination of this Agreement or the Closing.

3. **Closing.** The closing of the sale of the Land in accordance with the terms of this Agreement (the “Closing”) shall occur on the closing dates in the Purchase Agreements (“Closing Date”) at the Title Company or by mail or overnight delivery service, or at such other time as may be agreeable to the parties.

4. **Closing Deliverables.**

(a) At the Closing, EIC shall deliver to the Title Company:

(i) a special warranty deed, (the “Deed”) in form and substance reasonably acceptable to Company, conveying good and indefeasible title to the Land to Company, free and clear of any and all encumbrances except the Permitted Exceptions (as defined in Section 7 hereof);

(ii) such other documents as may be reasonably required by Title Company in order to cause Title Company to issue a Texas owner’s policy of title insurance (or equivalent) in the amount of the Purchase Price, insuring such title to the Company;

(iii) possession of the Land, free of parties in possession except as set out in Schedule B of the Title Commitment, as depicted in the Survey, and as provided by law in the lien in favor of taxing authorities for real property taxes not yet due and payable;

(iv) the Finish-Out Grant Agreement, signed by EIC.

(b) At the Closing, Company shall deliver to EIC through the Title Company:

(i) the Purchase Price, less a credit in the amount of the Purchase Grant;

(ii) the Deed of Trust, signed by Company in recordable form;

(iii) the Finish-Out Grant Agreement sign by Company; and

(iv) such other documents as may be reasonably required by the Title Company.

5. **Taxes.**

(a) EIC shall pay at or before Closing all ad valorem taxes, plus any penalties, interest, court costs, and attorneys' fees, if any, due on delinquent amounts not paid, for tax years prior to the year in which Closing occurs, which amounts may be paid out of the Purchase Price notwithstanding anything in this Agreement to the contrary. Ad valorem taxes due but not yet payable for the current year on the Land shall be pro-rated as of the date of Closing between Company and EIC, and Company shall be responsible for payment of the current year taxes when due. If the Land has been the subject of special valuation and reduced tax assessments pursuant to the provisions of Chapter 23, Subchapter D, of the Texas Tax Code or under any other provision of law with respect to any period before the Closing, and if additional taxes, penalties, or interest are assessed pursuant to Texas Tax Code §23.55 or under the other provision of law, Company will be responsible for the payment of these additional taxes.

6. **Closing Costs.**

(a) EIC agrees to pay and be responsible for the following closing costs:

(i) All costs related to obtaining any release of mortgage and liens on the Land, including the costs or preparation and recording of any related releases of liens;

(ii) All fees and premiums for the Basic Owners Title Policy and, if requested by Company, fees for issuance of the survey exception endorsement;

(iii) The Title Company's escrow fees;

(iv) Costs for any tax certificates issued;

- (v) EIC's attorneys' fees, if any;
- (vi) Recording fees for the Special Warranty Deed and Deed of Trust;
and
- (vii) Such other incidental costs and fees customarily paid by EIC of property in Kerr County, Texas, for transactions of a similar nature to the transaction contemplated herein.

(b) Company hereby agrees to pay and be responsible for the following closing costs:

- (i) All fees and/or premiums for any amendments to and endorsements to the Basic Owner's Title Policy which Company requests other than the survey exception endorsement;
- (ii) All fees and/or premiums for any Mortgagee Title Policy requested by Company;
- (iii) All costs and fees for the Survey, if obtained;
- (iv) Company's attorneys' fees; and
- (v) Such other incidental costs and fees customarily paid by sellers of property in Kerr County, Texas, for transactions of a similar nature to the transaction contemplated herein.

7. **Permitted Exceptions.** The (i) lien for current taxes not yet due and payable, (ii) any matters shown on the Title Commitment which are promulgated by law to appear in any title insurance commitment or policy, (iii) any exceptions to title to which Company does not timely object in accordance with Section 1(c) above or to which Company objects but are subsequently waived by Company, (iv) zoning ordinances, (v) existing oil and gas leases and reservations of the mineral estate, (vi) items shown on the Survey and (vii) any deed of trust lien or other lien against the Land created at Closing, shall not be valid objections to title and shall be deemed to be "Permitted Exceptions". Subject to the foregoing, as a condition of Closing, EIC must resolve, at EIC's sole cost, the items that are listed on Schedule C of the Title Commitment which are by their nature EIC's responsibility, remove all liquidated liens, remove all exceptions that arise by, through, or under EIC after the Effective Date of this Agreement, and use due diligence to cure the title and survey objections that EIC has agreed in writing to cure pursuant to Section 1(c) above, if any.

8. **Representations and Covenants.** (a) EIC represents and covenants that: (i) to EIC's actual knowledge, without duty of inquiry, no other person has any interests in or claims against the Land (other than as reflected by the Title

Commitment or the Survey); (ii) except as may be set forth in the documents delivered by EIC to Company pursuant to Section 1(a), EIC has no actual knowledge, without duty of inquiry, of any uncured violation of applicable laws, rules, regulations, codes or ordinances with respect to the Land, nor of any existence, release or disposal of any toxic or hazardous substance or waste upon or affecting the Land, nor of any pending or threatened litigation affecting the Land; and (iii) it will not hereafter encumber the Land.

(b) Company represents that it has authority to enter into this Agreement and that this Agreement represents the legal, valid and binding obligation of Company, enforceable against Company in accordance with its terms.

(c) The representations set forth in this Section 8 shall survive Closing.

9. Land Sold As Is.

(a) Company hereby acknowledges and agrees that the sale of the Land hereunder is and will be made on an "as is, where is and with all faults" basis. The occurrence of Closing shall constitute an acknowledgment by Company that the Land was accepted without representation or warranty, express or implied (except as otherwise specifically set forth herein and except for the special warranties of title set forth in the special warranty deed).

(b) Except as otherwise specifically set forth in this Agreement and except for the special warranties of title set forth in the Deed, EIC hereby specifically negates and disclaims any representations, warranties or guaranties of any kind or character, whether express or implied, oral or written, past, present, future or otherwise, of, as to, concerning or with respect to the Land, including without limitation (i) the nature and condition of the Land and the suitability thereof for any and all activities and uses which Company may elect to conduct thereon, (ii) the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or any other matter relating in any way to the Land, (iii) the compliance of the Land or its operation with any laws, ordinances or regulations of any government or other authority or body, (iv) the existence of any toxic or hazardous substance or waste in, on, under the surface of or about the Land, (v) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water and faulting, (vi) whether or not and to the extent to which the Land or any portion thereof is affected by any stream (surface or underground), body of water, flood prone area, floodplain, floodway or special flood hazard, (vii) drainage, (viii) zoning or land use restrictions rules and regulations to which the Property or any portion thereof may be subject, (ix) the availability of any utilities to the Land or any portion thereof including, without limitation, water, sewage, gas and electric and including the utility availability capacities allocated to the Land by the relevant governmental or regulatory authority, (x) usages of adjoining property, (xi) access to

the Land or any portion thereof, (xii) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, durability, structural integrity, operation, leasing, title to, or physical or financial condition of the Land or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Land or any part thereof, (xiii) the potential for further development of the Land, or (xiv) the merchantability of the Land or fitness of the Land for any particular purpose (Company affirming that Company has not relied on EIC's skill or judgment to select or furnish the Land for any particular purpose, and that EIC makes no warranty that the Land is fit for any particular purpose).

(c) Land agrees that prior to the expiration of the Inspection Period it will have the opportunity to examine and investigate the Land and that, in purchasing the Land, Company will rely solely upon its independent examination, study, inspection and knowledge of the Land, and Company is relying solely upon its own examination, study, inspection, and, except for representations and warranties specifically set forth herein and, except for the special warranties of title set forth in the special warranty deed, knowledge of the Land and Company's determination of the value of the Land and uses to which the Land may be put, and not on any information provided or to be provided by EIC.

(d) The provisions of this Section 9 shall survive the termination of this Agreement and the Closing.

10. **Reservation of Minerals.** Company agrees that EIC, for itself and its successors and assigns, as their interests may appear, reserves unto EIC all oil, gas and other minerals owned by EIC located in and under and that may be produced from the Land to the extent not reserved by prior grantors; provided, however, EIC, for itself and its successors and assigns hereby waives all surface rights and other rights of ingress and egress in and to the Land, and agrees that in conducting operations with respect to the exploration for and production, processing, transporting and marketing of oil, gas and other minerals from the Land, that no portion of the surface of the Land will be used, occupied or damaged and that fixtures, equipment, buildings or structures used in connection with the exploitation of the reserved mineral, oil and gas rights, shall not be placed on the surface of the Land. Nothing herein, however, restricts or prohibits the pooling or unitization of the portion of the mineral estate owned by EIC with land other than the Land; or the exploration or production of the oil, gas, and other minerals by means of wells that are drilled or mines that open on land other than the Land but enter or bottom under the Land, provided that these operations in no manner interfere with the surface or subsurface support of any improvements constructed or to be constructed on the Land. The foregoing reservation of minerals and EIC's waiver of surface rights set forth above shall be included in the Deed.

11. **Condition of Closing.** The Closing on the purchase of the Property by

Company shall be subject to and conditioned upon:

- (a) The Parties negotiating and executing the Finish-Out Grant Agreement (as defined below);
- (b) Company executing in recordable form the Deed of Trust;
- (c) Company and City executing the City Incentive Agreement (as defined below); and
- (d) EIC closing on the purchase of the Land pursuant to the Purchase Agreements.

12 **Brokers.** The Parties represent and warrant they have worked with no broker relative to this transaction and that no brokerage commission is due and payable upon the Closing. To the extent allowed by law, each Party agrees to indemnify, defend, and hold the other Party harmless from and against any costs, expenses or liability for any compensation, commission, fee, or charges that may be claimed by any agent, finder or other similar party by reason of any dealings or acts of the indemnifying Party.

13 **Section References.** Unless stated otherwise, the references to Sections within this **Exhibit B** refer to the various sections in this **Exhibit B** and not the main body of this Agreement.

14. **Definitions.** The defined terms in this **Exhibit B** shall have the same meaning as set forth in Article I of this Agreement. In addition, the following words and phrases as used in this **Exhibit B** shall have the following meanings:

City Incentive Agreement means an economic development incentive agreement entered pursuant to the authority of Chapter 380 of the Texas Local Government Code between Company and City wherein City agrees to extend certain water and sanitary sewer service lines to the Land at City's cost and Company agrees to annex the Land into the City Limits.

Deed of Trust means that certain first lien deed of trust securing the repayment of the Purchase Grant, the form of which shall be substantially as set forth in **Appendix 1**, attached to this **Exhibit B**.

Finish-Out Grant Agreement means the Economic Development Incentive Agreement between Company and EIC substantially in the form attached as **Appendix 2** to this **Exhibit B** providing a grant in the amount of up to \$250,000 to be applied to costs for construction of the Improvements.

Inspection Period means the period ending September 9, 2020.

Purchase Price means the amount of \$1,793,600 to be paid by Company for the purchase of the Land.

Title Company means Kerr County Abstract & Title Co., Ltd., 712 Earl Garrett Street, Kerrville, Texas 78028, Phone (830) 257-5151, Fax: (830) 792-4330.

Appendix 1
Form of Deed of Trust

FORM OF DEED OF TRUST

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

STATE OF TEXAS §
 §
COUNTY OF KERR §

Deed of Trust

Terms

Date: _____, 2020

Grantor: Killdeer Mountain Manufacturing, Inc., a North Dakota corporation

Grantor's Mailing Address: Attn: President/CEO, 233 Rodeo Drive, Killdeer, North Dakota 58640

Trustees: Michael C. Hayes

Trustee's Mailing Address: 701 Main Street, Kerrville, Kerr County, Texas 78028

Lender: City of Kerrville, Texas, Economic Improvement Corporation, a Texas non-profit corporation

Lender's Mailing Address: 701 Main Street, Kerrville, Kerr County, Texas 78028

Obligation
Loan:

Date: _____, 2020

Original principal amount: \$1,793,600.00

Borrower: Killdeer Mountain Manufacturing, Inc.

Lender: City of Kerrville, Texas, Economic Improvement Corporation

Maturity date: As set forth in the Economic Development Grant and Real Estate Purchase Agreement dated _____, 2020, between Lender and Borrower (the "Loan Grant Agreement").

Other Debt: None

Property (including any improvements): The real property located in Kerr County, Texas, particularly described in **Exhibit A**, attached hereto and incorporated herein by reference.

Prior Lien: None

Other Exceptions to Conveyance and Warranty: (i) Any and all matters affecting the state of title to the Property recorded in the appropriate public records of Kerr County, Texas, or visible or apparent from an inspection of the Property, and (ii) all zoning, building and other laws, regulations and ordinances of any and all municipal, governmental and quasi-governmental bodies and agencies having jurisdiction over the Property or any part thereof.

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Prior Lien and Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor's expense.

Clauses and Covenants

A. Grantor's Obligations

Grantor agrees to—

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien's priority as it is established in this deed of trust;

4. obey all laws, ordinances, and restrictive covenants applicable to the Property; and

5. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments.

B. Lender's Rights

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.

2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

3. Notwithstanding the terms of the Loan Grant Agreement to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

4. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Loan Grant Agreement for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

5. If there is a default on the Obligation or if Grantor fails to perform any of Grantor's obligations, and the default continues for a period of 30 days after Lender sends Grantor written notice of such default, Lender may—

a. declare the unpaid principal balance and earned interest on the Obligation immediately due;

b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and

c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

6. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;

2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

3. from the proceeds of the sale, pay, in this order—

a. expenses of foreclosure, including a reasonable commission to Trustee;

b. to Lender, the full amount of principal, interest, attorney's fees, and other charges due and unpaid;

c. any amounts required by law to be paid before payment to Grantor; and

d. to Grantor, any balance; and

4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

D. General Provisions

1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any trustee's deed conveying the Property will be presumed to be true.

3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien will remain superior to liens later created even if the time of

payment of all or part of the Obligation is extended or part of the Property is released.

5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph and acting under this paragraph does not waive any of Lender's other rights or remedies.

8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

10. When the context requires, singular nouns and pronouns include the plural.

11. The term *Loan Grant Agreement* includes all extensions, modifications, and renewals of the *Loan Grant Agreement* and all amounts secured by this deed of trust.

12. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

13. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.

14. Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

15. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

16. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

17. Grantor acknowledges that this deed of trust is made pursuant to and subject to the Loan Grant Agreement, between Grantor and Lender ("the Economic Development Incentive Agreement"), the terms of which, to the extent that they affect and govern the payment of the Principal Amount and interest in the Loan Grant Agreement or the terms of this deed of trust, are incorporated herein by reference. Grantor further acknowledges that the Loan Grant Agreement is entered pursuant to the Development Corporation Act, Chapters 501-505, Texas Local Government Code (the "Act"). Grantor understands, acknowledges, and agrees that the proceeds advanced by Lender will be used to pay costs for the construction of the Improvements (as defined in the Loan Grant Agreement) and constitutes a Project under the Act. Lender understands and agrees that the Principal Amount of the Loan Grant Agreement shall be reduced and forgiven in accordance with Section 4.6 of the Loan Grant Agreement, which provision is incorporated herein by reference. Grantor further understands and agrees that Grantor's uncured default of the Loan Grant Agreement constitutes a default of this Deed of Trust entitled Lender to exercise the rights granted to Lender and Trustee herein relating to non-judicial foreclosure.

**EXHIBIT A TO DEED OF TRUST
PROPERTY DESCRIPTION**

Tract 1: Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in Volume 1186, Page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½” rebar with “Voelkel” cap found in the southwest right-of-way line of State Highway No. 27, (100’ right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12’ 48” E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84’ (S 52° 14’ E) to a ½” rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55’ 28” E, with the west boundary line of Lot 1, Block 1, a distance of 479.85’ (S 00° 57’ E) to a ½” rebar with “Voelkel” cap found for southeast corner at the southwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07’ 25” W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13’ (S 89° 03’ 06” W, 351.18’) to a ½” rebar with “Voelkel” cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54’ 57” W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89’ (N 00° 57’ W, 2029.5’) to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

Appendix 2
Form of Finish-Out Grant Agreement

**ECONOMIC DEVELOPMENT INCENTIVE
GRANT AGREEMENT**

This **ECONOMIC DEVELOPMENT INCENTIVE GRANT AGREEMENT** (“Agreement”) is entered into as of the Effective Date by and between **KILLDEER MOUNTAIN MANUFACTURING, INC.** (“Company”), a North Dakota corporation, acting herein by and through its duly authorized Chief Executive Officer; and the **CITY OF KERRVILLE, TEXAS, ECONOMIC IMPROVEMENT CORPORATION** (“EIC”), a Texas nonprofit corporation established pursuant to the Development Corporation Act (Chapters 501, 502, and 505 of the Texas Local Government Code and hereafter referred to as “the Act”), acting by and through its duly authorized President. Company and EIC are sometimes collectively referred to herein as “Parties” and individually as “Party”.

WITNESSETH:

WHEREAS, EIC was formed to administer the special sales and use tax approved by City’s qualified voters in May 1995 and collected for the purpose of paying expenditures in relation to “projects” as defined in the Act including:

Land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are for the creation or retention of primary jobs, as that term is defined by the Act, and found by the EIC to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities as provided by Section 501.101 of the Act; and

WHEREAS, pursuant to the Act, EIC is authorized to provide funding relating to the construction of projects which EIC finds to be encompassed within the definition of “Projects”, as that word is defined by Chapters 501 and 505 of the Act; and

WHEREAS, Company manufactures and sells various products, including, but not limited to, circuit boards and fiber optics, for use in the aerospace industry; and

WHEREAS, pursuant to that certain *Economic Development Grant and Real Estate Purchase Agreement* between the Parties effective September 3, 2020, (the “Purchase Grant Agreement”), Company purchased the Property (defined below) from EIC with the intent of (i) making a Capital Investment (as hereafter defined) in the Improvements and acquiring Tangible Personal Property; and (ii) and hiring a number of full time employment positions at the Property with the objective of increasing the number of full time employment positions to at least 400 employees; and

WHEREAS, Company has advised EIC that a contributing factor that would induce Company to make the Capital Investment, acquire the Tangible Personal Property, and begin operations would be an agreement by EIC to provide an economic development incentive grant to Company in the form of a forgivable loan to defray the costs of constructing the Improvements; and

WHEREAS, EIC has determined that the Loan Grant (as hereafter defined) complies with the Act and is in keeping with the mission of EIC and *City of Kerrville Economic Improvement Corporation 4B Sales Tax Funding Request Guidelines and Procedures* in that it will help develop and expand a manufacturing and industrial facility and a business enterprise and create and retain primary jobs and constitutes a “project” as defined in the Act; and

WHEREAS, EIC finds that it will be in the public interest to enter into this agreement with Company to provide the Loan Grant using 4B Revenues (as defined below), to provide funds for construction of the Improvements; and

WHEREAS, on September 3, 2020, in a meeting that was open to the public in accordance with the Texas Open Meetings Act, EIC held a public hearing pursuant to Section 505.159 of the Act related to the proposed expenditure of 4B Revenues for the purposes provided above;

NOW THEREFORE, for and in consideration of the recitals set forth above and the promises made herein, Company and EIC agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms has the meaning set forth herein unless the context clearly indicates otherwise:

“4B Revenues” means the \$0.005 local sales and use tax collected by EIC pursuant to the Act.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

“Annual Loan Grant Payment” means the amount of \$27,831.63 based on the amount of the Loan Grant accruing interest at an annual rate of two percent (2.0%) amortized over a period of ten (10) years and repaid in ten (10) equal annual installments.

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

“Capital Investment” means (i) with respect to the Improvements, the total capitalized cost of construction of the Improvements, including design and construction of the Building and related improvements but not including costs related to purchase of the Property; and (ii) with respect to Tangible Personal Property, the total capitalized cost of acquisition and installation of Tangible Personal Property to be located at the Improvements and/or the Property.

“City” means the City of Kerrville, a Texas home rule municipality located in Kerr County, Texas.

“City 380 Agreement” means that certain Economic Development Incentive Agreement between City and Company entered into pursuant to Chapter 380 of the Texas Local Government Code and providing for a grant from City to Company for the construction of certain improvements on the Property and the waiver of certain City fees in relation to construction of the Improvements.

“Commencement Date” means the date Completion of Construction occurs.

“Commencement of Construction” means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Improvements on the Property; (ii) all necessary permits for the construction of the Improvements have been issued by all applicable governmental authorities; and (iii) active construction of the Improvements has commenced.

“Completion of Construction” means the date (i) the Improvements have been substantially completed; and, (ii) a certificate of occupancy has been issued by City for Company’s occupancy of the Property following construction of the Improvements.

“Control,” or any derivation thereof, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of securities, by contract or otherwise.

“Deed of Trust” means a Deed of Trust in the form substantially as set forth in **Exhibit B**, attached hereto and incorporated herein by reference, conveying a first

lien on the Property to Michael C. Hayes, Trustee, for the benefit of EIC in the amount of the Loan Grant for the purpose of securing the repayment of the Loan Grant.

“Effective Date” means the later of (i) the date this Agreement, or identical counterparts of this Agreement, bears the signatures of the authorized representatives of each Party and (ii) the date this Agreement has been authorized by City’s City Council pursuant to Section 505.158 of the Act.

“Employment Period” shall have the same meaning as in the Purchase Grant Agreement.

“Eligible Costs” means the “hard” costs incurred and paid by Company for the construction of the Improvements, which shall not include costs for legal fees, permit fees, insurance, interest, finance, the cost of financing, management fees or other soft costs related to the design, construction, and/or financing of the Improvements.

“Expiration Date” means the tenth (10th) anniversary of the Commencement Date.

“Force Majeure” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, pandemics, or work stoppages.

“Full-Time Position” means a position eligible for employee benefits at which an individual is scheduled to work at the Property for Company as an employee (*i.e.*, not as temp-to-hire worker) for at least (i) 2080 hours for a day shift; or (ii) 1,872 hours for a second shift, both of which occur within the calendar year and who, before deducting employee contributions to employee benefits, FICA, Federal payroll tax withholding, retirement plans, and other voluntary and involuntary deductions commonly deducted from employee wages prior to payment of the wages to the person, is paid an average hourly wage of not less than \$21.00 per hour, not including the value of employee benefits paid by Company. For purposes of the definition of “Full-Time Position,” employer contributions to FICA, retirement plans, group health, dental, or life insurance premiums, or other employer funded benefits shall not be included in determining an employee’s hourly wage or salary. A Full-Time Position does not include seasonal positions. The average calculation aggregates Full-Time Positions, as defined below, as follows: i) hourly positions at their hourly rate; and ii) convert salaried positions to their hourly equivalent by dividing by 2080. The sum of the hourly rates and hourly equivalents will be divided by the cumulative number of Full-Time Positions for the applicable year as included in Section 4.6(a) for purposes of arriving at the average hourly rate required. For purposes of this

definition, a salaried employee with a base annual salary equal to or greater than \$110,000 shall be treated as the equivalent of two Full-Time Positions.

“FTE Position” or “FTE” means one Full-Time Position filled by an individual working at the Property under contract or as an employee for Company a combined total of at least (i) 2080 hours for a day shift; or (ii) 1,872 hours for a second shift, during a calendar year.

“Improvements” means those alterations to, and improvements constructed on, the Property by Company at Company’s expense that are reasonable and necessary for Company to use the Property for the Required Use.

“Land” means the real property described in **Exhibit A**, attached hereto and incorporated herein by reference.

“Loan Grant” means a loan in the amount of \$250,000.00 to be paid by EIC to Company in accordance with this Agreement.

“Person” means an individual, corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“Project” means the design and construction of the Improvements, including costs related to site development with utilities, landscaping, parking, and other associated improvements, and the purchase and installation of manufacturing equipment and other personal property reasonable and necessary for the operation of Company’s manufacturing and distribution facility at the Land.

“Property” means, collectively, the Improvements and the Land.

“Purchase Grant Agreement” shall have the meaning set forth in the Recitals.

“Related Agreements” means any written agreement, not including this Agreement, by and between (i) EIC and/or City and (ii) Company or any of Company’s Affiliates, including, but not limited to, (a) the City 380 Agreement and (b) the Improvements Loan Grant Agreement but not including the lease for office space.

“Required Use” means use of the Property for (i) warehousing, manufacturing, and general office purposes in association with Company’s business of manufacturing and assembling circuit card assemblies and cable and fiber harnesses for the aerospace industry, similar activities thereto, and activities necessary to support the foregoing; and (ii) such other purposes as EIC may from time to time authorize in writing.

“Taxable Items” shall mean both “taxable items” and “taxable services” as those terms are defined by Chapter 151, Texas Tax Code, as amended.

Article II Term

2.1. Effective Date and Termination. The term of this Agreement (the “Term”) commences on the Effective Date, and terminates on the Expiration Date unless terminated earlier by mutual agreement of the Parties or as follows;

(a) On the date EIC elects to terminate this Agreement by providing notice to Company if Commencement of Construction of the Improvements does not occur by the date set forth in Section 4.5, provided such notice is delivered before Commencement of Construction has actually occurred;

(b) On the date EIC elects to terminate this Agreement by providing notice to Company if Completion of Construction does not occur by the date set forth in Section 4.5 and, provided such notice is delivered before Completion of Construction has actually occurred;

(c) when terminated pursuant to Articles VIII or IX; or

(d) at Company’s sole and absolute discretion, upon Company’s repayment of the remaining balance of the Loan Grant calculated in the same manner as set forth within Section 3.2(b).

2.2 Rights upon Termination. Upon termination of this Agreement, all rights, duties, and obligations of any kind under this Agreement will automatically expire and terminate and be of no other force and effect except to the extent such obligations expressly survive the termination of this Agreement.

Article III Loan Grant

3.1 Payment of Loan Grant. Subject to the obligation of Company to repay the Loan Grant pursuant to Sections 3.2, below, or other provisions of this Agreement, and the continued satisfaction of all terms and conditions of this Agreement and Related Agreements by Company, EIC agrees to provide Company with the Loan Grant following Company’s entering into a contract for the construction of the Improvements as verified and approved by EIC through examination of supporting document provided by Company.

3.2 Repayment of Loan Grant. Company agrees to repay the Loan Grant subject to the following:

(a) Subject to Section 4.6(d), below, Company shall repay to EIC the Loan Grant in ten (10) annual equal installments in the amount of the Annual Loan Grant Payment, the first such installment to be paid on first day of the calendar month following the month in which the first (1st) anniversary the Commencement Date occurs, with each remaining installment being due on or before the same date of each subsequent year thereafter until the Loan Grant and all accrued interest have been paid in full.

(b) If Company defaults in the payment of the Annual Loan Grant Payment or in the performance of any obligation in this Agreement or a Related Agreement and such default continues for a period of thirty (30) days after EIC sends Company written notice of such default, EIC may declare the unpaid principal balance, earned interest, and any other amounts owed on the Loan Grant immediately due. Company waives all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

(c) Company also agrees to pay reasonable attorney's fees and court and other costs if Agreement is placed in the hands of an attorney to collect or enforce the repayment of the Loan Grant. Such expenses will bear interest from the date that EIC sends Company written demand to pay such expenses, at the highest rate of interest allowed by law. Company will pay EIC such expenses and interest on demand at the place set forth for providing notices in Section 10.4, below. Such expenses and interest will become part of the debt evidenced by this Agreement and will be secured by any security for payment.

3.3 Accrual of Interest on Loan Grant. The unpaid balance of the Loan Grant shall accrue interest at a rate of two percent (2.0%) per year commencing on the first day of the calendar month following the Commencement Date.

3.4 Loan Grant Limitations. Under no circumstances shall the obligations of EIC hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Further, EIC shall not be obligated to pay any commercial bank, lender, or similar institution for any loan or credit agreement made by Company. None of the obligations of EIC under this Agreement may be pledged or otherwise encumbered by Company in favor of any commercial lender and/or similar financial institution.

3.5 Current Revenue. The Loan Grant will be paid solely from lawfully available funds that have been appropriated by EIC.

3.6 Loan Grant Limited to "Costs". In addition to being limited to the payment of Eligible Costs, payments made by EIC to Company from 4B Revenues

will be limited to the payments of “costs” as defined by the Act and as specified above for the Project; provided, however, for purposes of this Agreement, “costs” do not include funds spent on interest or other fees paid by Company related to borrowing funds for the purpose of paying for the Project.

3.7 Prepayment. Company may terminate this Agreement at any time by paying to EIC the remaining unpaid balance of the Loan Grant and any accrued but unpaid interest. If Company elects to terminate this Agreement by repayment of the Loan Grant, EIC shall have no obligation to reimburse Company for any Annual Loan Grant Payments that would have been due in subsequent years for which Company would have been excused from paying pursuant to Section 4.6(d), below.

3.8 Security for Repayment of the Loan Grant. Notwithstanding Section 3.1 to the contrary, EIC shall not be obligated to pay any portion of the Loan Grant to Company unless and until Company has signed in recordable form and delivered to EIC the Deed of Trust.

Article IV **Conditions to the Economic Development Grant**

4.1 Generally. The obligation of EIC to provide the Loan Grant to Company and Company’s obligation to repay, and to be excused from repayment of all or any portion of the Loan Grant to EIC, is conditioned upon Company’s compliance with the terms and conditions of this Agreement and specifically, each of the conditions set forth in this Article IV.

4.2 Good Standing. Company shall not have an incurred a breach or default of this Agreement or any Related Agreement beyond any applicable notice and cure period.

4.3 Development Regulations. Notwithstanding that the Land is not on the Effective Date and on the date of closing of the conveyance of the Land to Company located within City’s corporate limits, Company agrees to comply with all City ordinances and regulations, including all building codes, subdivision regulations, and zoning applicable to development of the Land and construction of the Improvements if the Land were located within City’s corporate limits at the time of construction of the Improvements.

4.4 Required Use. Commencing on the Commencement Date and continuing thereafter until the termination of this Agreement, the Property shall be used solely for the Required Use, and the operation and occupancy of the Property in conformance with the Required Use shall not cease for more than six (6) months, except in connection with and to the extent of an event of Force Majeure.

4.5 Commencement and Completion of Construction. Subject to delays resulting from Force Majeure events, Company shall cause Commencement of Construction of the Improvements to occur not later than January 4, 2021, and cause Completion of Construction of the Improvements not later than May 31, 2021. The foregoing deadlines for Commencement of Construction and Completion of Construction of the Improvements shall be extended one (1) business day for each business day that an event of Force Majeure results in the inability of Company to cause said Commencement of Construction and/or Completion of Construction to occur.

4.6 Full-Time Positions.

(a) After the Effective Date, but in no case later than the one hundred twentieth (120th) day after Completion of Construction, Company shall create and fill no fewer than fifteen (15) Full-Time Positions. Commencing with calendar year 2022 and each calendar year thereafter through the end of the Term, the number of Full-Time Positions created and filled by Company at the Property during the specified calendar year shall be as follows:

End of Calendar Year (12/31)	Minimum No. FTE's for Calendar Year
2021	15
2022	40
2023	60
2024	80
2025	100
2026	120
2027	140
2028	160
2029	180
2030	200

The minimum number of FTEs each year shall be based on a weekly average count of FTEs working at the Property for each calendar week during the calendar year. For purposes of the foregoing calculation, a person employed in a Full-Time Position who is not working at the Property because the person is on any type of excused paid leave (e.g., vacation, sick leave, paid family leave, professional training, and similar purposes), or is on an unpaid leave pursuant to the Family Medical Leave Act or other federal or state law which requires Company to retain the person as an employee while absent from work, will be included in the weekly count of Full-Time Positions.

(b) Company shall use its best efforts and show a preference in its hiring process to hire 60% of FTE's who are permanent residents of Kerr County and shall encourage future employees who do not reside in Kerr County to re-locate there.

(c) Not later than February 1 following the end of each calendar year identified in Section 4.6(a), Company shall deliver to EIC a copy of employment records, Texas Workforce Commission reports, or other documentation as is reasonably required by EIC to demonstrate Company's compliance with the required number of Full-Time Positions required by Section 4.6(a) along with a sworn statement from an authorized officer of Company confirming Company's compliance with Sections 4.6(a) and 4.6(b). Company's failure to provide the information required by this Section 4.6(c) constitutes a breach of this Agreement and shall constitute the basis for requiring Company to make a Grant Reimbursement Payment in accordance with Section 3.2.

(d) If Company fails to establish that it has employed the minimum number of Full-Time Positions as required by Section 4.6(a) for a calendar year, not later than thirty (30) days after delivery of written demand from EIC, Company shall pay EIC the Annual Loan Grant Payment for such calendar year in full. If, however, at least 85% of the minimum number of Full-Time Positions were employed as required by Section 4.6(a) for a calendar year, the Grant Reimbursement Payment shall be proportionate to the number of Full-Time Positions actually employed in relation to the number of Full-Time Positions that were required to be employed for said calendar year. Any Annual Loan Grant Payment not paid by Company to EIC on or before the thirtieth (30th) day after the date of delivery of the demand for such payment shall bear interest at the maximum rate allowed by law. EIC shall further be entitled to costs and reasonable attorney fees if EIC institutes any action to collect any delinquent Annual Loan Grant Payment(s).

4.7 Records. Company shall keep and maintain complete and accurate records relating to its costs of the Improvements and employment information related to Full-Time Positions, separate and identifiable from its other records, for three (3) years following the termination of this Agreement. The City Manager or designee, as representatives for EIC, shall be entitled to inspect Company's records during the term of this Agreement and for three (3) years thereafter, upon reasonable notice at Company's offices in Kerrville, Texas.

4.8 Point of Sale. The sale of goods manufactured or assembled on the Property shall be deemed to be consummated at the Property for the purposes of determining the collection of state and local sales and use taxes to the extent allowed by Texas Tax Code §321.203, as amended.

4.9 Required Capital Investment. Company agrees to make a Capital Investment at the Property not later than August 31, 2021.

Article V
Sale of Project, Merger or Consolidation of Company

5.1 Sale of Company Assets. A sale of all or any of the assets of Company shall not release Company from its duties and responsibilities to EIC under the terms of this Agreement and shall not result in the assignment of this Agreement by such acquiring entity without prior written consent from EIC, which will not be unreasonably withheld; provided, that Company's proposed successor shall have the financial condition to fully satisfy Company's duties and responsibilities hereunder and agrees to assume Company's responsibilities under this Agreement. EIC may, in its sole discretion, reasonably determine whether such proposed successor's financial condition is satisfactory.

5.2 Merger. In the event of any proposed merger or other consolidation of Company with any third party not affiliated with Company, not later than thirty (30) days prior to any such merger or consolidation, Company shall provide EIC with information and assurance reasonably acceptable to EIC regarding: (i) the surviving entity's assumption and satisfaction of the Company's obligations hereunder; and (ii) the financial condition of the surviving entity upon such merger or other consolidation to demonstrate that the surviving entity shall have the financial condition to fully satisfy Company's duties and responsibilities under this Agreement.

5.3 EIC Rights. Notwithstanding anything in this Agreement to the contrary, it is expressly understood and agreed that EIC shall have no rights to approve or disapprove any sale or merger transaction of any kind involving Company. In the event of any sale or merger involving Company or its affiliates, the surviving entity shall assume Company's obligations and rights hereunder and be entitled to any and all benefits to be received pursuant to this Agreement.

Article VI
Company's Representations and Warranties

Company represents and warrants as of the date hereof:

(a) Company is a North Dakota corporation existing in good standing and authorized to do business in the State of Texas;

(b) Execution of this Agreement has been duly authorized by Company and this Agreement is not in contravention of Company's corporate charter, or any agreement or instrument to which Company is a party or by which it may be bound as of the date hereof;

(c) No litigation or governmental proceeding is pending, or, to the knowledge of Company, threatened against or affecting Company, which may result in a material adverse change in Company's business, properties, or operations sufficient to jeopardize Company's legal existence or for-profit viability; and

(d) No written application, written statement, or correspondence submitted by Company to EIC in connection with this Agreement, or in connection with any transaction contemplated hereby, to the knowledge of Company, contains any untrue statement of a material fact or fails to state any material fact necessary to keep the statements contained therein from being misleading.

(e) Except as expressly set forth in this Article VI, Company makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

Article VII

EIC'S Representations and Warranties

EIC represents and warrants as of the date hereof:

(a) EIC, to the best of the knowledge of its Board of Directors, is legally authorized to enter into this Agreement by virtue of the statute under which it is governed and by the authorities and powers vested in it as a corporation duly and properly organized under the Act;

(b) Execution of this Agreement has been duly authorized by EIC;

(c) No litigation or governmental proceeding is pending, or, to the knowledge of any of EIC's officers, threatened against or affecting EIC, which may result in EIC's inability to meet its obligations under this Agreement;

(d) EIC has no reasonable basis for believing that it has or will have incurred debts beyond its ability to pay as such debts mature, including but not limited to the obligations set forth in this Agreement; and

(e) Except as expressly set forth in this Article VII, EIC makes no other representation or warranty of any kind in connection with or related to the provisions of this Agreement.

Article VIII
Conditions under which EIC May Suspend Performance
of its Obligations under this Agreement

EIC may, at its sole option and after fifteen (15) days written notice to Company, suspend EIC's performance under this Agreement until such time as Company shall have cured the condition(s) and so notified EIC, in writing, that the condition(s) have been cured:

- (a) Company becomes insolvent;
- (b) The appointment of a receiver of Company, or of all or any substantial part of the Property, and the failure of such receiver to be discharged within sixty (60) days thereafter;
- (c) The adjudication of Company as bankrupt;
- (d) The filing by Company of a petition to be adjudged as bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against it in any bankruptcy or reorganization proceeding; or
- (e) Except as allowed in Section 4.8, above, a change to a location outside the City Limits on the location where sales of Taxable Items are deemed to be Consummated such that Local Sales and Use Tax is not imposed on such sales.

Should any of the foregoing conditions not be cured by Company within ninety (90) days after the onset of the condition, Company will be considered to have breached this Agreement and EIC may, at its option, with written notice to Company, terminate this Agreement and Company shall be obligated to pay in full the amount of the Loan Grant to EIC.

Article IX
Remedies

9.1 Notice and Opportunity to Cure. Except as otherwise provided in this Agreement, in the event of any default in or breach of this Agreement by any Party, or any successor to such Party, such defaulting or breaching Party (or successor) shall upon written notice from the other proceed immediately to cure or remedy such default or breach, and, in any event, within thirty (30) days after receipt of such notice. In the event that remedial action is not taken or not diligently pursued and the default or breach shall not be cured or remedied within a reasonable time (but in no event later than ninety (90) days from the date of notification of such breach), the aggrieved Party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including but not

limited to, seeking specific performance and/or injunctive relief, enforcement by mandamus or by the appointment of a receiver in equity with power to charge and collect rents, purchase price payments, and loan payments and to apply the revenues from the project in accordance with this Agreement, as required by the Act. This provision and specifically the notice and time to cure shall not apply to the obligation of Company found within Article IV.

9.2 Termination. Upon breach of this Agreement by either Party and the failure to cure as permitted by Section 9.1, the non-breaching Party shall have the sole right and discretion to either terminate this Agreement and/or pursue any and all remedies which may be provided by law and this Agreement.

9.3 Breach of Related Agreements. Company's breach of a Related Agreement shall constitute a default of this Agreement. Company shall timely cure any default of the provisions of a Related Agreement in accordance with the terms of the Related Agreement. In the event of termination of a Related Agreement following Company's failure to timely cure a default of said Related Agreement, EIC may, at its sole option, terminate this Agreement, in which case Company shall be required to pay any remaining balance of the Loan Grant plus accrued interest as provided in the this Agreement.

9.4 Delay Not Waiver. Any delay by any Party in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not, so long as the breach or default by another Party shall be continuing, operate as a waiver of such rights or to deprive it of or limit such rights in any way; nor shall any waiver in fact be made by any party with respect to any specific default by any other party except to the extent specifically waived in writing.

Article X General Provisions

10.1 Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

10.2 Amendment. This Agreement may be amended only by written amendment signed by both Parties.

10.3 Venue. All obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in a state court of competent jurisdiction in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

10.4 Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice, or (ii) if personally delivered, on the actual date of delivery, or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing, or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For EIC

President
City of Kerrville, Texas, Economic Improvement Corporation
701 Main Street
Kerrville, Texas 78028

With a copy to:

City Manager
City of Kerrville
701 Main Street
Kerrville, Texas 78028

For Company

Killdeer Mountain Manufacturing, Inc.
Attn: President/CEO
233 Rodeo Drive
Killdeer, North Dakota 58640

10.5 Assignment. This Agreement is binding upon the Parties and their successors and assigns. Except as set forth in Article V, this Agreement may not be assigned by either Party without the specific prior written consent of the other, which consent will not be unreasonably withheld. In the event that a Party consents to any valid assignment of this Agreement by the other Party, the assigning Party shall be relieved of any and all obligations and liabilities on the part of such assigning Party

under this Agreement. Company may, without written consent of EIC, assign this Agreement to any entity controlled and 100% owned by Company or by the parent, subsidiary, or affiliate of Company provided the entity assumes all of Company's obligations and liabilities under this Agreement; agrees to comply with all provisions of this Agreement; has the legal, managerial, technical, and financial ability to properly perform and discharge such obligations and liabilities; and such abilities are each at least as great as those of Company and Company provides a written guarantee of such assignee's performance in a form reasonably acceptable to EIC. EIC shall be advised in writing of such assignment and of the entity's qualifications at least sixty (60) days before such assignment occurs.

10.6 Parties in Interest. Nothing in this Agreement shall entitle any Party other than Company or EIC to any claim, cause of action, remedy, or right of any kind except as expressly provided in Article IX.

10.7 Interpretation. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any Party.

10.8 No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties.

10.9 Survival of Terms. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination.

10.10 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

10.11 Recitals. The recitals to this Agreement are incorporated herein.

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

10.13 Employment of Undocumented Workers. During the term of this Agreement, Company agrees not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the Loan Grant herein and any other funds received by Company from EIC as of the date of such violation within 120 days after the date Company is notified by EIC of such violation, plus interest at the rate of 6% compounded annually from the date of violation until paid. Company is not liable for a violation of this Section by a

subsidiary, Affiliate, or franchisees of Company or by a person with whom Company contracts, or any other Person other than Company.

10.14 Non-Business Day. If the final date of any period provided herein for the performance of an obligation or for the taking of any action falls on a Saturday, Sunday, or holiday, then the end of such period shall be extended to the next business day.

10.15 Headings. Section headings are for convenience of reference only and do not modify or restrict any provisions hereof and shall not be used to construe any provisions.

10.16 Prohibition of Boycott of Israel. Company verifies that (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the Agreement. This section does not apply if Company is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

10.17 EIC Inspection Rights. Authorized representatives of EIC (including officers and employees of with EIC or City) shall have the right to enter the Property during the term of this Agreement for purposes of making such inspections as reasonable and necessary to ensure Company's compliance with this Agreement. Such inspections shall be during Company's regular business hours and conducted no earlier than 24 hours after EIC provides written notice to Company of EIC's intent to conduct such inspection.

(Signature Page to Follow)

SIGNED AND AGREED on this _____ day of _____, 2020.

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION



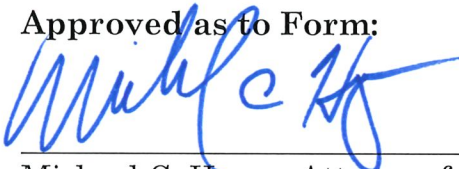
Greg Richards, President

Attest:



Keshia Franchina, Recording Secretary

Approved as to Form:



Michael C. Hayes, Attorney for EIC

SIGNED AND AGREED on this _____ day of _____,
2020.

KILLDEER MOUNTAIN MANUFACTURING, INC.

Donald Hedger, President/CEO

EXHIBIT A
DESCRIPTION OF THE LAND

Tract 1: Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in Volume 1186, Page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½” rebar with “Voelkel” cap found in the southwest right-of-way line of State Highway No. 27, (100’ right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12’ 48” E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84’ (S 52° 14’ E) to a ½” rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55’ 28” E, with the west boundary line of Lot 1, Block 1, a distance of 479.85’ (S 00° 57’ E) to a ½” rebar with “Voelkel” cap found for southeast corner at the southwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07’ 25” W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13’ (S 89° 03’ 06” W, 351.18’) to a ½” rebar with “Voelkel” cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54’ 57” W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89’ (N 00° 57’ W, 2029.5’) to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

**EXHIBIT B
FORM OF DEED OF TRUST**

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

STATE OF TEXAS §
 §
COUNTY OF KERR §

Deed of Trust

Terms

Date: _____, 2020

Grantor: Killdeer Mountain Manufacturing, Inc., a North Dakota corporation

Grantor's Mailing Address: Attn: President/CEO, 233 Rodeo Drive, Killdeer, North Dakota 58640

Trustees: Michael C. Hayes

Trustee's Mailing Address: 701 Main Street, Kerrville, Kerr County, Texas 78028

Lender: City of Kerrville, Texas, Economic Improvement Corporation, a Texas non-profit corporation

Lender's Mailing Address: 701 Main Street, Kerrville, Kerr County, Texas 78028

Obligation

Loan:

Date: _____, 2020

Original principal amount: \$250,000.00

Borrower: Killdeer Mountain Manufacturing, Inc.

Lender: City of Kerrville, Texas, Economic Improvement Corporation

Maturity date: As set forth in the Economic Development Incentive Agreement dated

_____, 2020, between Lender and Borrower (the “Loan Grant Agreement”).

Other Debt: None

Property (including any improvements): The real property located in Kerr County, Texas, particularly described in **Exhibit A**, attached hereto and incorporated herein by reference.

Prior Lien: None

Other Exceptions to Conveyance and Warranty: (i) Any and all matters affecting the state of title to the Property recorded in the appropriate public records of Kerr County, Texas, or visible or apparent from an inspection of the Property, and (ii) all zoning, building and other laws, regulations and ordinances of any and all municipal, governmental and quasi-governmental bodies and agencies having jurisdiction over the Property or any part thereof.

For value received and to secure payment of the Obligation, Grantor conveys the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the Property, subject to the Prior Lien and Other Exceptions to Conveyance and Warranty. On payment of the Obligation and all other amounts secured by this deed of trust, this deed of trust will have no further effect, and Lender will release it at Grantor’s expense.

Clauses and Covenants

A. Grantor’s Obligations

Grantor agrees to—

1. keep the Property in good repair and condition;
2. pay all taxes and assessments on the Property before delinquency;
3. defend title to the Property subject to the Other Exceptions to Conveyance and Warranty and preserve the lien’s priority as it is established in this deed of trust;
4. obey all laws, ordinances, and restrictive covenants applicable to the Property; and
5. if the lien of this deed of trust is not a first lien, pay or cause to be paid all prior lien notes and abide by or cause to be abided by all prior lien instruments.

B. Lender’s Rights

1. Lender may appoint in writing a substitute trustee, succeeding to all rights and responsibilities of Trustee.
2. If the proceeds of the Obligation are used to pay any debt secured by prior liens, Lender is subrogated to all the rights and liens of the holders of any debt so paid.

3. Notwithstanding the terms of the Loan Grant Agreement to the contrary, and unless applicable law prohibits, all payments received by Lender from Grantor with respect to the Obligation or this deed of trust may, at Lender's discretion, be applied first to amounts payable under this deed of trust and then to amounts due and payable to Lender with respect to the Obligation, to be applied to late charges, principal, or interest in the order Lender in its discretion determines.

4. If Grantor fails to perform any of Grantor's obligations, Lender may perform those obligations and be reimbursed by Grantor on demand for any amounts so paid, including attorney's fees, plus interest on those amounts from the dates of payment at the rate stated in the Loan Grant Agreement for matured, unpaid amounts. The amount to be reimbursed will be secured by this deed of trust.

5. If there is a default on the Obligation or if Grantor fails to perform any of Grantor's obligations, and the default continues for a period of 30 days after Lender sends Grantor written notice of such default, Lender may—

a. declare the unpaid principal balance and earned interest on the Obligation immediately due;

b. direct Trustee to foreclose this lien, in which case Lender or Lender's agent will cause notice of the foreclosure sale to be given as provided by the Texas Property Code as then in effect; and

c. purchase the Property at any foreclosure sale by offering the highest bid and then have the bid credited on the Obligation.

6. Lender may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default.

C. Trustee's Rights and Duties

If directed by Lender to foreclose this lien, Trustee will—

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then in effect;

2. sell and convey all or part of the Property "AS IS" to the highest bidder for cash with a general warranty binding Grantor, subject to the Prior Lien and to the Other Exceptions to Conveyance and Warranty and without representation or warranty, express or implied, by Trustee;

3. from the proceeds of the sale, pay, in this order—

a. expenses of foreclosure, including a reasonable commission to Trustee;

b. to Lender, the full amount of principal, interest, attorney's fees, and other

charges due and unpaid;

- c. any amounts required by law to be paid before payment to Grantor; and
- d. to Grantor, any balance; and

4. be indemnified, held harmless, and defended by Lender against all costs, expenses, and liabilities incurred by Trustee for acting in the execution or enforcement of the trust created by this deed of trust, which includes all court and other costs, including attorney's fees, incurred by Trustee in defense of any action or proceeding taken against Trustee in that capacity.

D. General Provisions

1. If any of the Property is sold under this deed of trust, Grantor must immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor will become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any trustee's deed conveying the Property will be presumed to be true.

3. Proceeding under this deed of trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien will remain superior to liens later created even if the time of payment of all or part of the Obligation is extended or part of the Property is released.

5. If any portion of the Obligation cannot be lawfully secured by this deed of trust, payments will be applied first to discharge that portion.

6. Grantor assigns to Lender all amounts payable to or received by Grantor from condemnation of all or part of the Property, from private sale in lieu of condemnation, and from damages caused by public works or construction on or near the Property. After deducting any expenses incurred, including attorney's fees and court and other costs, Lender will either release any remaining amounts to Grantor or apply such amounts to reduce the Obligation. Lender will not be liable for failure to collect or to exercise diligence in collecting any such amounts. Grantor will immediately give Lender notice of any actual or threatened proceedings for condemnation of all or part of the Property.

7. Grantor assigns to Lender absolutely, not only as collateral, all present and future rent and other income and receipts from the Property. Grantor warrants the validity and enforceability of the assignment. Grantor may as Lender's licensee collect rent and other income and receipts as long as Grantor is not in default with respect to the Obligation or this deed of trust. Grantor will apply all rent and other income and receipts to payment of the Obligation and performance of this deed of trust, but if the rent and other income and receipts exceed the amount due with respect to the Obligation and the deed of trust, Grantor may retain the excess. If Grantor defaults in payment of the Obligation or performance of this deed of trust, Lender may terminate Grantor's license to collect rent and other income and then as Grantor's agent may rent the Property

and collect all rent and other income and receipts. Lender neither has nor assumes any obligations as lessor or landlord with respect to any occupant of the Property. Lender may exercise Lender's rights and remedies under this paragraph without taking possession of the Property. Lender will apply all rent and other income and receipts collected under this paragraph first to expenses incurred in exercising Lender's rights and remedies and then to Grantor's obligations with respect to the Obligation and this deed of trust in the order determined by Lender. Lender is not required to act under this paragraph and acting under this paragraph does not waive any of Lender's other rights or remedies.

8. Interest on the debt secured by this deed of trust will not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess will be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides any conflicting provisions in this and all other instruments concerning the debt.

9. In no event may this deed of trust secure payment of any debt that may not lawfully be secured by a lien on real estate or create a lien otherwise prohibited by law.

10. When the context requires, singular nouns and pronouns include the plural.

11. The term *Loan Grant Agreement* includes all extensions, modifications, and renewals of the *Loan Grant Agreement* and all amounts secured by this deed of trust.

12. This deed of trust binds, benefits, and may be enforced by the successors in interest of all parties.

13. If Grantor and Borrower are not the same person, the term *Grantor* includes Borrower.

14. Grantor and each surety, endorser, and guarantor of the Obligation waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

15. Grantor agrees to pay reasonable attorney's fees, trustee's fees, and court and other costs of enforcing Lender's rights under this deed of trust if this deed of trust is placed in the hands of an attorney for enforcement.

16. If any provision of this deed of trust is determined to be invalid or unenforceable, the validity or enforceability of any other provision will not be affected.

17. Grantor acknowledges that this deed of trust is made pursuant to and subject to the Loan Grant Agreement, between Grantor and Lender ("the Economic Development Incentive Agreement"), the terms of which, to the extent that they affect and govern the payment of the

Principal Amount and interest in the Loan Grant Agreement or the terms of this deed of trust, are incorporated herein by reference. Grantor further acknowledges that the Loan Grant Agreement is entered pursuant to the Development Corporation Act, Chapters 501-505, Texas Local Government Code (the "Act"). Grantor understands, acknowledges, and agrees that the proceeds advanced by Lender will be used to pay costs for the construction of the Improvements (as defined in the Loan Grant Agreement) and constitutes a Project under the Act. Lender understands and agrees that the Principal Amount of the Loan Grant Agreement shall be reduced and forgiven in accordance with Section 4.6 of the Loan Grant Agreement, which provision is incorporated herein by reference.

**KILLDEER MOUNTAIN MANUFACTURING,
INC.**

By: _____
Donald Hedger, President/CEO

ACKNOWLEDGMENT

STATE OF _____ §
 §
COUNTY OF _____ §

This instrument was acknowledged before me, the undersigned authority, on _____, 2020, by Donald Hedger, President/CEO of Killdeer Mountain Manufacturing, Inc., a North Dakota corporation, for and on behalf of said corporation.

Notary Public, State of _____

My Commission expires: _____

**EXHIBIT A TO DEED OF TRUST
PROPERTY DESCRIPTION**

Tract 1: Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in Volume 1186, Page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½" rebar with "Voelkel" cap found in the southwest right-of-way line of State Highway No. 27, (100' right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12' 48" E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84' (S 52° 14' E) to a ½" rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55' 28" E, with the west boundary line of Lot 1, Block 1, a distance of 479.85' (S 00° 57' E) to a ½" rebar with "Voelkel" cap found for southeast corner at the southwest corner of Lot 1, Block 1; Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07' 25" W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13' (S 89° 03' 06" W, 351.18') to a ½" rebar with "Voelkel" cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54' 57" W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89' (N 00° 57' W, 2029.5') to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

**CHAPTER 380 ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE CITY OF KERRVILLE, TEXAS, AND
THE CITY OF KERRVILLE ECONOMIC IMPROVEMENT CORPORATION**

This Chapter 380 Economic Development Agreement (“Agreement”) is made and entered into as of the Effective Date, by and between the **City of Kerrville**, a Texas home-rule municipality (“City”), and the **City of Kerrville Economic Improvement Corporation**, a Texas nonprofit corporation established pursuant to the Development Corporation Act (Chapters 501, 502, and 505 of the Texas Local Government Code and hereafter referred to as “the Act”) (“EIC”); City and EIC each being a “Party,” and collectively “the Parties”; for the purposes and considerations stated below.

WITNESSETH:

WHEREAS, Chapter 380 of the Texas Local Government Code permits a city to make loans or grants of public funds for the purpose of promoting economic development and stimulating business and commercial activity within a city; and

WHEREAS, City and the EIC seek to encourage Killdeer Mountain Manufacturing, Inc., a North Dakota corporation (“KMM”), to acquire, develop, and improve two properties, all of which will be annexed into City’s corporate limits, in a manner for KMM to open a manufacturing facility which will eventually employ several hundred people; and

WHEREAS, KMM manufactures and sells various products including circuit boards and fiber optics for use in the aerospace industry and plans to expand its operations into Kerrville; and

WHEREAS, pursuant to the KMM Agreement (defined below), EIC has agreed to purchase the Property (as defined in the KMM Agreement and in **Exhibit A** attached hereto) pursuant to the Purchase Agreements (as defined below) and convey the Property to KMM; and

WHEREAS, EIC intends to use EIC’s revenues to pay the closings costs, a portion of the purchase price, and other costs of acquisition of the Property; and

WHEREAS, City desires to loan funds to EIC to be used to pay the remaining balance of the purchase price for the Property; and

WHEREAS, pursuant to Section 501.008 of the Act, EIC is limited in incurring financial obligations except where such obligations are paid from specified

sources, one of which is money granted under a contract with a city pursuant to Section 380.002, Texas Local Government Code (“Section 380.002”); and

WHEREAS, Section 380.002 of the Texas Local Government Code specifically provides that City, as a home-rule municipality, may, under a contract with EIC, grant or loan public money to EIC and that EIC must then use such proceeds for the development and diversification of the state’s economy, elimination of unemployment or underemployment in the state, and development and expansion of commerce in the state; and

WHEREAS, both City and EIC find that the funds that City will grant EIC pursuant to this Agreement will in every respect help develop and diversify the state’s economy, eliminate unemployment or underemployment, and develop and expand state commerce; and

WHEREAS, pursuant to Resolution No. 18-2014, City has previously established a Chapter 380 economic development program (the “Program”) to encourage economic development within City’s corporate limits; and

WHEREAS, City’s City Council finds and determines that this Agreement will effectuate the purposes of the Program and that City’s grant of funds to EIC will provide local economic development and stimulate business and commercial activity within City’s corporate limits and is consistent with the General Statement of Purpose and Policy as stated within the Program; and

WHEREAS, City is authorized by the provisions of Article III, Section 52-a of the Texas Constitution and Section 380.001 of the Texas Local Government Code to provide grants of public money to promote local economic development and to stimulate business and commercial activity within City’s corporate limits;

NOW THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, and payments herein and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1
Recitals/Definitions

1.01 Recitals. The recitals to this Agreement are incorporated herein for all purposes.

1.02 Definitions. As used in this Agreement, the following words and phrases shall have the meanings indicated:

“*City Loan*” means a loan of funds in the amount of \$1,000,000 by City to EIC and to be repaid by EIC pursuant to this Agreement, the unpaid balance of which shall bear interest at the rate of two percent (2.0%) per year until repaid in full.

“*City Loan Funds*” means the funds to be paid by City to EIC pursuant to the City Loan.

“*Force Majeure*” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, riot, civil commotion, insurrection, government or de facto governmental action (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, explosions, floods, strikes, slowdowns, pandemics, or work stoppages.

“*KMM Agreement*” means that certain Economic Development Grant and Real Estate Purchase Agreement effective September ___, 2020 between EIC and KMM.

“*Project*” means the design, plans, construction, renovation, and installation of the Improvements at the Property in accordance with the KMM Agreement.

“*Purchase Agreements*” means, collectively: (i) that certain Commercial Contract – Unimproved Property between EIC (as Buyer) and Kerrville Airport Commerce Park, Ltd. (as Seller) effective May 15, 2020, providing for the purchase by EIC of Tract 1 of the Property; and (ii) that certain Commercial Contract – Improved Property between EIC (as Buyer) and Steven M. Chapman and Cynthia C. Chapman (as Seller) effective April 13, 2020, providing for the purchase by EIC of Tract 2 of the Property.

“*Purchase Grant*” shall have the meaning set forth in the KMM Agreement.

ARTICLE 2

Term

The term of this Agreement (“Term”) will commence on the Effective Date and terminate on September 15, 2024, unless sooner terminated as provided herein.

ARTICLE 3

EIC Obligations

3.01 Payment of City Loan Funds. Upon notice from EIC to City that EIC is prepared to close on the purchase of the Property pursuant to the Purchase Agreements, City shall deliver the City Loan Funds to EIC or, if requested by EIC, directly to the title company identified in the Purchase Agreements.

3.02 Repayment of City Loan. EIC agrees to repay the City Loan to City as follows:

- A. Seven (7) semi-annual interest-only payments of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) each due on March 15, 2021, September 15, 2021, March 15, 2022, September 15, 2022, March 15, 2023, September 15, 2023, and March 15, 2024; and
- B. One (1) final payment of principal and accrued interest in the amount of \$1,010,000.00 due on September 15, 2024.

EIC shall cause its annual budgets during the term of this Agreement to provide for repayment of the City Loan, to include principal and interest pursuant to this Section 3.02, to the extent that the EIC is obligated to make repayment during any fiscal year and shall cause any required disclosures to reflect the obligations of the EIC for repayment of the City Loan. EIC has the right to prepay the City Loan, in whole or in part, at any time and from time to time, without premium or penalty. The obligation of EIC to repay the City Loan Funds and any accrued interest thereon shall survive the termination of this Agreement.

3.03 City Loan Limitations. Under no circumstances shall the obligations of City hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

3.04 Current Revenue. The City Loan Funds will be paid solely from lawfully available funds that have been appropriated by City.

3.05 Conditions of the City Loan. The obligation of City to provide the City Loan is conditioned upon:

- A. EIC's continued compliance with, and satisfaction of, each of the terms and conditions of this Agreement and specifically, that EIC shall not have an incurred a breach or default of this Agreement;
- B. EIC's purchase of the Property pursuant to the Purchase Agreements;
- C. EIC entering into and performing its obligations pursuant to the KMM Agreement; and
- D. Using the City Loan Funds solely to apply to the costs for purchase of the Property.

3.06 Late Payments. If EIC fails to make a payment to City on or before the fifth (5th) business day after the date required by Section 3.02, EIC shall pay late payment fee in the amount of 5% of the delinquent payment, which late fee shall be paid concurrently with the payment then due.

ARTICLE 4 Termination

This Agreement may be terminated upon any one or more of the following:

- A. Upon written notice by any Party, if the other Party defaults or breaches any of the terms or conditions of this Agreement other than Section 3.01 and such default or breach is not cured within thirty (30) days after written notice thereof; and
- B. If EIC fails to make any payment within the time required by Section 3.02 and, if such payment remains unpaid on or after the fifth (5) day after City makes a written demand for such past due payment.

Upon termination of this Agreement by City pursuant to this Article 4, EIC shall be required to immediately pay to City the remaining unpaid balance of the City Loan Funds and all unpaid accrued interest thereon.

ARTICLE 5 Miscellaneous

5.01 Severability. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Further, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

5.02 Amendment. This Agreement may be amended only by written amendment signed by both Parties.

5.03 Venue. All payments made pursuant to this Agreement and other obligations performed under this Agreement shall be made or performed in Kerrville, Kerr County, Texas. Venue shall lie in a state court of competent jurisdiction in Kerr County, Texas; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

5.04 Notices. All notices given with respect to this Agreement shall be in writing and shall be deemed to have been properly given for all purposes (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier unless such carrier confirms such notice was not delivered, then on the day such carrier actually delivers such notice; or (ii) if personally delivered, on the actual date of delivery; or (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the fifth business day following the date of mailing; or (iv) if sent by facsimile, then on the actual date of delivery (as evidenced by a facsimile confirmation) provided that a copy of the facsimile and confirmation is also sent by regular U.S. Mail, addressed as follows:

For City:

City Manager
City of Kerrville
City Hall, 701 Main Street
Kerrville, Texas 78028
Facsimile: (830) 792-3850

For EIC:

President
City of Kerrville, Texas, Economic Improvement Corporation
City Hall, 701 Main Street
Kerrville, Texas 78028

5.05 Assignment. This Agreement is binding upon the Parties and their successors and assigns. This Agreement may not be assigned by either Party without the specific prior written consent of the other Party, which consent may be withheld at the sole discretion of the non-assigning Party.

5.06 Parties in Interest. Nothing in this Agreement shall entitle any party other than City or EIC to any claim, cause of action, remedy, or right of any kind.

5.07 Interpretation. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, and will be interpreted in accordance with its terms without favor to any Party.

5.08 No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties.

5.09 Survival of Terms. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination.

5.10 Entire Agreement. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof.

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


5.12 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

5.13 Employment of Undocumented Workers. During the term of this Agreement, City and EIC agree not to knowingly employ any undocumented workers, and if convicted of a violation under 8 U.S.C. Section 1324a (f), EIC shall immediately repay the City Loan Funds and any other funds received by EIC from City pursuant to this Agreement as of the date of such violation within 120 days after the date EIC is notified by City of such violation, plus interest at the rate of 2% compounded annually from the date of violation until paid. EIC is not liable for a violation of this Section by a subsidiary, Affiliate, or franchisees of EIC or by a person with whom EIC contracts, or any other person other than EIC.

CITY OF KERRVILLE, TEXAS

CITY OF KERRVILLE, TEXAS ECONOMIC
IMPROVEMENT CORPORATION

Mark L. McDaniel, City Manager



Greg Richards, President

ATTEST:

ATTEST:

Shelley McElhannon, City Secretary



Kesha Franchina, Recording Secretary

EXHIBIT A
Description of the Property

Tract 1: Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in Volume 1186, Page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½” rebar with “Voelkel” cap found in the southwest right-of-way line of State Highway No. 27, (100’ right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12’ 48” E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84’ (S 52° 14’ E) to a ½” rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55’ 28” E, with the west boundary line of Lot 1, Block 1, a distance of 479.85’ (S 00° 57’ E) to a ½” rebar with “Voelkel” cap found for southeast corner at the southwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07’ 25” W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13’ (S 89° 03’ 06” W, 351.18’) to a ½” rebar with “Voelkel” cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54’ 57” W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89’ (N 00° 57’ W, 2029.5’) to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

STATE OF TEXAS §
 § ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT
COUNTY OF KERR §

This **Economic Development Incentive Agreement** (“Agreement”) is made by and between the **CITY OF KERRVILLE, TEXAS** (“City”), a Texas home rule municipality, and **KILLDEER MOUNTAIN MANUFACTURING, INC.** (“Company”), a North Dakota corporation, acting by and through their respective authorized officers and representatives. City and Company are hereafter collectively referred to herein as “Parties” and individually as “Party.”

WITNESSETH:

WHEREAS, Company manufactures and sells various products including circuit boards and fiber optics for use in the aerospace industry; and

WHEREAS, Company owns the Property, as defined below, and desires to develop and improve the Property with the Improvements (as defined below) to be served by public water and wastewater services provided through a connection to City’s water and wastewater collection systems; and

WHEREAS, Company has advised City that a contributing factor that would induce Company to develop the Property and construct the Improvements would be an agreement with City for City to connect its public water and wastewater services to the Property and to take other actions as provided herein; and

WHEREAS, City has adopted programs for promoting economic development, including a Chapter 380 Economic Development Program; and

WHEREAS, City is authorized by Article III, Section 52-a of the Texas Constitution and Texas Local Government Code Chapter 380, to provide economic development grants to promote local economic development and to stimulate business and commercial activity in City; and

WHEREAS, City has determined that making economic development grants to Company in accordance with this Agreement will further the objectives of City, will benefit City and City’s inhabitants, and will promote local economic development and stimulate business and commercial activity in City; and

WHEREAS, City’s policy regarding extension of water and wastewater service to properties located outside of City’s corporate limits is to require such properties to be annexed;

NOW THEREFORE, in consideration of the foregoing, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

Article I Definitions

For purposes of this Agreement, each of the following terms have the meanings set forth herein unless the context clearly indicates otherwise:

“*Affiliate*” means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

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

“*Commencement Date*” means the date Commencement of Construction occurs.

“*Commencement of Construction*” means that (i) the plans have been prepared and all approvals thereof required by applicable governmental authorities have been obtained for construction of the Improvements on the Property; (ii) all necessary permits for the construction of the Improvements have been issued by all applicable governmental authorities; and (iii) active construction of the Improvements has commenced.

“*Completion of Construction*” means the date (i) the Improvements have been substantially completed; and, (ii) a certificate of occupancy has been issued by City for Company’s occupancy of the Property following construction of the Improvements.

“*Control*,” or any derivation thereof, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of securities, by contract or otherwise.

“*Effective Date*” means the date this Agreement, or identical counterparts of this Agreement, bears the signatures of the authorized representatives of each party.

“*Expiration Date*” means the tenth (10th) anniversary of the Commencement Date.

“*Force Majeure*” means any contingency or cause beyond the reasonable control of a Party including, without limitation, acts of God or the public enemy, war, terrorist act, or threat thereof, riot, civil commotion, insurrection, government action or inaction (unless caused by the intentionally wrongful acts or omissions of the Party), fires, earthquake, tornado, hurricane, explosions, floods, strikes, slowdowns, pandemics, or work stoppages.

“*Grants*” means the (i) amount of the costs incurred by City; and (ii) the amount of the City fees waived in relation to the obligations described in Section 3.2, below.

“*Improvements*” shall have the same meaning as set forth in the KEIC Agreement.

“*KEIC*” means the Kerrville Economic Improvement Corporation.

“*KEIC Agreement*” means collectively that certain Economic Development Grant and Real Estate Purchase Agreement and the Economic Development Incentive Grant Agreement, both as between KEIC and Company, and each effective September ___, 2020.

“*Land*” means the real property described in **Exhibit A**.

“*Maximum Grant Amount*” means \$150,000.00.

“*Person*” means an individual, corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

“*Property*” means, collectively, the Improvements and the Land.

“*Related Agreements*” means any written agreement, not including this Agreement, by and between (i) EIC and/or City; and (ii) Company or any of Company’s Affiliates, including, but not limited to, (a) the Economic Development Grant and Real Estate Purchase Agreement; and (b) the Economic Development Incentive Agreement but not including the lease for office space.

“*Required Use*” means use of the Property for (i) warehousing, manufacturing, and general office purposes in association with Company’s business of manufacturing and assembling circuit card assemblies and cable and fiber harnesses for the aerospace industry, similar activities thereto, and activities necessary to support the foregoing; and (ii) such other purposes as City may from time to time authorize in writing.

Article II Term

The term of this Agreement shall begin on the Effective Date and continue until the Expiration Date, unless sooner terminated as provided herein.

Article III Economic Development Services

3.1 Monetary and In-Kind Grants to be Provided by City. Subject to the obligation of Company to repay the Grant pursuant to Section 5.2 hereof, and the continued satisfaction of all the terms and conditions of this Agreement by Company, City agrees to take the following actions with respect to the Property:

- (a) To the extent necessary for Company to use the Property for the Required Use and to construct the Improvements and subject to Section 3.4. below, City agrees to initiate and prosecute applications to rezone and/or plat (and/or replat) the Property in accordance with City regulations;
- (b) Subject to Section 3.5, below, City agrees to construct, at City costs, such extensions of City’s water distribution and wastewater collection lines, including any looping of water lines, installation of fire hydrants and other appurtenances in compliance with City’s regulations; and extension of private service lines from City’s water meter and sewer line taps to the existing building located on the Property;
- (c) Waive all building permit and development fees with respect to Company’s construction of the Improvements. For purposes of determining the amount of the Grant made by City pursuant to this Section 3.1(c), including the calculation of the amount of the Grant to be reimbursed upon termination of this Agreement for default that is attributed to this Section 3.1(c), a building permit and/or development fee shall be deemed waived only if the time for payment of such fee under applicable City ordinances has passed and the permit or authorization to which such fee relates has already been given or granted by City; and

(d) Take all necessary actions with respect to capping and terminating the use of the water well and septic system (on-site sewage facility) currently located on the Property to the extent necessary for terminating their use in accordance with state law.

The total of all costs incurred by City pursuant to Section 3.1 shall not exceed the Maximum Grant Amount.

3.2 Grant Limitations. Under no circumstances shall City obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

3.3 Current Revenue. The Grants made hereunder shall be paid solely from lawfully available funds that have been appropriated by City; provided, however, City agrees during the term of this Agreement to make a good faith effort to appropriate funds each year to pay the Grants for the then ensuing fiscal year. Further, City shall have no obligation or liability to pay any Grants except as allowed by law. City shall not be required to pay any Grants if prohibited under federal or state legislation or a decision of a court of competent jurisdiction.

3.4 Zoning/Platting of the Property.

(a) Company agrees to reasonably cooperate in the prosecution of any application to rezone and plat and/or replat the Property, including signing such applications as owner of the Property and authorizing City to prosecute such applications on Company's behalf.

(b) Prior to taking any final action to approve an ordinance rezoning the Property and/or a final platting and/or replatting the Property, City agrees to provide Company an opportunity to review and approve the documents that are subject to approval by City, which approval by Company shall not be unreasonably delayed or withheld. If Company fails to object to the documents proposed by City to be approved with respect to any rezoning or platting and/or replatting of the Property on or before the tenth (10th) business day following delivery of such documents to Company, Company shall be deemed to have approved. Any objection by Company shall be in writing, state specific reasons for the objection, and request the changes Company desires in order to satisfy Company's objections. City agrees to make any changes to the final documents in accordance with Company's objections and requested changes to the extent such changes will allow the final documents to comply with applicable laws. City shall not be required to make changes requested by Company if such change would violate applicable law.

(c) Company agrees to convey to City by plat or separate instrument, at no cost to City other than the payment of any recording fees to record any instruments in the Official Public Records of Kerr County, Texas, any public street, utility, and/or drainage easement or other interest in real property necessary for City to construct the improvements or otherwise perform the obligations set forth in Section 3.1 or to otherwise ensure development of the Property complies with applicable laws.

3.5 Right of Entry. Company hereby grants to City, for itself and City's employees and contractors, a license and right to enter the Property during reasonable hours for the purpose of performing City's obligations set forth in Section 3.1. Such license and right of entry shall continue until such time that City has completed the work necessary to satisfy City's obligations set forth in Section 3.1. City and City's contractors shall make reasonable efforts to coordinate with Company's contractors engaged to construct the Improvements in an effort prevent the contractors of either Party from being delayed in the performance of their respective work.

Article IV Conditions to the Economic Development Grant

The obligation of City to provide the Grants shall be conditioned upon the continued compliance with, and satisfaction of each of the terms and conditions of this Agreement by Company, and each of the conditions set forth in this Article IV below:

4.1 Good Standing. Company shall not have an uncured breach or default of this Agreement or any Related Agreements beyond any applicable notice and cure period.

4.2 Development Regulations. Notwithstanding the Property being outside of City's corporate limits on the Effective Date, Company's development and construction of the Improvements shall comply with all applicable City development regulations including all building codes, subdivision regulations, public improvement specifications, and zoning. Company shall convey such property interests as are necessary for City to install, own, and operate the improvements as contemplated by Section 3.1(b).

4.3 Required Use. Commencing on the Commencement Date and continuing thereafter until the Expiration Date, the Property shall not be used for any purpose other than the Required Use, and the operation and occupancy of the Property in conformance with the Required Use shall not cease for more than six (6) months, except in connection with and to the extent of an event of Force Majeure.

4.4 Commencement and Completion of Construction. Subject to delays resulting from Force Majeure events, Company shall cause Commencement of Construction of the Improvements to occur not later than January 4, 2021, and cause Completion of Construction of the Improvements not later than May 31, 2021. The foregoing deadlines for Commencement of Construction and Completion of Construction of the Improvements shall be extended one (1) business day for each business day that an event of Force Majeure results in the inability of Company to cause said Commencement of Construction and/or Completion of Construction to occur.

4.5 Annexation. This Agreement shall constitute a request to City by Company, as owner of the Property, to annex the Property into City's corporate limits in accordance with Chapter 43 of the Texas Local Government Code. Company agrees that City may proceed with such actions as necessary to annex the Property into City's corporate limits as soon as reasonably and lawfully possible after the Effective Date.

Article V Termination

5.1 Basis for Termination. This Agreement terminates upon the occurrence of any one or more of the following events:

- (a) Upon written agreement of the Parties;
- (b) Upon the Expiration Date with no further action by the Parties;
- (c) Except as provided in paragraph (d), below, if a Party defaults or breaches any of the terms or conditions of this Agreement or a Related Agreements and such default or breach is not cured within thirty (30) days after delivery of written notice thereof by the other Party; or if such default or breach is not reasonably curable within such 30-day period, is cured within ninety (90) days after such default or breach provided that the defaulting Party is diligently pursuing a cure of such default or breach;
- (d) If City provides a written notice of termination to Company upon Company's failure to cause Commencement of Construction or Completion of Construction to occur within the time provided in Section 4.4, above;
- (e) If Company suffers an event of Bankruptcy or Insolvency and fails to reaffirm this Agreement in accordance with applicable bankruptcy laws and continue to perform Company's obligations as set forth this Agreement, City may terminate this Agreement subject to applicable bankruptcy laws; or

(f) If any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal or unenforceable; provided, however, if any final, non-appealable decision by a court of competent jurisdiction declares this Agreement invalid, illegal or unenforceable, then City shall use its best efforts in working with Company to restructure this Agreement (or City's obligations described herein) to be enforceable.

5.2 Repayment. In the event the Agreement is terminated by City pursuant to Sections 5.1(c)-(e), Company shall immediately refund to Grant, up to the Maximum Grant Amount.

Article VI Miscellaneous

6.1 Binding Agreement. The terms and conditions of this Agreement are binding upon the successors and permitted assigns of the Parties.

6.2 Limitation on Liability. It is understood and agreed between the Parties that Company and City, in satisfying the conditions of this Agreement, have acted independently, and City assumes no responsibilities or liabilities to third parties in connection with these actions. Company agrees to indemnify and hold harmless City from all such claims, suits, and causes of actions, liabilities and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of Company's performance of the conditions under this Agreement.

6.3 No Joint Venture. It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the Parties.

6.4 Authorization. Each Party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

6.5 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below (or such other address as such Party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered.

If intended for City, to:
Attn: City Manager
City of Kerrville, Texas

City Hall
701 Main Street
Kerrville, Texas 78028

If intended for Company:
Killdeer Mountain Manufacturing, Inc.
Attn: President/CEO
233 Rodeo Drive
Killdeer, North Dakota 58640

6.6 Entire Agreement. This Agreement is the entire Agreement between the Parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the Parties that in any manner relates to the subject matter of this Agreement, except the KEIC Agreement and as provided in any Exhibits attached hereto.

6.7 Governing Law. The Agreement shall be governed by the laws of the State of Texas, without giving effect to any conflicts of law rule or principle that might result in the application of the laws of another jurisdiction; and venue for any action concerning this Agreement shall be in the State District Court of Kerr County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

6.8 Amendment. This Agreement may only be amended by the mutual written agreement of the Parties.

6.9 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid, and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid, or unenforceable.

6.10 Exhibits. All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

6.11 Successors and Assigns. Except as provided in this Section 6.11, this Agreement may not be assigned by Company without the prior written consent of City, which consent shall not be unreasonably denied, delayed, or withheld. This Agreement may be assigned by Company to any Affiliate of Company, provided Company shall have provided City with thirty (30) days prior written notice thereof, and such assignee assumes in writing the obligations and liabilities of Company in a form reasonably approved by City.

6.12 Recitals. The recitals to this Agreement are incorporated herein.

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

6.14 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the Parties, as well as any rights and benefits of the Parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

6.15 Employment of Undocumented Workers. During the term of this Agreement, Company agrees not to knowingly employ any undocumented workers and, if convicted of a violation under 8 U.S.C. Section 1324a (f), Company shall repay the Grants and any other funds received by Company from City as of the date of such violation within one hundred twenty (120) days after the date Company is notified by City of such violation, plus interest at the rate of four percent (4%) compounded annually from the date of violation until paid. Company is not liable for a violation of this section in relation to any workers employed by a subsidiary, Affiliate, contractor, subcontractor, or franchisee of Company or any other Person other than Company.

6.16 Non-Business Day. If the final date of any period provided herein for the performance of an obligation or for the taking of any action falls on a Saturday, Sunday, or holiday, then the end of such period shall be extended to the next business day.

6.17 Headings. Section headings are for convenience of reference only and do not modify or restrict any provisions hereof and shall not be used to construe any provisions.

6.18 Prohibition of Boycott of Israel. Company verifies that (i) it does not Boycott Israel; and (ii) will not Boycott Israel during the term of the Agreement. This section does not apply if Company is a sole proprietor, a non-profit entity or a governmental entity; and only applies if: (i) the Company has ten (10) or more fulltime employees and (ii) this Agreement has a value of \$100,000.00 or more to be paid under the terms of this Agreement.

6.19 Interpretation. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction, and construction of the Parties, at arm's length, with the advice and participation of counsel, and will be interpreted in accordance with its terms without favor to any Party.

SIGNED AND AGREED on this _____ day of _____, 2020.

CITY OF KERRVILLE, TEXAS

By: _____
Mark McDaniel, City Manager

Attest:

By: _____
Shelley McElhannon, City Secretary

Approved as to Form:

By: _____
Michael C. Hayes, City Attorney

SIGNED AND AGREED on this _____ day of _____,
2020.

KILLDEER MOUNTAIN MANUFACTURING, INC.

Donald Hedger, President/CEO

EXHIBIT A

DESCRIPTION OF LAND

Tract 1: Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, according to the map or plat thereof recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas.

Tract 2: Being a 5.00 acre tract of land located in the O. V. Robinson Survey No. 44, Abstract No. 282, Kerr County, Texas, and being a portion of that certain called 10.00 acre tract, recorded in Volume 1186, Page 80, Official Public Records of Kerr County, Texas, said 5.00 acre tract being more particularly described by metes and bounds as follows:

Note: all bearings based on the Texas State Plane Coordinate System, South Central Zone (North American Datum of 1983, 2011 Adjustment);

BEGINNING at a ½” rebar with “Voelkel” cap found in the southwest right-of-way line of State Highway No. 27, (100’ right-of-way) at the northwest corner of the herein described tract, the northeast corner of the remaining portion of a called 141.38 acre tract, recorded in Volume 882, Page 638, Real Property Records of Kerr County, Texas;

THENCE S 52° 12’ 48” E, along the southwest right-of-way line of State Highway No. 27, a distance of 449.84’ (S 52° 14’ E) to a ½” rebar found for northeast corner at the northwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, recorded in Volume 7, Page 220, Plat Records of Kerr County, Texas;

THENCE S 00° 55’ 28” E, with the west boundary line of Lot 1, Block 1, a distance of 479.85’ (S 00° 57’ E) to a ½” rebar with “Voelkel” cap found for southeast corner at the southwest corner of Lot 1, Block 1, Kerrville Airport Commerce Park, Phase 1, an angle point in the north boundary line of Lot 2R, Block 1, Kerrville Airport Commerce Park, Phase 1 Replat, recorded in Volume 7, Page 383, Plat Records of Kerr County, Texas;

THENCE S 89° 07’ 25” W, with the north boundary line of Lot 2R, Block 1, a distance of 351.13’ (S 89° 03’ 06” W, 351.18’) to a ½” rebar with “Voelkel” cap found for southwest corner in the east boundary line of the remaining portion of the called 141.38 acre tract;

THENCE N 00° 54’ 57” W, with the east boundary line of the remaining portion of the called 141.38 acre tract, a distance of 760.89’ (N 00° 57’ W, 2029.5’) to the POINT OF BEGINNING, CONTAINING 5.00 acres of land, more or less.

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement") is made and entered into by and between **KERRVILLE PUBLIC UTILITY BOARD** ("Lender") and **CITY OF KERRVILLE**, a Texas home rule municipality ("Borrower").

In consideration of their respective obligations, undertakings and commitments herein set forth and subject to the terms, provisions and conditions hereof, the parties hereto agree as follows:

SECTION 1. THE LOAN

1.01 Loan. Subject to and upon the terms and conditions herein set forth, Lender agrees to loan to the Borrower an amount not to exceed **\$1,000,000** (the "Credit Amount") on a term basis, in accordance with the provisions hereof (the "Loan").

1.02 Promissory Note Evidencing the Loan. The Loan will be evidenced by and payable in accordance with a Promissory Note ("Note") in a principal amount not to exceed **\$1,000,000**, dated September 15, 2020. The Loan matures on September 15, 2024 (the "Maturity Date"), and will bear interest at the rate set forth in the Note. All payments under the Note will be made in immediately available funds to Lender's address as set out in Paragraph 6.06, prior to 3:00 p.m., Kerrville time, on or before the due date thereof; funds received after that time will be deemed to have been received by Lender on the next following banking day. Borrower has agreed to pay the Note in accordance with **SCHEDULE 1**, attached hereto (and the Note) and made a part hereof for all purposes. **SCHEDULE 1** sets out interest only payments for the first three and one half years and then interest plus principal payment on the Maturity Date.

1.03 Voluntary Prepayments. Prior to demand or maturity of the Loan, the Borrower has the right to prepay the Loan, in whole or in part, at any time and from time to time, without premium or penalty.

SECTION 2. CONDITIONS PRECEDENT

The following are conditions precedent to the funding of the Loan:

2.01 No Event of Default (hereinafter defined) or Unmatured Event of Default (hereinafter defined) will then exist.

2.02 The representations and warranties herein will be true and correct in all material respects.

2.03 Lender will have received a copy, duly certified by the City Secretary of the Borrower, of the resolution of the City Council of the Borrower authorizing the borrowing hereunder and the execution and delivery of this Agreement, the Note and

all other applicable Loan Documents and of the specimen signatures of the officers of the Borrower authorized to sign this Agreement, the Note and all other applicable Loan Documents.

SECTION 3. REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to Lender the following:

3.01 Organization and Existence. The Borrower is the City of Kerrville, Texas, a home rule municipality.

3.02 Authorization, Enforceability, Etc. Borrower has legal authorization to borrow the Credit Amount and has the legal authority to place the Loan proceeds into its Economic Improvement Corporation ("EIC") operating fund ("EIC Fund"). The execution, delivery and performance by the Borrower of the Agreement, Note, and all other applicable loan documents (the "Loan Documents") does not and will not (i) violate any provision of any agreement, law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect which adversely affects or could adversely affect the financial condition of the Borrower; or (ii) result in a breach of or constitute a default under the Borrower's City Charter or any indenture or any payment obligation or loan or credit agreement or any other agreement or instrument to which the Borrower is a party or by which the Borrower is bound or affected, and will not result in the creation or imposition of any lien, charge or encumbrance on, or security interest in, any of their respective properties pursuant to the provisions of any such agreement or instrument; and (iii) the Loan Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Borrower, respectively, enforceable against such parties in accordance with their respective terms.

3.03 Full Disclosure. No information furnished by the Borrower in connection with the transactions contemplated hereby contains any materially untrue statement or omission of material fact.

3.04 Litigation. There is no litigation, proceeding or investigation pending or threatened against or affecting the Borrower that would impact the Agreement.

SECTION 4. COVENANTS

4.01 EIC Fund, Special Use and Project Budget. All of the Loan proceeds will be deposited into the EIC Fund for EIC to use for the purchase of a building near the Kerrville Airport to support economic development.

4.02 Funding Source and City Budget. In addition to the terms set out on the Promissory Note, Borrower will pay the Note: (i) from revenues held in the EIC Fund; and (ii) this debt obligation and the amount of the annual payments due must be shown in the annual City budget, until paid in full. The Note is not collateralized but is secured

solely by Lender's pledge of and authority to withhold future franchise fees to Borrower for the term of this Agreement.

4.03 Notice of Default. Promptly upon becoming aware of the occurrence thereof, the Borrower will furnish to Lender written notification of any Event of Default or any event which, with the giving of notice or the lapse of time, or both, could constitute an Event of Default (an "Unmatured Event of Default"), specifying in connection with such notification all actions the Borrower proposes to take or is taking in order to remedy such circumstances.

4.04 Further Assurances. The Borrower will promptly deliver to Lender such information (not otherwise required to be furnished pursuant to the Loan Documents) respecting its business, affairs, assets, and liabilities, and such opinions, certifications, and documents, in addition to those mentioned in this Agreement, as Lender may reasonably request.

SECTION 5. EVENTS OF DEFAULT

5.01 Event of Default. As used herein and as set forth in the Note, the term "Unmatured Event of Default" means an event or condition, which with the passing of time or giving of notice or both would constitute an Event of Default. After 10 days written notice for a monetary default or 30 days written notice for a non-monetary default, an "Event of Default" will exist if any of the following occurs:

(a) Payment. The Borrower fails to make any payment of principal or interest on the Note when due or fails to make any payment of fees or other amounts with respect to the Loan when such payment is due; or

(b) Performance. The Borrower fails to perform or observe any covenant or provision contained herein; or

(c) Loan Documents. A default occurs under any of the Loan Documents; or

(d) Warranties or Representations. Any warranty, representation or other statement by or on behalf of the Borrower or any Guarantor contained in the Loan Documents, or in any instrument furnished in compliance with or in reference to the Loan Documents, is false, misleading, or incorrect in any material respect as of the date made.

5.02 Certain Rights of Lender.

(a) Remedies Upon Default. Should an Event of Default occur, Lender may, in its discretion, do any one or more of the following:

(i) Acceleration. Declare the unpaid balance of the Loan immediately due and payable, whereupon it will be due and payable.

(ii) Termination. Terminate any commitment of Lender to lend hereunder in its entirety or as to any portion thereof, to the extent Lender will deem appropriate.

(iii) Setoff. Setoff any amounts due and owing to Lender by Borrower, whether principal, interest or fees, including any amounts accelerated pursuant to the terms hereof, against any funds contained in any account maintained by Borrower at Lender.

(iv) Exercise of Rights. Exercise any and all rights afforded by the Loan Documents, including without limitation, the Note, or by any applicable laws, whether at law, in equity or otherwise, as Lender will deem appropriate, including, but not limited to, the rights to bring suit or other proceeding before any court or any governmental department, agency or instrumentality of any sort whatsoever, either for specific performance of any covenant or condition contained in the Loan Documents or in aid of the exercise of any right granted to Lender in the Loan Documents.

(b) Lender Not in Control. None of the covenants or other provisions contained in this Agreement will give Lender the right or power to exercise control over the affairs and/or management of the Borrower.

(c) Cumulative Rights. All rights available to Lender hereunder and under the Loan Documents will be cumulative of and in addition to all other rights granted to Lender at law or in equity, whether or not Lender will have instituted any suit for collection or other action in connection with the Loan Documents.

(d) Waiver by Borrower. Borrower hereby waives any and all demands for payment, presentments for payment, notices of intention to accelerate, notices of acceleration of maturity, protests and notices of protests regarding the Loan.

SECTION 6. MISCELLANEOUS

6.01 Term. This Agreement continues, unless sooner terminated or extended as provided herein, until the Maturity Date. Upon any such termination, the Borrower's obligations and the powers and rights of Lender hereunder will continue in full force and effect until the Loan has been paid in full and all other liabilities and obligations of the Borrower hereunder have been satisfied.

6.02 Controlling Agreement. All agreements between the Borrower and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency or event whatsoever, whether by reason of

demand or acceleration of the maturity hereof or otherwise, will the amount contracted for, charged, received, paid or agreed to be paid to Lender for the use, forbearance, or detention of the funds evidenced hereby or otherwise, or for the performance or payment of any covenant or obligation contained in any instrument securing the payment thereof, exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender will be reduced to the maximum amount permitted under applicable law; and if from any circumstance Lender will ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest will be applied to the reduction of the principal hereof and not to the payment of interest or if such excessive interest exceeds the unpaid balance of principal hereof, such excess will be refunded to the Borrower. All interest paid or agreed to be paid to Lender will, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period until payment in full of the principal (including the period of any renewal or extension hereof) so that the interest hereon for such full period will not exceed the maximum amount permitted by applicable law. The term "applicable law" as used herein means the laws of the state of Texas or the laws of the United States, whichever laws allow the greater rate of interest, as such laws now exist or, to the extent allowed by law, may be changed or amended or come into effect in the future. This paragraph will control all agreements between Borrower and Lender.

6.03 No Third Party Beneficiary. This Agreement is for the sole benefit of the Borrower and Lender and is not for the benefit of any third party.

6.04 Number and Gender. Whenever used herein and where the context requires, the singular member includes the plural, and the plural includes the singular, and the use of any gender will be applicable to all genders.

6.05 Notices. All notices permitted hereunder will be given to the addressee at the following address:

If to Lender: Kerrville Public Utility Board
 2250 Memorial Blvd.
 Kerrville, Texas 78028
 Attention: Chief Executive Officer

Mailing Address
P.O. Box 294999
Kerrville, Texas 78029-4999
Attention: Chief Financial Officer

If to Borrower: City of Kerrville
 701 Main Street
 Kerrville, Texas 78028

Attn: City Manager

All notices given hereunder will be in writing and will be considered properly given if mailed by first-class United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the addressee, or by prepaid telegram. All notices permitted herein to be given by mail will be effective upon deposit in to the care and custody of the U.S. Postal Service. Notice given in any other manner will be effective upon receipt at the address of the addressee. Either party may change its address for purposes of receiving notice hereunder upon not less than 15 days notice given in the manner prescribed herein.

6.06 Governing Law. This Agreement will be governed by and construed in accordance with the internal laws of the state of Texas and the laws of the United States of America applicable to transactions in the State of Texas. Borrower and Lender agree that the sole and exclusive place of jurisdiction for resolution of any dispute arising out of or relating to this Agreement will be Kerrville, Kerr County, Texas.

6.07 Invalid Provisions. If any provision herein or in the Loan Documents is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision will be fully severable, the document affected will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part thereof, and the remaining provisions thereof will remain in full force and effect and will not be affected by the severance herein provided. Furthermore, in lieu of such illegal, invalid, or unenforceable provision there will be added automatically a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid and enforceable.

6.08 Successors and Assigns. This Agreement will be binding upon and inure to the benefit of the Borrower, Lender and their respective successors and assigns; provided, however, Borrower may not transfer or assign any of its rights or obligations hereunder without the express written consent of Lender.

6.09 Amendment. Except as provided herein, this Agreement may not be amended or modified except by written instrument signed by the parties hereto.

6.10 Expenses. Whether or not any advance is made hereunder the Borrower agrees to pay the reasonable expenses of Lender in connection herewith, including all legal fees, all filing and recording fees, costs of credit reports and of inspections of any collateral, and all costs involved in enforcement and collection pursuant to the terms of the Loan Documents, which expenses will be due and payable on demand therefor. Without limiting the generality of the foregoing, Borrower will, except in connection with a billing error inquiry, pay to Lender a fee of \$20.00 per hour for any research requested or authorized, whether orally or in writing, by Borrower with respect to the Loan. Borrower will further pay \$1.00 per copy for any photocopies requested or authorized, whether orally or in writing, by Borrower with respect to the Loan.

6.11 Entire Agreement. This Agreement and the Loan Documents constitute the entire understanding and agreement between the Borrower and Lender with respect to the transactions contemplated hereby and supersede all prior written or oral understandings and agreements between the Borrower and Lender with respect thereto. The Borrower hereby acknowledges that, except as incorporated in writing herein and in the Loan Documents, there are not and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, whether oral or written.

6.12 Captions and Section Headings. Captions and section headings used herein are for convenience only and will not be used in construing this Agreement.

6.13 Loan Agreement Governs. In the event of any conflict between the terms of this Agreement and any terms of any other Loan Document, the terms of this Agreement will govern. All of the Loan Documents are by this reference incorporated into this Agreement.

6.14 USA Patriot Act Notice. Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Act.

6.15 Note Not a Public Security. None of the Loan Documents, including the Note, will be deemed to be a "public security" pursuant to Chapter 1201.002(2), as amended, under the Texas Government Code.

IN WITNESS WHEREOF, the Borrower and Lender have caused this Agreement to be executed this 15th day of September, 2020.

BORROWER:

City of Kerrville, a Texas home rule municipality

By: _____

Name: Mark McDaniel

Its: City Manager

LENDER:
Kerrville Public Utility Board

BY: _____

Name: Mike Wittler
Its: Chief Executive Officer

SCHEDULE 1

Amortization Schedule

City of Kerrville

Amortization Schedule - Loan with KPUB

Principal Amount \$ 1,000,000
Interest Rate 2.0%
Term (in years) 4
Issue Date 9/15/2020
First Payment Date 3/15/2021
Last Payment Date 9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	-
	1,000,000	80,000	1,080,000	

Promissory Note

Basic Information

Date: September 15, 2020

Borrower: City of Kerrville, a Texas home rule municipality

Borrower's Mailing Address: 701 Main Street
Kerrville, Kerr County, Texas 78028
Attn: City Manager

Lender: Kerrville Public Utility Board

Place for Payment: Office:
2250 Memorial Blvd.
Kerrville, Texas 78028
Attn: Chief Executive Officer

Mailing Address: P.O. Box 294999
Kerrville, Texas 78029-4999
Attn: Chief Financial Officer

Principal Amount: One Million and NO/100
(\$1,000,000.00)

Annual Interest Rate: Two and 00/100 percent (2.0%), based on a 360 day year,
with twelve 30-day months

Maturity Date: September 15, 2024

Annual Interest Rate on Matured, Unpaid Amounts: Ten and No/100 percent (10%)

Terms of Payment (principal and interest): Payments of all accrued interest and certain mandatory principal reductions as set out on the payment schedule attached hereto and made a part hereof as **SCHEDULE 1**; such payments to be made bi-annually beginning on March 15, 2021 and continuing on or before March 15 and September 15 of each year until September 15, 2024 ("Maturity Date") when all unpaid principal and all accrued, but unpaid interest, is payable in full.

Security for Payment: Lender's pledge of and authority to withhold future franchise fees to Borrower for the term of this Agreement.

Promise to Pay

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. If any amount is not paid either when due under the Terms of Payment or on acceleration of maturity, Borrower promises to pay any unpaid amount plus interest from the date the payment was due to the date of payment at the Annual Interest Rate on Matured, Unpaid Amounts.

Defaults and Remedies

Notwithstanding any other provision of this note, in the event of a default or failure to pay any principal or interest when is due on this Note, before exercising any of Lender's remedies under this Note, Lender will first give Borrower written notice of default and Borrower will have ten days after notice is given in which to cure the default. If the default is not cured ten days after notice, Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law. The Lender may cure any default hereunder by withholding City transfer payments established in Section 35(c) Third of Ordinance No. 2013-21 until the default is cured.

Waivers

Borrower waives, to the extent permitted by law, all (i) demand for payment, (ii) presentation for payment, (iii) notice of intention to accelerate maturity, (iv) notice of acceleration of maturity, (v) protest and (vi) notice of protest.

Attorney's Fees

Borrower also promises to pay reasonable attorney's fees and any other related costs if an attorney is retained to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.

Prepayment

Borrower may prepay this Note at any time without premium or penalty.

Usury Savings

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or,

if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

Other Clauses

Borrower is responsible for all obligations represented in this Note.

When the context requires, singular nouns and pronouns include the plural.

BORROWER

CITY OF KERRVILLE, a Texas home rule municipality

By: _____

Name: Mark McDaniel

Title: City Manager

SCHEDULE 1

City of Kerrville
 Amortization Schedule - Loan with KPUB

Principal Amount \$ 1,000,000
 Interest Rate 2.0%
 Term (in years) 4
 Issue Date 9/15/2020
 First Payment Date 3/15/2021
 Last Payment Date 9/15/2024

Date	Principal	Interest	Total	Balance
3/15/2021		10,000	10,000	1,000,000
9/15/2021		10,000	10,000	1,000,000
3/15/2022		10,000	10,000	1,000,000
9/15/2022		10,000	10,000	1,000,000
3/15/2023		10,000	10,000	1,000,000
9/15/2023		10,000	10,000	1,000,000
3/15/2024		10,000	10,000	1,000,000
9/15/2024	1,000,000	10,000	1,010,000	-
	1,000,000	80,000	1,080,000	

RESOLUTION NO. 20-15

A RESOLUTION OF THE KERRVILLE PUBLIC UTILITY BOARD APPROVING A PROMISSORY NOTE AND LOAN AGREEMENT WITH THE CITY OF KERRVILLE, TEXAS SUBJECT TO CERTAIN REQUIREMENTS.

WHEREAS, the City of Kerrville, Texas ("City") is a home rule city under the Constitution and laws of the State of Texas operating under its Charter as amended June 10, 2014; and

WHEREAS, by adoption of Ordinance No. 87-45 on the 24th day of November, 1987, the City Council created a Board of Trustees ("Board") to manage and control a newly acquired electric transmission and distribution system ("system") from the Lower Colorado River Authority which provision has been continued through a succession of subsequent City bond ordinances, the most recent being Ordinance No. 2013-21, adopted October 22, 2013, and the Board has continuously managed the City's system since its members were appointed and qualified for office; and

WHEREAS, the Board finds it has accumulated funds to partially finance future electric system improvements, work on which is not planned to commence until approximately 2024; and

WHEREAS, the City needs in the near future to purchase a building near the Kerrville Airport to support economic development; and

WHEREAS, the Board finds that it would be an economic opportunity and in the interest of the system ratepayers to loan the City a sum not to exceed \$1,000,000 (i) at an interest rate in excess of that which KPUB is earning on its current investments; (ii) on standard commercial terms; and (iii) with an amortization schedule which would repay the funds in time for the Board to commence its planned electric system improvements; and

WHEREAS, the Board finds that it is not prohibited by the Charter, Bond Ordinance No. 2013-21, or general law to make the loan to the City, and the loan funds are not needed in the near future by the Board for the reliable, adequate and efficient operation of the system; and

WHEREAS, KPUB has offered to make the loan to the City and KPUB Staff has caused to be prepared a Promissory Note and corresponding Loan Agreement consistent with the above findings and requirements of the Board; now, therefore,

BE IT RESOLVED BY THE KERRVILLE PUBLIC UTILITY BOARD THAT:

Section 1. The Note not to exceed \$1,000,000 and Loan Agreement by and between the City of Kerrville, Texas, and the Board of Trustees of the City of Kerrville, Texas, dated September 15, 2020, is hereby approved.

Section 2. The funds from the loan will be dedicated to the purchase of a building near the Kerrville Airport to support economic development.

Section 3. The City will repay the loan under the terms and conditions of the Note and Loan Agreement from revenues from its Economic Improvement Corporation operating fund.

Section 4. The City Manager shall cause annual budgets to provide for repayment of the principal and interest of the loan to the extent that the City is obligated to make repayment during any fiscal year and shall cause any required disclosures to reflect the obligations of the City for repayment of the loan.

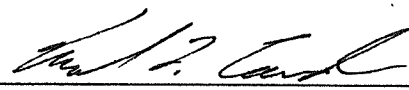
Section 5. This action of the Board shall not be precedent for future loans and is approved as a onetime opportunity for the System to earn additional revenue.

PASSED, APPROVED AND ADOPTED on this 19th day of August, 2020



Bill Thomas, Chairman

ATTEST:



Mark Cowden, Secretary



**TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS**

SUBJECT: Briefing and possible action as to the City's ongoing preparedness and response to COVID-19 (Coronavirus).

AGENDA DATE OF: September 8, 2020 **DATE SUBMITTED:** May 13, 2020

SUBMITTED BY: Shelley McElhannon

EXHIBITS:

Expenditure Required:	Remaining Budget Balance in Account:	Amount Budgeted:	Account Number:
N/A	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	No
Key Priority Area	N/A
Guiding Principle	N/A
Action Item	N/A

SUMMARY STATEMENT:

On-going responsiveness to changing conditions and situations.

RECOMMENDED ACTION:

Actions for the preparedness and response to COVID-19 (Coronavirus) circumstances.