

NOTICE OF MEETING

SEPTEMBER 22, 2020– 12:30 P.M. or upon adjournment of the Meeting of the Board of Directors of TexAmericas Center on said date and location, whichever is the later to occur.

NEW BOSTON, TX
11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570

Persons wishing to attend the TAC East Holdings Company No. 1 Board of Directors Meeting by telephone can call 1-866-778-5424 and enter the Participant Code of 5090805. Board meeting agenda and materials can be found at the www.texamericascenter.com website.

The Board of Directors of TAC East Holdings Company No. 1 will meet to conduct business at the above stated date, time and location via conference call.

AGENDA

1. Call to Order.
2. Roll Call of Directors.
3. Consider and Take Action on:
 - A. Approve Minutes from August 25, 2020 Board Meeting.
 - B. **Resolution #20200922-01** TAC East Holdings Company No. 1, A Texas non-profit corporation – **Adopting FY2020 revised budget.**
 - C. **Resolution #20200922-02** TAC East Holdings Company No. 1, A Texas non-profit corporation – **Adopting FY2021 budget.**
 - D. **Resolution #20200922-03** TAC East Holdings Company No. 1, A Texas non-profit corporation – **Authorizing the President of TAC East Holdings Company No. 1. to execute an easement agreement (electrical utilities) on TexAmericas Center –East Campus to SWEPCO.**
 - E. **Resolution #20200922-04** TAC East Holdings Company No. 1, A Texas non-profit corporation – **Authorizing the President of TAC East Holdings Company No. 1 to Execute Lease Addendums Incorporating PILOT Payment Provision.**

F. **Resolution #20200922-05** TAC East Holdings Company No. 1, A Texas non-profit corporation – **Authorizing the President of TAC East Holdings Company No. 1 to execute a second modification of lease to C.J. Tex-Corp, L.L.C. (Successor in Interest to Eagle Cutting & Supply, L.L.C.) to change the legal name of the company and to move the optioned bunkers to the west of Orange street, in Area V.**

4. Adjournment.

TAC EAST HOLDINGS COMPANY NO. 1 A TEXAS NON-PROFIT CORPORATION

MEETING MINUTES AUGUST 25, 2020

AUGUST 25, 2020– 12:30 P.M. or upon adjournment of the Meeting of the Board of Directors of TexAmericas Center on said date and location, whichever is the later to occur.

NEW BOSTON, TX
11 CHAPEL LANE, SUITE B
NEW BOSTON, TX 75570

The Board of Directors of TAC East Holdings Company No. 1 met to conduct business at the above stated date, time and location via conference call.

1. The meeting was called to order at 1:21 p.m. by Denis Washington, Chairman of the Board, who certified that the meeting was properly posted, being held in accordance with the Texas Open Meetings Act and that a quorum was present.
2. Directors, Officers and Others in Attendance by roll call were:

Denis Washington	Ben King	Jimmy Howell	William Scott Norton
Wes Jordan	Marla Byrd	Eric Voyles	Jeff Whitten
Jim Roberts			
3. Considered and Took Action on:
 - A. Approved Minutes from July 28, 2020 Board Meeting. A motion was made Ben King and seconded by Jimmy Howell. The motion carried unanimously by voice vote.
 - B. Denis R. Washington and William Scott Norton discussed with the Board of Directors that the Officer position of Secretary of the Board was vacant due to the resignation of Boyd Sartin. Denis Washington called for nominations. A motion was made by William Scott Norton and seconded by Jimmy Howell to appoint Ben King as Secretary of the Board. Hearing no other nominations, the motion carried unanimously by voice vote.
 - C. **Resolution #20200825-01 TAC East Holdings Company No. 1, A Texas non-profit corporation** – Authorizing the acceptance by TAC East Holdings Company No. 1 of Property from TexAmericas Center. A motion was made by Jimmy Howell and seconded by Ben King. The motion carried unanimously by voice vote.

With no other business to discuss, a motion was made by Ben King and seconded by Jimmy Howell to adjourn the meeting at 1:24 p.m. The motion carried unanimously by voice vote.

The above and foregoing minutes of the TAC EAST HOLDINGS COMPANY NO. 1 Board of Directors meeting, August 25, 2020 were read and approved on September 22, 2020.

Ben King, Secretary of the Board

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20200922-01

ADOPTING FISCAL YEAR 2020 REVISED BUDGET

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 Board of Directors deems it necessary to revise the annual budget and program of services, which provide for the fiduciary responsibility of TAC EAST HOLDINGS COMPANY NO. 1 funds; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the revised Fiscal Year 2020 budget is adopted.

PASSED AND APPROVED THIS 22nd day of September, 2020.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20200922-02

ADOPTING FY21 BUDGET

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, the requirement for a comprehensive budget for all activities for the Corporation are prudent and lawful to fulfill the fiduciary responsibility of the Board of Directors; and

NOW, THEREFORE, be it resolved by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the attached Fiscal Year 2021 budget is adopted as the budget for TAC EAST HOLDINGS COMPANY NO. 1.

PASSED AND APPROVED THIS 22nd day of September, 2020.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: FY 2021 Budget

TAC East Holdings Company No. 1

FY20 Budget Amendment

FY21 Proposed Budget

	FY20 Original Budget	FY20 Increase(Decrease)	FY20 Amended Budget	FY21 Budget
Ordinary Income/Expense				
Income				
43010 - Leases	387,676	60,000	447,676	450,000
Total Income	<u>387,676</u>	<u>60,000</u>	<u>447,676</u>	<u>450,000</u>
Expense				
Management Fees	624,058	(200,000)	424,058	351,208
Contribution to TexAmericas Center	-	-	-	
Total Expense	<u>624,058</u>	<u>(200,000)</u>	<u>424,058</u>	<u>351,208</u>
Net Income	<u>(236,382)</u>	<u>260,000</u>	<u>23,618</u>	<u>98,792</u>

TAC East Holdings Company No. 1

FY20 Budget Amendment FY21 Proposed Budget

<u>Management Fees FY20</u>	
Payroll	\$ 350,000.00
Preventative Maintenance	\$ 44,267.55
Insurance	\$ 1,500.00
Legal	\$ -
Utilities	\$ -
Accounting	\$ 4,000.00
Auditing	\$ 6,114.00
Misc Charges/Transfer	\$ 18,176.45
Total	<u>\$ 424,058.00</u>

<u>Management Fees FY21</u>	
Payroll	\$ 249,478.91
Preventative Maintenance	\$ 45,000.00
Insurance	\$ 20,000.00
Legal	\$ 10,000.00
Utilities	\$ 2,000.00
Accounting	\$ 4,000.00
Auditing	\$ 10,500.00
Misc Charges/Transfer	\$ 340,978.91
Mgmt Fees	<u>\$ 10,229.37</u>
	<u>\$ 351,208.28</u>

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20200922-03

**RESOLUTION AUTHORIZING THE PRESIDENT OF TAC EAST HOLDINGS COMPANY NO. 1
TO EXECUTE AN EASEMENT AGREEMENT (ELECTRICAL UTILITIES) ON TEXAMERICAS
CENTER-EAST CAMPUS TO SWEPCO**

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 contacted SWEPCO to seek an easement for land upon TexAmericas Center-East to serve existing customers; and

WHEREAS, it has now been determined that it is in the best interest of TAC EAST HOLDINGS COMPANY NO. 1 to provide said access easement as described on the attached easement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors that the Board of TAC EAST HOLDINGS COMPANY NO. 1 approves the adoption of the attached Right of Way and Easement; and

BE IT FURTHER RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the President shall be and he is hereby authorized to execute an Easement Agreement (Electrical Utilities) in substantially the same terms as attached hereto.

PASSED and APPROVED this 22nd day of September, 2020.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: Easement Agreement

**RIGHT OF WAY AND EASEMENT
(ELECTRIC)**

STATE OF TEXAS

COUNTY OF BOWIE

GRANTOR, TAC East Holdings Company No. 1, 107 Chapel Lane New Boston Bowie County, TX in consideration of one dollar, paid, and other good and valuable considerations, receipt of which is acknowledged, have and by these presents do grant and convey unto GRANTEE, Southwestern Electric Power Company (hereinafter referred to as "Grantee") a Delaware corporation whose address is 428 Travis Street P.O. Box 21106 Shreveport, LA 71156, its associated and allied companies and their respective successors and assigns, herein referred to as GRANTEE, a perpetual non-exclusive right of way and easement thirty feet (30') feet in width over and across the following described property (Easement Property):

With the right to construct, reconstruct, repair, replace, change the size and capacity of, modify, operate, maintain, inspect, and remove, a line or lines of underground and/or overhead facilities, including, but not limited to, poles, structures, wires, cables, conduits, guys, anchors, and other fixtures and equipment as the GRANTEE may from time to time require for the distribution of electric current, together with the right of ingress and egress to said right of way and easement at all times with equipment and personnel across GRANTOR'S lands for the purpose of constructing, operating and maintaining said lines and related facilities and making all necessary repairs, alterations or removal of any of its property placed thereon, provided that GRANTEE shall repair, replace, or pay for actual damages which may be the result of construction, maintenance and operation of its facilities. This Easement is subject to the following additional terms:

1. GRANTOR shall not construct nor permit to be constructed, any structure or building of any type or nature on the said easement right of way that would prevent the use or endanger the said facilities or that would cause a violation of the National Electric Safety Code.
2. The GRANTEE may trim, treat, cut down, or remove any trees, growth and vegetation within the right of way which may interfere with GRANTEE'S lines and other facilities without incurring damages for property destruction or damage; provided, however, Grantee may not use aerial application of herbicides or other chemicals to treat such vegetation. Grantee shall promptly remove any and all cuttings and debris from the Easement Property.
3. GRANTEE will use reasonable efforts to avoid damage to GRANTOR'S property, and shall compensate GRANTOR for (or, at GRANTEE'S election, shall have repaired or replaced) damages caused to fences, gates or other personal property of Grantor, and others, as a result of activities undertaken by GRANTEE or on GRANTEE'S behalf pursuant to this Agreement. GRANTEE shall restore lawn areas removed or damaged in the Easement Property during activity by or on behalf of GRANTEE by seeding or replacement with like sod.
4. The easement is nonexclusive. GRANTOR reserves for GRANTOR and GRANTOR'S Successors and assigns the right use all or part of the Easement Property in conjunction with Grantee

as long as such use by GRANTOR and GRANTOR'S successors and assigns does not interfere with the use of the Easement Property by Grantee for the stated purposes, and the right to convey to others the right to use all or part of the Easement Property in conjunction with GRANTEE as long as such further conveyance is subject to the terms of this agreement.

5. This easement is granted and conveyed subject to existing utility lines, roadways and rail lines, if any, and to the rights of the holders and/or owners of such utility lines, roadways and rail lines to upgrade, modify, expand and/or relocate said utility lines, roadways and rail lines within the Easement Property.

6. GRANTOR further reserves for GRANTOR and GRANTOR'S successors and assigns the right to require GRANTEE to relocate its utility lines and facilities provided that the parties first reach a reasonable accommodation as to the expense to do so.

7. This agreement will be construed under the laws of the State of Texas, without regard to choice-of-law rules of any jurisdiction. Venue shall be in Bowie County, Texas.

8. GRANTEE agrees to and shall indemnify GRANTOR, its successors and assigns, from and against any and all damages and claims including but not limited to the attorney's fees, costs and expenses incurred by GRANTOR to defend against such claims, arising out of or related to GRANTEE'S use of the right -of- way and easement.

9. GRANTOR makes no warranties or representations that GRANTOR is the fee owner of the Easement Property and GRANTEE takes title to said easement solely at its own risk and subject to any and all encumbrances to title, including but not limited to any and all existing easements (both visible and those of record) and any and all surface and/or mineral leases on the Easement Property; should title fail, GRANTOR shall not be required to return any consideration paid by GRANTEE for said easement.

10. Upon abandonment of use of this easement, or cessation of use for a period of six (6) months, this easement shall terminate, GRANTEE shall remove all its property from the Easement Property, and shall execute a Release of its rights under this easement document.

To have and hold the above described easement and rights unto the GRANTEE, its successors and assigns, forever or until said right of way and easement is finally abandoned.

Executed this _____ day of _____, 20____.

WITNESS:

TAC EAST HOLDINGS COMPANY NO. 1

By: _____
William Scott Norton, President

STATE OF TEXAS

COUNTY OF BOWIE

This instrument was acknowledged before me on the _____ day of _____, 20__ by William Scott Norton, President of TAC East Holdings Company No. 1, a Texas Non-Profit Corporation, on behalf of TAC East Holdings Company No. 1.

Notary Public, State of Texas

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20200922-04

**A RESOLUTION AUTHORIZING PRESIDENT TO EXECUTE LEASE ADDENDUMS
INCORPORATING PILOT PAYMENT PROVISIONS**

WHEREAS, TAC East Holdings Company No. 1 is a Texas non-profit corporation and title holding company authorized by Texas law; and

WHEREAS, since its origination and receipt of property from TexAmericas Center, TAC East Holdings Company No. 1 has entered into numerous leases upon properties owned by it, which leases provide that the Tenants pay the real property taxes upon their leasehold interests; and

WHEREAS, by Senate Bill 579 of the 86th Regular Session of the Texas Legislature, the Legislature exempted from taxation a leasehold or other possessory interest granted to a person or entity by TAC East Holdings Company No. 1; and

WHEREAS, TAC East Holdings Company No. 1 has previously adopted a policy regarding the implementation of a Payment in Lieu of Taxes (PILOT) Program; and

WHEREAS, a number of the leases executed prior to January 1, 2020, do not contain provisions for the exemption of taxes and imposition of the PILOT Program; and

WHEREAS, it is in the best interest of TAC East Holdings Company No. 1 and the Taxing jurisdictions in Bowie County, Texas, to implement the PILOT Program for all property owned and leased by TAC East Holdings Company No. 1;

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Lease Modification form implementing the PILOT Program attached hereto is approved for use by TAC East Holdings Company No. 1 to implement the PILOT Program upon all properties leased to Tenants of TAC East Holdings Company No. 1;
2. The President of TAC East Holdings Company No. 1 shall be and he is hereby authorized to negotiate modification of leases which do not have provisions for the PILOT Program to include the terms of the PILOT Program provisions set forth in the attached form and to execute said Lease Amendments without further presentation of the Amendments to the Board of Directors; and

3. The President shall use the attached Modification of Lease form in substantially the form approved hereby, but may make changes to the exact text provided said changes to not conflict with the intent of the stated language.

PASSED and APPROVED this 22nd day of September, 2020.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: Modified Lease Template

**MODIFICATION AND EXTENSION OF LEASE
(BUILDING_____)**

1. Parties.

The parties to this Agreement are TAC East Holdings Company No. 1, hereinafter the Landlord, and _____, hereinafter the Tenant.

2. Current Lease.

Landlord and Tenant entered into a Lease Agreement dated the ___ day of _____, 20___, for property located at _____, _____, Texas, said Lease having been amended to have an extended termination date of _____.

3. Modification Terms. The Lease is modified as follows:

A. Section _____ is amended to read as follows:

____ If Tenant's leasehold interest in the Premises is, or hereafter becomes subject to real property taxes, Tenant will pay in full all real-property taxes, special assessments, and governmental charges of any kind imposed on the premises or leasehold interest in the Premises commencing on the first day of the lease term and continuing through the end of the calendar year in which the term ends, including any special assessments imposed on or against the premises for constructing or improving public works. This additional rent is payable directly to the entity imposing the tax, assessment, or charge at least 30 days before the date payment is due. Tenant will provide Landlord with a receipt or other evidence of payment for each tax, assessment, or charge paid as soon as a receipt or other evidence is available to Tenant, but not later than the date payment is due. Payments required by this Section are in addition to the fixed rent specified in this Lease Agreement.

B. A new Section _____ is added to the Lease to read as follows:

____ Tenant Payment in Lieu of Taxes (PILOT). If Tenant's leasehold interest in the Premises is or hereafter becomes exempt from real property taxes, Tenant shall pay to Landlord annually a payment in lieu of taxes (PILOT) in an amount as agreed by Landlord and Tenant; provided, however, that said PILOT shall not exceed the amount that Tenant would be required to pay in real property taxes if the leasehold interest were not exempt. If Landlord and Tenant are not able to agree upon the amount of the PILOT within ninety (90) days after the leasehold interest becomes exempt from taxes, the amount of the PILOT shall be an amount equal to ninety percent (90%) of what the real property taxes would be if the leasehold interest were not exempt. Landlord and Tenant shall document the agreement regarding the PILOT as an amendment to this Lease Agreement. The agreement may be for a single year, or multiple years, and may, or may not, provide for an adjustment of the PILOT periodically. If at any time the PILOT agreement of the parties lapses, expires or is terminated pursuant to its terms, and the leasehold interest is exempt from real property taxes, Tenant shall pay to Landlord annually a PILOT in an amount equal to ninety percent (90%) of what the real property taxes would be if the leasehold interest were not

exempt. PILOT payments shall be payable to Landlord on or before January 31 of each year. Payments required by this Section are in addition to the fixed rent specified in this Lease Agreement.

C. Section _____ of the Lease is hereby deleted and replaced with the following new Section _____:

____ Ad Valorem Tax/PILOT Deposit. Upon execution of this Lease, Tenant shall deposit the sum of \$_____ with Landlord as an Ad Valorem Tax/PILOT Deposit. Said deposit shall not accrue interest. Landlord may upon expiration or termination of this Lease use the deposit to pay the taxes actually due, or hold for payment of, estimated ad valorem taxes due or to become due upon the leased premises and for which Tenant is responsible under the Terms of this Lease. Provided, Tenant pays all ad valorem taxes for which Tenant is responsible under this Lease, the deposit shall be refunded to Tenant at the address Tenant has given to Landlord for this specific purpose. If taxes have not been assessed and levied for the year in which this Lease expires or is terminated, Landlord may hold the deposit until said taxes have been determined; and, if Tenant does not pay said taxes at least 30 days before delinquency, Landlord may apply the deposit to the taxes due. Nothing in this subsection shall relieve Tenant of its obligation to pay ad valorem taxes upon the leased premises prior to delinquency as provided elsewhere in this Lease. In the event the Premises are exempt from real property taxes, the Ad Valorem/PILOT Deposit may be applied to any deficiency or default in payment of the PILOT as provided for in Section _____ of this Lease.

4. Continuation of Lease Terms.

Except for the modifications and extensions made in this Modification and Extension Agreement, and all prior modifications which are not changed by this Agreement, all provisions of the Lease Agreement will continue in full force and effect.

EXECUTED as of this the ____ day of _____, 20__.

TAC EAST HOLDINGS COMPANY NO. 1

By: _____
William Scott Norton, President

By: _____
Name: _____
Title: _____

**TAC EAST HOLDINGS COMPANY NO. 1
A TEXAS NON-PROFIT CORPORATION**

RESOLUTION NO. 20200922-05

**RESOLUTION AUTHORIZING THE PRESIDENT OF TAC EAST HOLDINGS COMPANY NO. 1
TO EXECUTE A SECOND MODIFICATION OF BUNKER-IGLOO-MAGAZINE LEASE TO
CHANGE THE LEGAL NAME OF THE COMPANY AND TO MOVE THE OPTIONED BUNKERS
TO THE WEST OF ORANGE STREET, IN AREA V TO C.J. TEX-CORP, L.L.C. AND DAN S.
MILLER, OWNER**

WHEREAS, TAC EAST HOLDINGS COMPANY NO. 1 is a Texas Non-Profit Corporation; and

WHEREAS, C.J. Tex-Corp, L.L.C. (Successor in Interest to Eagle Cutting & Supply, L.L.C.) and Dan S. Miller, Owner (Guarantor) contacted TAC EAST HOLDINGS COMPANY NO. 1 to seek a Second Modification of Bunker-Igloo-Magazine Lease to change the legal name of the company and to move the optioned bunkers to the west of Orange street, in Area V; and

WHEREAS, the parties have come to the attached terms of agreement for said modification of lease;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the President of TAC EAST HOLDINGS COMPANY NO. 1 shall be and he is hereby authorized to execute the attached modification of lease in substantially the same form; and

BE IT FURTHER RESOLVED, by the Board of Directors of TAC EAST HOLDINGS COMPANY NO. 1 that the Company appreciates the collaborative effort of C.J. Tex-Corp, L.L.C. and Dan S. Miller, Owner, to negotiate this lease as well as to continue its business operations, preserve existing jobs and contribute to the tax base in Bowie County, Texas.

PASSED AND APPROVED THIS 22nd day of September, 2020.

Denis R. Washington, Chairman of the Board

ATTEST:

Ben King, Secretary of the Board

Attached: Second Modification of Bunker/Igloo/Magazine Lease