

NOTICE OF PUBLIC MEETING



APRIL 27, 2021 AT 12:00 P.M.

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

Persons wishing to attend the TexAmericas Center 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 TexAmericas Center will meet to conduct business at the above time and location via conference call.

AGENDA

1. Reflection.
2. Call to Order.
3. Roll Call of Directors.
4. Public Comment Period for Non-Agenda Items. Comments are limited to five minutes.
5. Public Comment Period for Agenda Items. Comments are limited to five minutes.
6. Hear and discuss reports from the standing Committees of TexAmericas Center. Committees that met since the last board meeting are:
 - a. Investment/Finance
7. Consent Agenda:
 - a. Approve Minutes of Board Meeting from March 23, 2021
 - b. Approve Check Book Register and Deposit Summary from March 19, 2021 – April 22, 2021.
8. Report regarding regional water.
9. Consider and take action upon **Resolution #20210427-01 accepting the Fiscal Year 2020 Auditor's Report.**

10. Consider and take action upon **Resolution #20210427-02 approving the TexAmericas Center Investment Policy.**
11. Consider and take action upon **Resolution #20210427-03 approving the Revised Hunting License Agreement with Kingwood Forestry Services, Inc., for Hunting Services.**
12. Consider and take action upon **Resolution #20210427-04** authorizing the Executive Director/CEO **to execute a new lease agreement with Runnin' WJ Ranch for hardstand space at 200 Denton Street, Unit B, Hooks, TX 75561, upon TexAmericas Center-East Campus.**
13. Consider and take action upon **Resolution #20210427-05** authorizing the Executive Director/CEO **to execute a license agreement for use of the baseball/softball field near the old main gate to the former Lone Star Army Ammunition Plant to the Mudcats.**
14. Consider and take action upon **Resolution #20210427-06** authorizing the Executive Director/CEO **to execute a fourth modification and extension with Bristol General Contractors, LLC for trailer space at 180 Arkansas Avenue, Lot C, and laydown yard at 171 Arkansas Avenue, New Boston, TX 75570.**
15. Consider and take action upon **Resolution #20210427-07** authorizing the Executive Director/CEO **to execute Addendum Number One to the Pipeline Development Agreement and A Right of Way and Easement for the Development of a Natural Gas Pipeline System along Oak Street upon the TAC East Campus by Navitas Utility Texas, LLC and Navitas Utility Corporation.**
16. Consider and take action upon **Resolution #20210427-08** authorizing the Executive Director/CEO **to execute a Professional Services Agreement with Pacheco Koch Consulting Engineers, Inc. for professional engineering services for FY21.**
17. Consider and take action upon **Resolution #20210427-09** authorizing the Executive Director/CEO **to execute a Professional Services Agreement with Lockwood, Andrews & Newnam, Inc. for professional engineering services for FY21.**
18. Consider and take action upon **Resolution #20210427-10** authorizing the Executive Director/CEO **to execute a Professional Services Agreement with Halff Associates, Inc. for professional engineering services for FY21.**
19. Staff Reports:
 - a. Executive Director/CEO Report
 - b. Executive Vice President/CEDO Report
 - c. Executive Vice President/COO Report
 - d. Vice President of Logistics Report
 - e. Vice President of Finance Report
20. Adjourn to Executive Session pursuant to the following Sections:
 - a. Section 551.071 of the Texas Government Code; Consultation with attorney regarding legal issues relating to pending or contemplated litigation.
 - b. Section 551.072 of the Texas Government Code; Deliberation of the purchase, exchange, lease, or value of real property.
 - c. Section 551.074 of the Texas Government Code; Personnel Matters.

d. Section 551.087 of the Texas Government Code; Deliberation regarding Economic Development Negotiations.

21. Reconvene in Open Session.

22. Adjournment.



Investment & Finance Committee Minutes

Thursday, April 22, 2021
9:00 a.m.

The Investment & Finance Committee of TexAmericas Center Board of Directors met to conduct business at 107 Chapel Lane, New Boston, TX 75570 on the date and time listed above via conference call.

Committee Members, Staff and Others in Attendance by roll call were:

Tim Ketchum	Kevin Avery	Fred Meisenheimer	Ben King
Scott Norton	John Moran	Holly Sleek	Marla Byrd
Mason Andres	Cody Tilley		
<small>Thomas & Thomas, PLLC</small>	<small>Thomas & Thomas, PLLC</small>		

Committee Members Absent by roll call were:

Gabe Tarr Denis Washington

1. Fred Meisenheimer called the meeting to order at 9:06 a.m.
2. Considered and took action to approve the Minutes from February 11, 2021 Committee Meeting. A motion was made by Kevin Avery and seconded by Fred Meisenheimer. The motion carried unanimously by voice vote.
3. Mason Andres with Thomas & Thomas, PLLC presented the Final Auditor's Report and Financial Statements for FY 2020. A motion was made by Kevin Avery and seconded by Fred Meisenheimer to recommend approval of Final Auditor's Report and Fiscal Year End 2020 Financial Statements to the Board of Directors. The motion carried unanimously by voice vote.
4. Scott Norton led a discussion explaining the need for the one revision to the Investment Policy. A motion was made by Fred Meisenheimer and seconded by Kevin Avery to revise the Investment Policy to replace Controller with Vice President of Finance as Investment Officer and recommend revision to the Board of Directors. The motion carried unanimously by voice vote.
5. With no other business to discuss, a motion was made by Ben King and seconded by Fred Meisenheimer to adjourn the meeting at 9:28 a.m. The motion carried unanimously by voice vote.



MINUTES

The Board of Directors of TexAmericas Center met to conduct business at 11 Chapel Lane, Suite B, New Boston, TX 75570 via conference call on Marcy 23, 2021.

1. The Reflection was led by Scott Norton.
2. Jim Roberts, Chairman of the Board call the meeting to order at 12:05 p.m., certifying the meeting was properly posted, being held in accordance with the Texas Open Meetings Act and that quorum was present.

3. **Directors in Attendance by roll call were:**

Jimmy Howell	Craig McDuffie	Ron Collins	Marc Reiter
Jim Roberts	Steve Mayo	Tim Ketchum	Kevin Avery
Steven Seals	Ben King	Denis Washington	Fred Meisenheimer
Gabe Tarr			

Directors Absent by roll call were:

Justin Powell	Fred Norton
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Staff and others in attendance by roll call were:

Scott Norton	Marla Byrd	Jeff Whitten	Eric Voyles
John Moran	John Sesler	Wes Jordan	Don Morriss
		Jordan Law Firm	Offenhauser & Co. Insurance
Chad Duffer	Kyle Dooley	James Carlow	Judge Bobby Howell
Conner & Duffer Insurance	Riverbend WRD	Visitor	Bowie County Judge

4. Jim Roberts called for Public Comments for Non-Agenda Items. Comments are limited to five minutes. None Noted.
5. Jim Roberts called Public Comments for Agenda Items. Comments are limited to five minutes. None Noted.
6. Jim Roberts called for reports from the standing Committees of TexAmericas Center. Committees that met since the last board meeting were:

- a. Executive

There were no additional comments noted in addition to the minutes provided in the board packet.

7. A motion was made by Denis Washington and seconded by Ben King to approve the items listed under the Consent Agenda. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote. Those items were:
 - a. Approved Minutes of Board Meeting from February 23, 2021
 - b. Approved Check Book Register and Deposit Summary from February 19, 2021 – March 18, 2021.
 - c. Considered and took action upon **Resolution #20210323-01 authorizing the Executive Director/CEO to execute a non-exclusive listing agreement with Gerald Haire Realty.**
8. Kyle Dooley, Executive Director/CEO of Riverbend Water Resources District provided a report regarding regional water.
9. Considered and took action upon **Resolution #20210323-02** authorizing the Executive Director/CEO **to execute or amend contracts for purchase of insurance with Conner and Duffer through Travelers or its affiliates to cover related aspects of TexAmericas Center Operations not to exceed \$314,345.00.** Chad Duffer with Conner and Duffer Insurance and Don Morriss with Offenhauser & Co. Insurance gave a brief presentation. A motion was made by Gabe Tarr and seconded by Denis Washington. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
10. Considered and took action upon **Resolution #20210323-03** authorizing the Executive Director/CEO to amend the Personnel Policy Manual. A motion was made by Craig McDuffie and seconded by Ben King. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
11. Considered and took action upon **Resolution #20210323-04 Terminating Delegation of Financial Authority to the Controller.** A motion was made by Denis Washington and seconded by Ben King. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
12. Considered and took action upon **Resolution #20210323-05 Delegating Financial Authority to the Vice President of Finance.** A motion was made by Craig McDuffie and seconded by Denis Washington. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
13. Considered and took action upon **Resolution #20210323-06** authorizing the Executive Director/CEO **to execute the Department of Commerce’s Economic Development Administration for Public Works and Economic Adjustment Assistance Programs Grant.** A motion was made by Ben King and seconded by Craig McDuffie. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.

Jimmy Howell left the meeting/call at 12:31 p.m.

14. Considered and took action upon **Resolution #20210323-07** authorizing the Executive Director/CEO **to execute a lump sum contract with AX’EM Timber Services, Inc. for forest products upon Pit Road on TAC-East Campus.** A motion was made by Denis Washington and seconded by Ben King. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.

15. Considered and took action upon **Resolution #20210323-08** authorizing the Executive Director/CEO to execute a lump sum contract with AX'EM Timber Services, Inc. for forest products upon Dip Road on TAC East Campus. A motion was made by Craig McDuffie and seconded by Denis Washington. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
16. Considered and took action upon **Resolution #20210323-09** authorizing the Executive Director/CEO to execute a new industrial lease with Woodfield, Inc. for office and storage space at 125 Austin Street, Hooks, TX 75561 upon TexAmericas Center-East Campus. A motion was made by Craig McDuffie and seconded by Ben King. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
17. Considered and took action upon **Resolution #20210323-10** authorizing the Executive Director/CEO to execute a license agreement to use designated property upon the TAC-East campus, Hooks, TX 75561 to Expansion Industries LLC. A motion was made by Denis Washington and seconded by Kevin Avery. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
18. Considered and took action upon **Resolution #20210323-11** authorizing the Executive Director/CEO to execute a license agreement for inhabited buildings restricted area upon the TAC-East campus, Hooks, TX 75561 to Expansion Industries LLC. A motion was made by Denis Washington and seconded by Ben King. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.
19. Staff Reports:
 - a. Scott Norton provided the Executive Director/CEO Report.
 - b. Eric Voyles provided the Executive Vice President/CEDO Report. Provided link to spec building website and videos. <https://tacspebuilding.com/>
 - c. Jeff Whitten provided the Executive Vice President/COO Report. MW Builders to host BBQ lunch. Details to come.
 - d. John Sesler provided the Vice President of Logistics Report.
 - e. John Moran provided the Vice President of Finance Report.
20. There was no Executive Session; therefore, the meeting remained in Open Session.

With no other business to discuss, a motion was made by Craig McDuffie and seconded by Ben King to adjourn the meeting at 1:08 p.m. Jim Roberts called for votes by roll call by each director in attendance. Each director voted yes. The motion carried unanimously by voice vote.

The above and foregoing minutes of the TexAmericas Center Board of Directors meeting, March 23, 2021 were read and approved on April 27, 2021.

Denis Washington, Secretary

TexAmericas Center
Check Register
March 19, 2021 - April 22, 2021

Type	Date	Num	Name	Memo	Deposits	Payments
Check	03/19/2021	EFT	Regions	Credit Card		635.80
Check	03/19/2021	EFT	Regions	Credit Card		642.76
Deposit	03/22/2021			Deposit	3,220.40	
Check	03/23/2021	EFT	Regions	Credit Card		2,069.57
Check	03/23/2021	EFT	Regions	Credit Card		152.26
Check	03/23/2021	EFT	Regions	Credit Card		828.64
Liability Check	03/25/2021		QuickBooks Payroll Service	Payroll		28,298.32
Liability Check	03/26/2021	E-pay	United States Treasury	Payroll Liability		12,130.76
Liability Check	03/26/2021	EFT	InWest Retirement Solutions	Retirement		6,827.20
Deposit	03/29/2021			Deposit	445,717.74	
Deposit	03/29/2021			Deposit	62.79	
Check	03/31/2021	18533	Olvera Reforestation Services, LLC	Refund remaining security deposit		31.21
Check	03/31/2021	18534	Koworth Capital, LLC	Refund for lease overpayment		140.00
Liability Check	04/02/2021		QuickBooks Payroll Service	Payroll		2,969.68
Bill Pmt -Check	04/05/2021	18535	AEP SWEPCO	Utilities		1,731.22
Bill Pmt -Check	04/05/2021	18536	American United Life Insurance Company	Insurance		1,537.69
Bill Pmt -Check	04/05/2021	18537	Bumper to Bumper	Equipment Maintenance		329.08
Bill Pmt -Check	04/05/2021	18538	Cintas Corp #197	Uniforms		144.30
Bill Pmt -Check	04/05/2021	18539	Colonial Life	Insurance		326.78
Bill Pmt -Check	04/05/2021	18540	Commercial Lighting Company	Supplies		365.17
Bill Pmt -Check	04/05/2021	18541	Conner & Duffer Insurance Agency	Insurance		78,587.00
Bill Pmt -Check	04/05/2021	18542	Cooper Cleaning Service, LLC	Janitorial		1,200.00
Bill Pmt -Check	04/05/2021	18543	Defense Finance and Accounting Services	Utilities		294.60
Bill Pmt -Check	04/05/2021	18544	Federal Express	Shipping		66.40
Bill Pmt -Check	04/05/2021	18545	France Publications, Inc.	Advertising		155.00
Bill Pmt -Check	04/05/2021	18546	Hooks Tire Service	Vehicle Repairs		20.00
Bill Pmt -Check	04/05/2021	18547	Jordan Law Firm, L.L.P.	Legal Services		8,759.05
Bill Pmt -Check	04/05/2021	18548	Moran, John	Moving Reimbursement		320.00
Bill Pmt -Check	04/05/2021	18549	OilCo Distributing LLC	Fuel		256.41
Bill Pmt -Check	04/05/2021	18550	Superior Vision of Texas	Insurance		125.70
Bill Pmt -Check	04/05/2021	18551	Thomas & Thomas PLLC	Auditing		5,025.00
Bill Pmt -Check	04/05/2021	18552	Transamerica Employee Benefits	Insurance		329.62
Bill Pmt -Check	04/05/2021	18553	Vinson & Elkins, LLP	Legal Services		44,205.68
Bill Pmt -Check	04/05/2021	18554	Waste Management	Waste Management		873.22
Bill Pmt -Check	04/05/2021	18555	Workforce Solutions of Northeast Texas	Sponsorship		1,200.00
Check	04/06/2021	EFT	Wright Express	Fuel		655.46
Liability Check	04/08/2021		QuickBooks Payroll Service	Payroll		28,197.72
Liability Check	04/08/2021	E-pay	United States Treasury	Payroll Liability		1,610.64
Liability Check	04/08/2021	E-pay	United States Treasury	Payroll Liability		12,234.62
Liability Check	04/08/2021	EFT	InWest Retirement Solutions	Retirement		9,023.07
Check	04/12/2021	EFT	Regions	Credit Card		4,507.67
Liability Check	04/13/2021		QuickBooks Payroll Service	Payroll		77.32
Liability Check	04/13/2021	EFT	InWest Retirement Solutions	Retirement		1,475.00
Bill Pmt -Check	04/15/2021	18556	Airgas USA, LLC	Supplies		41.62
Bill Pmt -Check	04/15/2021	18557	Ameritas	Insurance		580.00
Bill Pmt -Check	04/15/2021	18558	Bowie County	Insurance		14,290.78
Bill Pmt -Check	04/15/2021	18559	Bumper to Bumper	Equipment Maintenance		244.52
Bill Pmt -Check	04/15/2021	18560	Chartwell Agency	Marketing		4,000.00
Bill Pmt -Check	04/15/2021	18561	Cintas Corp #197	Uniforms		35.00
Bill Pmt -Check	04/15/2021	18562	Conterra Networks	Telephone & Internet		1,501.74
Bill Pmt -Check	04/15/2021	18563	CoStar Realty Information, Inc.	Marketing		502.20
Bill Pmt -Check	04/15/2021	18564	Datacast, Inc.	Computer		1,396.25
Bill Pmt -Check	04/15/2021	18565	Defense Finance and Accounting Services	Utilities		422.16

**TexAmericas Center
Check Register
March 19, 2021 - April 22, 2021**

Bill Pmt -Check	04/15/2021	18566	France Publications, Inc.	Advertising	1,700.00
Bill Pmt -Check	04/15/2021	18567	Holliday, Lemons & Cox, P.C.	Accounting	10,647.50
Bill Pmt -Check	04/15/2021	18568	Kingwood Forestry Services, Inc.	Timber Management Fees	30,964.22
Bill Pmt -Check	04/15/2021	18569	Krause Service Company	Area D 556 Elm	800.00
Bill Pmt -Check	04/15/2021	18570	Madison Services, Inc.	Mowing	2,891.82
Bill Pmt -Check	04/15/2021	18571	Main Street Texarkana	Sponsorship	100.00
Bill Pmt -Check	04/15/2021	18572	McWilliams & Associates	Consulting	3,333.33
Bill Pmt -Check	04/15/2021	18573	Mountain Valley of Texarkana, Inc	Supplies	105.00
Bill Pmt -Check	04/15/2021	18574	NAACP Texarkana Texas Branch	Sponsorship	500.00
Bill Pmt -Check	04/15/2021	18575	Nutrien Ag Solutions	Forestry: Herbicide	6,204.80
Bill Pmt -Check	04/15/2021	18576	OilCo Distributing LLC	Fuel	235.10
Bill Pmt -Check	04/15/2021	18577	Riverbend Water Resources District	Utilities	125.00
Bill Pmt -Check	04/15/2021	18578	Texarkana Gazette	Advertising	259.90
Bill Pmt -Check	04/15/2021	18579	Texarkana Tractor	Equipment Maintenance	1,112.54
Bill Pmt -Check	04/15/2021	18580	Verizon	Telephone	454.15
Bill Pmt -Check	04/15/2021	18581	Xerox Corp	Copier	508.55
Deposit	04/15/2021			Deposit	22,702.09
Deposit	04/16/2021			Deposit	14,546.25
Deposit	04/19/2021			Deposit	4,391.17
Check	04/20/2021	EFT	Regions	Credit Card	2,291.73
Deposit	04/20/2021			Deposit	1,968.00
Liability Check	04/21/2021	E-pay	United States Treasury	Payroll Liability	11,776.30
Liability Check	04/21/2021	EFT	InWest Retirement Solutions	Retirement	7,307.30
Check	04/21/2021	EFT	Regions	Credit Card	1,479.53
Liability Check	04/22/2021		QuickBooks Payroll Service	Payroll	27,002.35
Bill Pmt -Check	04/22/2021	18582	Bowie County Citizens Tribune	Advertising	91.20
Bill Pmt -Check	04/22/2021	18583	Cintas Corp #197	Uniforms	35.00
Bill Pmt -Check	04/22/2021	18585	Guaranty Bank & Trust	Interest Payment	8,281.00
Bill Pmt -Check	04/22/2021	18586	Jordan Law Firm, L.L.P.	Legal Services	10,189.85
Bill Pmt -Check	04/22/2021	18587	Superior Vision of Texas	Insurance	97.20
Bill Pmt -Check	04/22/2021	18588	Harris House 360	Advertising	1,152.90



RESOLUTION NO. 20210427-01

ACCEPTANCE OF FISCAL YEAR 2020 AUDITED FINANCIAL STATEMENTS

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, by prior **Resolution #20200728-01** of the Board of Directors, TexAmericas Center hired auditors Thomas & Thomas, PLLC and provided them with the unaudited financial statements of TexAmericas Center for their review, and;

WHEREAS, the auditors, outside accountants and TexAmericas Center staff collaborated to conduct the audit and represent the financial statements, management discussion and analysis, and management representations in accordance with applicable law and regulations (Attached), and;

WHEREAS, the auditors have found no material misstatements in the financial statements.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TexAmericas Center that 2020 Audited Financial Statements are hereby accepted as presented in the attachment hereto. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: FY 2020 Audited Financials

TexAmericas Center Annual Financial Report Fiscal Year 2020

PRESENTED BY: THOMAS & THOMAS CPAS, PLLC



REPORTING MODULE

GOVERNMENT-WIDE REPORTING

Reflects operations on a commercial enterprise basis

Full Accrual Basis of Accounting

Assets depreciated

Debt recorded as a liability

FUND REPORTING

Revenues are recognized when measurable and available

Modified Accrual Basis of Accounting

Capital outlay expensed

Debt payments expensed

REPORT FORMAT

Auditor's Opinion

Management's Discussion & Analysis

Government-Wide Financial Statements

Fund Financial Statements

Notes to the Financial Statements

Other Supplementary Schedules

Report over Internal Controls and Federal Awards

INDEPENDENT AUDITOR'S REPORT – RESPONSIBILITIES

Management's Responsibility

- Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP.

Auditor's Responsibility

- The auditor's responsibility is to express an opinion on the financial statements based on our audit.
- The audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

INDEPENDENT AUDITOR'S OPINION

Opinion

- In our opinion, the financial statements present fairly, in all material respects, the financial position of the Center.

Emphasis of Matter

- Prior-Period Adjustment
- Including TAC East Holdings Company No. 1 as a blended-component unit.

Other Matters

- MD&A
- Budgetary Comparisons

Government-Wide Statement of Net Position

	Governmental Activities
Assets	\$ 54,681,590
Liabilities	811,264
Investment in Capital Assets, Net of Debt	41,421,764
Restricted Net Position	54,128
Unrestricted Net Position	\$ 12,394,434

Government-Wide Statement of Activities

	Governmental Activities
General Revenues	\$ 484,131
Operating Grants & Contributions	1,648,345
Capital Grants & Contributions	414,403
Charges for Services	4,140,402
Total Revenues	6,687,281
Expenses	6,727,063
Increase (Decrease) in Net Position	(39,782)
Net Position – Beginning Reported	53,362,761
Prior Period Adjustment	547,347
Net Position – Beginning, as Restated	53,910,108
Net Position – Ending	\$ 53,870,326

Prior-Period Adjustment

	As Previously Reported	Corrected	As Restated
Property and Equipment:			
Buildings and Improvements	\$25,594,772	\$ 107,989	\$25,702,761
Equipment	926,896	(456,648)	470,248
Accumulated Depreciation, Buildings and Improvements	(15,783,184)	(868,060)	(16,651,244)
Accumulated Depreciation, Equipment	(791,456)	374,254	(417,202)
Net Position:			
Investment in Capital, Net of Debt	39,894,072	(842,465)	39,051,607
TAC East Holdings Company No. 1, Beginning Net Position	-	1,389,812	1,389,812
Total Prior-Period Adjustment	\$39,894,072	\$ 547,347	\$40,441,419

Balance Sheet – Governmental Funds

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets	\$ 13,318,576	\$ 48,519	\$ 13,367,095
Liabilities	710,805	146,112	856,917
Fund Balances	\$ 12,607,771	\$ (97,593)	\$ 12,510,178

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues	\$ 6,590,070	\$ 445,436	\$ 7,035,506
Expenditures	7,501,956	370,035	7,871,991
Net Change in Fund Balances	(911,886)	75,401	(836,485)
Fund Balance – Beginning	13,519,657	(172,994)	13,346,663
Fund Balance – Ending	\$12,607,771	\$ (97,593)	\$ 12,510,178

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Internal Control Over Financial Reporting

- Do not express an opinion
- Identified one significant deficiency
 - 2020-001

Compliance and Other Matters

- No significant deficiencies or material weaknesses

Purpose of this Report

- To describe the scope of our testing of internal control and results of testing

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AS REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Program

Management's Responsibility

- Management is responsible for compliance.

Auditor's Responsibility

- Auditor is responsible for expressing an opinion on compliance.

Opinion on Each Major Federal Program

- The Center complied materially with compliance.

Report on Internal Control Over Compliance

- Identified one significant deficiency
 - 2020-002

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

- We did not identify any deficiencies.

COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE

Qualitative Aspects of Accounting Practices

Accounting Estimates

- Useful lives of depreciable assets

Difficulties Encountered in Performing the Audit

Corrected and Uncorrected Misstatements

Disagreements with Management

Management Representations

Consultations with Other Independent Accountants

Other Audit Findings or Issues

Other Matters

The End

April 20, 2021

Board of Directors
TexAmericas Center

We have audited the financial statements of the governmental activities and each major fund of TexAmericas Center (the Center) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 3, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by TexAmericas Center are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by TexAmericas Center during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of depreciation assets is based on the estimated economical use of the assets. We have evaluated the key assumptions used in determining that the estimated lives are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Center's financial statements taken as a whole.

Significant Audit Matters (Continued)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 20, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to TexAmericas Center's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as TexAmericas Center's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion & analysis and the budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements of net position, combining statements of activities, and schedule of expenditures of federal awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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Board of Directors
TexAmericas Center

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of TexAmericas Center and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,


CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2020

TEXAMERICAS CENTER
FINANCIAL STATEMENTS
SEPTEMBER 30, 2020
(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

TEXAMERICAS CENTER
Annual Financial Report
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
TexAmericas Center
New Boston, TX

We have audited the accompanying financial statements of the governmental activities of TexAmericas Center (the Center), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of TexAmericas Center as of September 30, 2020, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The financial statements of TexAmericas Center as of September 30, 2019 were audited by other auditors whose opinion dated February 28, 2020 on those financial statements was unmodified. As discussed in note M, the Center has restated its September 30, 2019 net position to properly reflect capital assets for additions and dispositions that occurred in previous periods, in accordance with accounting principles generally accepted in the United States of America. Additionally, the current financial statement presentation includes TAC East Holdings Company No. 1 as a blended component unit, and as discussed in note M, the Center has restated its September 30, 2019 net position to include the beginning net position of the component unit. The other auditors reported on the September 30, 2019 financial statements before the restatements.

As part of our audit of the September 30, 2020 financial statements, we also audited the adjustments described in note N that were applied to restate the September 30, 2019 net position. In our opinion such adjustments are appropriate and have been properly applied.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages iii-viii and 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TexAmericas Center's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, on our consideration of TexAmericas Center internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TexAmericas Center's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TexAmericas Center's internal control over financial reporting and compliance



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the TexAmericas Center (TAC), we offer readers of the TexAmericas Center's financial statements this narrative overview and analysis of the financial activities of the TexAmericas Center and its blended component unit, TAC East Holdings Company No. 1 for the fiscal year ended September 30, 2020.

Financial Highlights

- The assets of TAC exceeded its liabilities at the close of the most recent fiscal year by \$53,870,326 (*net position*). Of this amount, \$12,394,434 (*unrestricted net position*) may be used to meet TAC's ongoing obligation to citizens and creditors.
- TAC's total net position decreased by \$39,782.
- As of the close of the fiscal year, TAC's general fund reported an ending balance of \$12,607,771. Approximately 99.6% of this amount, \$12,553,643, is available for spending at TAC's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was 167% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to TAC's basic financial statements. TAC's basic financial statements comprise three components: 1) government-wide statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of TAC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of TAC's assets and liabilities, with the difference between total assets and total liabilities reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of TAC is improving or deteriorating.

The *statement of activities* presents information showing how TAC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave.)

Both of the government-wide financial statements distinguish functions of TAC that are principally supported by intergovernmental revenues (*governmental activities*). The governmental activities of TAC include planning, marketing and development. The government-wide financial statements can be found on pages 1-2 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a TAC's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of TAC's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

TAC maintains two governmental funds, denoted in the financial statements as the "General Fund" and the "Special Revenue Fund." Both funds' information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The general fund is considered to be a major fund of TAC. The special revenue fund is the blended component unit, TAC East Holdings Company No. 1. TAC adopts an annual appropriated budget for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 3-6 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential in obtaining a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 7-18 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of TAC's financial position. In the case of TAC, assets exceeded liabilities by \$53,870,326 as of September 30, 2020.

The largest portion of TAC's net position (\$41,421,764 or 74%), reflects its investment in capital assets (e.g., land and timber, buildings, roads and rail, equipment, and construction in progress), less any debt used to acquire those assets that is still outstanding. TAC uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. Although the TAC's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Condensed financial information from the statements of net position and activities as of September 30, 2020 and September 30, 2019 is as follows:

**TEXAMERICAS CENTER
STATEMENT OF NET POSITION
As of September 30, 2020 and 2019**

	<i>Governmental Activities</i>	
	2020	2019
Cash and Investments	\$ 12,513,752	\$ 14,538,799
Other Assets	746,074	2,700,104
Capital Assets	41,421,764	39,894,072
Total Assets	54,681,590	57,132,975
Other Liabilities	749,648	1,866,642
Long-Term Liabilities	61,616	48,783
Total Liabilities	811,264	1,915,425
Net Position:		
Net Invested in Capital Assets	41,421,764	39,978,445
Restricted	54,128	-
Unrestricted	12,394,434	13,384,316
Total Net Position	\$ 53,870,326	\$ 53,362,761

The balance of unrestricted net assets (\$12,394,434) may be used to meet TAC's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, TAC is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

TAC's net position decreased by \$39,782 during the current fiscal year. A condensed version of the Statement of Activities follows:

**TEXAMERICAS CENTER
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020**

	<i>Governmental Activities</i>	
	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,140,402	\$ 2,125,738
Operating Grants & Contributions	1,648,345	3,094,079
Capital Grants & Contributions	414,403	1,199,864
General Revenues:		
Franchise Fees	157,364	165,724
Investment Earnings	242,418	320,032
Miscellaneous	84,349	9,724
Leased Employee Revenue	-	490,787
Total Revenues	<u>6,687,281</u>	<u>7,405,948</u>
Expenditures:		
Facility Operations & Infrastructure	2,915,453	3,400,008
Real Estate, Marketing, & Sales	941,936	772,765
General Government	1,027,168	838,965
Timber & Hunting	105,449	86,486
ESCA	1,732,539	2,883,296
Logistics	4,518	-
Total Expenditures	<u>6,727,063</u>	<u>7,981,520</u>
Change in Net Position	<u>(39,782)</u>	<u>(575,572)</u>
Net Position-Beginning, as Previously Reported	53,362,761	53,938,273
Prior Period Adjustment	547,347	-
Net Position-Beginning, as Restated	<u>53,910,108</u>	<u>53,938,273</u>
Net Position-Ending	<u>\$ 53,870,326</u>	<u>\$ 53,362,701</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities decreased TAC's net position by \$39,782 during fiscal year ended September 30, 2020. Overall revenues decreased by \$718,667, and expenses decreased by \$1,245,457 from the prior year. Key elements of these changes are as follows:

- Grant revenues decreased by \$2,231,195.
- Interest revenues decreased by \$77,614.
- Miscellaneous revenues increased by \$74,625.
- Facility, operations, and infrastructure expenses decreased by \$484,555.
- Real estate, marketing, and sales expenses increased by \$169,171.
- General government expenses increased by \$188,203.
- ESCA expenses decreased by \$1,150,757,

Financial Analysis of the Governmental Fund

As noted earlier, TAC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of TAC's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing TAC's financing requirements. In particular, unassigned fund balance may serve as a useful measure of TAC's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of TAC. At the end of the current fiscal year, the unassigned general fund balance was \$12,553,643, while the total general fund balance was \$12,607,771. As a measure of the general fund's liquidity, it may be useful to compare both unassigned and total fund balances to total fund expenditures.

The fund balance of the TAC's general fund had a net decrease of \$911,886 during the 2020 fiscal year compared to an increase of \$1,179,131 in 2019.

General Fund Budgetary Highlights

There was an increase of \$1,441,073 in the revenues between the original and final amended budgets. The main changes were a decrease in grant revenues of \$228,596 and increases in leases of \$313,652, timber and hunting of \$125,909, interest of \$135,000, and miscellaneous revenues of \$1,109,109.

During the year, there was a \$2,782,182 increase in the expenditure appropriations between the original and final amended budget. Following are the main components of the increase:

- Facility operations and infrastructure expenditures increased by \$2,340,316.
- Real Estate, marketing and sales decreased by \$335,606.
- ESCA expenditures increased by \$270,013.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

Capital Assets. As of September 30, 2020, TAC had \$41,421,765 invested in capital assets for its governmental activities, net of accumulated depreciation. This investment in capital assets includes land and timber, buildings, roads and rails, equipment, and construction in progress.

**TEXAMERICAS CENTER
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION
As of September 30, 2020 and 2019**

	2020	2019
Governmental Activities:		
Land & Timber	\$ 17,026,456	\$ 16,381,684
Buildings & Improvements	28,780,091	25,679,145
Roads & Rail	19,849,175	19,849,175
Equipment	470,248	926,896
Construction in Process	711,336	181,546
Totals at Historical Cost	66,837,306	63,018,446
Less: Accumulated Depreciation		
Buildings & Improvements	(17,830,901)	(15,783,184)
Roads & Rail	(7,156,464)	(6,465,361)
Equipment	(428,177)	(791,456)
Total Accumulated Depreciation	(25,415,541)	(23,040,001)
Governmental Activities Capital Assets, Net	\$ 41,421,765	\$ 39,978,445

Additional information on TAC and TAC East Holdings Company No. 1’s capital assets can be found in Note E of the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, TAC had long-term accrued compensated absences of \$31,911.

Additional information of the TAC’s long-term debt can be found in Note F on page 16 on this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (*CONTINUED*)

Economic Factors and Next Year's Budget

As part of its transfer agreements with the US Army, the TexAmericas Center (TAC) received several contracts that generated net revenue for TAC in 2020, as well as included provisions for a right of first negotiation on some of the environmental restoration activities, creating a pathway to accelerate redevelopment while simultaneously enhancing revenue. This program function (ESCA) was implemented in 2014.

A Light Manufacturing/Distribution Facility (Spec Building) will be completed in Summer 2021. TAC fully expects that demand for this building will be high, and as a result the facility will produce significant revenues to TAC.

The Army's RCRA (Resource Conservation Recovery Act) Permit is also scheduled to be removed from the TAC East Campus in FY 2021.

TAC is also pursuing several grants to upgrade/rehabilitate the existing rail infrastructure. TAC anticipates that the improved rail infrastructure will promote significant economic opportunities in the future.

Finally, there are no significant changes expected from the current list of tenants that would have a material impact on TAC. While some leases are scheduled to expire this year, a majority are expected to be renewed.

Financial Contact

TAC's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of TAC's finances and to demonstrate TAC's accountability. If you have questions about the report or need additional financial information, please contact Scott Norton, Executive Director/CEO at 107 Chapel Lane, New Boston, Texas, 75570.

FINANCIAL STATEMENTS

TEXAMERICAS CENTER
STATEMENT OF NET POSITION
September 30, 2020

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 8,488,920
Investments - Certificates of Deposit	4,024,832
Accounts Receivable	305,207
Due from U.S. Army - ESCA Grant	319,170
Prepaid Expenses	121,697
Capital Assets, Net:	
Land and Timber	17,026,456
Buildings and Improvements	10,949,190
Road and Rail	12,692,711
Equipment	42,071
Construction in Progress	711,336
Total Assets	54,681,590
Liabilities	
Accounts Payable	144,492
Accrued Liabilities	42,274
Unearned Revenue	324,613
Tenant Lease Deposits	238,269
Noncurrent Liabilities:	
Due Within One Year:	
Accrued Compensated Absences	29,705
Due in More Than One Year:	
Accrued Compensated Absences	31,911
Total Liabilities	811,264
Net Position	
Net Investment in Capital Assets	41,421,764
Unrestricted	12,394,434
Restricted - Other	54,128
Total Net Position	\$ 53,870,326

The notes to the financial statements are an integral part of this statement

TEXAMERICAS CENTER
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental Activities:					
Facility Operations and Infrastructure	\$ 2,915,453	1,034,189	\$ -	\$ 414,403	\$ (1,466,861)
Real Estate, Marketing, and Sales	941,936	2,678,901	-	-	1,736,965
General Government	1,027,168	-	8,683	-	(1,018,485)
Timber & Hunting	105,449	427,312	-	-	321,863
ESCA	1,732,539	-	1,639,662	-	(92,877)
Logistics	4,518	-	-	-	(4,518)
Total Governmental Activities	6,727,063	4,140,402	1,648,345	414,403	(523,913)

General Revenues

Franchise Fees	157,364
Investment Earnings	242,418
Miscellaneous	84,349
Total General Revenues	484,131

Change in Net Position (39,782)

Net Position - Beginning Reported 53,362,761
Prior Period Adjustment 547,347
Net Position - Beginning, as Restated 53,910,108

Net Position - Ending **\$ 53,870,326**

The notes to the financial statements are an integral part of this statement.

**TEXAMERICAS CENTER
BALANCE SHEETS
GOVERNMENTAL FUNDS
September 30, 2020**

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 8,441,074	\$ 47,846	\$ 8,488,920
Investments - Certificates of Deposit	4,024,832	-	4,024,832
Accounts Receivable	304,534	673	305,207
Due from U.S. Army - ESCA Grant	319,170	-	319,170
Due from TAC East Holdings Co.	107,269	-	107,269
Prepaid Expenses	121,697	-	121,697
Total Assets	\$ 13,318,576	\$ 48,519	\$ 13,367,095
Liabilities			
Accounts Payable	\$ 144,492	\$ -	\$ 144,492
Accrued Payroll Liabilities	42,274	-	42,274
Unearned Revenue	324,613	-	324,613
Tenant Lease and Property Tax Deposits	199,426	38,843	238,269
Due to TAC General Fund	-	107,269	107,269
Total Liabilities	710,805	146,112	856,917
Fund Balance			
Committed	30,000	-	30,000
Assigned	24,128	-	24,128
Unassigned	12,553,643	(97,593)	12,456,050
Total Fund Balance	12,607,771	(97,593)	12,510,178
Total Liabilities and Fund Balance	\$ 13,318,576	\$ 48,519	\$ 13,367,095

The notes to the financial statements are an integral of this statement.

TEXAMERICAS CENTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
For the Year Ended September 30, 2020

Total Fund Balances - Governmental Funds	\$	12,510,178
1 Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. At the beginning of the year, the cost of the assets was \$64,341,161 and the accumulated depreciation was (\$23,726,747). The net effect of including the beginning balances for capital assets (net of depreciation) in the governmental activities is to increase net position.		40,614,414
2 Long-term liabilities, such as accrued compensated absences, are not due and payable in the current year and therefore are not reported in the governmental funds balance sheet. The net effect of including the beginning balances for accrued compensated absences is to decrease net position.		(50,968)
3 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,682,393)
4 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as an increase in capital assets. The net effect of removing the 2020 capital outlays is to increase net position.		2,481,061
5 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the change in compensated absences. The net effect of the current year's change in accrued compensated absences is to decrease net position.		(10,648)
6 Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenue in the governmental funds. This amount represents the gain associated with the land transferred from TAC to TAC East Holdings Company No. 1. The net effect of this gain is to increase net position.		8,683
Net Position of Governmental Activities	\$	<u>53,870,326</u>

The notes to the financial statements are an integral part of this statement.

TEXAMERICAS CENTER
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2020

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues:			
Leases	\$ 2,233,465	\$ 445,436	\$ 2,678,901
Franchise Fees	157,364	-	157,364
Timber & Hunting	427,312	-	427,312
Grants	2,054,066	-	2,054,066
Personal Property Sales	2,081	-	2,081
Interest	242,418	-	242,418
Leased Employees	356,515	-	356,515
Management Fees	392	-	392
Project Reimbursement	1,032,108	-	1,032,108
Miscellaneous	84,349	-	84,349
Total Revenue	6,590,070	445,436	7,035,506
Expenditures:			
Facility Operations & Infrastructure	3,676,511	-	3,676,511
Real Estate, Marketing & Sales	938,088	-	938,088
General Government	1,008,228	370,035	1,378,263
Timber & Hunting	142,894	-	142,894
ESCA	1,731,760	-	1,731,760
Logistics	4,475	-	4,475
Total Expenditures	7,501,956	370,035	7,871,991
Change in Fund Balance	(911,886)	75,401	(836,485)
Fund Balance - October 1 (Beginning)	13,519,657	(172,994)	13,346,663
Fund Balance - September 30 (Ending)	\$ 12,607,771	\$ (97,593)	\$ 12,510,178

The notes to the financial statements are an integral part of this statement.

TEXAMERICAS CENTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$	(836,485)
1 Current year capital outlays are expenditures in the fund financial statements, but they should be shown as an increase in capital assets. The net effect of removing the 2020 capital outlays is to increase net position.		2,481,061
2 Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,682,393)
3 Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the change in compensated absences. The net effect of the current year's change in accrued compensated absences is to decrease net position.		(10,648)
4 Some revenues reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenue in the governmental funds. This amount represents the gain associated with the land transferred from TAC to TAC East Holdings Company No. 1. The net effect of this gain is to increase net position.		8,683
Net Position of Governmental Activities	<u>\$</u>	<u>(39,782)</u>

The notes to the financial statements are an integral part of this statement.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Summary of Significant Accounting Policies

TexAmericas Center (TAC) is a political subdivision of the State of Texas (formerly known as Red River Redevelopment Authority). TAC is governed by a board of directors who are appointed by the governing bodies of Bowie County, Texas and the cities of Texarkana, New Boston, Hooks, Nash, Wake Village, Leary, Redwater, Maud, DeKalb, and Red Lick, Texas. Board members serve two-year terms. TAC was created to accept title from the United States of America to all or any portion of the real or personal property situated within, adjacent to, or related to Red River Army Depot and Lone Star Army Ammunition Plant to promote the location and development of new businesses and industries, and to undertake eligible projects under the authorizing statutes. TAC began operating independently from the governing bodies of the participating governmental entities in April 1999. In 2010, TAC underwent a rebranding for marketing and development of their real estate. During the rebranding, the property was renamed from Red River Commerce Park to TAC. The property is currently divided into three parcels: TAC East, TAC West and TAC Central. In fiscal year 2011, the State of Texas passed legislation to legally change the name from Red River Redevelopment Authority to TAC. On May 12, 2011, the governor signed the legislation, and the name change was official.

1. Reporting Entity

The accounting and reporting policies of the Center relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the Center are described below.

As required by generally accepted accounting principles, these financial statements present the government (TAC) and its component unit, TAC East Holdings Company No. 1. The blended component unit, although a legally separate entity, is in substance part of the government's operations; data from the unit is combined with data of the primary government.

Blended Component Unit

The component unit is reported under the blended method as the primary government appoints a voting majority of the board and is able to impose its will. This unit, although legally separate from the TAC, is reported as part of the Center because TAC East Holdings Company No. 1 benefits the primary government even though it does not provide services directly to it. TAC East Holdings Company No. 1 was established to develop and lease various properties of the TAC East campus. TAC East Holdings Company No. 1 has significant interrelated operations with the TAC, some of which include leasing employees from TAC, as well as paying a management fee. TAC East Holdings Company No. 1 is responsible for the leasing of properties on its designated areas of the entity. TAC East Holdings Company No. 1's board of directors are appointed by TAC, and shares multiple common members. TAC East Holdings Company No. 1 is reported as a special revenue fund. All intercompany transactions, payables, and receivables are eliminated for government-wide reporting.

Related Organizations

TAC's Board of Directors is also responsible for appointing the members of the boards of other organizations, but TAC's accountability for these organizations do not extend beyond making the appointments. The Board of Directors appoints a member of the Riverbend Water Resources Center board and Ark-Tex Council of Governments. The position is appointed with an individual who is not a member of the Board of Directors.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements consist of the statement of net position and the statement of activities. They include all funds of TAC and TAC East Holdings Company No. 1. Governmental activities include programs supported primarily by intergovernmental revenues and lease revenues.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Summary of Significant Accounting Policies (Continued)

2. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) leases on property, timber sales, and personal property sales, and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Investment earnings are not included among program revenues and are reported instead as general revenues.

Indirect expenses of governmental activities are reported in the general government function.

Separate financial statements are provided for governmental funds.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, TAC considers revenues to be available if they are collected within 120 days of the end of the current fiscal period in order to properly match grant funding with TAC's budget. Payment requests for amounts reflected on the financial statements as due from other governments are prepared and submitted within 30 days of year end. Payment of the funds requested can take up to 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Revenue sources such as lease revenues, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other items are considered to be measurable and available only when cash is received by TAC.

4. Fund Accounting

TAC reports the following major governmental funds:

General Fund – This fund is the general operating fund of TAC. It is used to account for all financial resources.

Special Revenue Fund - TAC accounts for the activities of TAC East Holdings Company No. 1 in the special revenue fund.

5. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund. Prior to September 30, the Executive Director/CEO submits to the Board of Directors the proposed expenditures and the means of financing them. Prior to October 1, the budget is legally enacted through passage of a resolution. Any revisions that alter the budget of any fund must be approved by the Board of Directors. Budgets presented are as originally adopted, or as amended by TAC.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

A. Summary of Significant Accounting Policies (Continued)

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Fund Equity

In accordance with GASB No. 54, TAC classifies its fund balance into five categories. Non-spendable fund balance includes amounts that are not in a spendable form or are required to be maintained intact. Restricted fund balance includes amounts that are constrained to specific purposes by their providers or by enabling legislations. Committed fund balance includes amounts which are constrained to specific purposes by the government itself, using its highest level of decision-making. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. Assigned fund balance includes amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates. Unassigned fund balance includes amounts that are available for any purpose. Unassigned fund balances are only reported in the general fund. As of September 30, 2020 there were no non-spendable or restricted fund balances.

TAC's highest level of decision-making authority is governed by the Board of Directors. Passage of a resolution would be required to establish, modify, or rescind a fund balance commitment. The Board of Directors or Executive Director/CEO has the Authority to assign amounts to specific purposes. The Board of Directors has delegated routine operating decision-making to the Executive Director/CEO.

TAC considers restricted amounts spent when expenditures are incurred for purposes for which only restricted fund balance is available. Expenditures incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used are classified using the lowest level of spending constraint available at the time of the expenditure.

8. Risk Management

TAC is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which TAC carries commercial insurance. There has been no major reduction of insurance coverage from prior years.

B. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and The Government-Wide Statement of Net Position

Page 4 of this report provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in the governmental funds. The details of capital assets at the beginning of the year are as follows:

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

2. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and The Government-Wide Statement of Net Position (Continued)

TexAmericas Center:

Capital Assets At the Beginning of the Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land and Timber	\$ 16,381,684	\$ -	\$ 16,381,684	
Buildings and Improvements	25,702,761	16,651,244	9,051,517	
Road and Rail	19,849,175	6,465,361	13,383,814	
Equipment	470,248	417,202	53,046	
Construction in Progress	181,546	-	181,546	
Change in Net Position				\$ 39,051,607
Long-Term Liabilities At the Beginning of the Year			Payable at the Beginning of the Year	
Accrued Compensated Absences			\$ (50,968)	
Change in Net Position				(50,968)
Net Adjustment to Net Position				\$ 39,000,639

TAC East Holdings Company No. 1:

Capital Assets At the Beginning of the Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land and Timber	\$ 844,094	\$ -	\$ 844,094	
Buildings and Improvements	911,650	192,937	718,713	
Change in Net Position				\$ 1,562,807
Net Adjustment to Net Position				\$ 1,562,807

Total Governmental Funds:

Capital Assets At the Beginning of the Year	Historic Cost	Accumulated Depreciation	Net Value at the Beginning of the Year	Change in Net Position
Land and Timber	\$ 17,225,778	\$ -	\$ 17,225,778	
Buildings and Improvements	26,614,411	16,844,181	9,770,230	
Road and Rail	19,849,175	6,465,361	13,383,814	
Equipment	470,248	417,202	53,046	
Construction in Progress	181,546	-	181,546	
Change in Net Assets				\$ 40,614,414
Long-Term Liabilities At the Beginning of the Year			Payable at the Beginning of the Year	
Accrued Compensated Absences			\$ (50,968)	
Change in Net Position				(50,968)
Net Adjustment to Net Position				\$ 40,563,446

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

3. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities.

Page 6 of this report provides the reconciliation between the net changes in fund balances as shown on the government fund statement of revenues, expenditures, and changes in fund balances and the changes in net assets of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlay is expensed in the fund financial statements, but should be shown as an increase in capital assets in the government-wide statements. The adjustment affects both the net position balance and the change in net position. The details of this adjustment are as follows:

TexAmericas Center:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Additions:			
Land	\$ 37,445		
Buildings & Improvements	2,165,680		
Construction in Progress	584,749		
Dispositions:			
Land	(237,490)		
Roads and Rail	(14,364)		
Construction in Progress	(54,959)		
Total Capital Outlay	<u>\$ 2,481,061</u>	<u>\$ 2,481,061</u>	<u>\$ 2,481,061</u>
Adjustment to Net Position		<u>\$ 2,481,061</u>	<u>\$ 2,481,061</u>

TAC East Holdings Company No. 1:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Additions:			
Land	\$ 723		
Roads and Rail	14,364		
Total Capital Outlay	<u>\$ 15,086</u>	<u>\$ 15,086</u>	<u>\$ 15,086</u>
Adjustment to Net Position		<u>\$ 15,086</u>	<u>\$ 15,086</u>

**TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

3. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities. (Continued)

Total Governmental Funds:

<u>Current Year Capital Outlay</u>	<u>Amount</u>	<u>Adjustments to Changes in Net Position</u>	<u>Adjustments to Net Position</u>
Additions:			
Land	\$ 38,168		
Buildings & Improvements	2,165,680		
Roads and Rail	14,364		
Construction in Progress	584,749		
Dispositions:			
Land	(237,490)		
Roads and Rail	(14,364)		
Construction in Progress	(54,959)		
Total Capital Outlay	<u>\$ 2,496,147</u>	<u>\$ 2,496,147</u>	<u>\$ 2,496,147</u>
Total Adjustment to Net Position		<u>\$ 2,496,147</u>	<u>\$ 2,496,147</u>

C. Deposits and Investments

TAC's cash and cash equivalents include amounts in demand deposit, negotiable order of withdrawal, and money market accounts.

It is TAC's policy to purchase investments with maturity dates coinciding with cash flow requirements. The average maturity of investments of TAC's operating funds cannot exceed one year. The maximum maturity of any investments cannot exceed five years. Using this strategy, TAC attempts to purchase the highest yielding allowable investments available at the time of purchase. The basis used to determine whether market yields are being achieved is the average rate of return on United States Treasury Bills for a comparable term.

Under TAC's investment policy, the following are authorized investments: obligations issued, guaranteed, or insured by the United States of America which have a liquid market value, including letters of credit, direct obligations of the State of Texas; other obligations which are guaranteed or insured by the State of Texas or the United States; obligations of the states, counties, cities, and other political subdivisions of any state which have an investment quality rating no less than "A" or its equivalent; financial institution deposits of banks or credit unions that have a main office or branch in Texas and participates in the Certificate of Deposit Account Registry Service; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States; investment pools rated no lower than AAA or AAA-m with a maturity of 90 days or less; money market mutual funds which have a rating of AAA, a maturity of 90 days or less, and are registered with the Securities and Exchange Commission. Guaranteed investment contracts are allowed for investments of bond proceeds only and must be secured by obligations of the United States in an amount equal to 102% of the investment balances.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

C. Deposits and Investments (Continued)

The following summarizes the minimum diversification standards of TAC by investment type and issuer:

Investment Type	Percentage of Total Investments
U.S. Government Agencies and Instrumentalities	Not to exceed 80%
Fully Insured or Collateralized CDs	Not to exceed 100%
Repurchase Agreements	Not to exceed 50%
Money Market Fund:	
Operating Funds	Not to exceed 100%
Bond Funds	Not to exceed 100%
Local Government Investment Pools:	
Liquidity Pools	Not to exceed 100%
Fixed Rate/Maturity Pools	Not to exceed 80%

On September 30, 2020, all of TAC's cash and investments were covered by either federal depository insurance or collateral held by the pledging financial institution's agent in TAC's name.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies.

Among other things, it requires TexAmericas Center to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principle and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize TAC to invest (1) in obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) Mutual Funds, (8) Investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Public Funds Investment Act (PFIA) governs TAC's investment policies and types of investments. TAC's management believes that it complied with the requirements of the PFIA and TAC's investment policies described in Note A. Concentrations of credit risk of over 5% by issuer on September 30, 2020 are as follows:

Investment Type	Issuer	Fair Value	% of Total Investments
Cash and Certificates of Deposit	Guaranty Bank	\$ 10,504,327	84%
Certificates of Deposit	Farmers Bank	2,006,242	16%

D. Receivables

TAC provides allowances for uncollectable receivables in compliance with generally accepted accounting principles. However, at September 30, 2020, the balance of the allowance account is \$0 since management believes all receivables to be fully collectible. Receivables as of September 30, 2020 for TAC are as follows:

TexAmericas Center:

Leases	\$ 15,286
Franchise Fees	15,190
Miscellaneous	85,221
Grants	508,007
Gross Receivables	623,704
Less: Allowance for Uncollectibles	-
Net Receivables	<u>\$ 623,704</u>

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

D. Receivables (Continued)

TAC East Holdings Company No. 1:

Leases	\$ 673
Gross Receivables	673
Less: Allowance for Uncollectibles	-
Net Receivables	\$ 673

Total Governmental Funds:

Leases	\$ 15,960
Franchise Fees	15,190
Miscellaneous	85,221
Grants	508,007
Gross Receivables	624,378
Less: Allowance for Uncollectibles	-
Net Receivables	\$ 624,378

E. Capital Assets

Capital assets are defined by governmental activities as assets with a normal service life greater than one year and an initial individual cost of fair value or more than \$5,000. Capital assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimate fair value on the date of donation. Estimated fair value was used to value assets acquired from the United States Army. "the Army", on June 30, 1997, September 1, 2010, and September 30, 2011. Capital assets which include property, plant, equipment, and infrastructure assets (roads, rail, and similar items) are reported in the governmental column of the government-wide financial statements.

Prior to October 1, 2003 infrastructure assets associated with governmental activities were not capitalized. TAC has elected to capitalize infrastructure assets prospectively starting October 1, 2003. Infrastructure consists of roads and rail for the governmental activities. Capital asset activity for the year ended September 30, 2020 was as follows:

TexAmericas Center:

	Balance 9/30/19	Additions	Reductions	Balance 9/30/20
Governmental Activities:				
Land and Timber	\$ 16,381,684	\$ 37,445	\$ (237,490)	\$ 16,181,639
Buildings and Improvements	25,702,761	2,165,680	-	27,868,441
Roads and Rail	19,849,175	-	(14,364)	19,834,811
Equipment	470,248	-	-	470,248
Construction in Process	181,546	584,749	(54,959)	711,336
Totals at Historical Cost	62,585,414	2,787,874	(306,813)	65,066,475
Less Accumulated Depreciation:				
Buildings and Improvements	(16,651,244)	(940,414)	-	(17,591,658)
Roads and Rail	(6,465,361)	(691,043)	6,404	(7,150,000)
Equipment	(417,202)	(10,975)	-	(428,177)
Total Accumulated Depreciation	(23,533,807)	(1,642,432)	6,404	(25,169,835)
Governmental Activities Capital Assets, Net	\$ 39,051,607	\$ 1,145,442	\$ (300,409)	\$ 39,896,640

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

E. Capital Assets (Continued)

TAC East Holdings Company No. 1:

	Balance 9/30/19	Additions	Reductions	Balance 9/30/20
Governmental Activities:				
Land and Timber	\$ 844,094	723	-	\$ 844,817
Buildings and Improvements	911,650	-	-	911,650
Roads and Rail	-	14,364	-	14,364
Totals at Historical Cost	<u>1,755,744</u>	<u>15,087</u>	<u>-</u>	<u>1,770,831</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(192,937)	(46,303)	-	(239,240)
Roads and Rail	-	(6,464)	-	(6,464)
Total Accumulated Depreciation	<u>(192,937)</u>	<u>(52,767)</u>	<u>-</u>	<u>(245,704)</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,562,807</u>	<u>\$ (37,680)</u>	<u>\$ -</u>	<u>\$ 1,525,125</u>

Total Governmental Funds:

	Balance 9/30/19	Additions	Reductions	Balance 9/30/20
Governmental Activities:				
Land and Timber	\$ 17,225,778	\$ 38,168	\$ (237,490)	\$ 17,026,456
Buildings and Improvements	26,614,411	2,165,680	-	28,780,091
Roads and Rail	19,849,175	14,364	(14,364)	19,849,175
Equipment	470,248	-	-	470,248
Construction in Process	181,546	584,749	(54,959)	711,336
Totals at Historical Cost	<u>64,341,158</u>	<u>2,802,961</u>	<u>(306,813)</u>	<u>66,837,306</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(16,844,181)	(986,717)	-	(17,830,901)
Roads and Rail	(6,465,361)	(697,507)	6,404	(7,156,464)
Equipment	(417,202)	(10,975)	-	(428,177)
Total Accumulated Depreciation	<u>(23,726,744)</u>	<u>(1,695,199)</u>	<u>6,404</u>	<u>(25,415,541)</u>
Governmental Activities Capital Assets, Net	<u>\$ 40,614,414</u>	<u>\$ 1,107,762</u>	<u>\$ (300,409)</u>	<u>\$ 41,421,765</u>

Depreciation for governmental activities is charged to the following functions in the government-wide statement of activities:

Facility Operations and Infrastructure	\$ 1,680,374
Real Estate, Marketing, and Sales	2,019
Total Depreciation Expense	<u><u>\$ 1,682,393</u></u>

**TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020**

E. Capital Assets (Continued)

Depreciation is provided using the straight-line method over the following estimated useful lives:

Capital Asset Class	Life
Buildings	20 Years
Improvements	15 Years
Machinery and Equipment	5-10 Years
Infrastructure	20-60 Years

F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position.

A summary of governmental funds long-term debt transactions follows:

	Balance September 30, 2019	Additions	Retirements / Deductions	Balance September 30, 2020	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 50,968	\$ 43,109	\$ (32,461)	\$ 61,616	\$ 29,705
Governmental Long-Term Liabilities	\$ 50,968	\$ 43,109	\$ (32,461)	\$ 61,616	\$ 29,705

G. Compensated Absences

TAC utilizes the accrual method for recording compensated absences. TAC provides vacation and sick leave benefits for all full-time employees. Vacation time is accrued at the rate of 1.25 days for each month of service for a total of 15 days each year. Vacation time of up to 200 hours can be carried forward to succeeding fiscal years without prior approval. Sick leave is earned at a rate of 1 day for each month of service up to 600 hours. It terminates on the last day of employment. Vested or accumulated vacation that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. It is TAC's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences," no liability is recorded for accumulating rights to receive sick pay benefits.

H. Employee Retirement System

TAC sponsors a defined contribution plan for those employees that elect to participate. The plan is a Government Plan as defined in Internal Revenue Code Section 457(b) and is administered through InWest Retirement Solutions and Wachovia Financial Services. All employees of TAC are eligible to elect participation in the plan. Employees may contribute, by salary reduction, a percentage as specified in the Internal Revenue Code. TAC matches the employee contributions on a discretionary basis. Employees are eligible for employer contributions after 6 months of employment. The current policy matches up to 12.5% of employee compensation based on the following rates: 2 for 1 up to the first 4% of compensation; 1 for 1 within 5-7% of compensation; .5 to 1 within 8-10% of compensation. Employees vest after 6 months. TAC incurred \$88,849 in pension expense for the fiscal year ended September 30, 2020.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

I. Interfund Receivables and Payables

Interfund balances at September 30, 2020, consisted of the following individual fund receivables and payables for the Governmental Funds:

	Receivable	Payable
General Fund		
Special Revenue Funds	\$ 107,269	\$ -
Total General Fund	107,269	-
Special Revenue Funds		
General Fund	-	107,269
Total Special Revenue Funds	-	107,269
Grand Totals	\$ 107,269	\$ 107,269

J. Leases of Property

In the course of operations, TAC leases property received from the Army to various individuals and private companies. TAC's normal leasing practice is annual agreements. The tenants are offered option years should they renew their lease. The option years are not guaranteed revenue.

K. Line of Credit

On October 1, 2018, TAC negotiated with a local financial institution for a line of credit in the amount of \$1,500,000 with an interest rate of 3.75%. At fiscal year-end 2020, TAC had drawn \$0 on the line of credit. Interest expense paid during the year on the line of credit totaled \$0.

L. Litigation

On July 15, 2019, TAC filed a complaint against the United States of America with the United States Court of Federal Claims. In the lawsuit, the Center seeks payment of \$776,813 in damages for breach of contract. Specifically, the Center has alleged that the U.S. Department of the Army failed to comply with the terms of a Memorandum of Agreement with the Center dated September 20, 2011 relating to the harvesting of timber and forestry management practices on real property conveyed to the Center. The case is currently still in process and no opinion has been formed that an unfavorable outcome of this litigation is either "probable" or "remote". Consequently, no opinion has been expressed as to the likelihood of a unfavorable outcome of any estimate of the amount of range of potential loss. No amounts have been recorded in the financial statements as of September 30, 2020.

M. Contingencies

TAC receives grant funding from the U.S. Department of Defense and the Office of Economic Adjustment. Expenditures financed by grants are subject to audit by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, TAC may be required to reimburse the grantor agency. As of September 30, 2020, significant amounts of grant expenditures have not been audited, but TAC believes that disallowed expenditures, if any, will not have a material effect on the overall financial position of the Center.

TEXAMERICAS CENTER
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2020

N. Prior-Period Adjustment

During the audit, management identified several items in their fixed assets that were no longer owned by the Center and several items that needed to be included that were not added in prior years. This led to an adjustment to the prior period net position, in the government-wide financial statements. Accordingly, the September 30, 2020 financial statements have been restated to reflect this correction, as follows:

	<u>As Previously Reported</u>	<u>Corrected</u>	<u>As Restated</u>
Statement of Net Position:			
Property and Equipment:			
Land and Timber	\$ 16,381,684	\$ -	\$ 16,381,684
Buildings and Improvements	25,594,772	107,989	25,702,761
Roads and Rail	19,849,175	-	19,849,175
Equipment	926,896	(456,648)	470,248
Construction in Progress	181,546	-	181,546
Accumulated Depreciation Buildings and Improvements	(15,783,184)	(868,060)	(16,651,244)
Accumulated Depreciation Roads and Rail	(6,465,361)	-	(6,465,361)
Accumulated Depreciation Equipment	(791,456)	374,254	(417,202)
Net Position:			
Investment in Capital, Net of Debt	\$ 39,894,072	\$ (842,465)	\$ 39,051,607

In addition, the inclusion of TAC East Holdings Company No. 1 as a blended component unit increases the beginning net position.

TAC East Holdings Company No. 1, Beginning Net Position	\$ -	\$ 1,389,812	\$ 1,389,812
Total Prior-Period Adjustment	<u>\$ 39,894,072</u>	<u>\$ 547,347</u>	<u>\$ 40,441,419</u>

O. Subsequent Events

Management has evaluated subsequent events through April 20, 2021, the date the financial statements were available for issue.

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a global pandemic, which continued to spread throughout the United States. The COVID-19 pandemic has negatively impacted the global economy and created significant volatility and disruption in people's lives. In response to the COVID-19 pandemic, the United States Congress passed a Coronavirus Aid Relief, and Economic Security Act (CARES Act), an aids package designed to help the economy as it suffers from the effects on the COVID-19 pandemic.

In December 2020, the Board of Directors of the TAC agreed to the Center entering into a loan agreement with Guaranty Bank & Trust. The loan, in the amount of \$9,000,000, will be secured by a lien on the spec building currently under construction by MW Builders.

TEXAMERICAS CENTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended September 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Leases	\$ 1,932,257	2,245,909	2,233,465	12,444
Franchise Fees	157,500	143,500	157,364	(13,864)
Timber & Hunting	301,903	427,812	427,312	500
Grants	3,216,078	2,987,482	2,054,066	933,416
Personal Property Sales	5,000	5,000	2,081	2,919
Interest	100,000	235,000	242,418	(7,418)
Leased Employees	409,302	409,302	356,515	52,787
TAC East Management Fees	15,000	15,000	392	14,608
Miscellaneous	8,000	1,117,109	1,116,457	652
Total Revenue	<u>6,145,040</u>	<u>7,586,113</u>	<u>6,590,070</u>	<u>996,043</u>
Expenditures				
Facility Operations & Infrastructure	1,570,439	3,910,755	3,676,511	234,244
Real Estate, Marketing & Sales	1,375,317	1,039,711	938,088	101,623
General Government	606,067	1,085,938	1,008,228	77,710
Timber & Hunting	154,131	179,558	142,894	36,664
ESCA	2,375,902	2,645,915	1,731,760	914,155
Logistics	-	2,160	4,475	(2,315)
Total Expenditures	<u>6,081,856</u>	<u>8,864,038</u>	<u>7,501,956</u>	<u>1,362,082</u>
Change in Fund Balance	<u>63,184</u>	<u>(1,277,925)</u>	<u>(911,886)</u>	<u>(366,039)</u>
Fund Balance - Beginning, as reported	12,473,691	13,519,657	13,519,657	(1,045,965)
Fund Balance - Ending	<u>\$ 12,536,875</u>	<u>\$ 12,241,732</u>	<u>\$ 12,607,771</u>	<u>\$ (1,412,004)</u>

TEXAMERICAS CENTER
COMBINING STATEMENTS OF NET POSITION
September 30, 2020

	TexAmericas Center	TAC East Holdings Company No. 1	Elimination	Total
Assets				
Cash and Cash Equivalents	\$ 8,441,074	\$ 47,846	\$ -	\$ 8,488,920
Investments - Certificates of Deposit	4,024,832	-	-	4,024,832
Accounts Receivable	304,534	673	-	305,207
Due from U.S. Army - ESCA Grant	319,170	-	-	319,170
Due from TAC East Holdings Co.	107,269	-	(107,269)	-
Prepaid Expenses	121,697	-	-	121,697
Capital Assets:				
Land and Timber	16,181,639	844,817	-	17,026,456
Buildings and Improvements	10,276,783	672,407	-	10,949,190
Road and Rail	12,684,811	7,900	-	12,692,711
Equipment	42,071	-	-	42,071
Construction in Progress	711,336	-	-	711,336
Total Assets	53,215,216	1,573,643	(107,269)	54,681,590
Liabilities				
Accounts Payable	144,492	-	-	144,492
Accrued Liabilities	42,274	-	-	42,274
Unearned Revenue	324,613	-	-	324,613
Tenant Lease Deposits	199,426	38,843	-	238,269
Due to TAC General Fund	-	107,269	(107,269)	-
Noncurrent Liabilities:				
Due Within One Year:				
Accrued Compensated Absences	29,705	-	-	29,705
Due in More Than One Year:				
Accrued Compensated Absences	31,911	-	-	31,911
Total Liabilities	772,421	146,112	(107,269)	811,264
Fund Balance/Net Position				
Net Investment in Capital Assets	39,896,640	1,525,124	-	41,421,764
Unrestricted	12,492,027	(97,593)	-	12,394,434
Restricted - Other	54,128	-	-	54,128
Total Fund Balance/Net Position	\$ 52,442,795	\$ 1,427,531	\$ -	\$ 53,870,326

TEXAMERICAS CENTER
COMBINING STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
TexAmericas Center					
Governmental Activities:					
Facility Operations and Infrastructure	\$ 2,869,143	\$ 1,034,189	\$ -	\$ 414,403	\$ (1,420,551)
Real Estate, Marketing, and Sales	941,881	2,233,465	-	-	1,291,584
General Government	1,014,040	392	-	-	(657,133)
Timber & Hunting	105,449	427,312	-	356,515	321,863
ESCA	1,732,539	-	1,639,662	-	(92,877)
Logistics	4,518	-	-	-	(4,518)
Total Governmental Activities	6,667,570	3,695,358	1,639,662	414,403	(561,632)
				356,515	
					37,720
TAC East Holdings Company No. 1					
Governmental Activities:					
Facility Operations and Infrastructure	\$ 46,310	\$ -	\$ -	\$ -	\$ (46,310)
Real Estate, Marketing, and Sales	55	445,437	-	-	445,382
General Government	370,035	-	8,683	-	(361,352)
Timber & Hunting	-	-	-	-	-
ESCA	-	-	-	-	-
Logistics	-	-	-	-	-
Total Governmental Activities	416,400	445,437	8,683	-	37,720
Total					
Governmental Activities:					
Facility Operations and Infrastructure	\$ 2,915,453	\$ 1,034,189	\$ -	\$ 414,403	\$ (1,466,861)
Real Estate, Marketing, and Sales	941,936	2,678,901	-	-	1,736,965
General Government	1,384,075	392	8,683	-	(1,018,485)
Timber & Hunting	105,449	427,312	-	356,515	321,863
ESCA	1,732,539	-	1,639,662	-	(92,877)
Logistics	4,518	-	-	-	(4,518)
Total Governmental Activities	7,083,970	4,140,794	1,648,345	414,403	(523,913)
				356,515	

TEXAMERICAS CENTER
COMBINING STATEMENTS OF ACTIVITIES
For the Year Ended September 30, 2020

	TexAmericas Center	TAC East Holdings Company No. 1	Elimination	Total
General Revenues				
Franchise Fees	157,364	-	-	157,364
Investment Earnings	242,418	-	-	242,418
Miscellaneous	84,349	-	-	84,349
Leased Employee Revenue	356,515	-	(356,515)	-
Total General Revenues	<u>840,646</u>	<u>-</u>	<u>(356,515)</u>	<u>484,131</u>
Change in Net Position	(77,501)	37,720	-	(39,782)
Net Position - Beginning Reported	53,362,761	-	-	53,362,761
Prior Period Adjustment	(842,465)	1,389,812	-	547,347
Net Position - Beginning, as Restated	<u>52,520,296</u>	<u>1,389,812</u>	<u>-</u>	<u>53,910,108</u>
Net Position - Ending	<u>\$ 52,442,795</u>	<u>\$ 1,427,531</u>	<u>\$ -</u>	<u>\$ 53,870,326</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
TexAmericas Center
Texarkana, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major funds of TexAmericas Center (the Center) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated April 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
TexAmericas Center

Center's Response to Findings

The Center's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Center's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2021

**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
TexAmericas Center
Texarkana, Texas

Report on Compliance for Each Major Federal Program

We have audited TexAmericas Center’s (the Center) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center’s major federal programs for the year ended September 30, 2020. The Center’s major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Center’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Center’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Center’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-002. Our opinion on each major federal program is not modified with respect to these matters.

TexAmericas Center’s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. TexAmericas Center’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

To the Board of Directors
TexAmericas Center

Report on Internal Control over Compliance

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to on the previous page. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did identify a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

TexAmericas Center's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. TexAmericas Center's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



CERTIFIED PUBLIC ACCOUNTANTS

Texarkana, Texas
April 20, 2021

**TEXAMERICAS CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2020**

Section I - Summary of Audit Results

Financial Statements:

Type of Report the Auditor Issued on Whether the Financial Statements Were Prepared in Accordance with GAAP	Unmodified
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Internal Control Over Financial Reporting:

Material Weakness(es) Identified	None Reported
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Significant Deficienc(ies) Identified	Yes
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Noncompliance Material to the Financial Statements	None Reported
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Federal Awards

Internal Control over Major Programs:

Material Weakness(es) Identified	None Reported
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Significant Deficienc(ies) Identified	Yes
---------------------------------------	-----

Type of Auditor's Report Issued on Compliance for Major Federal Programs	Unmodified
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Findings Disclosed in the Audit which are Required to be Reported in Government Auditing Standards	None Reported
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Findings Disclosed in the Audit which are Required to be Reported in Accordance with 2 CFR 200.516(a).	Yes
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Programs audited as major: Congressionally Directed Assistance	CFDA #12.599
---	--------------

Dollar Threshold used to distinguish between Type A and Type B programs.	\$750,000
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TexAmericas Center qualified as a low risk entity.	No
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TEXAMERICAS CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2020

Section II - Financial Statement Findings

Finding Reference

2020-001

Significant Deficiency - Internal Controls

Criteria

Internal controls should be designed and implemented to ensure that the Center's fixed asset listing is updated on an ongoing basis.

Condition

In the current and prior years, the Center's fixed asset listing contained assets no longer owned and other assets acquired that were not previously listed. This caused a prior-period restatement to the beginning net position in the current year.

Effect or Potential Effect

The Center's total fixed assets reported in the financial statements in the prior-period were incorrect, resulting in a prior-period restatement to the beginning net position in the current year.

Questioned Cost

The restatement amount of \$842,465 included the fixed assets that had to be added or removed in order to correct the overall fixed assets total.

Recommendation

We recommend that the Center implement additional controls to assess their fixed assets listing on an ongoing basis to ensure that it is accurate.

View of Responsible Official

The Center will implement additional policies and controls to assess their fixed assets listing on an ongoing basis.

**TEXAMERICAS CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SEPTEMBER 30, 2020**

Section III - Federal Award Findings and Questioned Costs

Finding Reference

2020-002

Significant Deficiency - Compliance

Criteria or specific requirement (including statutory, regulatory, or other citation)

CFR section 200.512 states that an audit which includes a single audit must submit a data collection form to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt of the auditor's reports, or nine months after the end of the audit period.

Condition

A single audit was performed on TexAmericas Center in the prior year, but no data collection form was filed with the FAC.

Cause

The prior year auditor failed to submit the auditor portion and the Center failed to complete the auditee portion of the data collection form, and therefore it was not filed with the FAC.

Effect or Potential Effect

The Center was not in compliance with Uniform Guidance requirements by not submitting the data collection form in the prior year. In addition, this resulted in the Center losing its qualification as a low risk entity, and resulted in additional single audit testing.

Recommendations

We recommend that the Center contact their prior year auditor, have them submit the auditor portion and then the Center should submit the auditee portion so that the reporting package from the prior year can be filed with the FAC.

TEXAMERICAS CENTER
SCHEDULE OR PRIOR YEAR AUDIT FINDINGS
September 30, 2020

Program/Finding	Description
No findings were reported in the prior year.	

**TEXAMERICAS CENTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Direct Federal Awards:			
U.S. Department of Commerce			
Investments for Public Works and Economic Development Facilities	11.300		\$ 453,716
			453,716
U.S. Department of Defense			
Congressionally Directed Assistance	12.599		1,731,760
			1,731,760
Total Expenditures of Direct Federal Awards			\$ 2,185,476

Notes to the Schedule of Federal Awards:

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of TexAmericas Center (the Center) under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Center, it is not intended to and does not present the financial position, changes in net assets, or cash flows in the Center.

Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and wherein certain types of expenditures are not allowable or are limited to reimbursement.

Indirect Cost Rate

The Organization has not elected to use the 10% de minimum indirect cost rate allowed under the Uniform Guidance.



Finding 2020-001

TexAmericas Center acknowledges Finding 2020-001.

Corrective Action Plan:

The Center will implement additional policies and controls to assess their fixed asset schedule on an ongoing basis.

Finding 2020-002

TexAmericas Center acknowledges Finding 2020-002.

Corrective Action Plan:

The Center has contacted their previous year auditor to have them submit the auditor portion, and subsequently the Center will then submit the auditee portion.

Management Contact: Scott Norton

Phone Number: 903-223-9841

Completion by Date: September 30, 2021



RESOLUTION NO. 20210427-02

REVISION OF THE INVESTMENT POLICY FY2021

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, TexAmericas Center has adopted an Investment Policy as required by applicable law to manage the funds of TexAmericas Center; and

WHEREAS, the Investment Policy Paragraph H requires the Investment Committee and the Board of Directors to review and adopt by Resolution the policy and any changes no less than annually; and

WHEREAS, the Investment Policy was reviewed annually on September 22, 2020 by Resolution No. 20200922-06; and

WHEREAS, it is now necessary to revise the Investment Policy to reflect the change from Controller to Vice President of Finance as Investment Officer; and

WHEREAS, the Investment Committee has reviewed the revised policy; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TexAmericas Center now reviews, accepts and approves the attached Investment Policy, as revised this date. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: Investment Policy

C. RESPONSIBILITY AND CONTROL

- a. *Investment Committee.* An Investment Committee, consisting of the Chairman of the Board of Directors, Treasurer of the Board of Directors, Chief Executive Officer (“CEO”), Outside Accountant, and other appointed members of the Finance Committee of the Board Directors, shall meet routinely to determine operational strategies and to monitor results. The Investment Committee shall include in its deliberation such topics as the following: performance reports, economic outlook, portfolio diversification, maturity structure, potential risk, authorized brokers and dealers (including the financial strength and service performance of the firm), independent sources of investment training, and the target rate of return on the investment portfolio.
- b. *Delegation of Authority and Training.* Authority to manage the Center’s investment program is derived from Chapter 3503, Texas Special District Local Laws Code and the PFIA. The CEO and ~~Controller~~Vice President of Finance are designated as Investment Officers of the Center and responsible for investment decisions and activities. The CEO will establish written procedures for the operation of the investment program, consistent with this Investment Policy, as may be necessary. Each Investment Officer shall attend at least one training session relating to the Officer’s responsibility under the PFIA within 12 months after assuming duties accumulating a minimum of ten (10) hours of instruction. Each Investment Officer shall also attend at least one training session not less than once in a two-year period that begins on the first day of the Center’s fiscal year and consists of the two consecutive fiscal years after that date accumulating a minimum of ten (10) hours of instruction. Training related to investment responsibilities under the PFIA is required for each Investment Officer. Such training shall be from an independent source approved by the Investment Committee.
- c. *Internal Controls.* The CEO or his designee is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Center are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Accordingly, the CEO shall establish a process for annual independent review by an external auditor in conjunction with the annual audit to assure compliance with policies and procedures. The results of this review shall be reported to the Board of Directors by that auditor. The internal controls shall address the following points:

- i. Control of collusion.
- ii. Separation of transaction authority from accounting and record keeping.
- iii. Custodial safekeeping.
- iv. Avoidance of physical delivery securities.
- v. Clear delegation of authority to subordinate staff members.
- vi. Written confirmation for telephone (voice) transactions for investments and wire transfers.



RESOLUTION NO. 20210427-03

RESOLUTION APPROVING THE REVISED HUNTING LICENSE AGREEMENT WITH KINGWOOD FORESTRY SERVICES, INC. FOR HUNTING SERVICES

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, TexAmericas Center Board of Directors has supported the hunting activities on TexAmericas Center property since 2010 and wishes to continue hunting activities on the property through a hunting lease process;

WHEREAS, Kingwood Forestry Services, Inc. has the necessary experience and expertise to provide Hunting Services to TexAmericas Center.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TexAmericas Center the revised hunting license agreement is approved with Kingwood Forestry Services, Inc. for the services provided for as specified, per the attached agreement. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED and APPROVED this 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: Hunting License Agreement

HUNTING LICENSE AGREEMENT

This HUNTING LICENSE AGREEMENT, hereinafter called the "Agreement", is made and entered into this ____ day of _____, 2021, between TexAmericas Center, 107 Chapel Lane, New Boston, Texas, hereinafter called "TAC", and _____ of _____, _____, State of _____, whether one or more, hereinafter called "Licensee".

For and in consideration of the sums to be paid by Licensee to TAC and the covenants herein stated, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is agreed by and between TAC and Licensee as follows:

1. TAC hereby grants to Licensee certain hunting rights, subject to the terms and conditions set forth here, on the property described below and on the map attached hereto as "Exhibit A", hereinafter called the "Property", and by reference made a part hereof:

Tract Number _____

Approx. Acreage _____ (TAC makes no warranty or representation to the acreage)

Railroad tracks and corridors measured 25 feet on each side of the centerline of the tracks are excluded from the Property and may not be hunted.

2. Licensee shall pay a license fee to TAC upon execution of this Agreement in the amount of \$_____ (\$6.16 per acre including insurance) by check payable to TAC's hunting consultant, Kingwood Forestry Services, Inc., P.O. Box 5887, Texarkana, TX 75505.

3. THE RIGHTS WHICH TAC GRANTS TO LICENSEE HERREUNDER SHALL CONSTITUTE A MERE LICENSE AND SHALL NOT BE CONSTRUED AS A SALE, TRANSFER, LEASE, PROFIT, OR OTHER DISPOSITION OF ANY INTEREST IN THE PROPERTY. LICENSEE'S EXERCISE OF ANY RIGHTS HEREUNDER IS PERMISSIVE ONLY AND IN NO SENSE ADVERSE TO THE TITLE, OWNERSHIP AND POSSESSION OF TAC. THE RIGHTS HEREIN GRANTED ARE SOLELY RESTRICTED TO HUNTING RIGHTS.

4. The term of this Agreement shall be for the period beginning on June 15, 2021, and ending on June 14, 2022, with two (2) one-year options, unless terminated earlier as provided herein. Upon expiration or cancellation of this Agreement, all rights granted hereunder shall be revoked and this Agreement shall be of no further force and effect; provide, however, the liability and obligations of Licensee hereunder shall survive the expiration or cancellation of this Agreement.

5. TAC reserves the right for itself and its contractors and agents to enter the Property at any time for any purpose. Licensee recognizes the primary right of licensor to the Property. Licensee shall not interfere with any of the rights of TAC.

6. No more than 1 hunter per 50 acres of the Tract may be hunting at the same time. Only one camp site may be maintained on the Property and TAC must approve the location of the camp site. Only one camp fire pit may be located on the camp site. No fires may be started on the Property other than in the camp site. All camp sites shall be maintained in a neat and orderly manner. Licensee shall keep the Property free of litter and debris at all times. All camp sites must be restored to the condition they were in at the commencement of the Term, including but not limited to filling and leveling of all holes and pits. All campsites must be approved by TAC before moving any equipment to the site.

7. No permanent structures may be erected upon the Property at any time. All temporary structures including but not limited to deer stands, game feeders and other property of Licensee, must have a tag on it with the name of the owner and a phone number where the owner can be reached, and must be removed from the Property prior to expiration of this Agreement. Any personal property of Licensee, its members, guests, invitees, agents, contractors or employees remaining on the Property at the end of the Term of this Agreement shall be deemed abandoned and shall become the property of TAC; alternatively, TAC may require Licensee to remove such personal property and or any structures constructed during the term of this Agreement, or TAC may remove any of the foregoing at Licensee's sole cost and expense.

8. Licensee may not occupy, use, remove, destruct or otherwise alter any improvements existing on the Property at the commencement of the Term of this Agreement.

9. No motor vehicles, other than four wheel all terrain vehicles, may be driven or parked on the Property other than on the access roadways to the Property or in the area of the camp site. Licensee and persons on the Property with the consent of Licensee shall not block the access roadways to the Property. Licensee shall make all reasonable efforts to avoid rutting of the Property. Licensee agrees to compensate TAC for the expense to repair damage to roadways and rutting of the Property by Licensee and those persons on the Property with the consent of Licensee. No motorcycles, dirt bikes, or other vehicles having less than 4 wheels may be used on the Property. All motor vehicles parked on or near access roads and the camp site shall have displayed on the dash of the vehicle clearly visible through the windshield a parking permit issued by TAC's consultant, Kingwood Forestry Services, Inc.-TX. Vehicles which do not have a parking permit visibly displayed as required are subject to being towed from the premises and impounded. The vehicle owner shall be responsible for paying, or reimbursing TAC or its consultant, all fees and charges owed for towing and storage of the vehicle.

10. Hunting may only be conducted using shotguns, muzzle loading long guns, rifles, and archery. No hunting, deer stands or blinds shall be allowed or permitted on or within fifty (50) feet of the roadways on or adjoining the Property, any railroad tracks on the Property, or within fifty (50) feet of the boundaries of the Property (Tract). Hunters must use appropriate safety equipment including but not limited to orange vests or jackets. No shooting across boundaries of the Property (Tract), railroad tracks, or adjoining roads may be conducted. Hunters shall report all game kills to TAC's consultant, Kingwood Forestry Services, Inc.-TX within two (2) business days after the kill. Cleaning of animals and/or dumping of carcasses in the right-of-way of roads is prohibited.

11. The driving of nails, spikes, screws, bolts or any other metal object into any tree on the Property for building deer stands or for any other purpose is strictly prohibited.

12. Licensee shall use the Property for hunting purposes only. Licensee shall compensate TAC for any damage to trees, roads, fences, buildings or other improvements located on the Property.

13. All local, state and federal laws, including but not limited to hunting regulations, shall be observed by Licensee, its members, guests, invitees, agents, employees and others on the Property with the consent of Licensee. If Licensee observes any illegal activity on the Property or on any other property in the vicinity of the Property, Licensee shall report such activity to TAC or its consultant Kingwood Forestry Services, Inc.-TX immediately.

14. Each and every person who intends to hunt upon the Property must prior to the initiation of the hunt execute and deliver to TAC's consultant, Kingwood Forestry Services, Inc.-TX the required HUNTER RELEASE, INDEMNITY AND ASSUMPTION OF RISK AGREEMENT.

15. None of the rights granted herein may be assigned, transferred or sublicensed by Licensee. Licensee shall not engage in any guided hunting, fee hunting, or any other commercial hunting on the Property, nor permit any other persons to do so. Any attempted or purported assignment, transfer, sublicensing or commercial use by Licensee or any of its members, guests, invitees, agents, contractors or employees shall be void, and shall at TAC's election be cause for the immediate termination of this Agreement.

16. Licensee, its members, guests, invitees, agents, and employees shall enter the Property AT THEIR OWN RISK, and shall not use the Property in any manner which might interfere with the rights of TAC, its agents, contractors and employees including the right to cut and remove any trees or stumps from the Property. Licensee acknowledges and agrees that the Property is part of a former military installation, and is subject to environmental inspection, characterization

and remediation in accordance with the terms of the documents whereby the United States of America acting by and through the Department of the Army conveyed the Property to TAC, and it may be necessary for the Department of the Army and/or its contractors and/or TAC and/or its contractors to access the Property to conduct environmental activities upon the Property. In such event, TAC shall notify Licensee of the dates and times for such activity, and the right to hunt during such times may be limited or restricted as indicated by TAC in its notice to the Licensee. Furthermore, it may be necessary in some cases to limit hunting activities upon the Property or parts thereof during Department of the Army or TAC activities upon adjoining property which require the imposition of Blast Arcs upon the Property or parts thereof. In such event TAC shall notify Licensee of the time and location of the Blast Arcs and no hunting will be permitted during such times in said locations. In the event that a person uncovers, observes or otherwise becomes aware of military grade ammunition, projectiles, mines, grenades, or other munitions of concern, including but not limited to shell fragments and casings, the individual and the Licensee shall immediately move away from the area, mark the location of the materials upon a map or drawing of the area, and contact TAC during normal business hours at 903-223-9841, or call 911 emergency center during after hours, weekends and holidays or if TAC cannot be reached.

17. TAC reserves the right to restrict Licensee's use of the Property, including but not limited to prohibition of camp fires and open flames, if in the sole judgment of TAC weather condition present an extreme fire hazard to the timber located on the Property.

18. TAC reserves the right to impose additional restrictions on the use of the Property as may be necessary in the sole judgment of TAC to protect the Property or the game on the Property.

19. TAC has no responsibility for protecting the Property from trespass. Licensee shall have the right to post signs at all boundary lines and points of access to the property such as "Posted-No Hunting-Private Hunting Club Members Only". The club name may also be included on such signs. All such signs must be removed prior to the expiration of the Term of this Agreement.

20. IT IS UNDERSTOOD AND AGREED THAT LICENSEE ACCEPTS THE PROPERTY IN ITS PRESENT "AS IS" CONDITION. LICENSEE UNDERSTANDS THAT THERE MAY BE HIDDEN HAZARDS, INCLUDING BUT NOT LIMITED TO HOLES, FENCE WIRE, SNAKES, WELLS, SWAMPS, PONDS, HARMFUL PLANTS AND UNAUTHORIZED PERSONS ON THE PROPERTY, OR OTHER RISKS THAT MAY CAUSE INJURY OR DEATH. LICENSEE ASSUMES ALL THESE RISKS AS ITS OWN RESPONSIBILITY, AND AGREES TO HOLD TAC, ITS OFFICERS, DIRECTORS AND EMPLOYEES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS OF LOSS, DAMAGES, LIABILITIES, PERSONAL INJURIES, OR EXPENSES (INCLUDING BUT NOT LIMITED TO COURT COSTS, LITIGATION EXPENSES AND ATTORNEYS' FEES) INCURRED AS A RESULT OF ANY INJURY TO OR DEATH OF ANY PERSON OR PERSONS OR ANY DAMAGE TO PROPERTY IN ANY WAY ARISING

OUT OF OR CONNECTED WITH THE ACTIVITIES OF LICENSEE, ITS MEMBERS, GUESTS, INVITEES, AGENTS OR EMPLOYEES, OR ANY OTHER PERSON ON THE PROPERTY UNDER THE AUTHORITY OF THIS AGREEMENT. TAC IS AN AGRITOURISM ENTITY UNDER THIS LEASE AND IS NOT LIABLE FOR ANY INJURY TO OR DEATH OF AN AGRITOURISM PARTICIPANT RESULTING FROM AGRITOURISM ACTIVITIES.

21. This Agreement may be terminated by TAC at any time for any breach of any term of this Agreement. Notice of Termination shall be in writing and may be hand delivered to Licensee, or any member thereof, or may be sent by mail to Licensee. Termination shall be effective immediately in the event of hand delivery, and on the third day after deposit of the notice in the mail addressed to Licensee at the address indicated below. Termination pursuant to this paragraph shall not entitle Licensee to a refund of the license fee. Termination pursuant to this paragraph shall disqualify Licensee and each member, partner or shareholder of Licensee from hunting on TAC property for the next three hunting years.

22. This Agreement may be cancelled by TAC at any time without cause upon thirty days written notice to Licensee mailed to the address indicated below. If this Agreement is cancelled pursuant to this paragraph, TAC shall refund to Licensee part of the license fee, prorated according to the number of days remaining in the term of this Agreement.

23. Licensee may terminate this Agreement at any time upon three days notice to TAC. If this Agreement is terminate by Licensee pursuant to this paragraph, no part of the license fee shall be refunded. Termination pursuant to this paragraph shall not release Licensee, its members, guests, invitees, agents or employees form the liabilities and indemnities provided in this agreement which shall survive the termination of this Agreement.

24. TAC is under no obligation to renew this Agreement, and Licensee has no priority rights or options to extend or renew this Agreement.

25. This agreement constitutes the entire agreement between TAC and Licensee with respect to the Property, rights and privileges addressed herein. All agreements, rights and privileges addressed herein which are binding upon or applicable to either TAC or Licensee shall also be binding upon and applicable to the heirs, successors and legal representatives of the parties.

26. No amendment to this Agreement shall be binding upon TAC or Licensee unless it is in writing and executed by both parties.

27. This Agreement and the rights and duties of the parties under it are governed by the laws of the State of Texas. Any litigation regarding the terms or enforcement of this Agreement shall be filed and maintained in the District Court of Bowie County, Texas.

28. Licensee shall furnish TAC and its consultant a list of its members, partners and/or shareholders and their addresses, together with their acceptance and agreement to be bound by the terms and conditions hereof on the form attached hereto as "Exhibit B" which is hereby incorporated and a part hereof.

29. The term "Licensee" as used herein means the Licensee named above together with its members, guests, invitees, agents, employees and all others on the Property with the consent of Licensee and/or its members.

30. Licensee shall provide general liability insurance in the amounts required by TAC by paying in addition to the license fee a portion of the premium upon a policy to be obtained by Kingwood Forestry Services, Inc.-TX on behalf of TAC.

Executed and effective as of the date of the later to sign of the parties.

TexAmericas Center

By: _____

By: _____

Name: _____

Scott Norton

Title: _____

Executive Director/CEO

Address: _____

107 Chapel Lane

New Boston, TX 75570

Telephone: _____

Telephone: 903-223-9841

Date: _____

Date: _____

TAC's Consultant:

Kingwood Forestry Services, Inc.-TX

P.O. Box 5887

Texarkana, TX 75505

Telephone: 903-831-5200

Exhibit A - Tract Map

Exhibit B - Membership Information

EXHIBIT B

CLUB MEMBERSHIP INFORMATION

The undersigned, constituting all the members, owners, partners or shareholders of the Licensee hereby warrant and represent that we have each read the terms and conditions of the Hunting License Agreement, and we each, jointly and severally, accept said terms and agree to abide by and be bound to perform the terms as stated in said Hunting License Agreement.

1. Member's Name and Address:

Member's signature

2. Member's Name and Address:

Member's signature

3. Member's Name and Address:

Member's signature

4. Member's Name and Address:

Member's signature

5. Member's Name and Address:

Member's signature

6. Members Name and Address:

Member's signature

(Continue on additional pages if necessary to have all member information and signatures.)



RESOLUTION NO. 20210427-04

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A LEASE AGREEMENT FOR HARDSTAND AT 200 DENTON STREET, UNIT B, HOOKS, TX 75561 TO RUNNIN' WJ RANCH

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Runnin' WJ Ranch contacted TexAmericas Center to seek a lease arrangement for hardstand space at 200 Denton Street Unit B Hooks, TX 75561; and

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TexAmericas Center that the Executive Director/CEO shall be and he is hereby authorized to execute the attached lease. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution; and

BE IT FURTHER RESOLVED, by the Board of Directors of TexAmericas Center that the Center appreciates the collaborative effort of Runnin' WJ Ranch to negotiate this lease as well as to locate its business operations, create jobs and contribute to the tax base in Bowie County, Texas.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: Lease Agreement



RESOLUTION NO. 20210427-05

AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A LICENSE AGREEMENT WITH THE MUDCATS FOR THE USE OF THE BASEBALL/SOFTBALL FIELD LOCATED NEAR THE OLD MAIN GATE TO THE FORMER LONE STAR ARMY AMMUNITION PLANT

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Mudcats is a Texas Non-Profit Corporation organized for the purpose of providing athletic and recreational opportunities for the youth of the City of Hooks, Texas, and the surrounding areas; and

WHEREAS, there is a baseball/softball field located near the old Main Gate to the former Lone Star Army Ammunition Plant Property now identified as TexAmericas Center-East Campus; and

WHEREAS, Mudcats have requested that it be authorized to use the baseball/softball field, and TexAmericas Center desires to cooperate with the Mudcats in providing athletic and recreational opportunities to the youth of the City of Hooks and surrounding area;

NOW, THEREFORE, BE IT RESOLVED that TexAmericas Center enter into a written License Agreement with the Mudcats on substantially the terms as set forth in the License Agreement to Use Designated Property attached to this Resolution as Exhibit "A"; and

BE IT FURTHER RESOLVED that Scott Norton, Executive Director/CEO of TexAmericas Center shall be and he is hereby authorized to execute the License Agreement upon execution of the document by Mudcats and delivery by the Mudcats of the required insurance in the form and amounts as set forth in Agreement. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: License Agreement to use Designated Property – Exhibit "A"



RESOLUTION NO. 20210427-06

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE A FOURTH MODIFICATION AND EXTENSION OF LEASE FOR TRAILER SPACE, AT 180 ARKANSAS AVENUE, LOT C, NEW BOSTON, TX 75570 AND 171 ARKANSAS AVENUE, NEW BOSTON, TX 75570 TO BRISTOL GENERAL CONTRACTORS, LLC

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Bristol General Contractors, LLC contacted TexAmericas Center to seek a fourth modification and extension of lease for trailer space at 180 Arkansas Avenue, Lot C, New Boston, TX 75570 and Laydown Yard at 171 Arkansas Avenue, New Boston, TX 75570; and

WHEREAS, the parties have come to the attached terms of agreement for said fourth modification and extension of lease.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of TexAmericas Center that the Executive Director/CEO shall be and he is hereby authorized to execute the attached fourth modification and extension of lease. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution; and

BE IT FURTHER RESOLVED, by the Board of Directors of TexAmericas Center that the Center appreciates the collaborative effort of Bristol General Contractors, LLC to negotiate this fourth modification and extension of 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 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

Attached: Fourth Modification and Extension of Lease



RESOLUTION NO. 20210427-07

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR/CEO TO EXECUTE
ADDENDUM NUMBER ONE TO THE PIPELINE DEVELOPMENT AGREEMENT AND A
RIGHT OF WAY AND EASEMENT FOR THE DEVELOPMENT OF A NATURAL GAS
PIPELINE SYSTEM ALONG OAK STREET UPON THE TAC EAST CAMPUS BY NAVITAS
UTILITY TEXAS, LLC AND NAVITAS UTILITY CORPORATION**

RECITALS

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, TexAmericas Center and Navitas Utility Texas, LLC and Navitas Utility Corporation entered into a Pipeline Development Agreement on or about January 30, 2017, regarding the development and installation of natural gas pipeline to provide natural gas services to the Expal, USA lease site, located on the East Campus of the TAC Industrial Park; and

WHEREAS, TexAmericas Center, Navitas Utility Texas, LLC, and Navitas Utility Corporation have negotiated the terms for the development and construction of an additional natural gas pipeline extension along Oak Street upon the East Campus of the TAC Industrial Park; and

WHEREAS, the parties have reached agreement with regard to the terms of the Addendum Number One to the Pipeline Development Agreement and Right-of-Way and Easement needed to implement the agreement of the Parties, copies of which have been presented to the Board of Directors on this date; and

WHEREAS, the Board of Directors deems it appropriate and in the best interest of TexAmericas Center to enter into Addendum Number One to the Pipeline Development Agreement and to grant the Right of Way and Easement, in order to provide the necessary natural gas service to additional property, as well as for the development of the future natural gas systems required to develop the East Campus of the TAC Industrial Development Park, being a portion of the property formerly known as Lone Star Army Ammunition Plant.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. Scott Norton, Executive Director/CEO of TexAmericas Center shall be and he is hereby authorized to execute on behalf of TexAmericas Center the following agreements:
 - A. That certain Addendum Number One to the Pipeline Development Agreement by and between TexAmericas Center, Navitas Utility Texas, LLC, and Navitas Utility Corporation in substantially the form of the Addendum Number One this day presented to the Board of Directors;
 - B. That certain Right of Way and Easement document by and between TexAmericas Center and Navitas Utility Texas, LLC, providing for a utility easement for the extension of the natural gas pipeline along Oak Street.
2. That Scott Norton, Executive Director/CEO shall be and he is hereby authorized to complete the transaction at the earliest possible date to facilitate the development of a natural gas system on the East Campus of the TAC Industrial Park in order to promote development of the property and job creation. In absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED and APPROVED this 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

**ADDENDUM NUMBER ONE
TO
PIPELINE DEVELOPMENT AGREEMENT
DATED ON OR ABOUT JANUARY 30, 2017**

This Addendum Number One (this “Addendum”) is entered into by and among **Navitas Utility Corporation**, a Nevada Corporation (“NUC”), **Navitas Utility Texas, LLC**, a Texas Limited Liability Company (“Navitas”), and **TexAmericas Center**, a Texas Special Purpose District (“TAC”).

Recitals

WHEREAS, Navitas Utility Texas, LLC, Navitas Utility Corporation, and TexAmericas Center entered into that certain Pipeline Development Agreement dated on or about January 30, 2017, to provide for the extension of natural gas service upon property owned by TexAmericas Center; and

WHEREAS, the parties desire to develop an additional project upon the East Campus of the TexAmericas Center Industrial Park; and

WHEREAS, the parties desire to amend the original Pipeline Development Agreement to provide for the terms and conditions for the additional project, hereinafter referred to as the Oak Street Project;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements herein contained and intending to be legally bound thereby, TAC, Navitas, and NUC hereby covenant and agree as follows:

**ARTICLE ONE
Incorporation By Reference**

1.1. The terms, conditions, covenants and definitions of the original Pipeline Development Agreement shall remain in full force and effect as modified by this Addendum Number One.

1.2. In the event of a conflict between the terms of the original Pipeline Development Agreement and this Addendum Number One, the provisions of Addendum Number One shall control and be the binding terms upon the parties.

**ARTICLE TWO
Oak Street Project**

2.1. Navitas shall, at its own costs and expense, subject to the Aid-In-Construction Provisions set forth in Section 2.2, construct and install the equipment, machinery, piping and other improvements necessary for the installation and commissioning of a Pipeline within the Right-of-Way of Oak Street to its intersection with Cass Street as more particularly described in Exhibit “A” and Exhibit “B” attached hereto.

2.2. Aid-In-Construction for Development Cost. In order to assist Navitas in funding the development costs for the construction and commissioning of the Oak Street Project, TAC shall provide aid in construction in the amount of \$179,000.00 to be payable pursuant to the milestones and progress payments as follows:

<u>MILESTONES</u>	<u>PROGRESS PAYMENT AMOUNTS</u>
Execution of Agreement (20%)	\$35,800.00
Order Pipe (20%)	\$35,800.00
Establish Right-Of-Way (10%)	\$17,900.00
Receive Pipe (10%)	\$17,900.00
Break Ground (15%)	\$26,850.00
Dig-Fuse-Lay Backfill (15%)	\$26,850.00
Substantial Completion (10%)	\$17,900.00

2.3. TAC shall be responsible for clearing of the Right-of-Way as needed for the installation of the Pipeline.

2.4. TAC shall provide at its cost and expense the necessary survey services, including Right-of-Way limits and a ground penetrating radar 10 ft. either side of the centerline of the proposed Pipeline to determine obstacles or anomalies which would impact the installation and construction of the Pipeline.

**ARTICLE THREE
Times of Performance**

3.1. TAC shall complete its obligations of surveying, clearing of Right-of-Way, and ground penetrating radar inspection not later than _____, 2021.

3.2. Navitas shall commence construction and installation of the Pipeline not later than _____, 2021, and shall complete construction and have the Pipeline available for operation not later than _____, 2021.

**ARTICLE FOUR
Miscellaneous**

4.1. All terms of the Pipeline Development Agreement dated on or about January 30, 2017, shall apply to the construction and operation of the Oak Street Project Pipeline except as modified by this Agreement.

4.2. Operation of the Pipeline by Navitas shall be subject to the terms of the Franchise Agreement by and between the parties dated on or about the 30th day of January, 2017 and recorded in the office of the County Clerk of Bowie County, Texas, as Document No. 2017-1156.

4.3. Navitas shall submit to the Texas Railroad Commission the tariff rates set forth in Exhibit “C” for service to TAC customers. The provisions of Section 4.2 Tariffs of the Pipeline Development Agreement shall apply to these new tariffs.

4.4. Contemporaneously herewith, TAC shall grant and convey to Navitas a Right-of-Way Easement for the location construction and operation of Oak Street Project Pipeline within the Right-of-Way described in Exhibit “A” and Exhibit “B” attached hereto.

4.5. This Agreement may be executed in one or more counterparts, each of which shall be for all purposes an original and all such counterparts shall constitute one and the same document. Delivery of an executed signature page of this Agreement in Portable Document Format (PDF) or by facsimile transmission shall be effective as delivery of an executed original counterpart of this Agreement.

4.6. Effective Date. This Agreement is effective as of the date of the last of the parties date of execution of this Agreement.

NAVITAS TEXAS, LLC

By: _____
Name: _____
Title: _____
Date: _____

NAVITAS UTILITY CORPORATION

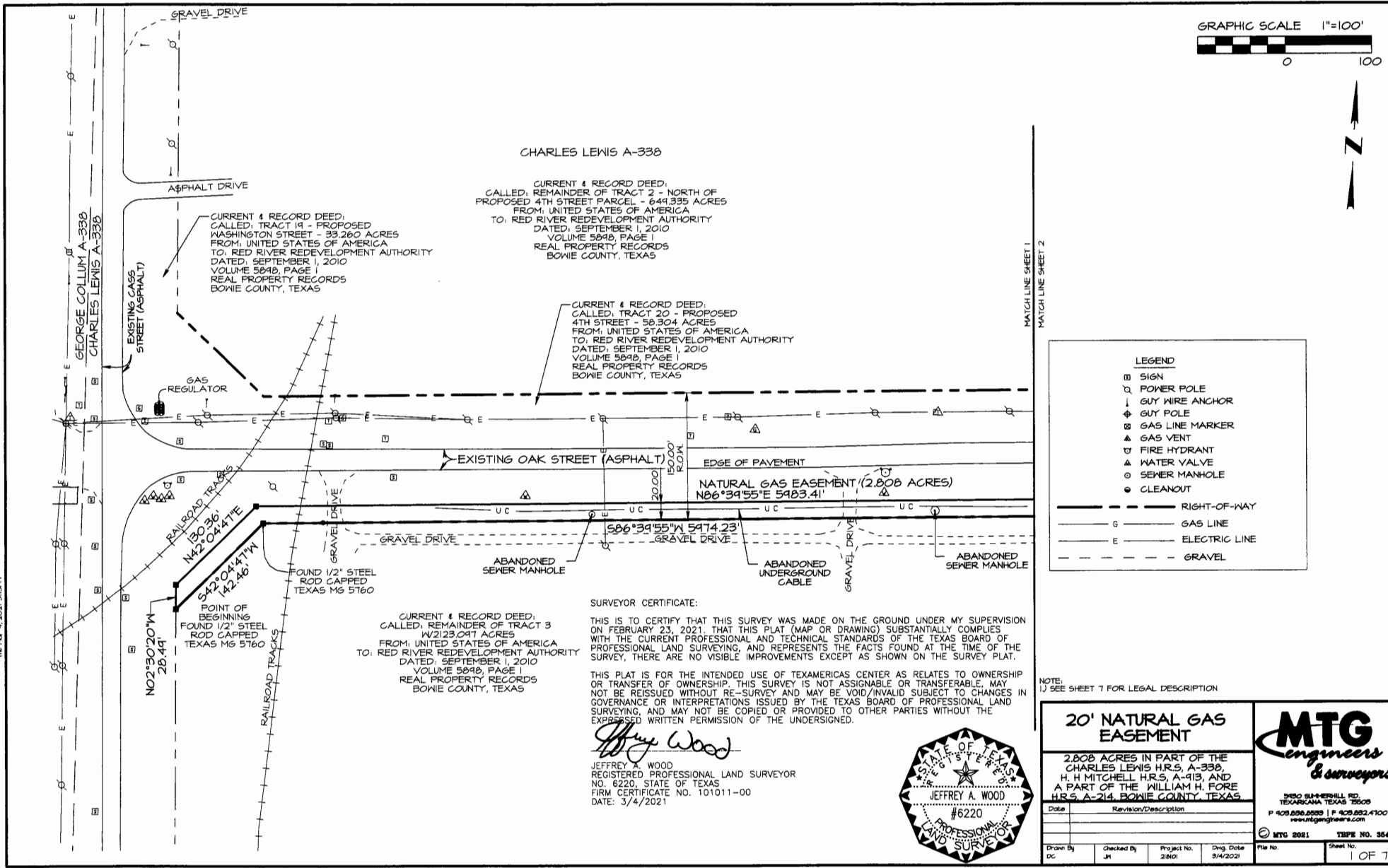
By: _____
Name: _____
Title: _____
Date: _____

TEXAMERICAS CENTER

By: _____
Name: William Scott Norton
Title: Executive Director/CEO
Date: _____

EXHIBIT "B"

X:\0021 Projects\021016 INZ General Engineering Support\021016\021016.dwg, 11/14/2021 11:56:42 AM



CHARLES LEWIS A-330

CURRENT & RECORD DEED:
CALLED: REMAINDER OF TRACT 2 - NORTH OF
PROPOSED 4TH STREET PARCEL - 644.335 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5048, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
CALLED: TRACT 19 - PROPOSED
WASHINGTON STREET - 33.260 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5048, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
CALLED: TRACT 20 - PROPOSED
4TH STREET - 58.304 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5048, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
CALLED: REMAINDER OF TRACT 3
1/2123.041 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5048, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

SURVEYOR CERTIFICATE:

THIS IS TO CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND UNDER MY SUPERVISION ON FEBRUARY 23, 2021. THAT THIS PLAT (MAP OR DRAWING) SUBSTANTIALLY COMPLIES WITH THE CURRENT PROFESSIONAL AND TECHNICAL STANDARDS OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING, AND REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY. THERE ARE NO VISIBLE IMPROVEMENTS EXCEPT AS SHOWN ON THE SURVEY PLAT.

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Jeffrey A. Wood
JEFFREY A. WOOD
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 6220, STATE OF TEXAS
FIRM CERTIFICATE NO. 101011-00
DATE: 3/4/2021



LEGEND

- SIGN
- POWER POLE
- ┆ GUY WIRE ANCHOR
- ◇ GUY POLE
- ⊗ GAS LINE MARKER
- ▲ GAS VENT
- ⊕ FIRE HYDRANT
- △ WATER VALVE
- SEWER MANHOLE
- CLEANOUT

- RIGHT-OF-WAY
- G GAS LINE
- E ELECTRIC LINE
- - - GRAVEL

NOTE:
1) SEE SHEET 1 FOR LEGAL DESCRIPTION

20' NATURAL GAS EASEMENT		MTG <i>engineers & surveyors</i>
2.808 ACRES IN PART OF THE CHARLES LEWIS H.R.S. A-330, H. H MITCHELL H.R.S. A-413, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS		
Date	Revision/Description	3810 SUMNERHILL RD. TEXARKANA TEXAS 75605 P 409.838.2533 F 409.832.4700 www.mtgengineers.com
Drawn By DC	Checked By JH	
Project No. 21601	Drawn Date 3/4/2021	© MTG 2021 TYPE NO. 354 Sheet No. 1 OF 7



CURRENT & RECORD DEED:
 CALLED: REMAINDER OF TRACT 2 - NORTH OF
 PROPOSED 4TH STREET PARCEL - 644.335 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5090, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

H. H. MITCHELL A-913
 WILLIAM H. FORE A-214

CURRENT & RECORD DEED:
 CALLED: TRACT 20 - PROPOSED
 4TH STREET - 80.304 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5090, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
 CALLED: REMAINDER OF TRACT 3 - BETWEEN PROPOSED
 4TH AND 5TH STREETS PARCEL - 2123.091 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5090, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

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Jeffrey A. Wood

JEFFREY A. WOOD
 REGISTERED PROFESSIONAL LAND SURVEYOR
 NO. 6220, STATE OF TEXAS
 FIRM CERTIFICATE NO. 101011-00
 DATE: 3/4/2021



LEGEND	
□	SIGN
⊗	POWER POLE
⊥	GUY WIRE ANCHOR
⊕	GUY POLE
⊗	GAS LINE MARKER
▲	GAS VENT
⊕	FIRE HYDRANT
△	WATER VALVE
⊙	SEWER MANHOLE
●	CLEANOUT
---	RIGHT-OF-WAY
G	GAS LINE
E	ELECTRIC LINE
- - -	GRAVEL

NOTE:
 1.) SEE SHEET 7 FOR LEGAL DESCRIPTION

20' NATURAL GAS EASEMENT	
2.808 ACRES IN PART OF THE CHARLES LENIS H.R.S. A-330, H. H. MITCHELL, H.R.S. A-913, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS	
Date	Revision/Description

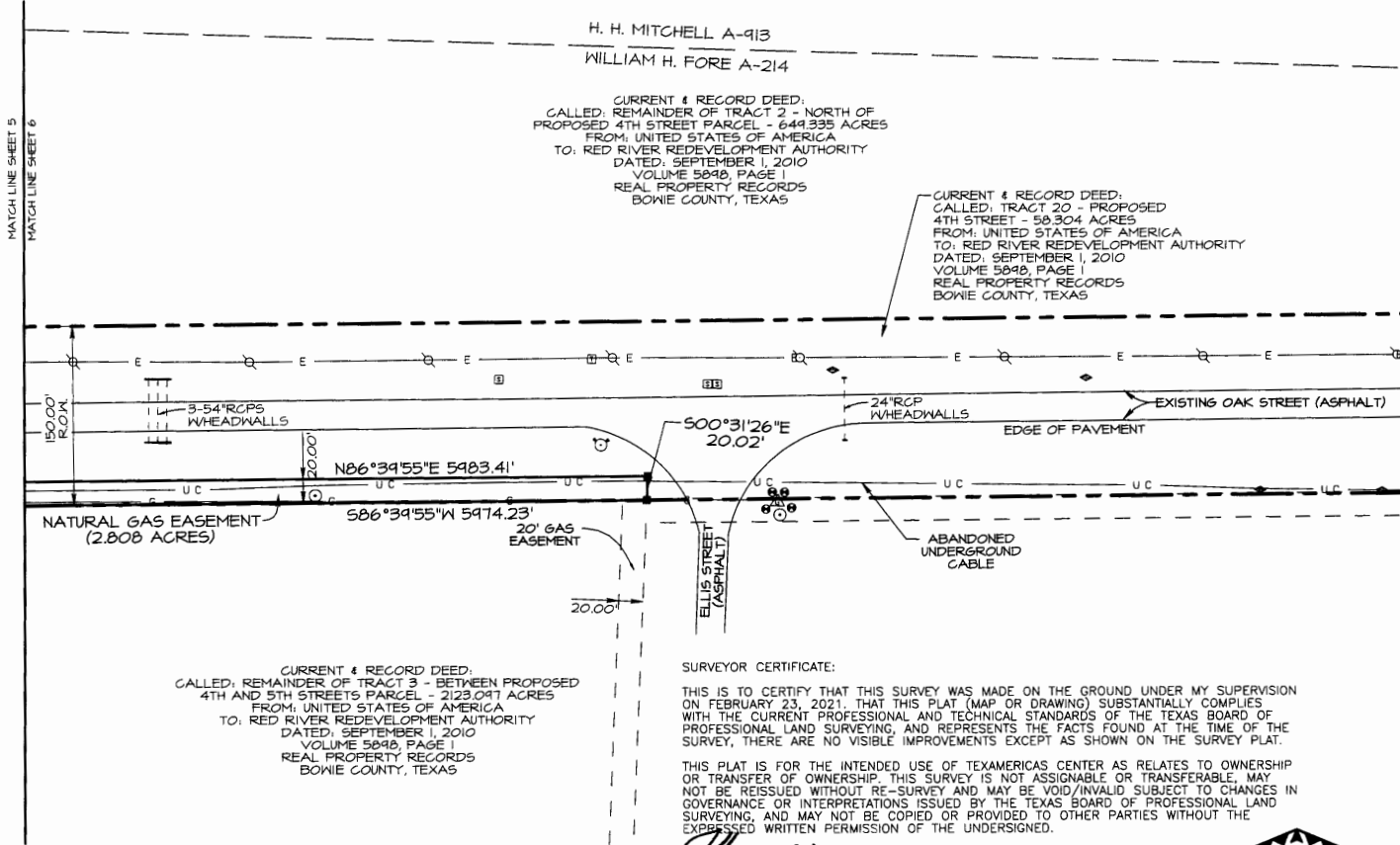
MTG
engineers & surveyors

3450 SUMMERHILL RD.
 TEXARKANA, TEXAS 75503
 P 908.888.8888 | F 908.888.4700
 www.mtgengineers.com

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Drawn By DC	Checked By JH	Project No. 2661	Draw. Date 3/4/2021	File No.	Sheet No. 5 OF 7
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X:\2021 Projects\2661 TAC General Engineering Support\2021 Survey\2661.dwg Thu Mar 4 2021 3:28PM



LEGEND

- SIGN
- ⊕ POWER POLE
- ⊥ GUY WIRE ANCHOR
- ⊕ GUY POLE
- ⊗ GAS LINE MARKER
- △ GAS VENT
- ⊕ FIRE HYDRANT
- △ WATER VALVE
- ⊕ SEWER MANHOLE
- CLEANOUT

- RIGHT-OF-WAY
- G — GAS LINE
- E — ELECTRIC LINE
- - - GRAVEL

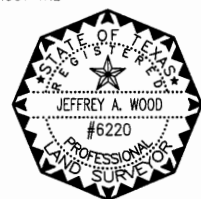
CURRENT & RECORD DEED,
CALLED: REMAINDER OF TRACT 3 - BETWEEN PROPOSED
4TH AND 5TH STREETS PARCEL - 2123.097 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5898, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

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FIRM CERTIFICATE NO. 101011-00
DATE: 3/4/2021



NOTE:
1.) SEE SHEET 7 FOR LEGAL DESCRIPTION

20' NATURAL GAS EASEMENT		MTG <i>engineers & surveyors</i>
2.808 ACRES IN PART OF THE CHARLES LEWIS H.R.S. A-338, H. H MITCHELL H.R.S. A-913, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS		
Date	Revision/Description	<small>5900 834-9500 WILL RED. TEXAS PARK TEXAS 75608 P 409.838.0523 F 409.832.4100 www.mtgengineers.com</small> © MTG 2021 TBPE NO. 354
Drawn By DC	Checked By JM	
Project No. 21601	Eng. Date 3/4/2021	File No. Sheet No. 6 OF 7

X:\2021\Projects\101011\TAC General Engineering Support\22 Survey\22.dwg 3/4/2021 3:24PM

EXHIBIT B

Proposed extension of the Navitas Gas Main along the south side of Oak Street from Ellis Street to Cass Street

Legend

- Navitas Gas Main Extension



Exhibit C

Current Tariffs

Commercial

Type	Small	Medium	Large
Rated flow (cf/hr)	<= 400	<= 800	<= 1600
Customer charge	\$29.00	\$49.00	\$99.00
Flow tariff / MCF	\$1.49	\$1.29	\$0.79

Industrial

MCF	1 – 5	6 – 15	16 – 35	36 – 2,035	2,036 – 6,035	6,036 – 10,000	>10,000
Price per unit	\$99.00	\$9.90	\$4.99	\$0.99	\$0.499	\$0.299	0.099

PREPARED IN THE OFFICE OF:
JORDAN LAW FIRM, L.L.P.
#4 Woodmont Crossing
Texarkana, Texas 75503

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

RIGHT OF WAY AND EASEMENT

That, for and in consideration of the sum of Ten Dollars & No/100 (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **TexAmericas Center**, a political subdivision of the State of Texas, and who is the owner of the real estate described in this Right of Way and Easement, (herein "**Grantor**," whether one or more) does hereby grant, bargain, sell, assign, convey, and warrant to **Navitas Utility Texas, LLC**, a Texas limited liability company (herein "**Grantee**"), a right-of-way and easement (the "**Easement**") with the right from time to time to survey, install, lay, construct, operate, cathodically protect, inspect, test, maintain, modify, upgrade, replace with the same or different size pipe or equipment, relocate, repair, alter the size of, environmentally remediate, replace, substitute, renew, reconstruct and remove one or more pipelines, together with all equipment, facilities and appurtenances thereto as may be necessary or convenient therefor, including, but not limited to cathodic protection equipment, valves, meters, and traps (collectively, the "**Pipeline(s)**") under, upon, over and through the land more particularly described on Exhibit A hereto and made a part hereof, for the transportation of natural gas, petroleum products, natural gas liquids, water, and any other gaseous or liquid substances that can be transported by pipeline. The Easement shall be situated within a route that is twenty (20) feet in width as more particularly described in Exhibit A and depicted on Exhibit B, both of which are attached hereto and made a part hereof. TO HAVE AND TO HOLD the above-described Easement unto Grantee, its successors and assigns, all upon and subject to the following conditions, covenants and agreements:

1. Grantee shall have all other rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted, together with the right of ingress and egress over, under, across, and through said lands and said Easement. In order to install, operate, maintain, remove, and/or repair any of its Pipeline(s), Grantee may during construction, maintenance or removal of the Pipeline(s) also use as temporary working space so much of the land of Grantor adjoining the Easement as Grantee deems necessary (not to exceed fifty (50) feet either side of the right of way centerline, plus reasonable rights to ingress and egress) to effect such operation, maintenance, removal and or repair. However, except in emergencies involving potential loss of life or damage or destruction to property or when Grantor cannot reasonably be located, Grantee

shall notify Grantor before entry upon the land for construction or other comparable operations involving substantial disturbance or alteration of the land or Grantor's property thereon.

2. Grantee shall have the right from time to time to cut, mow or otherwise remove all trees, undergrowth, overhanging vegetation, and other obstructions (other than buildings in the temporary working space) from the Easement or any temporary working space, that in its judgment may injure, endanger, or interfere with the exercise by Grantee of the rights, privileges and easements herein granted. Grantee shall promptly remove any and all cuttings and debris from the Easement and any temporary working space.

3. Except as otherwise permitted pursuant to Paragraph 2 above, Grantee shall pay Grantor for any actual damages to growing cash crops, timber, drain tiles, existing fences, buildings or other improvements caused by Grantee's exercise of rights granted herein on the Easement or temporary working space except to the extent caused by the negligence of Grantor, its employees, tenants, agents, contractors, subcontractors, representatives, heirs, successors, or assigns.

4. Grantor shall have the right to use and enjoy the surface of the lands covered by this Easement; provided, Grantor shall not interfere with or impair, or permit others to interfere with or impair in any way, the exercise of the rights and privileges herein granted to Grantee nor construct any building, structure, reservoir, pond, road, fence or other improvement or make any excavation or place any obstruction or plant any tree or shrub on, across, over, or through the Easement or change the grade over the Pipeline(s), without the prior written consent of Grantee. Subject to (1) the rights of third parties whose water, sewer and other utility lines currently cross the Easement tract to service, repair, maintain, modify, upgrade and replace their existing lines and (2) the rights of Grantor and its successors and assigns to grant additional utility and telecommunications easements which cross the Easement tract as long as such additional easements do not interfere with use of the Easement by Grantee or the operation of the Pipeline, the rights and privileges of Grantee hereunder are exclusive as to the subsurface of the land. This Easement does not constitute a conveyance of any of the oil, gas or other minerals underlying the lands covered by this Easement. 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 the same; provided that such future rights or activities shall not interfere with or impair the operation of the Pipeline.

5. Grantee, including its successors and assigns (whether to the whole or in part), shall have the right (and the consideration paid to Grantor on execution hereof expressly includes such right), from time to time, to install within the boundaries of the Easement hereby granted one or more additional Pipeline(s) as Grantee shall determine. For any such additional line so installed, the Grantee shall pay the Grantor any actual additional damages as stipulated in and limited by Paragraph 3 above.

6. The Pipeline(s) shall be designed, constructed, installed, and operated in accordance with the applicable safety rules and regulations of governmental authorities having jurisdiction, or if there are no such governmental rules, then in accordance with applicable industry standards and practices.

7. Grantee agrees to indemnify, and hold harmless Grantor, its successors and assigns from and against any damage or loss to Grantor's property or injury to persons resulting from, arising out of, or caused by the construction, operation, maintenance, or presence of said Pipeline(s) on the Easement. However, Grantee shall not indemnify Grantor for that portion of any liability caused by Grantor or any of Grantor's employees, agents, contractors, subcontractor's, tenants, representatives, heirs, successors, or assigns.

8. Unless a greater depth is required by applicable law, rule, or regulation, each of the Pipeline(s) shall be located within the Easement at a minimum of three (3) feet below the surface of natural ground. If it should become necessary to lower and/or encase any of said Pipeline(s) because of Grantor's crossing the Pipeline(s) with its roads, pipelines, and/or other facilities, Grantor shall pay the necessary expenses for such adjustment(s). In the construction and installation of any Pipeline(s), Grantee shall not cut roads and/or streets without the prior written consent of Grantor. When Grantee shall have occasion to make an opening in any road or street for the purpose of laying, or repairing any of its facilities, it shall conduct its work in a careful and workman like manner, cause as little disturbance of traffic as reasonably possible, and restore the surface of such street or other public place to the same condition as before excavation or to a minimum standard as reasonably determined by the engineer designated by Grantor as promptly as possible under the circumstances. Grantee, during the opening of such surface, shall properly guard and protect all openings and trenches. In the event that permanent asphalt or comparable surfacing material cannot be placed immediately upon completion of filling such excavation, Grantee shall level and maintain the surface until such time as permanent asphalt or comparable surfacing material can be placed. Grantee shall monitor and maintain such surface for a period of one year after completion of the work at such location. If Grantee fails to restore such surface to its normal condition, or to maintain said surface for a period of one year after completion of the work, the same may be repaired under the direction of the engineer designated by Grantor and the reasonable and documented expense of such repair shall be paid by Grantee upon written demand.

9. Grantor hereby warrants and agrees to defend title to the land on which this Easement is given. In the event of default by Grantor on any mortgage, tax or other lien that has priority over this Easement, Grantee shall have the right to discharge or redeem for Grantor, in whole or in part, any such mortgage, tax or lien, and thereupon shall be subrogated to such lien and rights incident thereto.

10. In the event that the land to which this Easement pertains is subject to a lease to any tenant for farming, ranching or any other purposes, Grantor shall be solely responsible for making settlement with any such tenant or lessee for any share of the compensation paid for the granting of this Easement or for any share of the damages that Grantee is otherwise required hereunder to pay to the end that Grantee shall never be required to deal with or pay compensation to any such lessee or tenant, and Grantee may deal exclusively with Grantor.

11. Grantee shall pay all taxes which may be levied or assessed on the installation, use and operation of the Pipeline(s) and Grantee further agrees to promptly reimburse Grantor for the amount of taxes which may be assessed against Grantor by reason of Grantee having installed its piping and related equipment upon the real estate of Grantor covered by this Easement.

12. This Easement is to be construed in accordance with the laws of the State in which lie the lands covered by this Easement, without giving effect to any choice of law principles that impose or attempt to impose the law(s) of another jurisdiction.

13. Grantor acknowledges that the making, execution, and delivery of this Easement has been induced by no representation, statement, warranty or agreement other than those herein expressed. Except for that certain Pipeline Development Agreement dated and/or amended as of the date hereof among Grantor, Grantee and Navitas Utility Corporation, this Easement embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

14. The terms and provisions of this Easement shall constitute covenants running with the land and shall be binding upon and inure to the benefit of the respective successors, assigns, personal representatives and heirs of the parties hereto. In the event of an assignment by Grantee of any of the rights granted hereunder, Grantee shall be relieved of so much of its obligations hereunder as pertains to the rights assigned, and such obligations shall become the obligations of the assignee.

15. Each Grantor certifies under oath and subject to penalties of perjury that such Grantor is not a foreign person, foreign corporation, foreign trust or foreign estate for purposes of compliance with Internal Revenue Code requirements applicable to foreign grantors of real property interests.

16. This Easement may be executed by the parties hereto in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

EXECUTED and made effective this _____ day of _____, 2021.

NAVITAS UTILITY TEXAS, LLC

TEXAMERICAS CENTER

(Signature)

(Signature)

(Printed Name and Title)

William Scott Norton, Executive Director/CEO

(Printed Name and Title)

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF BOWIE §

Before me, a Notary Public in and for the State of Texas, on this _____ day of _____, 2021, personally appeared _____, known to me to be the identical person who subscribed the name of **Navitas Utility Texas, LLC**, a Texas limited liability, to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of the limited liability company for the uses and purposes set forth.

Notary Public, State of Texas

My Commission Expires: _____
My Commission Number: _____

STATE OF TEXAS §
 §
COUNTY OF BOWIE §

Before me, a Notary Public in and for the State of Texas, on this _____ day of _____, 2021, personally appeared William Scott Norton, known to me to be the identical person who subscribed the name of **TexAmericas Center**, to the foregoing instrument as its Executive Director/CEO and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of TexAmericas Center for the uses and purposes set forth.

Notary Public, State of Texas

My Commission Expires: _____
My Commission Number: _____

Property Description . 20. Natural Gas Easement
2.808 Acres
Bowie County, Texas

All that certain lot, tract or parcel of land lying and situated in the Charles Lewis Headright Survey, Abstract 338, in the H. H. Mitchell Headright Survey, Abstract 913, and in the William H. Fore Headright Survey, Abstract 214, Bowie County, Texas, being part of that certain tract of land described as Tract 20 . Proposed 4th Street with 58.0304 acres in the deed from United States of America to Red River Redevelopment Authority (now known as TexAmericas Center), dated September 1, 2010, recorded in Volume 5898, Page 1 of the Real Property Records of Bowie County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch steel rod for a corner, capped TEXAS MG 5760, the Southwesterly corner of the said Tract 20, the Westerly Northwest Corner of that certain tract of land described as Remainder of Tract 3 . Between Proposed 4th and 5th Streets Parcels with 2123.097 acres in the deed from United States of America to Red River Redevelopment Authority, dated September 1, 2010, recorded in Volume 5898, Page 1 of the Real Property Records of Bowie County, Texas, lying in the East line of that certain tract of land described as Tract 19 . Proposed Washington Street with 32.260 acres in the deed from United States of America to Red River Redevelopment Authority, dated September 1, 2010, recorded in Volume 5898, Page 1 of the Real Property Records of Bowie County, Texas;

THENCE North 02 degrees 30 minutes 20 seconds West a distance of 28.49 feet along the West line of the said Tract 20 and the East line of the said Tract 19, to a point for a corner, lying in the West line of the said Tract 20 and the East line of the said Tract 19;

THENCE North 42 degrees 04 minutes 47 seconds East a distance of 130.36 feet, to a point for a corner, at an angle point;

THENCE North 86 degrees 39 minutes 55 seconds East a distance of 5983.41 feet, to a point for a corner;

THENCE South 00 degrees 31 minutes 26 seconds East a distance of 20.02 feet, to a point for a corner, lying in the South line of the said Tract 20 and the North line of the said Tract 3;

THENCE South 86 degrees 39 minutes 55 seconds West a distance of 5974.23 feet along the South line of the said Tract 20 and the North line of the said Tract 3, to a point for a corner, at an angle point, lying in the South line of the said Tract 20 and the North line of the said Tract 3;

THENCE South 42 degrees 04 minutes 47 seconds West a distance of 142.46 feet along the South line of the said Tract 20 and the North line of the said Tract 3, to the point of beginning and containing 2.808 acres of land, at the time of this survey.

SURVEYOR CERTIFICATE:

THIS IS TO CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND UNDER MY SUPERVISION ON FEBRUARY 23, 2021. THAT THIS PLAT (MAP OR DRAWING) SUBSTANTIALLY COMPLIES WITH THE CURRENT PROFESSIONAL AND TECHNICAL STANDARDS OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING, AND REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY, THERE ARE NO VISIBLE IMPROVEMENTS EXCEPT AS SHOWN ON THE SURVEY PLAT.

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Jeffrey A. Wood

JEFFREY A. WOOD
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 6220, STATE OF TEXAS
FIRM CERTIFICATE NO. 101011-00
DATE: 3/4/2021



NOTE:
1.) SEE SHEET 7 FOR LEGAL DESCRIPTION

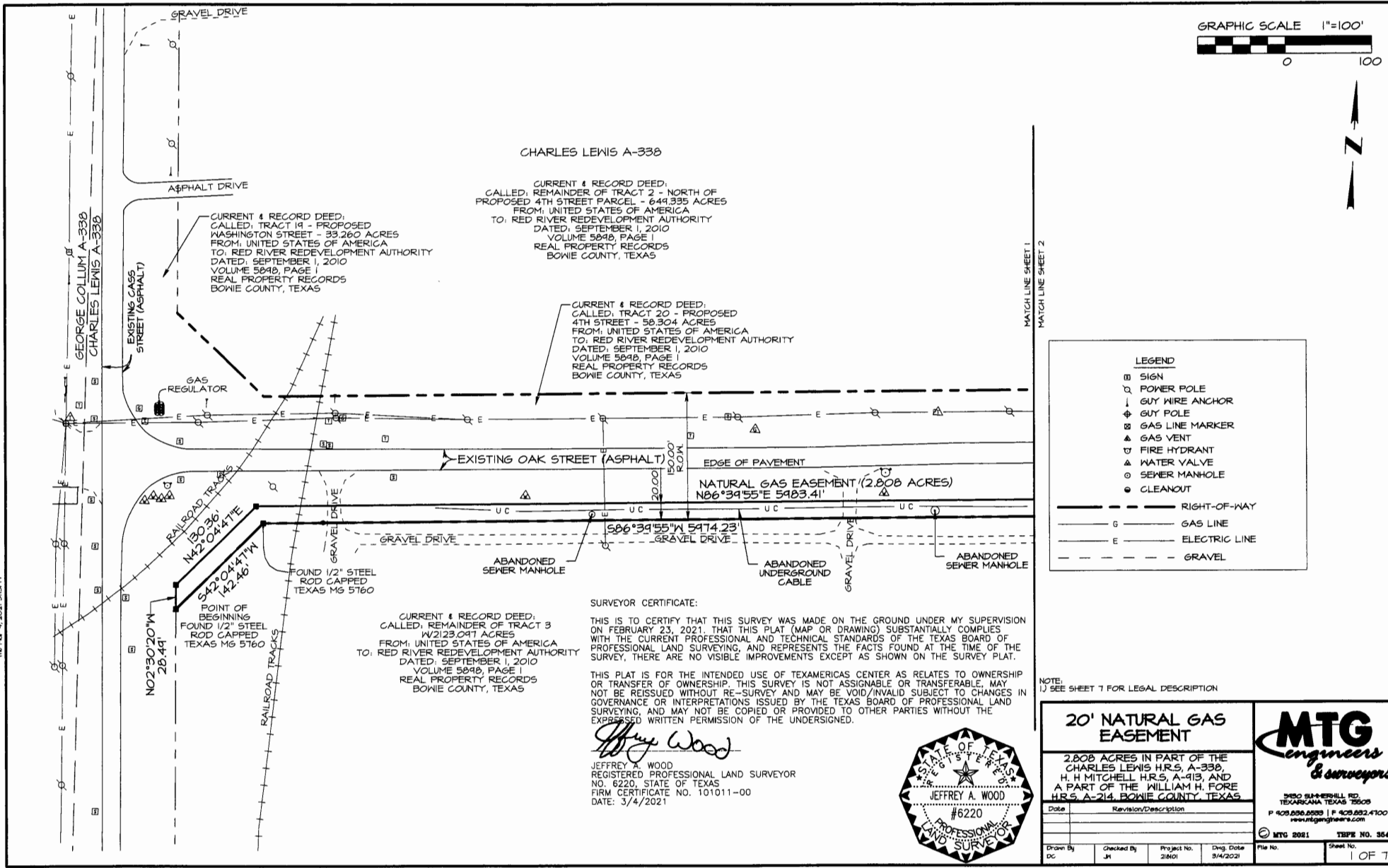
20' NATURAL GAS EASEMENT		MTG <i>engineers & surveyors</i>
2.808 ACRES IN PART OF THE CHARLES LEWIS H.R.S. A-338, H. H MITCHELL H.R.S. A-413, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS		
Date	Revision/Description	
Drawn By: DC	Checked By: JH	Project No: 210101
		Dwg. Date: 3/4/2021
File No.		Sheet No. 7 OF 7

5450 SUMMERHILL RD.
TEXARKANA TEXAS 75608
P 905.650.2520 | F 905.652.4100
www.mtgengineers.com

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EXHIBIT "B"

X:\0021 Projects\021016 INZ General Engineering Support\021016\021016.dwg, 11/14/2021 10:56:29 AM, 11/14/2021 10:56:29 AM



CHARLES LEWIS A-330

CURRENT & RECORD DEED:
 CALLED: REMAINDER OF TRACT 2 - NORTH OF
 PROPOSED 4TH STREET PARCEL - 644.335 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5048, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
 CALLED: TRACT 19 - PROPOSED
 WASHINGTON STREET - 33.260 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5048, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
 CALLED: TRACT 20 - PROPOSED
 4TH STREET - 58.304 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5048, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

CURRENT & RECORD DEED:
 CALLED: REMAINDER OF TRACT 3
 1/2123.041 ACRES
 FROM: UNITED STATES OF AMERICA
 TO: RED RIVER REDEVELOPMENT AUTHORITY
 DATED: SEPTEMBER 1, 2010
 VOLUME 5048, PAGE 1
 REAL PROPERTY RECORDS
 BOWIE COUNTY, TEXAS

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 FIRM CERTIFICATE NO. 101011-00
 DATE: 3/4/2021



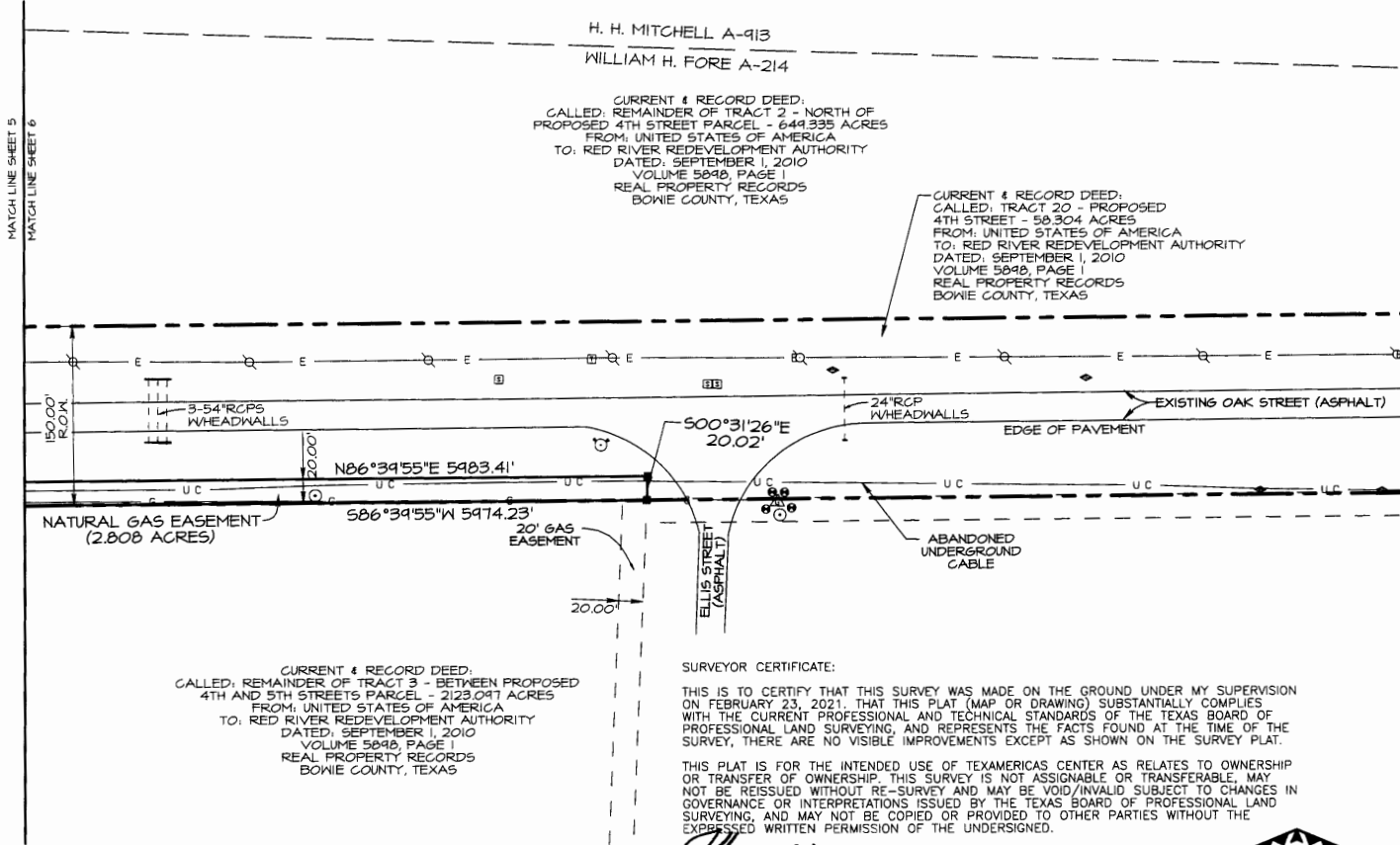
LEGEND

- SIGN
- POWER POLE
- ┆ GUY WIRE ANCHOR
- ◇ GUY POLE
- ⊗ GAS LINE MARKER
- ▲ GAS VENT
- ⊕ FIRE HYDRANT
- WATER VALVE
- SEWER MANHOLE
- CLEANOUT

- RIGHT-OF-WAY
- G GAS LINE
- E ELECTRIC LINE
- - - GRAVEL

NOTE:
 1) SEE SHEET 1 FOR LEGAL DESCRIPTION

20' NATURAL GAS EASEMENT		MTG <i>engineers & surveyors</i>
2.808 ACRES IN PART OF THE CHARLES LEWIS H.R.S. A-330, H. H MITCHELL H.R.S. A-413, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS		
Date	Revision/Description	3810 SUMNERHILL RD. TEXARKANA TEXAS 75605 P 409.288.2838 F 409.282.4700 www.mtgengineers.com
Drawn By DC	Checked By JH	
Project No. 21601	Drawn Date 3/4/2021	© MTG 2021 TYPE NO. 354 Sheet No. 1 OF 7



LEGEND

- SIGN
- POWER POLE
- ⊥ GUY WIRE ANCHOR
- ⊕ GUY POLE
- ⊗ GAS LINE MARKER
- △ GAS VENT
- ⊕ FIRE HYDRANT
- ⊕ WATER VALVE
- ⊕ SEWER MANHOLE
- CLEANOUT

- RIGHT-OF-WAY
- G — GAS LINE
- E — ELECTRIC LINE
- - - GRAVEL

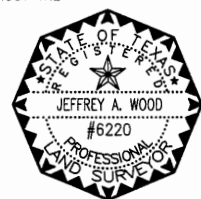
CURRENT & RECORD DEED,
CALLED: REMAINDER OF TRACT 3 - BETWEEN PROPOSED
4TH AND 5TH STREETS PARCEL - 2123.097 ACRES
FROM: UNITED STATES OF AMERICA
TO: RED RIVER REDEVELOPMENT AUTHORITY
DATED: SEPTEMBER 1, 2010
VOLUME 5098, PAGE 1
REAL PROPERTY RECORDS
BOWIE COUNTY, TEXAS

SURVEYOR CERTIFICATE:

THIS IS TO CERTIFY THAT THIS SURVEY WAS MADE ON THE GROUND UNDER MY SUPERVISION ON FEBRUARY 23, 2021, THAT THIS PLAT (MAP OR DRAWING) SUBSTANTIALLY COMPLIES WITH THE CURRENT PROFESSIONAL AND TECHNICAL STANDARDS OF THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING, AND REPRESENTS THE FACTS FOUND AT THE TIME OF THE SURVEY, THERE ARE NO VISIBLE IMPROVEMENTS EXCEPT AS SHOWN ON THE SURVEY PLAT.

THIS PLAT IS FOR THE INTENDED USE OF TEXAMERICAS CENTER AS RELATES TO OWNERSHIP OR TRANSFER OF OWNERSHIP. THIS SURVEY IS NOT ASSIGNABLE OR TRANSFERABLE, MAY NOT BE REISSUED WITHOUT RE-SURVEY AND MAY BE VOID/INVALID SUBJECT TO CHANGES IN GOVERNANCE OR INTERPRETATIONS ISSUED BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEYING, AND MAY NOT BE COPIED OR PROVIDED TO OTHER PARTIES WITHOUT THE EXPRESSED WRITTEN PERMISSION OF THE UNDERSIGNED.

Jeffrey A. Wood
JEFFREY A. WOOD
REGISTERED PROFESSIONAL LAND SURVEYOR
NO. 6220, STATE OF TEXAS
FIRM CERTIFICATE NO. 101011-00
DATE: 3/4/2021



NOTE:
1.) SEE SHEET 7 FOR LEGAL DESCRIPTION

20' NATURAL GAS EASEMENT		MTG <i>engineers & surveyors</i>
2.808 ACRES IN PART OF THE CHARLES LEWIS H.R.S. A-330, H. H MITCHELL H.R.S. A-913, AND A PART OF THE WILLIAM H. FORE H.R.S. A-214, BOWIE COUNTY, TEXAS		
Date	Revision/Description	<small>5900 534-9500 WILL. RD. TEXARKANA, TEXAS 75603 P 409.850.0523 F 409.852.4100 www.mtgengineers.com</small> © MTG 2021 TBPE NO. 354
Drawn By DC	Checked By JM	
Project No. 21601	Eng. Date 3/4/2021	File No. Sheet No. 6 OF 7

X:\2021\Projects\101011\TAC General Engineering Support\22 Survey\22\101011.dwg

EXHIBIT B

Proposed extension of the Navitas Gas Main along the south side of Oak Street from Ellis Street to Cass Street

Legend

- Navitas Gas Main Extension

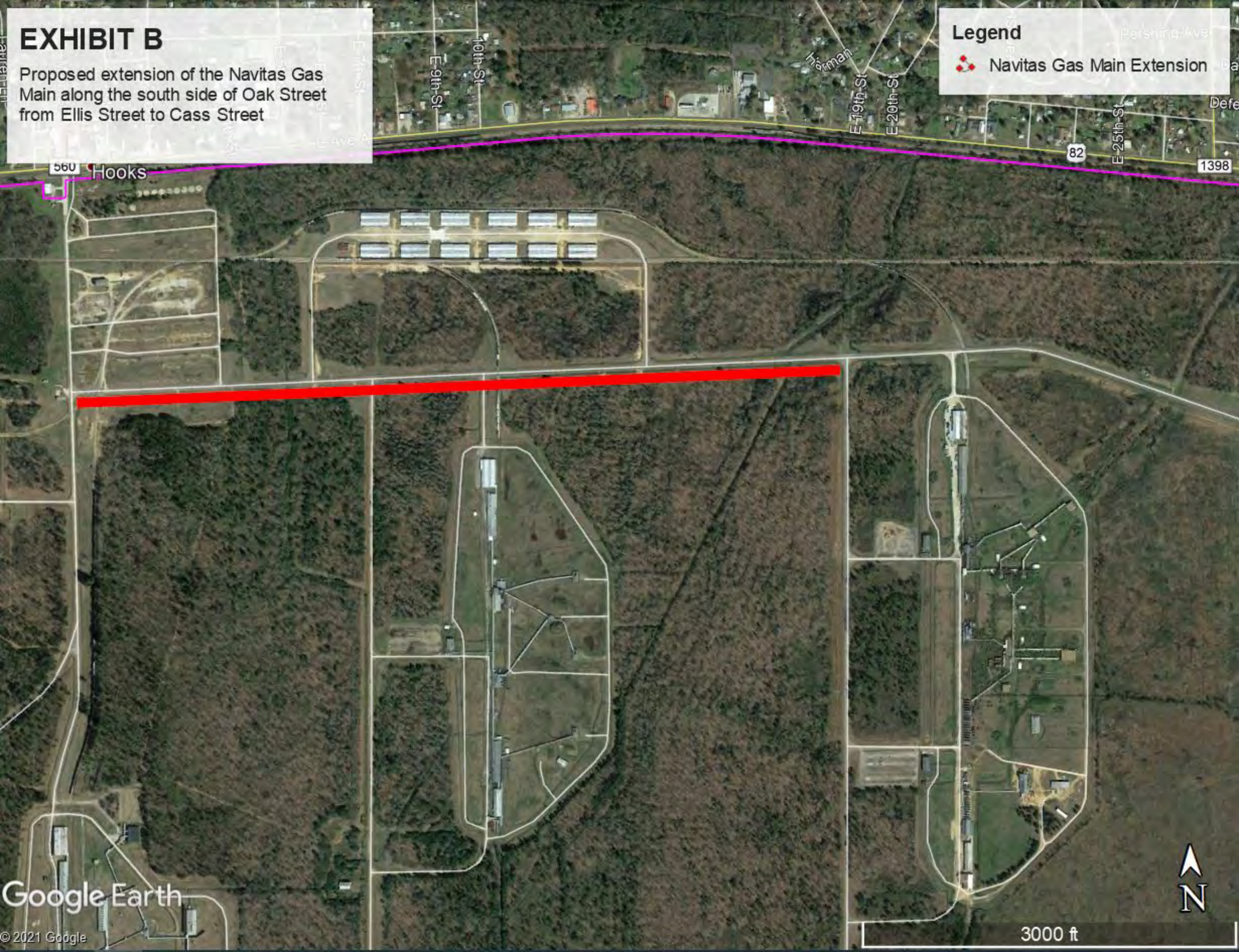


Exhibit C

Current Tariffs

Commercial

Type	Small	Medium	Large
Rated flow (cf/hr)	<= 400	<= 800	<= 1600
Customer charge	\$29.00	\$49.00	\$99.00
Flow tariff / MCF	\$1.49	\$1.29	\$0.79

Industrial

MCF	1 – 5	6 – 15	16 – 35	36 – 2,035	2,036 – 6,035	6,036 – 10,000	>10,000
Price per unit	\$99.00	\$9.90	\$4.99	\$0.99	\$0.499	\$0.299	0.099



RESOLUTION NO. 20210427-08

A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES WITH PACHECO KOCH CONSULTING ENGINEERS, INC.

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Pacheco Koch Consulting Engineers, Inc. has the necessary experience and expertise to submit design and engineering services to TexAmericas Center; and

WHEREAS, TexAmericas Center has determined this firm to be qualified to perform these services;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director/CEO shall be and he is here by authorized to enter into a professional services contract with Pacheco Koch Consulting Engineers, Inc. to provide design and engineering services for TexAmericas Center on terms substantially the same as attached hereto. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

ATTACHED: FY21 Professional Services Agreement



**PROFESSIONAL SERVICES AGREEMENT
(Engineer)**

This Agreement between **TexAmericas Center** (hereinafter referred to as "Client") and **Pacheco Koch Consulting Engineers, Inc.** (hereinafter referred to as "Engineer") is effective as of the 27th day of April, 2021. The parties agree as follows:

WHEREAS, the Client desires to engage ENGINEER to provide general civil engineering and land surveying services; and

WHEREAS, ENGINEER desires to render certain services as described in authorized work orders as may be hereafter issued and has the experience and staff to perform those services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

Section 1. Services. The Client hereby agrees to engage ENGINEER, and ENGINEER hereby agrees to perform certain services for the Client as agreed upon from time to time. Such services shall be set forth in individual work orders as may be hereafter authorized in writing by the Client and accepted by ENGINEER. The terms and conditions of this Agreement shall apply to each Work Order, except to the extent expressly modified by the Work Order.

Section 2. Client's Responsibilities. The Client agrees to provide ENGINEER with all existing data, plans, and other information in the Client's possession which are necessary for the performance of Services as well as right of entry for ENGINEER's personnel and all necessary equipment to the site(s). The Client further agrees to provide any additional data, plans, or other information as may be specified in authorized work orders.

Section 3. Standard of Care and Warranty. ENGINEER agrees that its Services will be performed with that level of professional care and skill ordinarily exercised by members of the profession currently practicing under similar conditions and circumstances. **NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE.** ENGINEER will not be responsible for the interpretation or use by persons or entities other than Client of data developed by ENGINEER.

Section 4. Safety. ENGINEER is responsible for the safety on site of its own employees. This provision shall not be construed to relieve Client or any of its vendors, or other contractors from their responsibility for maintaining a safe worksite. Neither the professional services of ENGINEER, nor the presence of ENGINEER's employees and subcontractors shall be construed to imply ENGINEER has any responsibility for any activities on site performed by personnel other than ENGINEER's employees or subcontractors.

Section 5. Time of Performance. ENGINEER agrees to perform the Services within schedules as set forth in authorized work orders. ENGINEER shall not be responsible for delays in the work caused by Client or its agents, consultants, or contractors. Standby or non-productive time for

delays in our work caused by Client will be charged as work time unless provided for as a separate item in the work order.

Section 6. Compensation. For ENGINEER's performance and completion of all services, Client shall compensate as specified in authorized work orders. Such rates include labor, overhead, expenses, and profit.

Section 7. Payment. ENGINEER shall invoice Client for Services performed on a monthly basis. Each invoice is due on presentation, is payable in Bowie County, Texas, and is past due thirty (30) days from invoice date. Client agrees to pay interest equal to one percent (1%) plus the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year, or the next day thereafter if July 1 falls on a Saturday or Sunday. Invoices for Services performed on a time-and-materials basis will be submitted showing labor (hours worked) and total expenses. If requested by the Client, documentation will be provided by ENGINEER at the cost of providing such documentation including labor and copying costs. Any attorneys' fees, court costs, collection fees or other costs incurred in collecting any uncontested delinquent amounts shall be paid by Client.

Payment of the fees provided for in this Contract are subject to the availability of annual appropriations by the Client, which is a political subdivision of the State of Texas. Client shall use its best efforts to obtain and appropriate funds for payment of the sums due ENGINEER under this Agreement.

Section 8. Notices. Communications from the Client shall be to ENGINEER's designated project manager or principal-in-charge of the work. Oral communications shall be confirmed in writing. Communications from ENGINEER to Client shall be to Client's Executive Director.

Section 9. Cost Estimates. All cost estimates provided in association with services, either prior to accomplishment or during same, are based on a scope of services provided with same. It is expressly understood by Client and ENGINEER that any change to said scope of services, may directly impact the cost of same. In the event that significant changes in scope are requested by Client, ENGINEER shall notify Client in writing of the potential increase in costs associated with same and provide additional work orders as needed to address same.

Section 10. Confidentiality. ENGINEER shall maintain as confidential and not disclose to others without Client's prior written consent, all information obtained from Client, not otherwise previously known to ENGINEER in the public domain, as Client expressly designates in writing to be "Confidential." The provisions of this paragraph shall not apply to information in whatever form which (i) is published or comes into the public domain through no fault of ENGINEER, (ii) is furnished by or obtained from a third party who is under no obligation to keep the information confidential, or (iii) is required to be disclosed by law on order of a court, administrative agency or other authority with proper jurisdiction.

Section 11. Independent Contractor. ENGINEER's relationship with the Client under this Agreement shall be that of independent contractor. The employees, methods, equipment, and facilities used by ENGINEER shall at all times be under its exclusive direction and control, and the Client shall not exercise control over ENGINEER except insofar as may be necessary to ensure

performance and compliance with this Agreement.

Section 12. Insurance. ENGINEER agrees to purchase and maintain at its own expense the following insurance in amounts not less than specified herein:

<u>TYPE OF INSURANCE</u>	<u>COVERAGE AMOUNTS</u>
Worker's Compensation Insurance	statutory
Employer Liability Insurance	\$1,000,000.00
General Liability Insurance	\$1,000,000.00 per occurrence/per aggregate
Automobile Liability Insurance	\$1,000,000.00 per occurrence/per aggregate
Professional Liability Insurance	\$1,000,000.00 per occurrence/per aggregate

Certificates of insurance shall be provided to Client upon request in writing. Within the limits and conditions of such insurance, ENGINEER agrees to reimburse the Client for any damages sustained by the client which are covered by ENGINEER's insurance to the extent of the limitations and exclusions contained within said insurance policies.

Client agrees to purchase and maintain at its own expense, general liability insurance in an amount necessary to provide coverage for sums up to the limit of Client's liability under the Texas Tort Claims Act.

Section 13. Indemnification. ENGINEER shall defend, indemnify, and hold the Client harmless from and against any claim asserted by any person or entity (other than an officer, director, employee or agent of Client) arising out of (i) ENGINEER's negligence or (ii) ENGINEER's breach of any obligation or responsibility imposed on it by the provisions of this Agreement, subject to the limitations and exclusions contained herein in Sections 12.

Section 14. Provided ENGINEER has been paid for its services, Client shall have the right to use the documents, photographs, drawings and specifications resulting from ENGINEER'S services. Reuse of any such materials by Client on any other project without the written authorization of ENGINEER shall be at Client's sole risk. ENGINEER shall have the right to retain copies of all such information and materials.

Section 15. Disputes. If a dispute arises relating to the performance of the Services covered by this Agreement, and legal or other costs are incurred, the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, court costs, attorney's fees, and other claim-related expenses.

Section 16. Termination. This Agreement may be terminated by either party upon thirty (30) days written notice. In the event of termination, ENGINEER shall be paid for services performed prior to the termination notice date plus reasonable termination expenses, including the cost of completing analyses, records, and reports necessary to document job status at the time of termination.

Section 17. No Waiver. The failure of a party to enforce strictly any provision of this Agreement shall not be deemed to act as a waiver of any provision, including the provision not so enforced.

Section 18. Choice of Law. This Agreement is deemed to be made under and shall be construed according to the laws of the State of Texas. Venue for any litigation arising out of this Agreement shall be in the District Court of Bowie County, Texas.

Section 19. Successors and Assignments. The Client and ENGINEER each binds itself and its successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; provided, however, neither party may assign this agreement or its duties and obligations hereunder without the prior written consent of the other party.

Section 20. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 21. Entire Agreement. This Agreement, including work orders authorized hereunder, constitutes the entire agreement between the parties hereto and it supersedes all prior or contemporaneous agreements, whether oral or written, with respect to the subject matter hereof. In case of conflict or inconsistency between this Agreement and any other contract documents, this Agreement shall control. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound. This Agreement is effective as of the date referenced above.


IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in two counterparts (each of which is an original) by their duly authorized representatives as of the date shown below.

TEXAMERICAS CENTER

By: _____

Title: Executive Director/CEO

Date: _____

By:  _____
C. Jack Evans, P.E.

Title: Principal

Date: 04/22/2021



RESOLUTION NO. 20210427-09

**A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES WITH LOCKWOOD,
ANDREWS & NEWNAM, INC.**

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Lockwood, Andrews & Newnam, Inc. has the necessary experience and expertise to submit design and engineering services to TexAmericas Center regarding relevant services; and

WHEREAS, TexAmericas Center has determined this firm to be qualified to perform these services;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director/CEO shall be and he is here by authorized to enter into a professional services contract with Lockwood, Andrews & Newnam, Inc. to provide engineering and design services for TexAmericas Center on terms substantially the same as attached hereto. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

ATTACHED: FY21 Professional Services Agreement



**PROFESSIONAL SERVICES AGREEMENT
(Engineer)**

This Agreement between **TexAmericas Center** (hereinafter referred to as "Client") and **Lockwood, Andrews & Newnam, Inc.** (hereinafter referred to as "Engineer") is effective as of the 27th day of April, 2021. The parties agree as follows:

WHEREAS, the Client desires to engage ENGINEER to provide general civil engineering and land surveying services; and

WHEREAS, ENGINEER desires to render certain services as described in authorized work orders as may be hereafter issued and has the experience and staff to perform those services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

Section 1. Services. The Client hereby agrees to engage ENGINEER, and ENGINEER hereby agrees to perform certain services for the Client as agreed upon from time to time. Such services shall be set forth in individual work orders as may be hereafter authorized in writing by the Client and accepted by ENGINEER. The terms and conditions of this Agreement shall apply to each Work Order, except to the extent expressly modified by the Work Order.

Section 2. Client's Responsibilities. The Client agrees to provide ENGINEER with all existing data, plans, and other information in the Client's possession which are necessary for the performance of Services as well as right of entry for ENGINEER's personnel and all necessary equipment to the site(s). The Client further agrees to provide any additional data, plans, or other information as may be specified in authorized work orders.

Section 3. Standard of Care and Warranty. ENGINEER agrees that its Services will be performed with that level of professional care and skill ordinarily exercised by members of the profession currently practicing under similar conditions and circumstances. **NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE.** ENGINEER will not be responsible for the interpretation or use by persons or entities other than Client of data developed by ENGINEER.

Section 4. Safety. ENGINEER is responsible for the safety on site of its own employees. This provision shall not be construed to relieve Client or any of its vendors, or other contractors from their responsibility for maintaining a safe worksite. Neither the professional services of ENGINEER, nor the presence of ENGINEER's employees and subcontractors shall be construed to imply ENGINEER has any responsibility for any activities on site performed by personnel other than ENGINEER's employees or subcontractors.

Section 5. Time of Performance. ENGINEER agrees to perform the Services within schedules as set forth in authorized work orders. ENGINEER shall not be responsible for delays in the work caused by Client or its agents, consultants, or contractors. Standby or non-productive time for

caused by Client or its agents, consultants, or contractors. Standby or non-productive time for delays in our work caused by Client will be charged as work time unless provided for as a separate item in the work order.

Section 6. Compensation. For ENGINEER's performance and completion of all services, Client shall compensate as specified in authorized work orders. Such rates include labor, overhead, expenses, and profit.

Section 7. Payment. ENGINEER shall invoice Client for Services performed on a monthly basis. Each invoice is due on presentation, is payable in the Bowie County, Texas, and is past due thirty (30) days from invoice date. Client agrees to pay interest equal to one percent (1%) plus the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year, or the next day thereafter if July 1 falls on a Saturday or Sunday. Invoices for Services performed on a time-and-materials basis will be submitted showing labor (hours worked) and total expenses. If requested by the Client, documentation will be provided by ENGINEER at the cost of providing such documentation including labor and copying costs. Any attorneys' fees, court costs, collection fees or other costs incurred in collecting any uncontested delinquent amounts shall be paid by Client.

Payment of the fees provided for in this Contract are subject to the availability of annual appropriations by the Client, which is a political subdivision of the State of Texas. Client shall use its best efforts to obtain and appropriate funds for payment of the sums due ENGINEER under this Agreement.

Section 8. Notices. Communications from the Client shall be to ENGINEER's designated project manager or principal-in-charge of the work. Oral communications shall be confirmed in writing. Communications from ENGINEER to Client shall be to Client's Executive Director.

Section 9. Cost Estimates. All cost estimates provided in association with services, either prior to accomplishment or during same, are based on a scope of services provided with same. It is expressly understood by Client and ENGINEER that any change to said scope of services, may directly impact the cost of same. In the event that significant changes in scope are requested by Client, ENGINEER shall notify Client in writing of the potential increase in costs associated with same and provide additional work orders as needed to address same. Client acknowledges that any estimates provided by ENGINEER are made on the basis of ENGINEER's knowledge, experience and qualification and represent ENGINEER's judgment as an experienced professional. ENGINEER does not guarantee that estimates will not vary from the opinions provided by ENGINEER.

Section 10. Confidentiality. ENGINEER shall maintain as confidential and not disclose to others without Client's prior written consent, all information obtained from Client, not otherwise previously known to ENGINEER in the public domain, as Client expressly designates in writing to be "Confidential." The provisions of this paragraph shall not apply to information in whatever form which (i) is published or comes into the public domain through no fault of ENGINEER, (ii) is furnished by or obtained from a third party who is under no obligation to keep the information confidential, or (iii) is required to be disclosed by law on order of a court, administrative agency or other authority with proper jurisdiction.

Section 11. Independent Contractor. ENGINEER's relationship with the Client under this Agreement shall be that of independent contractor. The employees, methods, equipment, and facilities used by ENGINEER shall at all times be under its exclusive direction and control, and the Client shall not exercise control over ENGINEER except insofar as may be necessary to ensure performance and compliance with this Agreement.

Section 12. Insurance. ENGINEER agrees to purchase and maintain at its own expense the following insurance in amounts not less than specified herein:

<u>TYPE OF INSURANCE</u>	<u>COVERAGE AMOUNTS</u>
Worker's Compensation Insurance	statutory
Employer Liability Insurance	\$1,000,000.00
General Liability Insurance	\$1,000,000.00 per occurrence/per aggregate
Automobile Liability Insurance	\$1,000,000.00 Combined Single limit
Professional Liability Insurance	\$1,000,000.00 per claim/per aggregate

Certificates of insurance shall be provided to Client upon request in writing. Within the limits and conditions of such insurance, ENGINEER agrees to reimburse the Client for any damages sustained by the client which are covered by ENGINEER's required insurance limits subject to the limitations and exclusions contained within said insurance policies. ENGINEER shall remain liable for deductibles under all policies.

Client agrees to purchase and maintain at its own expense, general liability insurance in an amount necessary to provide coverage for sums up to the limit of Client's liability under the Texas Tort Claims Act.

Section 13. Indemnification. To the extent allowed by Texas Insurance Code § 151.102, ENGINEER shall defend, indemnify, and hold the Client harmless from and against any claim asserted by any person or entity (other than an officer, director, employee or agent of Client) to the extent caused by (i) ENGINEER's negligence or (ii) ENGINEER's breach of any obligation or responsibility imposed on it by the provisions of this Agreement, subject to the limitations and exclusions contained herein in Sections 12.

Section 14. Provided ENGINEER has been paid for its services, Client shall have the right to use the documents, photographs, drawings and specifications resulting from ENGINEER'S services. Reuse of any such materials by Client on any other project without the written authorization of ENGINEER shall be at Client's sole risk. ENGINEER shall have the right to retain copies of all such information and materials.

Section 15. Disputes. If a dispute arises relating to the performance of the Services covered by this Agreement, and legal or other costs are incurred, the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, court costs, attorney's fees, and other claim-related expenses.

Section 16. Termination. This Agreement may be terminated by either party upon thirty (30) days written notice. In the event of termination, ENGINEER shall be paid for services

performed prior to the termination notice date plus reasonable termination expenses, including the cost of completing analyses, records, and reports necessary to document job status at the time of termination.

Section 17. No Waiver. The failure of a party to enforce strictly any provision of this Agreement shall not be deemed to act as a waiver of any provision, including the provision not so enforced.

Section 18. Choice of Law. This Agreement is deemed to be made under and shall be construed according to the laws of the State of Texas. Venue for any litigation arising out of this Agreement shall be in the District Court of Bowie County, Texas.

Section 19. Successors and Assignments. The Client and ENGINEER each binds itself and its successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; provided, however, neither party may assign this agreement or its duties and obligations hereunder without the prior written consent of the other party.

Section 20. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 21. Force Majeure. The Client agrees that the ENGINEER shall not be responsible for and Client hereby releases ENGINEER from any claim, damage, delay or loss resulting from: (i) fires, riots, labor disputes, war, terrorism, weather, acts of God, epidemics, or other force majeure; (ii) governmental action or failure to act (including, without limitation, plan reviews, permits, and/or approvals); (iii) unforeseen circumstances or conditions (including, without limitation, unforeseen site conditions); (iv) discovery of any hazardous substances or differing site conditions; and/or, (v) circumstances or events outside the reasonable control or responsibility of ENGINEER.

Section 22. Mutual Waiver of Consequential Damages. In no event shall either Party be liable, whether in contract or tort or otherwise, to the other Party for loss of profits, delay damages, or for any special incidental or consequential loss or damage of any nature arising at any time or from any cause whatsoever.

Section 23. Entire Agreement. This Agreement, including work orders authorized hereunder, constitutes the entire agreement between the parties hereto and it supersedes all prior or contemporaneous agreements, whether oral or written, with respect to the subject matter hereof. In case of conflict or inconsistency between this Agreement and any other contract documents, this Agreement shall control. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound. This Agreement is effective as of the date referenced above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in two counterparts (each of which is an original) by their duly authorized representatives as of the date shown below.

TEXAMERICAS CENTER

By: _____

Title: Executive Director/CEO

Date: _____

By:  _____ *Matt Manges*

Title: Vice President

Date: 4/23/2021



RESOLUTION NO. 20210427-10

A CONTRACT FOR PROFESSIONAL ENGINEERING SERVICES WITH HALFF ASSOCIATES, INC.

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, Halff Associates, Inc. has the necessary experience and expertise to submit design and engineering services to TexAmericas Center regarding relevant services; and

WHEREAS, TexAmericas Center has determined this firm to be qualified to perform these services;

NOW, THEREFORE, BE IT RESOLVED that the Executive Director/CEO shall be and he is here by authorized to enter into a professional services contract with Halff Associates, Inc. to provide engineering and design services for TexAmericas Center on terms substantially the same as attached hereto. In the absence of the Secretary, the Vice-Chairman shall attest to the adoption of this resolution.

PASSED AND APPROVED THIS 27th day of April, 2021.

Jim Roberts, Chairman of the Board

ATTEST:

Ben King, Vice-Chairman of the Board

ATTACHED: FY21 Professional Services Agreement



**PROFESSIONAL SERVICES AGREEMENT
(Engineer)**

This Agreement between **TexAmericas Center** (hereinafter referred to as "Client") and **Halff Associates, Inc.** (hereinafter referred to as "Engineer") is effective as of the 27th day of April, 2021. The parties agree as follows:

WHEREAS, the Client desires to engage ENGINEER to provide general civil engineering and land surveying services; and

WHEREAS, ENGINEER desires to render certain services as described in authorized work orders as may be hereafter issued and has the experience and staff to perform those services;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

Section 1. Services. The Client hereby agrees to engage ENGINEER, and ENGINEER hereby agrees to perform certain services for the Client as agreed upon from time to time. Such services shall be set forth in individual work orders as may be hereafter authorized in writing by the Client and accepted by ENGINEER. The terms and conditions of this Agreement shall apply to each Work Order, except to the extent expressly modified by the Work Order.

Section 2. Client's Responsibilities. The Client agrees to provide ENGINEER with all existing data, plans, and other information in the Client's possession which are necessary for the performance of Services as well as right of entry for ENGINEER's personnel and all necessary equipment to the site(s). The Client further agrees to provide any additional data, plans, or other information as may be specified in authorized work orders.

Section 3. Standard of Care and Warranty. ENGINEER agrees that its Services will be performed with that level of professional care and skill ordinarily exercised by members of the profession currently practicing under similar conditions and circumstances. **NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE.** ENGINEER will not be responsible for the interpretation or use by persons or entities other than Client of data developed by ENGINEER.

Section 4. Safety. ENGINEER is responsible for the safety on site of its own employees. This provision shall not be construed to relieve Client or any of its vendors, or other contractors from their responsibility for maintaining a safe worksite. Neither the professional services of ENGINEER, nor the presence of ENGINEER's employees and subcontractors shall be construed to imply ENGINEER has any responsibility for any activities on site performed by personnel other than ENGINEER's employees or subcontractors.

Section 5. Time of Performance. ENGINEER agrees to perform the Services within schedules as set forth in authorized work orders. ENGINEER shall not be responsible for delays in the work caused by Client or its agents, consultants, or contractors. Standby or non-productive time for

is prudent considering the ordinary professional skill and care of a competent ENGINEER and within schedules as set forth in authorized work orders. ENGINEER shall not be responsible for delays in the work caused by Client or its agents, consultants, or contractors. Standby or non-productive time for delays in our work caused by Client will be charged as work time unless provided for as a separate item in the work order.

Section 6. Compensation. For ENGINEER's performance and completion of all services, Client shall compensate as specified in authorized work orders. Such rates include labor, overhead, expenses, and profit.

Section 7. Payment. ENGINEER shall invoice Client for Services performed on a monthly basis. Each invoice is due on presentation, is payable in Bowie County, Texas, and is considered past due thirty (30) days from invoice date. Client agrees to pay interest equal to one percent (1%) plus the prime rate as published in the Wall Street Journal on the first day of July of the preceding fiscal year, or the next day thereafter if July 1 falls on a Saturday or Sunday. Invoices for Services performed on a time-and-materials basis will be submitted showing labor (hours worked) and total expenses. If requested by the Client, documentation will be provided by ENGINEER at the cost of providing such documentation including labor and copying costs. Any attorneys' fees, court costs, collection fees or other costs incurred in collecting any uncontested delinquent amounts shall be paid by Client.

Payment of the fees provided for in this Contract are subject to the availability of annual appropriations by the Client, which is a political subdivision of the State of Texas. Client shall use its best efforts to obtain and appropriate funds for payment of the sums due ENGINEER under this Agreement.

Section 8. Notices. Communications from the Client shall be to ENGINEER's designated project manager or principal-in-charge of the work. Oral communications shall be confirmed in writing. Communications from ENGINEER to Client shall be to Client's Executive Director.

Section 9. Cost Estimates. All cost estimates provided in association with services, either prior to accomplishment or during same, are based on a scope of services provided with same. It is expressly understood by Client and ENGINEER that any change to said scope of services, may directly impact the cost of same. In the event that significant changes in scope are requested by Client, ENGINEER shall notify Client in writing of the potential increase in costs associated with same and provide additional work orders as needed to address same.

Section 10. Confidentiality. ENGINEER shall maintain as confidential and not disclose to others without Client's prior written consent, all information obtained from Client, not otherwise previously known to ENGINEER in the public domain, as Client expressly designates in writing to be "Confidential." The provisions of this paragraph shall not apply to information in whatever form which (i) is published or comes into the public domain through no fault of ENGINEER, (ii) is furnished by or obtained from a third party who is under no obligation to keep the information confidential, or (iii) is required to be disclosed by law on order of a court, administrative agency or other authority with proper jurisdiction.

Section 11. Independent Contractor. ENGINEER's relationship with the Client under

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this Agreement shall be that of independent contractor. The employees, methods, equipment, and facilities used by ENGINEER shall at all times be under its exclusive direction and control, and the Client shall not exercise control over ENGINEER except insofar as may be necessary to ensure performance and compliance with this Agreement.

Section 12. Insurance. ENGINEER agrees to purchase and maintain at its own expense the following insurance in amounts not less than specified herein:

<u>TYPE OF INSURANCE</u>	<u>COVERAGE AMOUNTS</u>
Worker's Compensation Insurance	statutory
Employer Liability Insurance	\$1,000,000.00
General Liability Insurance	\$1,000,000.00 per occurrence/per aggregate
Automobile Liability Insurance	\$1,000,000.00 per occurrence/per aggregate
Professional Liability Insurance	\$1,000,000.00 per claim/per aggregate

Certificates of insurance shall be provided to Client upon request in writing. ENGINEER agrees to reimburse the Client for any damages sustained by the Client which are not covered by ENGINEER's insurance to the extent of the limitations and exclusions contained within said insurance policies (the deductibles).

Client agrees to purchase and maintain at its own expense, general liability insurance in an amount necessary to provide coverage for sums up to the limit of Client's liability under the Texas Tort Claims Act.

Section 13. Indemnification. ENGINEER shall indemnify, and hold the Client harmless from and against claims asserted by any person or entity (other than an officer, director, employee or agent of Client) to the extent arising out of (i) ENGINEER's negligent act or (ii) ENGINEER's material breach of any obligation or responsibility imposed on it by the provisions of this Agreement, subject to the limitations and exclusions contained herein in Sections 12.

Section 14. Provided ENGINEER has been paid for its services, Client shall have the right to use the documents, photographs, drawings and specifications resulting from ENGINEER'S services. Reuse of any such materials by Client on any other project without the written authorization of ENGINEER shall be at Client's sole risk. ENGINEER shall have the right to retain copies of all such information and materials.

Section 15. Disputes. If a dispute arises relating to the performance of the Services covered by this Agreement, and legal or other costs are incurred, the prevailing party shall be entitled to recover all reasonable costs incurred in the defense of the claim, court costs, attorney's fees, and other claim-related expenses.

Section 16. Termination. This Agreement may be terminated by either party upon thirty (30) days written notice. In the event of termination, ENGINEER shall be paid for services performed prior to the termination notice date plus reasonable termination expenses, including the cost of completing analyses, records, and reports necessary to document job status at the time of termination.

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Section 17. No Waiver. The failure of a party to enforce strictly any provision of this Agreement shall not be deemed to act as a waiver of any provision, including the provision not so enforced.

Section 18. Choice of Law. This Agreement is deemed to be made under and shall be construed according to the laws of the State of Texas. Venue for any litigation arising out of this Agreement shall be in the District Court of Bowie County, Texas.

Section 19. Successors and Assignments. The Client and ENGINEER each binds itself and its successors, executors, administrators, and assigns to the other party of this Agreement and to the successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; provided, however, neither party may assign this agreement or its duties and obligations hereunder without the prior written consent of the other party.

Section 20. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

Section 21. Entire Agreement. This Agreement, including work orders authorized hereunder, constitutes the entire agreement between the parties hereto and it supersedes all prior or contemporaneous agreements, whether oral or written, with respect to the subject matter hereof. In case of conflict or inconsistency between this Agreement and any other contract documents, this Agreement shall control. No agreement hereafter made between the parties shall be binding on either party unless reduced to writing and signed by an authorized officer of the party sought to be bound. This Agreement is effective as of the date referenced above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in two counterparts (each of which is an original) by their duly authorized representatives as of the date shown below.

TEXAMERICAS CENTER

By: _____

Title: Executive Director/CEO

Date: _____

Half Associates, Inc.

By: Brandon Aillet
BRANDON AILLET

Title: OPERATIONS MANAGER

Date: 4/23/2021