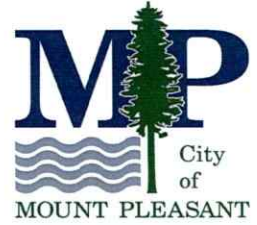


**NOTICE AND AGENDA OF REGULAR CALLED MEETING
MOUNT PLEASANT CITY COUNCIL**

**Tuesday, January 7, 2025 at 6:00 P.M.
501 North Madison, Mount Pleasant, Texas**



PURSUANT TO CHAPTER 551.127, TEXAS GOVERNMENT CODE, ONE OR MORE COUNCIL MEMBERS MAY ATTEND THIS MEETING REMOTELY USING VIDEOCONFERENCING TECHNOLOGY. THE VIDEO AND AUDIO FEED OF THE VIDEOCONFERENCING EQUIPMENT CAN BE VIEWED AND HEARD BY THE PUBLIC AT THE ADDRESS POSTED ABOVE AS THE LOCATION OF THE MEETING.

Under the Americans with Disabilities Act, an individual with a disability must have equal opportunity for effective communication and participation in public meetings. Upon request, agencies must provide auxiliary aids and services, such as interpreters for the deaf and hearing impaired, readers, large print or Braille documents. In determining the type of auxiliary aid or services, agencies must give primary consideration to the individual's request. Those requesting auxiliary aids or services should notify the contact person listed on the meeting several days before the meeting by mail, telephone, or RELAY Texas. TTY: 7-1-1.

The public may participate by joining YouTube: <https://www.youtube.com/@thecityofmountpleasanttexas1157/streams>

CALL TO ORDER

REGULAR AGENDA

1. Consider Approval of the December 17, 2024 meeting Minutes.
2. Public Comments:

The City Council welcomes citizen participation and comments at all Council meetings. Citizen comments are limited to two minutes out of respect for everyone's time. The Council is not permitted to respond to your comments. The Texas Open Meetings Act requires that topics of discussion/deliberation be posted on an agenda not less than 72 hours in advance of the Council meetings. If your comments relate to a topic that is on the agenda, the Council will discuss the topic on the agenda at the time that the topic is discussed and deliberated.

3. Consider Ordinance 2025-01 Amending the Fiscal Year 2025 Budget.
4. City Manager's Report

EXECUTIVE SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Discussion of Economic Development Corporation Projects--Deliberations regarding Economic Development Negotiations (Tex Gov't Code 551.087), **Deliberations about real property (Tex. Gov't Code 551.072) and Consultation with Attorney (Tex. Gov't Code §551.071).**

Discussion of duties and responsibilities of City Manager over personnel and Council responsibilities over salaries and budgetary matters--Consultation with Attorney (Tex. Gov't Code §551.071) and **Personnel Matters (Tex. Gov't Code §551.074).**

Discussion of status of recruitment for City Manager--**Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074)**

Discussion of possible Board and Commission Appointees--**Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074)**

RECONVENE INTO THE REGULAR SESSION

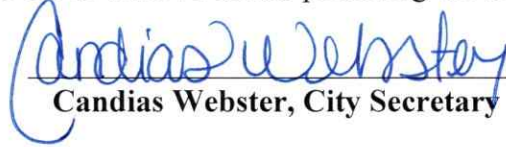
In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session.

5. Consider and possible action on the Development Agreement between the Mount Pleasant Economic Development Corporation and MPX Group LLC concerning the development of a manufacturing facility on land adjacent to the City, proposed to be annexed by the City.

The City Council reserves the right to adjourn into executive session at any time to discuss any of the matters listed on the agenda as authorized by the Texas Government Code §551.071, (Consultation with Attorney), §551.072, (Deliberations about Real Property), §551.074, (Personnel Matters), §551.076, (Deliberations about Security Devices), §551.087, (economic development negotiations), or any other exception authorized by Chapter 551 of the Texas Government Code.

ADJOURN

I certify the above notice of meeting is a true and correct copy of said notice and that same was posted on the bulletin board of City Hall of the City of Mount Pleasant, Texas, a place readily accessible to the general public at times, by 5:00 pm on the 3rd of January 2025 and remained so posted for at least 72 hours preceding the scheduled of said meeting.


Candias Webster, City Secretary



AGENDA ITEM REPORT

Meeting: City Council - Jan 07 2025

Staff Contact: Candias Webster, City Secretary

Department: Administration

Subject: Consider Approval of the December 17, 2024 meeting Minutes.

Item Summary:

This is a Typed copy of the minutes from the December 17, 2024 Minutes.

Financial Impact:

N/A

Recommendation(s):

motion to Approve the December 17, 2024 minutes

Attachments:

[2024.12.17 Regular](#)

STATE OF TEXAS

COUNTY OF TITUS

CITY OF MOUNT PLEASANT

The City Council of the City of Mount Pleasant, Texas, after notice posted in the manner, form and contents as required by law, met in Regular Session on December 17, 2024, at 6:00 PM. at the Council Chambers located at 501 North Madison with the following members present:

Tracy Craig	-	Mayor
Carl Hinton	-	Mayor Pro-Tem
Sherri Spruill	-	Council Member
Kelly Redfearn	-	Council Member
Jonathan Hageman	-	Council Member
Debbie Corbell	-	Council Member
Greg Nyhoff	-	City Manager
Candias Webster	-	Assistant City Manager/City Secretary
Lea Ream	-	City Attorney

CONSIDER APPROVAL OF THE NOVEMBER 19, 2024 MEETING AND THE NOVEMBER 25, 2024 MEETING MINUTES.

Motion was made by Council Member Redfearn, Seconded by Council Member Hageman to approve the November 19, 2024 meeting and the November 25, 2024 meeting Minutes. Upon a vote, the motion carried unanimously.

MEMBERS OF THE PUBLIC WERE PROVIDED THE OPPORTUNITY TO COMMENT

No action was taken by the Council.

CONSIDER AWARDING A CONTRACT FOR IT SERVICES.

Motion was made by Council Member Hageman, Seconded by Council Member Hinton to award the IT services contract to Bryan Information Technology in the amount of \$237,600 per year for 2 years. Upon a vote, the motion carried unanimously.

CONSIDER RESOLUTION 2024-20 ADOPTING THE 2025 PERSONNEL POLICY MANUAL.

Motion was made by Council Member Hageman, Seconded by Council Member Corbell to remove Resolution 2024-20 the 2025 Personnel Policy Manual from the agenda. Upon a vote, the motion carried unanimously.

CONSIDER PAY REQUEST #7 TO SCHNEIDER ELECTRIC FOR WORK ON THE METER REPLACEMENT PROJECT.

Motion was made by Council Member Hageman, Seconded by Council Member Redfearn to Pay Request #7 to Schneider Electric for work on the Meter Replacement Project in the amount of \$334,343.58. Upon a vote, motion was carried unanimously.

CONSIDER PAY REQUEST #2 FROM WICKER CONSTRUCTION, INC. FOR WORK PERFORMED ON THE WEST LOOP WASTEWATER COLLECTION PROJECT.

Motion was made by Council Member Hageman, Seconded by Council Member Corbell to Approve Pay Request #2 from Wicker Construction, Inc. for work performed on the West Loop Wastewater Collection Project in the amount of \$296,160.60. Upon a vote, motion was carried unanimously.

CONSIDER PAY REQUEST #19 FROM HERITAGE CONSTRUCTION LLC FOR WORK PERFORMED AT THE SOUTHSIDE WASTEWATER TREATMENT PLANT.

Motion was made by Council Member Hageman, Second by Council Member Hinton approve Consider Pay Request #19 from Heritage Construction LLC for work performed at the Southside Wastewater Treatment Plant in the amount of \$587,310.33. Upon a vote, motion was carried unanimously.

CONSIDER AND POSSIBLE ACTION ON THE AMENDED DEVELOPMENT AGREEMENT BETWEEN THE MOUNT PLEASANT ECONOMIC DEVELOPMENT CORPORATION AND MPX GROUP LLC CONCERNING THE DEVELOPMENT OF A MANUFACTURING FACILITY ON LAND ADJACENT TO THE CITY, PROPOSED TO BE ANNEXED BY THE CITY.

Motion was made by Council Member Redfearn, Second by Council Member Hinton to approve Consider and possible action on the Amended Development Agreement between the Mount Pleasant Economic Development Corporation and MPX Group LLC concerning the development of a manufacturing facility on land adjacent to the City, proposed to be annexed by the City. Upon a vote, motion was carried unanimously.

MONTHLY DEPARTMENT REPORT

EXECUTIVE SESSION

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Deliberations regarding Economic Development Negotiations(Tex Gov't Code 551.087)

Deliberations about real property (Tex. Gov't Code 551.072) and Consultation with Attorney (Tex. Gov't Code §551.071) concerning Economic Development Corporation Project(s).

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074) related to the management, responsibilities, performance, and business operations of the MPEDC carried out through its Board of Directors, Executive Director and City Council.

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074) Discussion of status of recruitment for City Manager

Consultation with Attorney (Tex. Gov't Code §551.071) regarding pending or contemplated litigation; or a settlement offer; or on a matter in which in which the attorney has a duty to consult confidentially with the governmental body under the Texas Disciplinary Rules of Professional Conduct

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074); discuss the appointment and employment of Council Appointees.

Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074); discuss possible Board and Commission Appointees.

RECONVENE INTO THE REGULAR SESSION

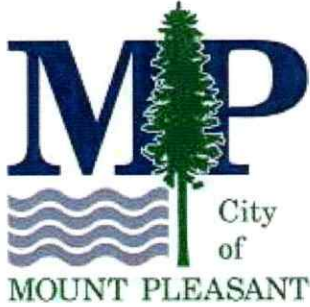
In accordance with Texas Government Code, Chapter 551, the City Council will reconvene into regular session to consider action, if any, on matters discussed in executive session

ADJOURN: 9:55 PM

TRACY CRAIG, SR, MAYOR

ATTEST:

CANDIAS WEBSTER, ASSISTANT CITY MANAGER/CITY SECRETARY



AGENDA ITEM REPORT

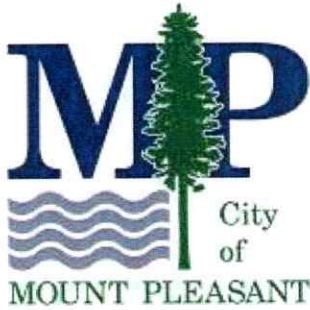
Meeting: City Council - Jan 07 2025

Department:

Subject:

Public Comments:

The City Council welcomes citizen participation and comments at all Council meetings. Citizen comments are limited to two minutes out of respect for everyone's time. The Council is not permitted to respond to your comments. The Texas Open Meetings Act requires that topics of discussion/deliberation be posted on an agenda not less than 72 hours in advance of the Council meetings. If your comments relate to a topic that is on the agenda, the Council will discuss the topic on the agenda at the time that the topic is discussed and deliberated.



AGENDA ITEM REPORT

Meeting: City Council - Jan 07 2025

Staff Contact: Gillian Gatewood, Finance Director

Department: Finance

Subject: Consider Ordinance 2025-01 Amending the Fiscal Year 2025 Budget.

Item Summary:

Exhibit A to the Ordinance details the budget amendments.

Financial Impact:

Several Funds were not allocated in the FY2024-2025 Budget requiring amendments. These amendments are to allocate funding that was received in prior years.

Recommendation(s):

Approved Ordinance 2025-01 amending the Fiscal Year 2025 Budget.

Attachments:

[Ord2025-01 Budget Amendment](#)

[Exhibit A - Budget Amendment 01072025](#)

**CITY OF MOUNT PLEASANT, TEXAS
ORDINANCE NO. 2025-01**

AN ORDINANCE OF THE CITY OF MOUNT PLEASANT, TEXAS AMENDING ORDINANCE 2024-19 APPROVING AND ADOPTING A BUDGET FOR THE CITY FOR THE FISCAL YEAR OCTOBER 1, 2024 THROUGH SEPTEMBER 30, 2025 TO AMEND ADOPTED EXPENDITURES OF THE BUDGET; DECLARING AN EFFECTIVE DATE.

WHEREAS, the City of Mount Pleasant, Texas is a home rule city under its Charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code; and

WHEREAS, the City Council of the City of Mount Pleasant previously approved Ordinance 2024-19 on September 24, 2024, officially adopting the Official Budget of the City for Fiscal Year 2024-2025; and

WHEREAS, the City Council of the City of Mount Pleasant desires to amend Ordinance 2024-19, thereby amending the 2024-2025 Official Budget of the City, as attached hereto as Exhibit A

WHEREAS, the City Council of the City of Mount Pleasant desires to amend the budget for unallocated funds.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MOUNT PLEASANT, TEXAS:

SECTION 1. That the 2024-2025 Official Budget, adopted by Ordinance 2024-19, is hereby amended by the City Council of the City of Mount Pleasant, by the amounts attached hereto in Exhibit A.

SECTION 2. That except as amended hereby, or as heretofore amended, the provisions of Ordinance 2024-19 shall remain in full force and effect.

SECTION 3. That should any sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be unconstitutional, illegal, or invalid, the same shall not affect the validity of this ordinance, or any part or provision thereof other than the part decided to be invalid, illegal or unconstitutional.

DULY PASSED AND APPROVED by the City Council of the City of Mount Pleasant, Texas on the 7th day of January 2025.

APPROVED:

ATTEST:

Tracy Craig, Sr. Mayor

Candias Webster, City Secretary

**BUDGET AMENDMENT FORM
2024/2025 LINE ITEM ADJUSTMENT**

I am requesting that to make necessary Line Item adjustments to my 2024/2025 Budget as follows:

INCREASE / DECREASE

ACCOUNT NO.	ACCOUNT TITLE	AMOUNT
FIREMEN'S RETIREMENT FUND		
510-65250-252	FIREMEN'S RETIREMENT	500.00
510-57300-000	INTERFUND TRANSFERS REV	500.00
RESCUE RECOVER FUND		
504-64070-214	MINOR TOOLS AND EQUIP	16,700.00
504-59000-000	FUND BALANCE	16,700.00
LIBRARY GRANTS FUND		
408-62200-508	OTHER SUPPLIES	6,145.00
408-59000-000	FUND BALANCE	6,145.00
POLICE ESCROW FUND		
520-62200-253	OTHER SUPPLIES	119,900.00
520-59000-000	FUND BALANCE	119,900.00
COURT SPECIAL REVENUE FUND		
541-62200-246	OTHER SUPPLIES	60,250.00
541-62200-247	OTHER SUPPLIES	60,250.00
541-59000-246	FUND BALANCE	60,250.00
541-59000-247	FUND BALANCE	60,250.00
POLICE DONATION FUND		
550-62200-213	OTHER SUPPLIES	5,200.00
550-57200-000	CONTRIBUTIONS	500.00
550-59000-000	FUND BALANCE	4,700.00
SHOP WITH A FIRST RESPONDER FUND		
553-62200-213	OTHER SUPPLIES	36,855.00
553-59000-000	FUND BALANCE	20,715.00
553-57200-000	CONTRIBUTIONS	16,140.00
TOBACCO ENFORCEMENT PROGRAM FUND		
596-65060-213	BUSINESS AND TRAVEL	12,000.00
596-59000-000	FUND BALANCE	12,000.00

I FIND THAT THIS TRANSFER OF FUNDS IS FOR CITY PURPOSES AND IS AN APPROPRIATE REQUEST.

APPROVED THIS _____ DAY OF _____, 2024

_____ City Manager

Approved by Finance Director: _____

Posted by Finance _____



AGENDA ITEM REPORT

Meeting: City Council - Jan 07 2025

Staff Contact: Greg Nyhoff, City Manager

Department: Administration

Subject: City Manager's Report

Item Summary:

updates from Greg

Financial Impact:

N/A

Recommendation(s):

no motion needed



AGENDA ITEM REPORT

Meeting: City Council - Jan 07 2025

Department:

Subject: EXECUTIVE SESSION

Item Summary:

Pursuant to the Open Meetings Act, Chapter 551, Texas Government Code, The City Council will recess into executive session (closed meeting) to discuss the following:

Discussion of Economic Development Corporation Projects--Deliberations regarding Economic Development Negotiations (Tex Gov't Code 551.087), Deliberations about real property (Tex. Gov't Code 551.072) and Consultation with Attorney (Tex. Gov't Code §551.071).

Discussion of duties and responsibilities of City Manager over personnel and Council responsibilities over salaries and budgetary matters--Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074).

Discussion of status of recruitment for City Manager--Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074)

Discussion of possible Board and Commission Appointees--Consultation with Attorney (Tex. Gov't Code §551.071) and Personnel Matters (Tex. Gov't Code §551.074)



AGENDA ITEM REPORT

Meeting: City Council - Jan 07 2025

Staff Contact: Nathan Tafoya, Executive Director of IF

Department: IDC

Subject: Consider and possible action on the Development Agreement between the Mount Pleasant Economic Development Corporation and MPX Group LLC concerning the development of a manufacturing facility on land adjacent to the City, proposed to be annexed by the City.

Item Summary:

The Mt Pleasant Industrial Development Corporation referred to as the Mount Pleasant EDC (MPEDC) Board approved a Performance Agreement with MPX Group, LLC. Local Government Code requires the City Council of the City of Mount Pleasant, Texas, to approve all programs and expenditures of the MPEDC. The agreement includes the Affirmative Covenant of the MPEDC to reimburse the Developer for an amount not to exceed \$1,000,000 for qualified improvements/expenditures of at least \$20,000,000. The Term: Condition Precedent states that the Developer is required to annex the property into the City of Mount Pleasant no later than January 1, 2027

The developer's Affirmative Covenants include items such as minimum investment, job creation requirements, and facility operations timelines.

Financial Impact:

N/A

Recommendation(s):

MPEDC requests the City Council to Approve the Agreement submitted.

Attachments:

[Mount Pleasant EDC - Performance Agreement - MPX Group LLC - jlm rev clean - 112624](#)

PERFORMANCE AGREEMENT

This **PERFORMANCE AGREEMENT** by and between **CITY OF MOUNT PLEASANT, TEXAS INDUSTRIAL DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as “MPEDC”), the **CITY OF MOUNT PLEASANT, TEXAS** (hereinafter referred to as the “City”), and **MPX GROUP, LLC**, a Texas limited liability company (hereinafter referred to as the “Developer”), is made and executed on the following recitals, terms and conditions.

WHEREAS, MPEDC is a Type A economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended (also referred to as the “Act”), and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 501.101 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements that are: (1) for the creation or retention of primary jobs; and (2) found by the board of directors to be required or suitable for the development, retention, or expansion of: (A) manufacturing and industrial facilities; (B) research and development facilities; (C) military facilities, including closed or realigned military bases; . . . (F) recycling facilities; . . . (I) distribution centers; (J) small warehouse facilities capable of serving as decentralized storage and distribution centers; (K) primary job training facilities for use by institutions of higher education; or (L) regional or national corporate headquarters facilities”; and

WHEREAS, Section 501.103 of the Texas Local Government Code, in pertinent part, defines the term “project” to mean “expenditures that are found by the board of directors to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, limited to: (1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements, and related improvements; (2) telecommunications and Internet improvements . . .”; and

WHEREAS, Section 501.158 of the Texas Local Government Code prohibits the provision of a direct incentive unless MPEDC enters into an Agreement with Developer providing at a minimum a schedule of additional payroll or jobs to be created or retained by MPEDC’s investment; a schedule of capital investments to be made as consideration for any direct incentives provided by MPEDC to Developer; and a provision specifying the terms and conditions upon which repayment must be made should Developer fail to meet the agreed to performance requirements specified in this Agreement; and

WHEREAS, the MPEDC’s Board of Directors have determined the financial assistance to be provided to the Developer for the Qualified Expenditures to be made to the Property is consistent with and meets the definition of “project” as that term is defined in Sections 501.101 and 501.103 of the Texas Local Government Code; and the definition of “cost” as that term is defined by Section 501.152 of the Texas Local Government Code; and

WHEREAS, Developer agrees and understands that Section 501.073(a) of the Texas Local Government Code requires the City Council of the City of Mount Pleasant, Texas, to approve all programs and expenditures of MPEDC, and accordingly this Agreement is not effective until City Council has approved this project at a City Council meeting called and held for that purpose.

NOW, THEREFORE, for and in consideration of the agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MPEDC and Developer agree as follows:

SECTION 1. FINDINGS INCORPORATED.

The foregoing recitals are hereby incorporated into the body of this Agreement and shall be considered part of the mutual covenants, consideration and promises that bind the parties.

SECTION 2. TERM; CONDITION PRECEDENT.

- (a) This Agreement shall be effective as of the Effective Date, and shall continue thereafter until **December 31, 2029**, unless terminated sooner under the provisions hereof.
- (b) Developer irrevocably covenants and agrees that by entering this Agreement with the MPEDC and the City, that the Agreement shall serve as and shall constitute, a required signature to an annexation consent petition under Texas Local Government Code §43.0681 (as that law now exists or may be amended) and/or Texas Local Government Code §43.0691 (as that law now exists or may be amended). Through this Agreement, Developer hereby expressly and irrevocably consents to annexation of Developer's Property pursuant to the terms and conditions set forth in this Agreement. Developer also agrees that such annexation by the City shall be deemed voluntary. Developer irrevocably covenants and agrees that said annexation of the Property may commence by the City on or before June 30, 2026 to allow the Property to be annexed into the city limits of the City of Mount Pleasant, Texas, by **January 1, 2027**. If the City determines that it is necessary for a separate annexation consent petition to be signed, Developer hereby covenants and agrees to execute such documentation within ten (10) business days of being provided said documentation by the City. In the event the Property is not annexed into city limits of the City of Mount Pleasant, Texas, by **January 1, 2027**, this Agreement shall terminate automatically without further notice of either party, unless the MPEDC has already reimbursed the Developer for Qualified Expenditures, as provided in paragraph 5.a., in which case the Developer will repay any funds paid by the MPEDC to the MPEDC on or before **January 31, 2027**. Failure to repay said funds will constitute an Event of Default.

SECTION 3. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- (a) **Act.** The word "Act" means Chapters 501 to 505 of the Texas Local Government Code,

as amended.

- (b) **Agreement.** The word “Agreement” means this Performance Agreement, together with all exhibits and schedules attached to this Performance Agreement from time to time, if any.
- (c) **City.** The word “City” means the City of Mount Pleasant, Texas.
- (d) **Developer.** The word “Developer” means MPX Group, LLC, a Texas limited liability company, its successors and assigns, whose address for the purposes of this Agreement is 2305 County Road 3210, Mount Pleasant, Texas 75455. The term “Developer” also includes a subsidiary of MPX Group, LLC. The term “Developer” also includes a subsidiary and/or affiliate MPX Properties, LLC, which Developer represents owns the 24.62-acres tract of land included as part of the Property.
- (e) **Effective Date.** The words “Effective Date” mean the date of the latter to execute this Agreement by and among the Developer, MPEDC, and the City.
- (f) **Event of Default.** The words “Event of Default” mean and include any of the Events of Default set forth below in the section entitled “Events of Default.”
- (g) **Full-Time Equivalent Employment Positions.** The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” mean and include a job requiring a minimum of Two Thousand Eighty (2,080) hours of work averaged over a twelve (12) month period, earning an average wage of \$18.00 per hour, with such hours also to include any vacation and sick leave, with full benefits. The words “Full-Time Equivalent Employment Position” or “Full-Time Equivalent Employment Positions” exclude owners or those with an ownership interest in the Developer.
- (h) **MPEDC.** The term “MPEDC” means the City of Mount Pleasant, Texas Industrial Development Corporation, a Texas non-profit corporation, its successors and assigns, whose corporate address for the purposes of this Agreement is 501 North Madison, Mount Pleasant, Texas 75455.
- (i) **Property.** The word “Property” means the approximately 24.62-acre tract or tracts of land in the Lewis H. Bradley Survey, Abstract No. 21, City of Mount Pleasant, Titus County, Texas, as generally described and/or depicted in *Exhibit A* of this Agreement, which is attached hereto and incorporated herein for all purposes.
- (j) **Qualified Expenditures.** The words “Qualified Expenditures” mean those expenditures consisting of construction of a minimum 100,000 square foot manufacturing facility located on the Property, and those expenses which otherwise meet the definition of “project” as that term is defined by Sections 501.101 and 501.103 of the Act, and the definition of “cost” as that term is defined by Section 501.152 of the Act.
- (k) **Term.** The word “Term” means the term of this Agreement as specified in Section 2 of

this Agreement.

SECTION 4. AFFIRMATIVE COVENANTS OF DEVELOPER.

Developer covenants and agrees with MPEDC that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Qualified Expenditures.** Developer covenants and agrees to submit to the MPEDC paid invoices, paid receipts, or other paid documentation in a form acceptable to the MPEDC for the Qualified Expenditures made to the Property in a minimum amount of **Twenty Million and No/100 Dollars (\$20,000,000.00)** by **December 31, 2025**.
- (b) **Commence Operations of Manufacturing Facility.** Developer covenants and agrees by **December 31, 2025**, and during the Term of this Agreement, to keep open during normal operating hours the minimum of 100,000 square feet of manufacturing space located on the Property.
- (c) **Operate Manufacturing Facility.** Developer covenants and agrees by **December 31, 2025**, and during the Term of this Agreement to keep open during normal operating hours the minimum 100,000 square feet of manufacturing space located on the Property.
- (d) **Job Creation and Retention.** Developer covenants and agrees by **December 31, 2025** to employ and maintain a minimum of forty (40) Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees by **December 31, 2026** and for the remainder of the Term of this Agreement to employ and maintain a minimum of ninety- five (95) Full-Time Equivalent Employment Positions working at the Property. Developer covenants and agrees beginning on **February 1, 2026**, and during the Term of this Agreement, Developer shall deliver to MPEDC a quarterly compliance verification signed by a duly authorized representative of Developer that shall certify the number of Full-Time Equivalent Employment Positions, and shall disclose and certify the average wage for all Full-Time Equivalent Employment Positions (the "Quarterly Compliance Verification"). The Developer covenants and agrees beginning on **February 1, 2026**, and quarterly thereafter during the Term of this Agreement, there will be a total of sixteen (16) Quarterly Compliance Verifications due and submitted to the MPEDC covering the Full-Time Equivalent Employment Positions created and maintained during the Term of this Agreement. All Quarterly Compliance Verifications shall include quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports. The MPEDC shall provide All Annual Compliance Verifications to the City within five (5) business days of receipt of said information from Developer.
- (e) **Performance Conditions.** Developer agrees to make, execute and deliver to MPEDC such other promissory notes, instruments, documents and other agreements as MPEDC or its attorneys may reasonably request to evidence this Agreement.
- (f) **Performance.** Developer agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements

between Developer and MPEDC.

SECTION 5. AFFIRMATIVE COVENANTS OF MPEDC.

MPEDC covenants and agrees with the Developer that, while this Agreement is in effect, it shall comply with the following terms and conditions:

- (a) **Reimbursement for Qualified Expenditures.** MPEDC covenants and agrees to submit reimbursement for Qualified Expenditures made by the Developer pursuant to Section 4(a) of this Agreement, in the aggregate amount not to exceed **One Million and No/100 Dollars (\$1,000,000.00)** within sixty (60) days of receipt of documentation by Developer to MPEDC of the Qualified Expenditures made to the Property consistent with Section 4(a) of this Agreement. Developer covenants and agrees not to submit for reimbursement for amounts less than **Two Hundred Thousand and No/100 Dollars (\$200,000.00)** increments.
- (b) **Performance.** MPEDC agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Developer and MPEDC.

SECTION 6. CESSATION OF ADVANCES.

If MPEDC has made any commitment to make any reimbursement to Developer, whether under this Agreement or under any other agreement, MPEDC shall have no obligation to advance or disburse any financial assistance if: (i) Developer becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged bankrupt; or (ii) an Event of Default occurs.

SECTION 7. EVENTS OF DEFAULT.

Each of the following shall constitute an Event of Default under this Agreement:

- (a) **General Event of Default.** Failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer or MPEDC to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement by and between Developer and MPEDC is an Event of Default.
- (b) **False Statements.** Any warranty, representation, or statement made or furnished to MPEDC by or on behalf of Developer under this Agreement that is false or misleading in any material respect, either now or at the time made or furnished is an Event of Default.
- (c) **Insolvency.** Developer's insolvency, appointment of receiver for any part of Developer's property, any assignment for the benefit of creditors of Developer, any type of creditor workout for Developer, or the commencement of any proceeding under any

bankruptcy or insolvency laws by or against Developer is an Event of Default.

- (d) **Other Defaults.** Failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement, or failure of Developer to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between MPEDC and Developer.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

In the event of default under Section 7 of this Agreement, the non-defaulting party shall give written notice to the other party of any default, and the defaulting party shall have thirty (30) days to cure said default. Should said default remain uncured as of the last day of the applicable cure period, and the non-defaulting party is not otherwise in default, the non-defaulting party shall have the right to immediately terminate this Agreement, enforce specific performance as appropriate, or maintain a cause of action for damages caused by the event(s) of default. In the event, Developer defaults and is unable or unwilling to cure said default within the prescribed time period, the amounts provided by MPEDC to Developer pursuant to Section 5(a) of this Agreement shall become immediately due and payable by Developer to MPEDC.

SECTION 9. INDEMNIFICATION.

TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO RELEASE, DEFEND, INDEMNIFY, AND HOLD HARMLESS THE OTHER (AND ITS OFFICERS, AGENTS, AND EMPLOYEES) FROM AND AGAINST ALL CLAIMS OR CAUSES OF ACTION FOR INJURIES (INCLUDING DEATH), PROPERTY DAMAGES (INCLUDING LOSS OF USE), AND ANY OTHER LOSSES, DEMAND, SUITS, JUDGMENTS AND COSTS, INCLUDING REASONABLE ATTORNEYS' FEES AND EXPENSES, IN ANY WAY ARISING OUT OF, RELATED TO OR RESULTING FROM ITS PERFORMANCE UNDER THIS AGREEMENT, OR CAUSED BY ITS NEGLIGENT ACTS OR OMISSIONS (OR THOSE OF ITS RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, OR ANY OTHER THIRD PARTIES FOR WHOM IT IS LEGALLY RESPONSIBLE) IN CONNECTION WITH PERFORMING THIS AGREEMENT.

SECTION 10. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (a) **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the Developer, the MPEDC and the City.
- (b) **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created

- (h) **Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.
- (i) **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- (j) **Undocumented Workers.** Developer certifies that the Developer does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended. If during the Term of this Agreement, Developer is convicted of a violation under 8 U.S.C. § 1324a(f), Developer shall repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of eight percent (8%), not later than the 120th day after the date MPEDC notifies Developer of the violation.

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DEVELOPER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS PERFORMANCE AGREEMENT, AND DEVELOPER AGREES TO ITS TERMS. THIS PERFORMANCE AGREEMENT IS EFFECTIVE AS OF THE EFFECTIVE DATE AS DEFINED HEREIN.

MPEDC:

**CITY OF MOUNT PLEASANT,
TEXAS INDUSTRIAL DEVELOPMENT
CORPORATION,**

a Texas non-profit corporation

By: _____

Erman Hensel, President

Date Signed: _____

DEVELOPER:

MPX GROUP, LLC,

a Texas limited liability company,

By: _____

Name: _____

Title: _____

Date Signed: _____

CITY:

CITY OF MOUNT PLEASANT, TEXAS,

a Texas municipal corporation,

By: _____

Tracy Craig, Mayor

Date Signed: _____

