



CITY OF STAFFORD

2610 SOUTH MAIN STREET • STAFFORD, TEXAS 77477
(281) 261-3900 • WWW.STAFFORDTX.GOV



SEDC
STAFFORD ECONOMIC
DEVELOPMENT CORPORATION

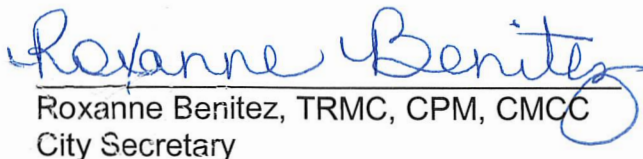
SPECIAL JOINT MEETING OF CITY COUNCIL AND STAFFORD ECONOMIC DEVELOPMENT CORPORATION

Wednesday, December 18, 2024, at 6:30 p.m.
2610 South Main Street, Stafford, TX 77477
Council Chambers

AGENDA

1. Call to Order and Pledges of Allegiance.
2. Roll Call of City Council and Stafford Economic Development Corporation (SEDC) Board of Directors.
3. Public comments on agenda items.
4. (a) Discussion regarding a Resolution of the Stafford Economic Development Corporation (SEDC) Board of Directors authorizing the President to execute a loan agreement with the City of Stafford.
(b) Public Comments on item (a).
(c) Possible Consideration of appropriate action on item (a).
5. (a) Discussion regarding a Resolution of the Stafford City Council authorizing the Mayor to execute a loan agreement with the Stafford Economic Development Corporation (SEDC).
(b) Public Comments on item (a).
(c) Possible Consideration of appropriate action on item (a).
6. Presentation by Bill Krueger, Conventions, Sports, and Leisure regarding proposed expansion of the Stafford Centre.
7. Adjournment.

**I CERTIFY THAT THE ABOVE NOTICE OF MEETING AND AGENDA WAS
POSTED ON THE BULLETIN BOARD OF STAFFORD CITY HALL ON
DECEMBER 13, 2024.**


Roxanne Benitez, TRMC, CPM, CMCC
City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (281) 261-3900 or citysecretary@staffordtx.gov for further information.

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE STAFFORD ECONOMIC DEVELOPMENT CORPORATION AUTHORIZING THE PRESIDENT TO EXECUTE A LOAN AGREEMENT WITH THE CITY OF STAFFORD, TEXAS.

* * * * *

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE STAFFORD ECONOMIC DEVELOPMENT CORPORATION:

Section 1. The Board of Directors of the Stafford Economic Development Corporation hereby authorize the President to execute the Loan Agreement with the City of Stafford, Texas in accordance with the terms and conditions of the agreement attached hereto as Exhibit A and incorporated herein for all purposes.

PASSED, APPROVED, AND RESOLVED this 18th day of December 2024.

Randy Krahn, President

ATTEST:

William K. Bostic Jr., Secretary

EXHIBIT A
LOAN AGREEMENT

LOAN AGREEMENT

Borrower: **CITY OF STAFFORD, TEXAS**
2610 S. Main St.
Stafford, Texas 77477

Lender: **STAFFORD ECONOMIC DEVELOPMENT CORPORATION**
2610 S. Main St.
Stafford, Texas 77477

THIS LOAN AGREEMENT between the **CITY OF STAFFORD, TEXAS**, a home rule municipality in Texas ("Borrower" or "City"), and the **STAFFORD ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation ("Lender"), is made and executed with the following recitals, terms, and conditions.

WHEREAS, Borrower has applied to Lender for a loan to enable it to enter a lease purchase option for City police vehicles.

WHEREAS, Lender's Board of Directors approved a loan and other financial incentives to Borrower at a meeting which would allow Borrower to enter a lease purchase option for City police vehicles; and

WHEREAS, Borrower understands and agrees that: (a) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any Loan by Lender at all times will be subject to Lender's sole judgment and discretion; and (c) all such Loans will be and will remain subject to the terms and conditions as set forth in this Agreement.

SECTION 1. TERM.

This Agreement will be effective as of _____ (the "Effective Date"), and will continue thereafter until all obligations of Borrower to Lender have been performed in full and the parties terminate this Agreement in writing, or on the **Loan Maturity Date**, unless terminated sooner under the provisions hereof.

SECTION 2. DEFINITIONS.

The following terms will have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement will have the meanings attributed to such terms in the Texas Uniform Commercial Code.

- a. **Agreement.** "Agreement" means this Loan Agreement, together with all exhibits and schedules attached to this Loan Agreement from time to time, if any.
- b. **Borrower.** "Borrower" means the **CITY OF STAFFORD, TEXAS**, a home rule municipality in Texas.

- c. **City.** "City" means the City of Stafford, Texas
- d. **Event of Default.** "Event of Default" means and includes any of the Events of Default set forth below in the section entitled "Events of Default."
- e. **Indebtedness.** "Indebtedness" means and includes without limitation all Loans, together with all other obligations, debts, and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable solely or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such Indebtedness may be or hereafter may become otherwise unenforceable.
- f. **Lender.** "Lender" means the *STAFFORD ECONOMIC DEVELOPMENT CORPORATION*, a Texas non-profit corporation, its successors and assigns.
- g. **Loan.** "Loan" or "Loans" means and includes any and all loans and financial accommodations from Lender to Borrower, whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described in this Agreement and described on any exhibit or schedule attached to this Agreement.
- h. **Loan Maturity Date.** "Loan Maturity Date" means _____.
- i. **Note.** "Note" means the Promissory Note of even date herewith executed by and between the parties hereto in the principal amount of up to **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)**, due upon demand and payable on or before the **Loan Maturity Date**.
- j. **Related Documents.** "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments and documents, whether now or hereafter existing, executed in connection with Borrower's Indebtedness to Lender.

SECTION 3. AFFIRMATIVE COVENANTS.

Borrower covenants and agrees with Lender that, while this Agreement is in effect, it will comply with the following terms and conditions:

- a. **Loan Advance.** Upon execution of this Agreement, Borrower will be eligible to receive a single Loan Advance in an aggregate amount not to exceed **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)** upon full satisfaction of its obligations in subsection 3(b) below.
- b. **Borrower Obligations.**

- (1) **Public Purpose.** Borrower shall make a verified five (5) year lease purchase option for City police vehicles. Borrower shall provide proof the five (5) year lease purchase option for the City police vehicles to Lender within 60 days of purchase.
 - (2) **Interest.** The Loan Advance amount of **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)** shall be repaid by Borrower to Lender through semi-annual payments at the interest rate of 3.85% which is the current five (5) year U.S. Treasury rate. The first payment of \$_____ will be due on April 15, 2025, with the remaining payments being due as laid out in the amortization schedule attached as **Exhibit A**.
- c. **Performance.** Borrower agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Borrower and Lender, specifically including that one certain Grant Agreement of even date herewith.

SECTION 4. EVENTS OF DEFAULT.

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

- a. **False Statements.** Borrower's making or furnishing of any warranty, representation, or statement to Lender by or on behalf of Borrower under this Agreement or the Related Documents that is false or misleading in any material respect, either now or at the time made or furnished.
- b. **Insolvency.** Borrower's insolvency, appointment of receiver for any part of Borrower's property, any assignment for the benefit of Borrower's creditors, any type of creditor workout for Borrower, or the commencement of any proceeding under any bankruptcy or insolvency laws by Borrower or against Borrower and not dismissed within sixty (60) days of filing thereof.
- c. **Other Defaults.** Borrower's failure after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant, or condition contained in this Agreement or in any of the Related Documents, or Borrower's failure to comply with or to perform any other term, obligation, covenant, or condition contained in any other obligation, covenant, or condition contained in this Agreement or in any of the Related Documents, or Borrower's failure to comply with or to perform any other term, obligation, covenant, or condition contained in any other written agreement between Lender and Borrower.

SECTION 5. EFFECT OF AN EVENT OF DEFAULT.

If any Event of Default will occur and upon thirty (30) days written notice and opportunity to cure, Borrower has not cured such Event of Default, then all commitments of Lender under this Agreement immediately will terminate

(including any obligation to make Loan advances), **and all amounts previously advanced under the Loan will become immediately due and payable**, all without notice of any kind to Borrower, at the option of Lender, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration will be automatic and not optional. Any Event of Default which may be cured by the payment of money will not extend beyond the 30-day period referenced herein. Any amounts due and payable will not accrue interest until they are deemed to be past due as provided in the Note.

SECTION 6. INDEMNIFICATION.

BORROWER WILL INDEMNIFY, SAVE, AND HOLD HARMLESS LENDER, ITS DIRECTORS, OFFICERS, AGENTS, ATTORNEYS, AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST:

- a. ANY AND ALL CLAIMS, DEMANDS, ACTIONS, OR CAUSES OF ACTION THAT ARE ASSERTED AGAINST ANY INDEMNITEE IF THE CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION RELATES TO TORTIOUS INTERFERENCE WITH CONTRACT, BUSINESS INTERFERENCE, OR WRONGFUL OR NEGLIGENT USE OF LENDER'S LOAN ADVANCES BY BORROWER OR ITS AGENTS AND EMPLOYEES;
- b. ANY ADMINISTRATIVE OR INVESTIGATIVE PROCEEDING BY ANY GOVERNMENTAL AUTHORITY RELATED TO A CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION IN WHICH LENDER IS A DISINTERESTED PARTY.
- c. ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION WHICH CONTESTS OR CHALLENGES THE LEGAL AUTHORITY OF LENDER OR BORROWER TO ENTER INTO THIS AGREEMENT; AND
- d. ANY AND ALL LIABILITIES, LOSSES, COSTS, OR EXPENSES (INCLUDING REASONABLE ATTORNEY FEES AND DISBURSEMENTS) THAT ANY INDEMNITEE SUFFERS OR INCURS AS A RESULT OF ANY OF THE FOREGOING; PROVIDED, HOWEVER, THAT BORROWER WILL HAVE NO OBLIGATION UNDER THIS SECTION TO LENDER WITH RESPECT TO ANY OF THE FOREGOING TO THE EXTENT THAT SUCH CLAIMS OR LIABILITIES ARISE OUT OF THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER OR THE BREACH BY LENDER OF THIS AGREEMENT. IF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION IS ASSERTED AGAINST ANY INDEMNITEE, SUCH INDEMNITEE WILL PROMPTLY NOTIFY BORROWER, BUT THE FAILURE TO SO PROMPTLY NOTIFY BORROWER WILL NOT AFFECT BORROWER'S OBLIGATIONS UNDER THIS SECTION UNLESS SUCH FAILURE MATERIALLY PREJUDICES BORROWER'S RIGHT TO PARTICIPATE IN THE CONTEST OF SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, AS HEREINAFTER PROVIDED. IF REQUESTED BY BORROWER IN WRITING, AND SO LONG AS NO DEFAULT OR EVENT OF DEFAULT WILL HAVE OCCURRED AND BE CONTINUING, SUCH INDEMNITEE WILL IN GOOD FAITH CONTEST THE VALIDITY,

APPLICABILITY, AND AMOUNT OF SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION AND WILL PERMIT BORROWER TO PARTICIPATE IN SUCH CONTEST. ANY INDEMNITEE THAT PROPOSES TO SETTLE OR COMPROMISE ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING FOR WHICH BORROWER MAY BE LIABLE FOR PAYMENT OF INDEMNITY HEREUNDER WILL GIVE BORROWER WRITTEN NOTICE OF THE TERMS OF SUCH PROPOSED SETTLEMENT OR COMPROMISE REASONABLY IN ADVANCE OF SETTLING OR COMPROMISING SUCH CLAIM OR PROCEEDING AND WILL OBTAIN BORROWER'S REASONABLE CONCURRENCE THERETO.

SECTION 7. BORROWER'S REPRESENTATIONS.

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and the Related Documents and that the representations made herein, and in the Related Documents, are true and accurate in all respects.

SECTION 8. MISCELLANEOUS PROVISIONS.

- a. **Amendments.** This Agreement, together with any Related Documents, 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 will be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Extraordinary Administrative Costs.** All extraordinary administrative costs incurred by Lender during any preparation, revision, modification, or amendment of this Agreement and all extraordinary administrative costs incurred during the preparation or review of any proposed additional or Related Documents will be at Borrower's sole cost and expense.
- c. **Applicable Law and Venue.** This Agreement has been delivered to Lender and accepted by Lender in the State of Texas. Borrower agrees to submit to the jurisdiction of the courts of Fort Bend County, State of Texas, and that venue is proper in Fort Bend County, Texas. This Agreement will be governed by and construed in accordance with the laws of the State of Texas and applicable federal law
- d. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.
- e. **Notices.** All notices required to be given under this Agreement must be given in writing and will be effective when actually delivered or deposited in the United States mail, first class, postage prepaid and addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose

of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address.

- f. **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 will not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision will be deemed to be modified to be within the limits of enforceability or validity; provided, however, that if the offending provision cannot be so modified, it will be stricken and all other provisions of this Agreement in all other respects will remain valid and enforceable.
- g. **Survival.** All warranties, representations, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender pursuant to this Agreement will be considered to have been relied upon by Lender and will survive the making of the Loan and delivery to Lender of the Related Documents, regardless of any investigation made by Lender or on Lender's behalf.
- h. **Attorney Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof and to the extent allowed by law, any unsuccessful party to such litigation will pay to the successful party all costs and expenses, including reasonable attorney fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses, and attorney fees may be included in and as part of the judgment. A successful party *will* be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- i. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- j. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together will constitute but one original of the Agreement. Each counterpart will be equally admissible in evidence, and each original will fully bind each party who has executed it.
- k. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition, or covenant of this Agreement, or to exercise any right, power, or remedy hereunder will constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power, or remedy at any later time.
- l. **No Interpretation Against Drafter.** Borrower and Lender have each participated in negotiating and drafting this Agreement and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

BORROWER ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS AGREEMENT, AND BORROWER AGREES TO ITS TERMS.

THIS AGREEMENT WILL BE EFFECTIVE AS OF THE EFFECTIVE DATE.

BORROWER:
City of Stafford, Texas

Ken Mathew, Mayor

Date: _____

LENDER:
Stafford Economic Development Corporation

EDC President

Date: _____

EXHIBIT A

Principal: \$482,338 Number of Payments: 10
 Term: 5 Semi-annual rate: 0.01925
 Annual Rate: 3.85% Loan Payment: \$53,486.52
 Initial Date: 10/15/2024

Payment	Date:	Beginning Balance:	Payment:	Interest:	Principal:	Ending Balance:
1	4/15/2025	\$482,338	\$53,486.52	\$9,285.01	\$44,201.51	\$438,136.49
2	10/15/2025	\$438,136.49	\$53,486.52	\$8,434.13	\$45,052.39	\$393,084.09
3	4/15/2026	\$393,084.09	\$53,486.52	\$7,566.87	\$45,919.65	\$347,164.44
4	10/15/2026	\$347,164.44	\$53,486.52	\$6,682.92	\$46,803.60	\$300,360.84
5	4/15/2027	\$300,360.84	\$53,486.52	\$5,781.95	\$47,704.57	\$252,656.26
6	10/15/2027	\$252,656.26	\$53,486.52	\$4,863.63	\$48,622.89	\$204,033.37
7	4/15/2028	\$204,033.37	\$53,486.52	\$3,927.64	\$49,558.88	\$154,474.50
8	10/15/2028	\$154,474.50	\$53,486.52	\$2,973.63	\$50,512.89	\$103,961.61
9	4/15/2029	\$103,961.61	\$53,486.52	\$2,001.26	\$51,485.26	\$52,476.35
10	10/15/2029	\$52,476.35	\$53,486.52	\$1,010.17	\$52,476.35	\$0.00

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF STAFFORD, TEXAS, AUTHORIZING THE MAYOR TO EXECUTE A LOAN AGREEMENT WITH THE STAFFORD ECONOMIC DEVELOPMENT CORPORATION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STAFFORD, TEXAS THAT:

Section 1. The Mayor is authorized to execute the Loan Agreement with the Stafford Economic Development Corporation which is attached hereto as **Exhibit A**.

PASSED, APPROVED, AND RESOLVED this the 18th day of December, 2024.

Ken Mathew, Mayor

ATTEST:

Roxanne Benitez, City Secretary

EXHIBIT A

LOAN AGREEMENT

Borrower: **CITY OF STAFFORD, TEXAS**
2610 S. Main St.
Stafford, Texas 77477

Lender: **STAFFORD ECONOMIC DEVELOPMENT CORPORATION**
2610 S. Main St.
Stafford, Texas 77477

THIS LOAN AGREEMENT between the **CITY OF STAFFORD, TEXAS**, a home rule municipality in Texas ("Borrower" or "City"), and the **STAFFORD ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation ("Lender"), is made and executed with the following recitals, terms, and conditions.

WHEREAS, Borrower has applied to Lender for a loan to enable it to enter a lease purchase option for City police vehicles.

WHEREAS, Lender's Board of Directors approved a loan and other financial incentives to Borrower at a meeting which would allow Borrower to enter a lease purchase option for City police vehicles; and

WHEREAS, Borrower understands and agrees that: (a) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements, as set forth and provided for in this Agreement; (b) the granting, renewing, or extending of any Loan by Lender at all times will be subject to Lender's sole judgment and discretion; and (c) all such Loans will be and will remain subject to the terms and conditions as set forth in this Agreement.

SECTION 1. TERM.

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SECTION 2. DEFINITIONS.

The following terms will have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement will have the meanings attributed to such terms in the Texas Uniform Commercial Code.

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- b. **Borrower.** "Borrower" means the **CITY OF STAFFORD, TEXAS**, a home rule municipality in Texas.

- c. **City.** "City" means the City of Stafford, Texas
- d. **Event of Default.** "Event of Default" means and includes any of the Events of Default set forth below in the section entitled "Events of Default."
- e. **Indebtedness.** "Indebtedness" means and includes without limitation all Loans, together with all other obligations, debts, and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable solely or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such Indebtedness may be or hereafter may become otherwise unenforceable.
- f. **Lender.** "Lender" means the *STAFFORD ECONOMIC DEVELOPMENT CORPORATION*, a Texas non-profit corporation, its successors and assigns.
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- h. **Loan Maturity Date.** "Loan Maturity Date" means _____.
- i. **Note.** "Note" means the Promissory Note of even date herewith executed by and between the parties hereto in the principal amount of up to **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)**, due upon demand and payable on or before the **Loan Maturity Date**.
- j. **Related Documents.** "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments and documents, whether now or hereafter existing, executed in connection with Borrower's Indebtedness to Lender.

SECTION 3. AFFIRMATIVE COVENANTS.

Borrower covenants and agrees with Lender that, while this Agreement is in effect, it will comply with the following terms and conditions:

- a. **Loan Advance.** Upon execution of this Agreement, Borrower will be eligible to receive a single Loan Advance in an aggregate amount not to exceed **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)** upon full satisfaction of its obligations in subsection 3(b) below.
- b. **Borrower Obligations.**

- (1) **Public Purpose.** Borrower shall make a verified five (5) year lease purchase option for City police vehicles. Borrower shall provide proof the five (5) year lease purchase option for the City police vehicles to Lender within 60 days of purchase.
 - (2) **Interest.** The Loan Advance amount of **FOUR-HUNDRED EIGHTY-TWO THOUSAND, THREE-HUNDRED THIRTY-EIGHT AND NO/100 DOLLARS (\$482,338.00)** shall be repaid by Borrower to Lender through semi-annual payments at the interest rate of 3.85% which is the current five (5) year U.S. Treasury rate. The first payment of \$_____ will be due on April 15, 2025, with the remaining payments being due as laid out in the amortization schedule attached as **Exhibit A**.
- c. **Performance.** Borrower agrees to perform and comply with all terms, conditions, and provisions set forth in this Agreement and in all other instruments and agreements between Borrower and Lender, specifically including that one certain Grant Agreement of even date herewith.

SECTION 4. EVENTS OF DEFAULT.

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

- a. **False Statements.** Borrower's making or furnishing of any warranty, representation, or statement to Lender by or on behalf of Borrower under this Agreement or the Related Documents that is false or misleading in any material respect, either now or at the time made or furnished.
- b. **Insolvency.** Borrower's insolvency, appointment of receiver for any part of Borrower's property, any assignment for the benefit of Borrower's creditors, any type of creditor workout for Borrower, or the commencement of any proceeding under any bankruptcy or insolvency laws by Borrower or against Borrower and not dismissed within sixty (60) days of filing thereof.
- c. **Other Defaults.** Borrower's failure after written notice and thirty (30) days opportunity to cure, to comply with or to perform any other term, obligation, covenant, or condition contained in this Agreement or in any of the Related Documents, or Borrower's failure to comply with or to perform any other term, obligation, covenant, or condition contained in any other obligation, covenant, or condition contained in this Agreement or in any of the Related Documents, or Borrower's failure to comply with or to perform any other term, obligation, covenant, or condition contained in any other written agreement between Lender and Borrower.

SECTION 5. EFFECT OF AN EVENT OF DEFAULT.

If any Event of Default will occur and upon thirty (30) days written notice and opportunity to cure, Borrower has not cured such Event of Default, then all commitments of Lender under this Agreement immediately will terminate

(including any obligation to make Loan advances), **and all amounts previously advanced under the Loan will become immediately due and payable**, all without notice of any kind to Borrower, at the option of Lender, except for an Event of Default described in the "Insolvency" subsection above, in which case such acceleration will be automatic and not optional. Any Event of Default which may be cured by the payment of money will not extend beyond the 30-day period referenced herein. Any amounts due and payable will not accrue interest until they are deemed to be past due as provided in the Note.

SECTION 6. INDEMNIFICATION.

BORROWER WILL INDEMNIFY, SAVE, AND HOLD HARMLESS LENDER, ITS DIRECTORS, OFFICERS, AGENTS, ATTORNEYS, AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES") FROM AND AGAINST:

- a. ANY AND ALL CLAIMS, DEMANDS, ACTIONS, OR CAUSES OF ACTION THAT ARE ASSERTED AGAINST ANY INDEMNITEE IF THE CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION RELATES TO TORTIOUS INTERFERENCE WITH CONTRACT, BUSINESS INTERFERENCE, OR WRONGFUL OR NEGLIGENT USE OF LENDER'S LOAN ADVANCES BY BORROWER OR ITS AGENTS AND EMPLOYEES;
- b. ANY ADMINISTRATIVE OR INVESTIGATIVE PROCEEDING BY ANY GOVERNMENTAL AUTHORITY RELATED TO A CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION IN WHICH LENDER IS A DISINTERESTED PARTY.
- c. ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION WHICH CONTESTS OR CHALLENGES THE LEGAL AUTHORITY OF LENDER OR BORROWER TO ENTER INTO THIS AGREEMENT; AND
- d. ANY AND ALL LIABILITIES, LOSSES, COSTS, OR EXPENSES (INCLUDING REASONABLE ATTORNEY FEES AND DISBURSEMENTS) THAT ANY INDEMNITEE SUFFERS OR INCURS AS A RESULT OF ANY OF THE FOREGOING; PROVIDED, HOWEVER, THAT BORROWER WILL HAVE NO OBLIGATION UNDER THIS SECTION TO LENDER WITH RESPECT TO ANY OF THE FOREGOING TO THE EXTENT THAT SUCH CLAIMS OR LIABILITIES ARISE OUT OF THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LENDER OR THE BREACH BY LENDER OF THIS AGREEMENT. IF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION IS ASSERTED AGAINST ANY INDEMNITEE, SUCH INDEMNITEE WILL PROMPTLY NOTIFY BORROWER, BUT THE FAILURE TO SO PROMPTLY NOTIFY BORROWER WILL NOT AFFECT BORROWER'S OBLIGATIONS UNDER THIS SECTION UNLESS SUCH FAILURE MATERIALLY PREJUDICES BORROWER'S RIGHT TO PARTICIPATE IN THE CONTEST OF SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION, AS HEREINAFTER PROVIDED. IF REQUESTED BY BORROWER IN WRITING, AND SO LONG AS NO DEFAULT OR EVENT OF DEFAULT WILL HAVE OCCURRED AND BE CONTINUING, SUCH INDEMNITEE WILL IN GOOD FAITH CONTEST THE VALIDITY,

APPLICABILITY, AND AMOUNT OF SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION AND WILL PERMIT BORROWER TO PARTICIPATE IN SUCH CONTEST. ANY INDEMNITEE THAT PROPOSES TO SETTLE OR COMPROMISE ANY CLAIM, DEMAND, ACTION, CAUSE OF ACTION, OR PROCEEDING FOR WHICH BORROWER MAY BE LIABLE FOR PAYMENT OF INDEMNITY HEREUNDER WILL GIVE BORROWER WRITTEN NOTICE OF THE TERMS OF SUCH PROPOSED SETTLEMENT OR COMPROMISE REASONABLY IN ADVANCE OF SETTLING OR COMPROMISING SUCH CLAIM OR PROCEEDING AND WILL OBTAIN BORROWER'S REASONABLE CONCURRENCE THERETO.

SECTION 7. BORROWER'S REPRESENTATIONS.

By execution hereof, the signatories warrant and represent that they have the requisite authority to execute this Agreement and the Related Documents and that the representations made herein, and in the Related Documents, are true and accurate in all respects.

SECTION 8. MISCELLANEOUS PROVISIONS.

- a. **Amendments.** This Agreement, together with any Related Documents, 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 will be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.
- b. **Extraordinary Administrative Costs.** All extraordinary administrative costs incurred by Lender during any preparation, revision, modification, or amendment of this Agreement and all extraordinary administrative costs incurred during the preparation or review of any proposed additional or Related Documents will be at Borrower's sole cost and expense.
- c. **Applicable Law and Venue.** This Agreement has been delivered to Lender and accepted by Lender in the State of Texas. Borrower agrees to submit to the jurisdiction of the courts of Fort Bend County, State of Texas, and that venue is proper in Fort Bend County, Texas. This Agreement will be governed by and construed in accordance with the laws of the State of Texas and applicable federal law
- d. **Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.
- e. **Notices.** All notices required to be given under this Agreement must be given in writing and will be effective when actually delivered or deposited in the United States mail, first class, postage prepaid and addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose

of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address.

- f. **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 will not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision will be deemed to be modified to be within the limits of enforceability or validity; provided, however, that if the offending provision cannot be so modified, it will be stricken and all other provisions of this Agreement in all other respects will remain valid and enforceable.
- g. **Survival.** All warranties, representations, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender pursuant to this Agreement will be considered to have been relied upon by Lender and will survive the making of the Loan and delivery to Lender of the Related Documents, regardless of any investigation made by Lender or on Lender's behalf.
- h. **Attorney Fees and Costs.** In the event of any action at law or in equity between the parties to enforce any of the provisions hereof and to the extent allowed by law, any unsuccessful party to such litigation will pay to the successful party all costs and expenses, including reasonable attorney fees (including costs and expenses incurred in connection with all appeals) incurred by the successful party, and these costs, expenses, and attorney fees may be included in and as part of the judgment. A successful party *will* be any party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment.
- i. **Time is of the Essence.** Time is of the essence in the performance of this Agreement.
- j. **Counterparts.** This Agreement may be executed in counterparts, and such counterparts together will constitute but one original of the Agreement. Each counterpart will be equally admissible in evidence, and each original will fully bind each party who has executed it.
- k. **Waiver.** No failure or delay by a party to insist upon the strict performance of any term, condition, or covenant of this Agreement, or to exercise any right, power, or remedy hereunder will constitute a waiver of the same or any other term of this Agreement or preclude such party from enforcing or exercising the same or any such other term, conditions, covenant, right, power, or remedy at any later time.
- l. **No Interpretation Against Drafter.** Borrower and Lender have each participated in negotiating and drafting this Agreement and agree that the Agreement is to be construed as if drafted jointly. The parties agree that the Agreement will not be interpreted or construed against either party should a need for interpretation or resolution of any ambiguity arise.

BORROWER ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS AGREEMENT, AND BORROWER AGREES TO ITS TERMS.

THIS AGREEMENT WILL BE EFFECTIVE AS OF THE EFFECTIVE DATE.

BORROWER:

City of Stafford, Texas

Ken Mathew, Mayor

Date: _____

LENDER:

Stafford Economic Development Corporation

EDC President

Date: _____

EXHIBIT A

Principal: \$482,338 Number of Payments: 10
 Term: 5 Semi-annual rate: 0.01925
 Annual Rate: 3.85% Loan Payment: \$53,486.52
 Initial Date: 10/15/2024

Payment	Date:	Beginning Balance:	Payment:	Interest:	Principal:	Ending Balance:
1	4/15/2025	\$482,338	\$53,486.52	\$9,285.01	\$44,201.51	\$438,136.49
2	10/15/2025	\$438,136.49	\$53,486.52	\$8,434.13	\$45,052.39	\$393,084.09
3	4/15/2026	\$393,084.09	\$53,486.52	\$7,566.87	\$45,919.65	\$347,164.44
4	10/15/2026	\$347,164.44	\$53,486.52	\$6,682.92	\$46,803.60	\$300,360.84
5	4/15/2027	\$300,360.84	\$53,486.52	\$5,781.95	\$47,704.57	\$252,656.26
6	10/15/2027	\$252,656.26	\$53,486.52	\$4,863.63	\$48,622.89	\$204,033.37
7	4/15/2028	\$204,033.37	\$53,486.52	\$3,927.64	\$49,558.88	\$154,474.50
8	10/15/2028	\$154,474.50	\$53,486.52	\$2,973.63	\$50,512.89	\$103,961.61
9	4/15/2029	\$103,961.61	\$53,486.52	\$2,001.26	\$51,485.26	\$52,476.35
10	10/15/2029	\$52,476.35	\$53,486.52	\$1,010.17	\$52,476.35	\$0.00



June 24, 2024

Mr. Bryan T. Blaum
President
FM squared, LLC

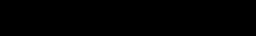


Dear Mr. Blaum:

We greatly appreciate the opportunity to work with you, the City of Stafford, and other stakeholders to conduct a feasibility study of a proposed expansion of the Stafford Centre. I have prepared some information concerning our anticipated next steps, as well as a list of the types of organizations and individuals we would hope to meet with in-person or via virtual meeting to discuss the project. Additionally, I have prepared an information/documents request list to assist us in the research to be undertaken for the study.

We would like to identify a set of two to three consecutive days in July or early August for an initial visit to Stafford. For the visit, we would hope to begin with a kickoff meeting with you and other key City leaders. Then, we typically find it useful to undertake a tour of the subject facility (Stafford Centre), as well as a windshield tour of other key areas/assets in the community. After which, we would hope to meet individually or in small group settings with project stakeholders, key Stafford Centre staff, community leaders, and other such individuals and organizations. A central meeting location (e.g., Stafford Centre meeting room) often works best for logistical reasons to make efficient use of time. Any assistance that could be provided in scheduling these meetings would be greatly appreciated. Assuming a central location, 1.0- to 1.5-hour time blocks should be sufficient for the meetings, beyond the initial kick-off meeting (which may require two hours, as well as time for any tours).

We would be happy to schedule an initial virtual kickoff meeting with you and other key City leaders during the next week or two, if you feel that would be helpful in advance of our in-person visit.

We look forward to working with you on this important project. Upon your review of this information, please contact me at your convenience at (612) 294-2003 or  to discuss this material and details surrounding the initial visit.

Sincerely,

A handwritten signature in blue ink that reads "Bill Krueger".

Bill Krueger
CSL International

Stafford Centre Expansion Feasibility Study – MEETINGS REQUEST

The following is a general list of the types of individuals, by position, with whom we typically find it beneficial to interview in-person, via videoconference, or via telephone during the course of the study. These are just a few examples of the types of individuals we have met with for similar projects; some of which may or may not be appropriate for this outreach effort as part of this study. Feel free to add or delete individuals from this list. We also expect that additional individuals may be added as the study progresses. After the list is finalized, we would greatly appreciate your assistance in scheduling interviews.

Stafford Centre / FMsquared

- Executive Director / General Manager.
- Director of Operations.
- Director of Sales & Marketing.
- Director of Finance.
- Other key staff (if applicable).
- Representatives of key local area Stafford Centre tenant & user groups (if appropriate).

City of Stafford & Other Key Stakeholders (as appropriate)

- Mayor & Council Members.
- Stafford Economic Development Corporation key leadership & board members.
- City Secretary.
- Recreation Department leadership.
- Other key stakeholders & leadership.

Local Visitor Industry and Other Organizations/Individuals

- Any key officials from other local area tourism/visitor industry organizations.
- Representatives of key locally-based convention/tradeshow user groups.
- Representatives of any key local arts organizations, promoters or advocacy groups.
- Representatives of applicable local chamber(s) of commerce.
- Owners, general managers and/or sales managers of key nearby hotels.
- Key visitor industry representatives (i.e., lodging association, key attractions, restaurateurs, etc.).
- Representatives from local organizations having expressed a need for expanded/improved Stafford Centre.

Stafford Center Expansion Feasibility Study – INFORMATION REQUEST

The following is a listing of the specific information, documents and data that we typically request in order to assist us in the research and analysis to be undertaken for a study of this nature. It is recognized that some of this requested information might not be available or attainable within the timeframe necessary for consideration in this study. Digital versions of data are preferred, if possible. It is not necessary to have a substantial portion of this information prepared and delivered to us prior to the kickoff visit; however, we would hope to have most of this information collected within the first month of the study.

Information/Documents Requested

1. Site plans, master planning documents, past consulting studies, traffic studies, and any other relevant information/reports/documents related to past planning work for the Stafford Centre and/or new supporting hotel projects.
2. Key Stafford Centre information/documents/data:
 - a) Current Event Planner/Promoter/Exhibitor guides/packets, including floorplans, space and technical specifications, rental rates, booking/discounting policies, etc.
 - b) Copies of relevant documents/agreements related to any key agreements with external/third parties concerning the Stafford Centre (i.e., management agreements, MOUs, development agreements, food & beverage and other key service provider agreements, hotel room block agreements, cooperative marketing agreements, etc.).
 - c) Stafford Centre's projected, definite and tentative event bookings, preferably representative of the past five-year period:
 - i. Event name and type.
 - ii. Event days & utilization days (specific dates of move-in, show/event, move-out).
 - iii. Attendance and hotel room nights.
 - iv. Space required/utilized.
 - v. Any available contact information, such as name, email and phone number.
 - d) Stafford Centre Financial Operating Statements (with line item detail in Excel format) for as many historical years as is readily available (most recent five years, if possible), and budgeted data for future years.
 - e) Summary of revenue sources used to support Stafford Centre financial operating subsidies.
3. Key Stafford community/destination information/documents/data:
 - a) Copy of Visitors Guide and/or Meeting Planners Guide(s) covering the Stafford area (including facility floorplans, hotel and attractions information, and other related material).
 - b) Local Hotel inventory by name, number of rooms per property and other relevant information.
 - c) Information pertaining to any discussed/planned new Hotel projects.
 - d) Hotel room occupancy and rate reports (i.e., STR) for as many historical months as is readily available.
 - e) Inventory of convention/conference/meeting facilities and other spectator event facilities in the Stafford area.
 - f) Listing of perceived key competitive convention centers and performing arts theaters in the state and regional marketplace.

Stafford Center Expansion Feasibility Study – INFORMATION REQUEST

- g) Any lost/turnaway convention/conference/meeting/spectator event business reports that are available through the Stafford Centre and/or local destination marketing organization(s) listing any available event data such as:
 - i. Event name, type and contact information (phone number and/or email address).
 - ii. Projected event days (specific dates the event would be held).
 - iii. Projected utilization days (specific dates the event would occupy within the facility).
 - iv. Projected/estimated attendance and hotel room nights.
 - v. Space required (amount of space, type of space, specific facility requested, name/location of space requested, etc.).
 - vi. Reason for non-booking.
 - h) Names and contact information for organizations/individuals that have expressed an interest in holding events at an expanded/improved Stafford Centre.
4. Other information/documents/data:
- a) Copy of comprehensive annual financial reports for the City of Stafford and any other relevant Master Planning documents involving economic development.
 - b) City, County and State tax rates and historical collection data, with specific emphasis on visitor industry-related taxes such as transient occupancy (hotel/motel) taxes, entertainment tax, meal tax, sales tax, car rental tax, etc.
 - c) Other local/regional/state socioeconomic/demographic data (as available).