

RESOLUTION NO. R-06D-25

A RESOLUTION OF THE CITY OF CROCKETT, TEXAS, ACKNOWLEDGING THE SATISFACTION OF CONDITIONS 1 AND 2 IN THE FEE SIMPLE DETERMINABLE CONDITION CONTAINED IN THE DEED TO A&A TEXAS CAPITAL, AND THE TAX ABATEMENT AND INCENTIVES AGREEMENT, AFFIRMING THE CITY'S INTENT NOT TO DISPUTE THE FULFILLMENT OF SAID CONDITIONS, AND DIRECTING THAT CONDITION 3 AND PARAGRAPH III (RECAPTURE FOR DEFAULT) BE STRICKEN FROM SAID DOCUMENTS.

WHEREAS, the City of Crockett, Texas conveyed certain real property to A&A Texas Capital by deed that included a fee simple determinable condition requiring fulfillment of three specified conditions in order for title to remain vested with A&A Texas Capital; and

WHEREAS, the same three conditions are also incorporated in the Tax Abatement and Incentive Agreement executed between the City and A&A Texas Capital, setting performance benchmarks for site acquisition, investment, and project development; and

WHEREAS, Condition 1 required commencement of construction of improvements on the Real Property within twelve (12) months following the effective date of the Agreement, and Condition 2 required demonstration through an audited fixed asset ledger of a capital investment of at least Three Million Six Hundred Thirty Thousand Dollars (\$3,630,000.00) within thirty-six (36) months; and

WHEREAS, the City has reviewed documentation and finds that A&A Texas Capital has satisfied both Conditions 1 and 2 through acquisition of the property, substantial site improvements, and capital expenditures exceeding the originally agreed investment thresholds; and

WHEREAS, Condition 3 requires that the Real Property be used exclusively for a functioning facility to manufacture materials which enhance the durability of wood products for a period of at least ten (10) consecutive years; and

WHEREAS, Paragraph III – Recapture for Default in the Tax Abatement and Incentive Agreement states that: *“If such default is the result of failure of Developer/Owner to use the Real Property exclusively for a functioning facility to manufacture materials that enhance the durability of wood products, for a period of at least ten (10) consecutive years, or the failure to maintain the full-time jobs described above for the period described above, the Real Property will automatically revert to and be owned by City without the necessity of any further act on the part of City.”*; and

WHEREAS, the City Council finds that Condition 3 and Paragraph III – Recapture for Default are overly restrictive and may inhibit A&A Texas Capital's ability to obtain financing and continue investment in the community; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CROCKETT, TEXAS:

SECTION 1. That the City of Crockett hereby acknowledges and determines that Conditions 1 and 2 of the fee simple determinable condition in the Deed and the Tax Abatement and Incentive Agreement with A&A Texas Capital have been fully satisfied.

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SECTION 2. That the City affirms its intent not to dispute, challenge, or otherwise call into question the satisfaction of Conditions 1 and 2, and provides this assurance for the benefit of A&A Texas Capital, its investors, and any financial institutions evaluating the project.

SECTION 3. That the City of Crockett desires and directs that Condition 3, which states: “3) *Use the Real Property exclusively for a functioning facility to manufacture materials which enhance the durability of wood products (the "Project"), for a period of at least ten (10) consecutive years,*” be stricken and removed from both the General Warranty Deed and the Tax Abatement and Incentive Agreement, and that this amendment be reflected through appropriate official documentation or recording action.

SECTION 4. That the City of Crockett further desires and directs that Paragraph III – Recapture for Default, which states: “*If such default is the result of failure of Developer/Owner to use the Real Property exclusively for a functioning facility to manufacture materials that enhance the durability of wood products, for a period of at least ten (10) consecutive years, or the failure to maintain the full-time jobs described above for the period described above, the Real Property will automatically revert to and be owned by City without the necessity of any further act on the part of City,*” be stricken and removed in its entirety from the Tax Abatement and Incentive Agreement.

SECTION 5. That this Resolution shall be made a matter of public record and shall take effect immediately upon adoption.

PASSED AND APPROVED this 16th day of June, 2025.

Dr. Ianthia Fisher, Mayor

ATTEST:

Mitzi Stefka, City Secretary