

**CITY OF AMARILLO, TEXAS
AND
ALBERS AEROSPACE, LLC
CHAPTER 380 ECONOMIC DEVELOPMENT
PROGRAM AGREEMENT**

This CHAPTER 380 ECONOMIC DEVELOPMENT PROGRAM AGREEMENT (the "Agreement") is made and entered into by and between the CITY OF AMARILLO, TEXAS, a Texas home rule municipality ("City"), and ALBERS AEROSPACE HOLDINGS LLC ("Company"), a Texas limited liability company, each of which may be singularly referred to as "Party" and jointly referred to as "Parties," for the purposes and considerations stated below.

WHEREAS, the Company has applied to the City for financial assistance for electrical upgrades and infrastructure installation for a City-owned building that the Company currently leases from the City ("Project"); and

WHEREAS, the Company manufactures high-tech commercial aerospace containers and military ordinance containers with other location capabilities including precision machining, metal fabrication, materials complex assembly, manufacturing support for numerous military aircraft parts, manufacturing support for numerous military weapons systems, CNC programming & simulation, and now desires to relocate two other divisions to Amarillo which will employ an additional 50 employees; and

WHEREAS, the City has the authority under Article 52-a of the Texas Constitution and Chapter 380 of the Texas Local Government Code ("Chapter 380") to make loans or grants of public funds for the purposes of promoting local economic development and stimulating business and commercial activity within the City; and

WHEREAS, the City desires to provide, pursuant to Chapter 380, an incentive to the Company to construct and install enhanced electrical infrastructure to City-owned building to support additional manufacturing capacity; and

WHEREAS, the City has determined that a grant of funds to the Company will serve the public purpose of promoting local economic development, while stimulating business and commercial activity within the City, and creating and retaining jobs.

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, the Parties 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. PROGRAM APPROVED.

The City Council of the City hereby establishes a Chapter 380 economic development program (the "Program") to facilitate the construction and installation of electrical infrastructure and determines that this Agreement will effectuate the purposes of the Program, and that the Company's performance of its obligations herein will promote local economic development and stimulate business and commercial activity in the City.

SECTION 3. TERM.

The term of this Agreement shall begin upon the Effective Date and shall terminate upon the complete performance of all obligations and conditions precedent by parties to this Agreement unless terminated earlier pursuant to the terms of this Agreement.

SECTION 4. DEFINITIONS.

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

"Agreement" means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached to this Agreement from time to time, if any.

"City" means the City of Amarillo, Texas, a Texas home-rule municipality, whose address for the purposes of this Agreement is 623 S Johnson Street, Amarillo, Texas 79101.

"Company" means Albers Aerospace Holdings, LLC, a Texas limited liability company, authorized to do business in Texas, whose address for the purposes of this Agreement is 1700 Redbud Blvd., Suite 400, McKinney, TX 75069 USA.

"Project" means the construction and installation of the Improvements at the Leased Premises.

"Effective Date" means the last date this Agreement is signed by either Party.

"Event of Default" means and includes any of the Events of Default set forth below in the section entitled "Events of Default."

"Force Majeure" means any act of God or the public enemy, war, riot, civil commotion, fire, explosion or flood, and strikes or other act beyond the reasonable control of the Parties, but not including lack of funds.

"Certificate of Occupancy" means an approval issued by the City after final inspection reflecting that construction of the Improvements has been completed in conformance with all appropriate City codes and requirements.

"Improvements" refer to the electrical infrastructure and component materials comprising the Project described in EXHIBIT A. [NTD: Ownership of Improvements is already covered more completely in Sec. 5(6) "Disposition of Improvements" below. Minimum \$790k spend added to the Company's obligations in Sec. 5.]

"Leased Premises" means that portion of the Amarillo International Airport, including buildings, surrounding land areas, and parking areas, as herein described by the Lease Boundary shown on Exhibit A of the Lease, together with the right of ingress and egress for vehicular and pedestrian traffic from the Lease Boundary by existing roads and rights-of-way, all of which is located in Potter County, Texas. The Leased Premises are composed of the Northwester portion of Building #602 located at 10901 Airport Blvd., Amarillo, TX 79111, with an approximate building area of 156,526 sq. ft., the adjacent parking area, and associated land area as shown within the red boundaries in Exhibit A of the Lease, along with the non-exclusive parking area in the red boundaries. [NTD: Definition for the leased premises imported directly from the lease for clarity]

"Program Grant" or "Program Grant Payment" means the economic development grant to be paid by the City to the Company in accordance with this Agreement.

SECTION 5. OBLIGATIONS OF COMPANY.

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

- (1) Completion of Improvements. The Company agrees that it must receive all necessary financing and governmental approvals no later than October 1, 2026; and Company further agrees that the Improvements will be completed and installed no later than January 31, 2027. If requested in writing by the Company, the City may extend these deadlines, if in the City's reasonable discretion the City determines that an extension is warranted upon (a) an event of Force Majeure that suspends construction of the Improvements for a period of time such as to prevent the Improvements from receiving the Certificate of Occupancy within the time specified above; (b) disruption due to construction of infrastructure improvements by the City for a period of time such as to prevent the Improvements from timely receiving the Certificate of Occupancy; or (c) Company and City mutually agree to one (1) extension period of not more than 90 days for convenience of both parties. Failure or refusal to timely complete the Improvements as required by this Agreement, including the minimum capital investment, shall be considered an Event of Default under this agreement.
- (2) Minimum Investment in Improvements. The Company will invest at least \$790,000 in the Improvements.
- (3) Performance. The Company agrees to perform and comply with all terms, conditions, job

quotas, and provisions set forth in this Agreement and in all other instruments and agreements between the Company and the City.

- (4) Undocumented Workers. The Company certifies that the Company does not and will not knowingly employ an undocumented worker in accordance with Chapter 2264 of the Texas Government Code, as amended, in carrying out its obligations under this Agreement. If during the Term of this Agreement, the Company is convicted of a violation under 8 U.S.C. § 1324a (f), repay the amount of the public subsidy provided under this Agreement plus interest, at the rate of the prime rate published in the *Wall Street Journal* plus two percent (2%) per annum (the "Applicable Rate"), not later than the 120th day after the date the City notifies the Company of the violation.
- (5) Taxes. During the term of the Agreement, the Company shall timely pay all ad valorem taxes and all other taxes and charges due by the Company to the City or other governmental entity (to the extent such is not being contested in good faith). Failure or refusal to do so shall constitute a default of this Agreement by the Company.
- (6) Proof of Compliance. The Company agrees to provide any and all necessary evidence of compliance with the terms of this Agreement upon request of the City.
- (7) Disposition of Improvements. Upon termination of the building lease in effect at the Leased Premises, which commenced on June 1, 2024, including any extensions thereof and any follow-on lease agreements between the Parties for the same premises, all Improvements made as a result of this Agreement shall become the property of the City, and the City shall be responsible for all liability for maintenance and repair of those Improvements. Until that time, Company shall maintain ownership of the Improvements, including all liability for maintenance and repair of those Improvements, and the Improvements shall become subject to all terms and conditions of the said lease.

SECTION 6. OBLIGATIONS OF CITY.

A. Program Grant Payment shall be paid according to the following terms:

(1) The City shall reimburse the Company a one-time Program Grant Payment of three hundred thousand dollars (\$300,000.00) which shall be made solely from then-currently available revenues only upon completion and installation of the Improvements in accordance with this Agreement.

B. City will endeavor to provide Company administrative assistance with facilitating and expediting City permit reviews where feasible.

SECTION 7. EVENTS OF DEFAULT.

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

(1) Default. Failure of the Company or the City to comply with or to perform any term,

obligation, covenant or condition contained in this Agreement and the Company or the City fails to cure such failure within thirty (30) days after written notice from the City or the Company, as the case may be, describing such failure, or if such failure cannot be cured within such thirty (30) day period in the exercise of all due diligence, then if the Company or the City fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such failure.

(2) False Statements. Any written warranty, representation or statement made or furnished to the City by the Company, or the City to the Company under this Agreement or any document(s) related hereto furnished by the Company or the City to the receiving Party is/are false or misleading in any material respect, either now or at the time made or furnished, and the furnishing Party fails to cure same within thirty (30) days after written notice from the receiving Party describing the violation, or if such violation cannot be cured within such thirty (30) day period in the exercise of all due diligence, then if the furnishing Party fails to commence such cure within such thirty (30) day period or fails to continuously thereafter diligently prosecute the cure of such violation, or if the furnishing Party obtains actual knowledge that any such warranty, representation or statement has become false or misleading after the time that it was made, and the furnishing Party fails to provide written notice to the receiving Party of the false or misleading nature of such warranty, representation or statement within ten (10) days after the furnishing Party learns of its false or misleading nature.

(3) Insolvency. The dissolution or termination of the Company's existence as a going business or concern, the Company's insolvency, appointment of receiver for any part of the Company's property, any assignment of all or substantially all of the assets of the Company for the benefit of creditors of the Company, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Company unless, in the case of involuntary proceedings, such proceedings are discharged within ninety (90) days after filing.

SECTION 8. EFFECT OF AN EVENT OF DEFAULT.

(1) Notice and Remedies. In the event of default under this Agreement, including without limitation, Section 7, the non-defaulting Party shall give written notice to the defaulting Party of any default, and the defaulting Party shall have the period provided in Section 7 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. In the event the City terminates this Agreement as a result of the foregoing, (i) it will have no further obligation to make any Program Grant Payment, and (ii) the Company will owe the City repayment of the previous Program Grant Payment made to the Company, plus interest at the rate Applicable Rate. The Company shall pay such funds to the City within sixty (60) days of termination.

(2) Damage Limitation. Under no circumstances shall the Company be liable to the City under this Agreement for damages in excess of the aggregate amount of funds paid by the City to the Company pursuant to this Agreement. Neither party shall be liable to the other for indirect, special or consequential damages except as provided for in Section 5.

SECTION 9. MISCELLANEOUS PROVISIONS.

The following miscellaneous provisions are a part of this Agreement:

- (1) Amendments. At any time, the City and the Company may amend this Agreement for the mutual benefit of the Parties, or for any other reason, including an amendment to induce the Company to continue development and commercial activities in the City when this Agreement could otherwise be terminated. The City and the Company agree to consider reasonable requests for amendments to this Agreement which may be made by either of the Parties hereto, lending institutions, bond counsel or financial consultants. Any amendments to this Agreement must be in writing and signed by the appropriate authorities of both the City and the Company.
- (2) 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 hereunder are performable in Potter County, Texas. Venue for any action arising under this Agreement shall lie in the state courts of appropriate jurisdiction in Potter County, Texas.
- (3) Assignment. This Agreement may not be assigned without the prior written consent of the other Party, which consent shall not be unreasonably conditioned, delayed, or withheld.
- (4) Binding Obligation. This Agreement shall become a binding obligation on the Parties upon execution by all signatories hereto. The City warrants and represents that the individual executing this Agreement on behalf of the City has full authority to execute this Agreement and bind the City to the same. The Company warrants and represents that the individual executing this Agreement on the Company's behalf has full authority to execute this Agreement and bind it to the same.
- (5) 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 the Agreement.
- (6) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.
- (7) Entire Agreement. This Agreement constitutes the entire understanding and agreement of the Parties as to the matters set forth in this Agreement. All prior written or oral offers, counteroffers, memoranda of understanding, proposals and the like are superseded by this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the Party or Parties sought to be charged or bound by the alteration or amendment. Neither Party is relying on any statement, representation, or warranty of the other Party not expressly set out in this Agreement. Each of the undersigned authorized representatives of the Parties, warrants and represents and does hereby state and represent that no promise or agreement which is not herein expressed

has been made to him or her in executing this Agreement, and that neither of the signatories is relying upon any statement or representation of any agent of the Parties. Each Party is relying on his or her own judgment and each Party has been represented by independent counsel of its choosing. This Agreement shall not be construed against the drafter hereof, but shall be construed as if all Parties drafted the same.

(8) Force Majeure. It is expressly understood and agreed by the Parties to this Agreement that if the performance of any obligations hereunder is delayed by reason of Force Majeure, the Party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such Party was delayed. This section does not affect the Company's obligations or the City's discretion described in Section 5(1).

(9) Further Acts and Releases. The City and the Company each agrees to take such additional acts and execute such other documents as may be reasonable and necessary in the performance of their obligations hereunder.

(10) Governmental Powers: Waiver of Immunity. By execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities or rights.

(11) No Third Party Beneficiaries. The performance of the respective obligations of the City and the Company under this Agreement are not intended to benefit any Party other than the City or the Company, except as expressly provided otherwise herein. No person or entity not a signatory to this Agreement shall have any rights or causes of action against any Party to this Agreement as a result of that Party's performance or non-performance under this Agreement, except as expressly provided otherwise herein.

(12) Notices. Any notice or other communication required or permitted by this Agreement (hereinafter referred to as the "Notice") is effective when in writing and (i) personally delivered either by hand, or (ii) three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, or (iii) upon deliver via a delivery service, Federal Express or any other nationally recognized overnight courier service that provides a return receipt showing the date of actual delivery of same to the addressee thereof, and addressed as follows:

If to Company:	Albers Aerospace Holdings, LLC 6841 Virginia Parkway 103-325 McKinney, TX 75071 USA ATTN: John Albers
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If to the City:	City of Amarillo 623 S. Johnson St. Amarillo, Texas 79101 ATTN: City Manager
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(13) Right of Offset. The City may, at its option, after prior written notice and a 30-day period to cure, offset any amounts due and payable under this Agreement against any debt lawfully due and owing to the City from the Company, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise, and regardless of whether or not the debt has been reduced to judgment by a court.

(14) Relationship of Parties. The Parties shall not be deemed in a relationship of partners or joint ventures by virtue of this Agreement, nor shall either Party be an agent, representative, trustee or fiduciary of the other. Neither Party shall have any authority to bind the other to any agreement.

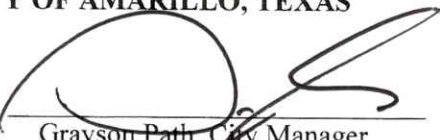
(15) Severability. The City and the Company declare that the provisions of this Agreement are severable. If it is determined by a court of competent jurisdiction that any term, condition or provision hereof is void, voidable, or unenforceable for any reason whatsoever, then such term, condition or provision shall be severed from this Agreement and the remainder of the Agreement enforced in accordance with its terms.

(16) Time is of the Essence. Time is of the essence in the performance of this Agreement.

(17) Attorneys' Fees. In the event that either Party hereto brings an action or other proceeding to enforce or interpret the terms and provisions of this Agreement, the prevailing Party in that action or proceeding shall be entitled to have and recover from the non-prevailing Party all such fees, costs and expenses (including, without limitation, all court costs and reasonable attorneys' fees) as the prevailing Party may suffer or incur in the pursuit or defense of such action or proceeding.

CITY OF AMARILLO, TEXAS

By:


Grayson Path, City Manager

Date:

8/28/26

ATTEST:

By:


Stephanie Coggins, City Secretary

APPROVED AS TO FORM

By:


on behalf

Bryan S. McWilliams, City Attorney

HOLDINGS

ALBERS AEROSPACE, LLC,
a Texas limited liability company

By:


Franklin Byrd, Managing Member

EXHIBIT "A"

Albers Aerospace Holdings LLC shall replace the existing "corner-corner grounded delta" electrical system in their leased space located at 10901 Airport Blvd., Amarillo, TX 79111, with a new electrical system that will support Albers' manufacturing and operating needs. The Improvements shall include at least the following, along with all reasonable additional work undertaken in connection with the foregoing:

Demolish existing 1200 Amp service and install (1) 800 Amp service to feed RTU Units.

Demolish existing 800 Amp switchgear in weld shop and install new 2500 Amp 480V switchgear.

Install new 1200 Amp 480V switchgear in weld shop and demolish existing switchgear if needed.

Install new 600 Amp 480V panel in Main West Shop to feed future equipment & 150 KVA transformer.

Demolish existing 1200 Amp 120/208V switchgear and install 2000 Amp switchgear.

Install 150 KVA transformer and 120/208V 400 Amp panel in main west shop.

Install new CT cans and main disconnects as required by code for 2500 Amp 480V, 800 Amp 480V, and 2000 Amp 120/208V switchgears.

Install new LED Hi-Bay lights in main west shop, including conduit and wire.

Install 120 GFCI receptacles in various locations, including conduit and wire.

Install surge protection on all 3 services.

Provide all testing, permits, and engineering services/fees.

Provide for the installation of a new 120/208 2000 Amp service transformer (by Xcel Energy).

Install concrete pads as required to accommodate the new service and transformer.

Install all items required to make the new electrical service in the building function according to code requirements.