



LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS

Monday, September 12, 2022 - 6:00 p.m.

**REGULAR MEETING
100 WEST ELDORADO PARKWAY
TOWN OF LITTLE ELM TOWN CENTER
2ND FLOOR GLASS CONFERENCE ROOM**

AGENDA

1. **Roll Call and Call to Order** of Regular Meeting: Identification of Quorum and call to order.
2. **Discussion and Action** to approve the Minutes from the August 8, 2022, Regular Meeting (Jennette Espinosa, Executive Director)
3. **Discussion and Action** to approve 3rd Quarter Financials for Little Elm EDC for FY 2021-2022. (Jennette Espinosa, Executive Director)
4. **Discussion and Action** to approve Little Elm EDC's Investment Policy for 2022-2023. (Jeff Moore, EDC Attorney)
5. **Discussion and Action** to approve an Agreement for Reimbursement between the Town of Little Elm and Little Elm Economic Development Corporation for expenses incurred regarding a Data Processing Agreement, with Addendum, for services provided by EDOiQ. (Jennette Espinosa, Executive Director)
6. **Director's Report:** Discuss, Update, and Action, If Needed, Regarding Project, Policies, Events, Activities, and Calendar Pertaining to EDC. (Jennette Espinosa, Executive Director)

7. **Executive Closed Session of the Board of Directors.** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:

(A) Section 551.087 of the Texas Government Code to discuss or deliberate regarding personal matters to evaluate performance and duties, of a public officer or employee.

1. Jennette Espinosa, EDC Executive Director

(B) Section 551.087 of the Texas Government Code to discuss or deliberate regarding commercial or financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.

1. A project in the vicinity of Main and Eldorado

8. **Reconvene into Open Session:** Take any action related to Executive Session

9. Adjournment.

Respectfully,

Jennette Espinosa

Executive Director

This is to certify that the above notice was posted on www.littleelm.org, Town of Little Elm website, under Agendas and Minutes prior to 5:00 p.m. this 9th of September, 2022.



Date: 09/12/2022
Agenda Item #: 2.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Discussion and Action to approve the Minutes from the August 8, 2022, Regular Meeting (Jennette Espinosa, Executive Director)

BUDGET IMPACT:

There is no budget impact with this item.

RECOMMENDED ACTION:

Staff recommends approving the Minutes from August 8, 2022 as presented.

Attachments

DRAFT



**MINUTES
LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION
100 W. Eldorado Parkway**

**REGULAR MEETING
Monday, AUGUST 8, 2022
6:00 PM**

Present: Ken Eaken, President; Michel Hambrick, Vice President; Jack Gregg, Secretary; Michael McClellan, Council Liaison; Marce E. Ward, Board Member

Absent: Taylor Girardi, Treasurer; Jeremy Bolden, Board Member

Staff Present: Jennette Espinosa, Executive Director
Natasha Roach, Assistant Director
Jennifer Eusse, Development Specialist
Jeff Moore, Attorney
Jason Barth, Accountant

1. **Roll Call and Call to Order of Regular Meeting:** Meeting was called to order at **6:04 pm** by Ken Eaken, President
Identification of Quorum and call to order.

2. **Discussion and Action** to approve the Minutes of the July 11, 2022, Regular Meeting. (Jennette Espinosa, Executive Director)

Motion by Council Liaison Michael McClellan, seconded by Vice President Michel Hambrick

AYE: President Ken Eaken, Vice President Michel Hambrick, Secretary Jack Gregg, Council Liaison Michael McClellan, Board Member Marce E. Ward

5 - 0 Passed - Unanimously

3. **Discussion and Action** to approve the Economic Development Corporation's Budget for FY 2022-2023. (Jennette Espinosa, Executive Director/ Jason Barth, EDC Accountant)

Motion by Secretary Jack Gregg, seconded by Board Member Marce E. Ward

AYE: President Ken Eaken, Vice President Michel Hambrick, Secretary Jack Gregg, Council Liaison Michael McClellan, Board Member Marce E. Ward

5 - 0 Passed - Unanimously

4. **Discussion and Action** to approve the Second Amended and Restated Performance Agreement between 575^o Pizzeria-Little Elm, LLC and Little Elm Economic Development Corporation. (Jennette Espinosa, Executive Director)

Motion by Board Member Marce E. Ward, seconded by Secretary Jack Gregg

AYE: President Ken Eaken, Vice President Michel Hambrick, Secretary Jack Gregg, Council Liaison Michael McClellan, Board Member Marce E. Ward

5 - 0 Passed - Unanimously

5. **Discussion and Action** to approve the Termination of Reimbursement Agreement and Performance Agreement between the Tax Increment Reinvestment Zone Number Three and the Little Elm Economic Development Corporation. (Jennette Espinosa, Executive Director)

Motion by Vice President Michel Hambrick, seconded by Secretary Jack Gregg

AYE: President Ken Eaken, Vice President Michel Hambrick, Secretary Jack Gregg, Council Liaison Michael McClellan, Board Member Marce E. Ward

5 - 0 Passed - Unanimously

6. **Discussion and Action** to approve the First Amendment to Loan Agreement and Series 2021 Note between Little Elm Economic Development Corporation and Southside Bank, a Texas state banking corporation, as assignee of Government Capital Corporation. (Jennette Espinosa, Executive Director)

Motion by Vice President Michel Hambrick, seconded by Board Member Marce E. Ward

AYE: President Ken Eaken, Vice President Michel Hambrick, Secretary Jack Gregg, Council Liaison Michael McClellan, Board Member Marce E. Ward

5 - 0 Passed - Unanimously

7. **Director's Report:** Discuss, Update, and Action, If Needed, Regarding Project, Policies, Events, Activities, and Calendar Pertaining to EDC. (Jennette Espinosa, Executive Director)

8. **Executive Closed Session of the Board of Directors.** The Little Elm EDC will now hold a Closed Session meeting pursuant to the provisions of Chapter 551 of the Texas Government Code in accordance with the authority contained in:

(A) Section 551.087 of the Texas Government Code to discuss or deliberate regarding commercial or financial information that the LE EDC has received from a business prospect, and or to deliberate the offer of a financial or other incentive with a business prospect.

Board did not enter in to Executive Session

9. **Reconvene into Open Session:** Take any action related to Executive Session
10. **Adjournment.** Meeting was adjourned at **7:00 pm**

Respectfully,

Jennette Espinosa, Executive Director

Passed and approved this _____ day of _____ 2022



Date: 09/12/2022
Agenda Item #: 3.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Discussion and Action to approve 3rd Quarter Financials for Little Elm EDC for FY 2021-2022. (Jennette Espinosa, Executive Director)

DESCRIPTION:

Financial update for all revenue income and expenses for the 3rd Quarter of the Budget Year 2021-2022.

BUDGET IMPACT:

There is no budget impact with this item.

RECOMMENDED ACTION:

Staff recommends approval of the 3rd Quarter Financials as presented.

Attachments

3rd Quarter Financials
Bank Statement
Bank Reconciliation
Escrow Statement
Escrow Reconciliation



LITTLE ELM

Economic Development Corporation

4A Sales Tax

FINANCIAL REPORTS

FY 2021-2022

Board of Directors

Ken Eaken - President

Michel Hambrick - Vice President

Jack Gregg- Secretary

Taylor Girardi - Treasurer

Michael McClellan - Council Liaison

Marce Ward- Board Member

Jeremy Bolden- Board Member

Jennette Espinosa - Executive Director

Natasha Roach - Assistant Director

Jennifer Eusse - Development Specialist

The Little Elm Economic Development Corporation is tasked with bringing much needed commercial, industrial and tourist opportunities to the Town of Little Elm. The mission of the EDC is to advance the economic development in Little Elm while maintaining traditional values and a sense of community. The Little Elm EDC was founded in 1993 and has served the Town since that time. The EDC is made up of six members from the community and a Town Council Liaison.



Economic Development Corporation
BALANCE SHEET
As of 06/30/2022

ASSETS:

Cash - Independent Bank Checking Account	7,666,923
Cash - Escrow Bank Account	97,067
Accounts Receivable	646,259
Prepaid Expenses	0
Due From/To Other Funds	4,613,966

Total Assets \$ 13,024,215

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable	\$ 244,693
Accrued Expenses	0
Accrued Payroll Liability	(569)
Unearned Revenue	4,631,209

Total Liabilities \$ 4,875,333

Fund Balance (Assets - Liabilities) \$ 8,148,882

Fund Balances:

Reserved for:

Land held for sale	\$ 0
Payables	4,875,333
Unrestricted	3,273,549

Total Fund Balance \$ 8,148,882

Total Liabilities and Fund Balances \$ 13,024,215



Economic Development Corporation Cash and Investment Statement 6/30/2022

Beginning Cash - October 2021	\$	13,355,313
Activity October 2021 - June 2022		
Inflows (less Interest/Investments)		4,498,312
Interest Inflow*		42,143
Outflows		(10,131,779)
Net Increase/Decrease for period		(5,591,324)
EDC Cash Accounts	\$	<u>7,763,989</u>

*The Interest Inflow received summarizes all investment activity for the Little Elm EDC and is in compliance with EDC Investment Policy and PFIA.



LITTLE ELM
ACCOUNT CODES

FY 2021-2022 PROFIT & LOSS

(Revenues, Expenditures and Change in Fund Balance)

ACCOUNT CODES	ACCOUNT DESCRIPTION	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ACTUAL Oct 21 - Jun 22	BUDGET 2021-2022	Budget vs. Actual
Revenue and Other Sources							
811-5132-00-00	CITY SALES TAXES	2,173,851	2,526,334	2,896,032	2,601,600	2,871,734	(270,134)
811-5135-00-00	CONTRA TIRZ #3 LAKEFRONT	(58,317)	(63,535)	(73,565)	(31,744)	(90,000)	58,256
811-5136-00-00	CONTRA TIRZ #5 LINCOLN PARK	(1,689)	(4,167)	-	-	-	-
811-5140-00-00	CONTRA HOLT 380 AGREEMENT ('14-'19)	(60,000)	-	6,653	-	-	-
811-5141-00-00	CONTRA TEXAS FIRST 380 AGREEMENT ('17-'21)	(15,176)	(14,705)	(18,055)	-	(21,500)	21,500
811-5142-00-00	CONTRA GOVE/CGRE 380 AGREEMENT ('18-'24)	(21,787)	(13,725)	(11,437)	-	(40,000)	40,000
811-5143-00-00	CONTRA ASCO (:22-'26)	-	-	-	-	(21,500)	21,500
811-5400-00-00	MISCELLANEOUS REVENUE	1,900	9,750	11,168	100	7,500	(7,400)
811-5611-00-00	INTEREST EARNINGS	36,701	28,902	53,904	42,143	35,000	7,143
811-5678-00-00	CONCESSIONS-HYDROUS	30,000	-	30,000	10,000	30,000	(20,000)
811-5682-00-00	RENTAL FEES	-	-	-	-	-	-
811-5683-00-00	GROUND LEASE INCOME - HULA HUT	100	51,000	-	12,438	20,000	(7,562)
811-5684-00-00	INTEREST REVENUE - TEXAS FIRST	135,382	132,185	128,852	94,347	125,347	(31,001)
811-5684-00-00	PRINCIPAL REVENUE - TEXAS FIRST	70,177	73,374	76,717	59,823	80,212	(20,389)
811-5802-00-00	INCOME -CHADNIC	145,880	144,696	482,196	52,272	69,696	(17,424)
811-5804-00-00	INTERGOVT. INCOME	-	100,039	2,950,000	-	-	-
811-8900-00-00	LOAN PROCEEDS	-	-	7,504,340	-	-	-
811-8912-00-00	OTHER FINANCING SOURCES - MUSTANG	100,000	100,000	100,000	100,000	100,000	-
Total Revenues and Other Sources		2,537,022	3,070,149	14,136,805	2,940,978	3,166,490	(225,512)
Expenditures							
Principal and Interest on Debt							
811-6004-80-00	PRINCIPAL-LOAN CONSOLIDATION	435,888	518,700	502,413	256,641	516,824	260,183
811-6005-80-00	INTEREST-LOAN CONSOLIDATION	268,826	170,909	172,091	80,611	157,680	77,069
811-6009-80-00	PRINCIPAL-LINCOLN PARK PROJECT	101,238	104,740	113,568	60,490	121,629	61,140
811-6010-80-00	INTEREST-LINCOLN PARK PROJECT	74,692	71,190	55,122	20,235	39,819	19,585
811-6011-80-00	PRINCIPAL-TEXAS FIRST	70,177	73,374	76,717	71,546	95,747	24,201
811-6012-80-00	INTEREST-TEXAS FIRST	135,382	132,185	128,842	61,974	82,280	20,306
811-6014-80-00	INTEREST-TINMAN	-	-	65,208	146,483	195,311	48,828
Total Debt Expenditures		1,086,204	1,071,099	1,113,961	697,980	1,209,291	511,311
Personnel Costs							
811-6108-80-00	SALARIES AND WAGES	254,197	258,476	271,001	235,698	316,363	80,664
811-6114-80-00	TMRS	36,720	34,651	41,877	33,089	48,966	15,876
811-6115-80-00	LONGEVITY PAY	660	780	900	1,020	1,020	-
811-6117-80-00	EDUCATION PAY	1,203	1,180	1,230	847	1,200	353
811-6118-80-00	CAR ALLOWANCE	6,418	6,807	7,083	4,984	6,912	1,928
811-6141-80-00	SOCIAL SECURITY	15,475	16,967	17,747	13,955	27,046	13,091
811-6142-80-00	GROUP INSURANCE	22,612	22,813	21,414	14,337	33,636	19,299
811-6143-80-00	WORKERS COMPENSATION	-	-	-	-	573	573
811-6145-80-00	TEXAS EMPLOYMENT COMMISSION	-	-	-	-	84	84
Total Personnel Expenditures		337,284	341,872	361,252	303,931	435,799	131,869
							-



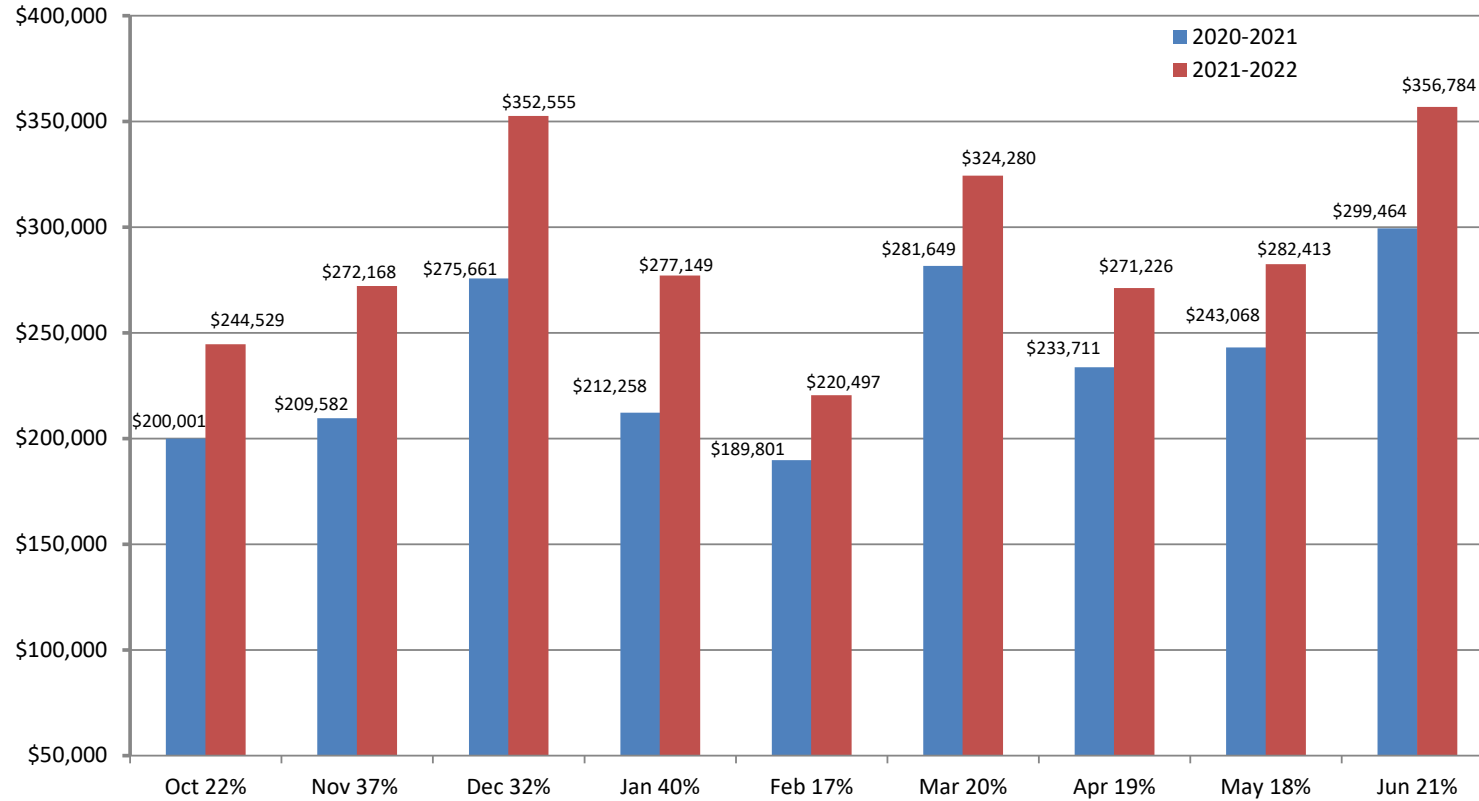
FY 2021-2022 PROFIT & LOSS

(Revenues, Expenditures and Change in Fund Balance)

ACCOUNT CODES	ACCOUNT DESCRIPTION	ACTUAL 2018-2019	ACTUAL 2019-2020	ACTUAL 2020-2021	ACTUAL Oct 21 - Jun 22	BUDGET 2021-2022	Budget vs. Actual
Other Operating Costs							-
811-6211-80-00	LEGAL SERVICES (Attorney)	12,444	18,324	2,719	7,113	25,000	17,887
811-6214-80-00	PROFESSIONAL SERVICES	14,545	17,243	16,193	9,027	30,000	20,973
811-6229-80-00	OFFICE DEVELOPMENT	23,957	5,224	7,118	9,028	10,000	972
811-6231-80-00	CONTRACTED SERVICES	23,504	104,424	385,207	62,071	75,000	12,929
811-6232-80-00	GENERAL WEBSITE	2,100	2,100	2,100	1,350	2,500	1,150
811-6272-80-00	COMMUNICATIONS	2,873	2,952	2,952	2,588	4,000	1,412
811-6276-80-00	TUITION REIMBURSEMENT	2,500	2,500	2,500	2,500	2,500	-
811-6278-80-00	LEASE PAYMENTS	10	10	10	-	10	10
811-6342-80-00	OFFICE SUPPLIES	744	1,208	996	854	1,000	146
811-6343-80-00	ADVERTISING	78,591	219,044	152,480	180,762	287,173	106,411
811-6344-80-00	PRINTING AND MAILING	775	2,898	732	494	3,500	3,006
811-6347-80-00	TRADE SHOWS EXPENSE	22,454	12,069	6,577	26,235	40,000	13,765
811-6354-80-00	EMPLOYEE & PUBLIC RELATIONS	5,935	2,367	5,768	5,633	10,000	4,367
811-6711-80-00	GASOLINE AND OIL	254	-	-	-	500	500
811-6712-80-00	DUES & MEMBERSHIPS	7,910	9,029	5,537	5,776	12,500	6,724
811-6715-80-00	SCHOOLS AND SEMINARS	23,629	3,885	5,916	1,754	25,000	23,246
811-6719-80-00	UNIFORMS	469	1,147	50	824	1,000	176
811-6729-80-00	LAND ACQUISITION FOR REDEVELOPMENT	292,461	-	-	10,000	2,500,000	2,490,000
811-6730-80-00	INCENTIVES	0	41,901	5,257	507,436	1,151,436	644,000
811-6740-80-00	TINMAN SHELL BUILDING	-	-	1,914,586	5,690,240	5,743,789	53,549
Total Operating Expenditures		515,156	446,324	2,516,698	6,523,685	9,924,908	3,401,223
Transfers to Other Funds							-
811-6250-80-00	CONTRACT WITH TOWN	30,000	30,000	30,000	30,000	30,000	-
811-6252-80-00	TRANSFER TO TIRZ #1 ROSEBRIAR (KROGER)	81,006	94,312	103,670	-	105,000	105,000
Total Transfers		111,006	124,312	133,670	30,000	135,000	105,000
TOTAL EXPENDITURES		2,049,650	1,983,608	4,125,582	7,555,596	11,704,998	(4,149,402)
EXCESS REVENUES OVER (UNDER) EXPENDITURES		487,372	1,086,541	10,011,224	(4,614,618)	(8,538,509)	3,923,891



EDC Sales Tax Revenue Prior Year Comparison '20-'21 vs '21-'22



Oct '20 - Jun '21 \$ 2,145,195

Oct '21 - Jun '22 \$ 2,601,600

\$ 456,405 21% Increase from previous year

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LITTLE ELM ECONOMIC DEVELOPMENT CORP
2320 NOCONA DR
PROSPER TX 75078-7208
[Barcode]

ACCOUNT NUMBER	xxx0195
STATEMENT DATE	6/30/22
PAGE	1 of 5

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PUBLIC FUND NOW ACCT


Account Number	xxx0195	Statement Dates	6/01/22	thru	6/30/22
Previous Stmt Balance	9,327,251.82	Days in Statement Period			30
Deposits/Credits	826,988.29	Average Collected			8,046,176.24
Checks/Debits	2,479,460.59	Average Ledger			8,046,176.24
Service Charge	0.00	Interest Earned			3,306.65
Interest Paid	3,306.65	Annual Percentage Yield Earned			0.50 %
Current Stmt Balance	7,678,086.17	2022 Interest Paid			24,299.66

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
6/01	AchCollect LITTLE ELM ECONO 9752480495 22/06/01 ID #- 9752480495 LITTLE ELM ECONO	5,808.00
6/07	REGULAR DEPOSIT	10,000.00
6/10	Accts Pay Town of Little E 9751360556 22/06/10 ID #- 000 LITTLE ELM ECONOMIC DE	105,508.34
6/23	MWRBANK MWRBANK 440162290 22/06/23	33,571.65
6/23	WIRE-IN 20221740015500 LITTLE ELM ECONOMIC DEVELOPMEN	399,955.00
6/24	Accts Pay Town of Little E 9751360556 22/06/24 ID #- 000 LITTLE ELM ECONOMIC DE	272,145.30
6/30	Interest Deposit	3,306.65



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- We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (5 business days for Debit Card point of sale transaction) to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

6193-STMT

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LITTLE ELM ECONOMIC DEVELOPMENT CORP
2320 NOCONA DR
PROSPER TX 75078-7208

ACCOUNT NUMBER	xxx0195
STATEMENT DATE	6/30/22
PAGE	3 of 5

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OTHER DEBITS		
Date	Description	Amount
6/01	PAYROLL Patriot Software 942875288V 22/06/01 ID #- P9573047 LITTLE ELM ECONOMIC DE	8,210.21-
6/02	PAYMENT BANKCARD 1470535472 22/06/02 ID# 559061318479161 TRACE# 111010170000605	2,247.84-
6/02	PAYROLLTAX Patriot Software 1815426696 22/06/02 ID #- T9588584 LITTLE ELM ECONOMIC DE	3,288.48-
6/03	9038513183 WAV*LUMINOUS PRO 0007229803 22/06/03 ID #- Natasha Richer	150.00-
6/03	ACH Single Payment Tracking ID:7213715	3,489.72-
6/06	WIRE-OUT 20221570012600 TWIN SHORES MANAGEMENT, LLC	1,540,751.44-
6/07	PAYMENT BANKCARD 1470535472 22/06/07 ID# 559061318479180 TRACE# 111010170000392	4,863.54-
6/15	PAYROLL Patriot Software 942875288V 22/06/15 ID #- P9797804 LITTLE ELM ECONOMIC DE	8,210.20-
6/16	PAYROLLTAX Patriot Software 1815426696 22/06/16 ID #- T9812623 LITTLE ELM ECONOMIC DE	3,288.50-
6/16	ACH Single Payment Tracking ID:7264101	136.54-
6/16	ACH Single Payment Tracking ID:7261053	612.00-
6/16	ACH Single Payment Tracking ID:7261091	15,049.04-
6/16	ACH Single Payment Tracking ID:7261095	18,443.89-
6/21	ACH Single Payment Tracking ID:7279815	4,963.66-
6/22	PAYMENTS NATIONWIDE 9000190072 22/06/22	818.40-
6/22	WIRE-OUT 20221730011700 RAZOR SIGN & GRAPHICS LLC	33,571.65-
6/23	WIRE-OUT 20221740010600 100 HARDWICKE LLC	400,000.00-

LITTLE ELM ECONOMIC DEVELOPMENT CORP
2320 NOCONA DR
PROSPER TX 75078-7208

ACCOUNT NUMBER	xxx0195
STATEMENT DATE	6/30/22
PAGE	4 of 5

OTHER DEBITS

Date	Description	Amount
6/24	WIRE-OUT 20221750011600 CHICAGO TITLE OF TEXAS LLC	10,000.00-
6/24	WIRE-OUT 20221750107500 FOR FU 100 HARDWICKE LLC	400,000.00-
6/29	PAYROLL Patriot Software 942875288V 22/06/29 ID #- P9989399 LITTLE ELM ECONOMIC DE	8,210.21-
6/30	AchCollect DBA Integrity Bo 27-0939731 22/06/30 ID #- 10625577 Little Elm EDC	1,457.72-
6/30	PAYROLLTAX Patriot Software 1815426696 22/06/30 ID #- T10011694 LITTLE ELM ECONOMIC DE	3,288.48-

CHECKS IN NUMBER ORDER

Listed in numerical order

Date	Check	Amount	Date	Check	Amount
6/01	2418	4,000.00	6/27	2421	2,200.00
6/08	2420*	140.00	6/24	2422	2,069.07

(*) indicates gap in sequence

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
6/01	9,320,849.61	6/10	7,881,426.93	6/23	7,829,859.70
6/02	9,315,313.29	6/15	7,873,216.73	6/24	7,689,935.93
6/03	9,311,673.57	6/16	7,835,686.76	6/27	7,687,735.93
6/06	7,770,922.13	6/21	7,830,723.10	6/29	7,679,525.72
6/07	7,776,058.59	6/22	7,796,333.05	6/30	7,678,086.17
6/08	7,775,918.59				

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INDEPENDENT FINANCIAL CHECKING DEPOSIT (F4002_R1121)

Depositor's Name: Hydrius Date: 6-7-22

Address: 100 W. Eldorado Pkwy Account Number: 5000195

Net Deposit: \$ 10,000.00

Check Number: 2418

Amount: 10,000.00

Signature: [Signature]

MEMO: Quincy Preston

Deposit Amount \$10,000.00 Date 6/7/2022

INDEPENDENT BANK CHECK (F4002_R1121)

Pay to the Order of: Quincy Preston Amount: \$ 4,000.00

Check Number: 2418

Date: 6/1/2022

Signature: [Signature]

MEMO: Quincy Preston

Check 2418 Amount \$4,000.00 Date 6/1/2022

INDEPENDENT BANK CHECK (F4002_R1121)

Pay to the Order of: Mary J. Espinosa Amount: \$ 140.00

Check Number: 2420

Date: 6/8/2022

Signature: [Signature]

MEMO: Mary J. Espinosa

Check 2420 Amount \$140.00 Date 6/8/2022

INDEPENDENT BANK CHECK (F4002_R1121)

Pay to the Order of: Amanda Rupley Amount: \$ 2,200.00

Check Number: 2421

Date: 6/17/2022

Signature: [Signature]

MEMO: Amanda Rupley

Check 2421 Amount \$2,200.00 Date 6/27/2022

INDEPENDENT BANK CHECK (F4002_R1121)

Pay to the Order of: Platinum Cargo Logistics, Inc. Amount: \$ 2,069.07

Check Number: 2422

Date: 6/24/2022

Signature: [Signature]

MEMO: Platinum Cargo Logistics, Inc.

Check 2422 Amount \$2,069.07 Date 6/24/2022

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26FDP

Little Elm Economic Development Corporation

Reconciliation Detail

1110-00 · CASH INDEPENDENT BANK #5000195, Period Ending 06/30/2022

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						9,327,251.82
Cleared Transactions						
Checks and Payments - 38 items						
Bill Pmt -Check	05/09/2022	2418	Dallas Next LLC	X	-4,000.00	-4,000.00
Check	06/01/2022	ach	Card Service Cen...	X	-2,247.84	-6,247.84
Bill Pmt -Check	06/01/2022	ach	Luminous Produc...	X	-150.00	-6,397.84
General Journal	06/03/2022	5		X	-8,210.21	-14,608.05
General Journal	06/03/2022	5		X	-1,492.38	-16,100.43
General Journal	06/03/2022	5		X	-727.83	-16,828.26
General Journal	06/03/2022	5		X	-727.83	-17,556.09
General Journal	06/03/2022	5		X	-170.22	-17,726.31
General Journal	06/03/2022	5		X	-170.22	-17,896.53
Bill Pmt -Check	06/06/2022	ach	Twin Shores Man...	X	-1,540,751.44	-1,558,647.97
Check	06/06/2022		Card Service Cen...	X	-4,863.54	-1,563,511.51
Bill Pmt -Check	06/06/2022	ach	Town of Little El...	X	-3,489.72	-1,567,001.23
Check	06/06/2022	2420	Mary J. Espinosa	X	-140.00	-1,567,141.23
Bill Pmt -Check	06/16/2022	ach	Brown & Hofmeis...	X	-612.00	-1,567,753.23
Bill Pmt -Check	06/17/2022	ach	Town of Little El...	X	-15,049.04	-1,582,802.27
General Journal	06/17/2022	6		X	-8,210.20	-1,591,012.47
Bill Pmt -Check	06/17/2022	2421	Amanda Rupley	X	-2,200.00	-1,593,212.47
General Journal	06/17/2022	6		X	-1,492.38	-1,594,704.85
Check	06/17/2022	ach	Nationwide Retire...	X	-818.40	-1,595,523.25
General Journal	06/17/2022	6		X	-727.83	-1,596,251.08
General Journal	06/17/2022	6		X	-727.83	-1,596,978.91
General Journal	06/17/2022	6		X	-170.23	-1,597,149.14
General Journal	06/17/2022	6		X	-170.23	-1,597,319.37
Bill Pmt -Check	06/17/2022	ach	Brown & Hofmeis...	X	-136.54	-1,597,455.91
Bill Pmt -Check	06/21/2022	ach	Town of Little El...	X	-18,443.89	-1,615,899.80
Bill Pmt -Check	06/21/2022	2422	Platinum Cargo L...	X	-2,069.07	-1,617,968.87
Check	06/22/2022	ach	Razor Sign & Gra...	X	-33,571.65	-1,651,540.52
Check	06/22/2022	ach	Town of Little El...	X	-4,963.66	-1,656,504.18
Check	06/23/2022	ach	100 Hardwicke, L...	X	-400,000.00	-2,056,504.18
Check	06/24/2022			X	-400,000.00	-2,456,504.18
Check	06/24/2022	ach	Chicago Title of T...	X	-10,000.00	-2,466,504.18
Bill Pmt -Check	06/30/2022	ach	Integrity Books & ...	X	-1,457.72	-2,467,961.90
General Journal	07/01/2022	5		X	-8,210.21	-2,476,172.11
General Journal	07/01/2022	5		X	-1,492.38	-2,477,664.49
General Journal	07/01/2022	5		X	-727.84	-2,478,392.33
General Journal	07/01/2022	5		X	-727.84	-2,479,120.17
General Journal	07/01/2022	5		X	-170.21	-2,479,290.38
General Journal	07/01/2022	5		X	-170.21	-2,479,460.59
Total Checks and Payments					-2,479,460.59	-2,479,460.59
Deposits and Credits - 8 items						
Payment	06/01/2022		Palladium USA	X	5,808.00	5,808.00
Payment	06/07/2022		Hydrous	X	10,000.00	15,808.00
Payment	06/09/2022		Town of Little El...	X	105,508.34	121,316.34
Deposit	06/22/2022			X	33,571.65	154,887.99
General Journal	06/23/2022	4R	Town of Little El...	X	271,226.22	426,114.21
Deposit	06/23/2022			X	399,955.00	826,069.21
Payment	06/24/2022		Town of Little El...	X	919.08	826,988.29
Deposit	06/30/2022			X	3,306.65	830,294.94
Total Deposits and Credits					830,294.94	830,294.94
Total Cleared Transactions					-1,649,165.65	-1,649,165.65
Cleared Balance					-1,649,165.65	7,678,086.17
Uncleared Transactions						
Checks and Payments - 1 item						
Bill Pmt -Check	06/23/2022	2423	Inception Lighting		-22,662.50	-22,662.50
Total Checks and Payments					-22,662.50	-22,662.50
Total Uncleared Transactions					-22,662.50	-22,662.50
Register Balance as of 06/30/2022					-1,671,828.15	7,655,423.67

12:04 PM

07/15/22

Little Elm Economic Development Corporation

Reconciliation Detail

1110-00 · CASH INDEPENDENT BANK #5000195, Period Ending 06/30/2022

Type	Date	Num	Name	Clr	Amount	Balance
New Transactions						
Checks and Payments - 9 items						
Bill Pmt -Check	07/01/2022	ach	Luminous Produc...		-150.00	-150.00
Bill Pmt -Check	07/04/2022	2424	Verizon		-75.98	-225.98
Check	07/06/2022	2425	Chase Card Servi...		-7,516.14	-7,742.12
Check	07/06/2022	2426	Card Service Cen...		-2,189.06	-9,931.18
Bill Pmt -Check	07/08/2022	ach	Brown & Hofmeis...		-1,076.62	-11,007.80
Bill Pmt -Check	07/11/2022	2428	Hawkins Constr...		-42,335.00	-53,342.80
Check	07/11/2022	2427	Texas First Renta...		-10.00	-53,352.80
Bill Pmt -Check	07/15/2022	ach	Southside Bank		-80,724.17	-134,076.97
Bill Pmt -Check	07/15/2022	ach	Town of Little El...		-1,748.81	-135,825.78
Total Checks and Payments					-135,825.78	-135,825.78
Deposits and Credits - 6 items						
Payment	07/01/2022		Palladium USA		5,808.00	5,808.00
Deposit	07/05/2022				7,450.01	13,258.01
Deposit	07/07/2022				1,163.75	14,421.76
Deposit	07/12/2022				775.00	15,196.76
Deposit	07/12/2022				8,706.00	23,902.76
General Journal	07/21/2022	4R	Town of Little El...		282,413.02	306,315.78
Total Deposits and Credits					306,315.78	306,315.78
Total New Transactions					170,490.00	170,490.00
Ending Balance					-1,501,338.15	7,825,913.67

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*0007012 S1
LITTLE ELM ECONOMIC DEVELOPMENT CORP
ESCROW ACCOUNT
2320 NOCONA DR
PROSPER TX 75078-7208
[Barcode]

ACCOUNT NUMBER	xxx0573
STATEMENT DATE	6/30/22
PAGE	1 of 2

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PUBLIC FUND NOW ACCT

Account Number	xxx0573	Statement Dates	6/01/22	thru	6/30/22
Previous Stmt Balance	97,027.08	Days in Statement Period			30
Deposits/Credits	0.00	Average Collected			97,027.08
Checks/Debits	0.00	Average Ledger			97,027.08
Service Charge	0.00	Interest Earned			39.87
Interest Paid	39.87	Annual Percentage Yield Earned			0.50 %
Current Stmt Balance	97,066.95	2022 Interest Paid			238.01

DEPOSITS AND OTHER CREDITS

Date	Description	Amount
6/30	Interest Deposit	39.87

DAILY BALANCE SUMMARY

Date	Balance	Date	Balance	Date	Balance
6/01	97,027.08	6/30	97,066.95		



If you need more information about an electronic transfer appearing on this statement, or if you think your statement or receipt is wrong, please telephone or write us as soon as possible at the phone number or address designated on the front of this statement. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- We will investigate your complaint and will correct any error promptly. If we take more than 10 business days (5 business days for Debit Card point of sale transaction) to do this, we will credit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

CHECKS/TRANSACTIONS NOT PAID			
Check #/ACH/Debit Card	AMOUNT		
Total of Transactions not paid			
THIS AMOUNT SHOULD EQUAL YOUR CHECKBOOK			

THIS AMOUNT SHOULD EQUAL YOUR CHECKBOOK BALANCE

11:53 AM

07/15/22

Little Elm Economic Development Corporation

Reconciliation Detail

1112-00 · CASH ESCROW INDEPENDENT BANK, Period Ending 06/30/2022

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						97,027.08
Cleared Transactions						
Deposits and Credits - 1 item						
Deposit	06/30/2022			X	39.87	39.87
Total Deposits and Credits					39.87	39.87
Total Cleared Transactions					39.87	39.87
Cleared Balance					39.87	97,066.95
Register Balance as of 06/30/2022					39.87	97,066.95
New Transactions						
Deposits and Credits - 1 item						
Deposit	07/10/2022			*	51,389.83	51,389.83
Total Deposits and Credits					51,389.83	51,389.83
Total New Transactions					51,389.83	51,389.83
Ending Balance					51,429.70	148,456.78



Date: 09/12/2022
Agenda Item #: 4.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Discussion and Action to approve Little Elm EDC's Investment Policy for 2022-2023. (Jeff Moore, EDC Attorney)

DESCRIPTION:

Annual Review of Investment Policies in accordance with the Public Funds Investment Act and the State approved changes for 2022-2023.

BUDGET IMPACT:

There is no budget impact for this item.

RECOMMENDED ACTION:

Staff recommends approval of the 2022-2023 Investment Policy as presented.

Attachments

EDC Investment Policy 2022-2023

RESOLUTION NO. 0912202201EDC

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION, A TYPE A ECONOMIC DEVELOPMENT CORPORATION, APPROVING AN INVESTMENT POLICY OF LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT A; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Little Elm Economic Development Corporation (hereinafter referred to as the "LE EDC"), is an economic development corporation operating pursuant to Chapter 504 of the Texas Local Government Code, as amended, and the Texas Non-Profit Corporation Act, as codified in the Texas Business Organizations Code, as amended; and

WHEREAS, Section 2256.003 of the Texas Government Code provides that governmental bodies subject to the Public Funds Investment Act "may purchase, sell, and invest its funds and funds under its control in investments authorized under this subchapter in compliance with investment policies approved by the governing body and according to the standard of care prescribed by Section 2256.006 of the Texas Government Code"; and

WHEREAS, the Board of Directors of the LE EDC find and determine it is in the best interest of the LE EDC to adopt the Public Funds Investment Act Policy, entitled "Investment Policy of the Little Elm Economic Development Corporation," a copy of which is attached hereto as **Exhibit A**, and is incorporated herein for all purposes.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. That the findings set forth above are incorporated into the body of this Resolution as if fully set forth herein.

Section 2. That the Board of Directors of the Little Elm Economic Development Corporation does hereby approve the Investment Policy of the Little Elm Economic Development Corporation, a copy of which is attached hereto as **Exhibit A**, and is incorporated herein for all purposes.

Section 3. This Resolution shall become effective from and after its passage.

DULY RESOLVED by the Board of Directors of the Little Elm Economic Development Corporation on this the _____ day of _____, 2022.

Ken Eaken, President
Little Elm Economic Development Corporation

Acknowledged by Little Elm Town Council _____

Date _____

Exhibit A

[Investment Policy
Of
Little Elm Economic Development Corporation]

INVESTMENT POLICY
OF
LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION

EDC President

Date

PREFACE

It is the policy of the Little Elm Economic Development Corporation (hereinafter referred to as the “EDC”) that all available funds within its control shall be invested in conformance with these legal and administrative guidelines.

Effective cash management is recognized as essential to good fiscal management. A comprehensive and effective cash management system will be pursued to optimize investment interest as viable and material revenue to all operating and capital funds. The EDC’s portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

Earnings from investments will be used in a manner that will best serve the interests of the EDC.

Section 1. Scope.

The Public Funds Investment Act (“PFIA”), Chapter 2256, Texas Government Code, prescribes that each local government is to adopt rules governing its investment practices and to define the authority of the investment officers. This Investment Policy addresses the methods, procedures, and practices which must be exercised to ensure effective and judicious fiscal management of funds of the EDC.

This Policy shall apply to the investment and management of all funds of the EDC under its control, other than those expressly excluded herein or by applicable law or valid agreement. This Policy shall not supersede the restrictions on investment and use applicable to any specific fund and, in the event of any conflict between this Policy and the requirements of any fund subject hereto, the specific requirement applicable to such fund shall be followed as well as all other provisions of this Policy other than those in conflict.

Section 2. Objectives.

The EDC’s principal investment objectives in order of priority are:

1. Preservation of capital and the protection of investment principal.
2. Maintenance of sufficient liquidity to meet anticipated disbursement and cash flows.
3. Conformance with all Federal regulations, State of Texas statutes and other legal requirements, including the Articles of Incorporation, and this Policy.
4. Diversification to avoid incurring unreasonable risks regarding investments owned.

5. Attainment of a market rate of return equal to or higher than the performance measure established from time to time by the EDC which is commensurate with the acceptable risk and liquidity objectives of this Policy.

Section 3. Delegation of Authority.

The EDC appoints the EDC's Treasurer and Accountants as the "Investment Officers" of the EDC. Direct management responsibility for the investment program of the EDC is delegated by the EDC's Board of Directors to the Investment Officers. The Investment Officers' authority will at all times be limited by all applicable laws and regulations in effect from time to time, and this Policy

The Investment Officers may develop and maintain written administrative procedures for the operation of the investment program consistent with this Policy. The controls shall be designed to prevent, identify and control losses of public funds arising from deviation from this Policy, fraud, employee error, misrepresentation by third parties, or imprudent actions by employees and officers of the EDC. In these procedures, the Investment Officers may delegate specific portions of the investment management program. Such delegation shall state specifically the functions such person is authorized to perform.

The EDC shall obtain and maintain, at the expense of the EDC, fidelity bonds for the Investment Officers. No person may engage in an investment transaction except as provided under the terms of this Policy and the internal procedures established by the Investment Officer. A current list of persons authorized to transact investment business and wire funds on behalf of the EDC shall be maintained by the Executive Director.

In the discretion of the EDC, and in any event upon the termination or reassignment of any Investment Officer authorized to conduct transactions for the EDC pursuant to this Policy, the authority of such person shall be revoked and such revocation of authority shall be immediately communicated orally and in writing to each and every depository, broker/dealer, investment pool, investment advisor, custodian, and other agency or EDC with whom the EDC has any existing or continuing relationship in the management of its investments.

In order to ensure qualified and capable investment management, the Investment Officers shall, within twelve (12) months after taking office or assuming duties, attend at least one (1) training session from an independent source approved in this Policy that addresses investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the PFIA and contains at least ten (10) hours of instruction. Additionally, the Investment Officer shall complete not less than ten (10) hours of training every two (2) year period that begins on the first day of the EDC's fiscal year and consists of the two (2) consecutive fiscal years after that date, addressing the aforementioned topics. The Government Finance Officers' Association of Texas (GFOAT), Government Treasurers' Organization of Texas (GTOT), Texas Municipal League (TML), University of North Texas (UNT), North Central Texas Council of Governments (NCTCOG), American Institute of Certified Public Accountants (AICPA), and the Government Finance Officers Association (GFOA) are approved independent training sources.

Section 4. Investment Advisors.

The EDC may, at the recommendation of the Executive Director, select one or more Investment Advisor(s) to assist the Investment Officers in the management of the EDC's funds. The Investment Advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 and also be registered with the Texas State Securities Board as an Investment Advisor. To be eligible for consideration, an Investment Advisor shall demonstrate knowledge of and experience in the management of public funds. A selected Investment Advisor shall act solely in an advisor and administrative capacity, within the guidelines of this Policy and without any discretionary authority to transact business on behalf of the EDC. The terms and conditions of any Investment Advisor contract shall comply with the PFIA. A contract with an Investment Adviser may not be for a term longer than two (2) years and any contract, renewal, or extension must be approved by the EDC and Town Council.

Section 5. Standard of Care.

The standard of care for the EDC's investments shall be that such investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived.

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The Investment Officers and any others involved in the investment process shall recognize that the investment activities of the EDC are a matter of public record.

An Investment Officer, acting in accordance with written procedures and exercising due diligence and the proper standard of care, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided that this Policy and the Investment Officer's procedures were followed. In determining whether the Investment Officer exercised a proper standard of care, all investments over which the Officer had responsibility will be considered rather than a single investment, and whether the investment decision was consistent with this Policy, as applicable.

Section 6. Authorized Investments.

Subject to any limitations otherwise imposed by applicable law, regulations, bond indentures, or other agreements, (including but not limited to the PFIA), the following are the only permitted investments for the EDC's funds:

- A. Direct obligations of the United States government including, but not limited to, U. S. Treasury Bills, U. S. Treasury Notes, U. S. Treasury Bonds, and U. S. Treasury STRIPS.

- B. Debentures, discount notes or other obligations, guaranteed by, or for which the credit of any Federal Agency and Instrumentality is pledged for payment including, but not limited to, Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Agricultural Mortgage Corporation (FRMAC), Federal Deposit Insurance Corporation (FDIC), and Federal Home Loan Mortgage Corporation (FHLMC). Principal-only and interest-only mortgage backed securities are expressly prohibited.
- C. Bonds or other interest bearing obligations of which the principal and interest are guaranteed by the full faith and credit of the United States government. Principal-only and interest-only mortgage backed securities are expressly prohibited.
- D. Certificates of deposit and other evidences of deposit at a financial institution that has its main office or a branch office in Texas and a) is guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or other federally sponsored deposit insurance corporation, or its successor, b) is secured by obligations in a manner and amount provided by law for deposits of the EDC, or c) is placed through a broker or depository institution that has its main office or a branch office in Texas that meets the requirements of the PFIA.
- E. Repurchase agreements structured in compliance with the PFIA, collateralized at a minimum market value of one hundred two percent (102%) of the dollar value of the transaction plus accrued interest. A flexible repurchase agreement that allows for withdrawals as needed to fund project expenditures may be utilized for capital improvement projects funded by bond proceeds.

The EDC will not enter into repurchase agreements that would result in a reverse repurchase position for the EDC.

- F. Money Market Mutual Funds meeting each of the following criteria:
 - (1) Regulated by the Securities and Exchange Commission;
 - (2) No commission fee shall be charged on purchases or sales of shares (i.e. “no-load” fund);
 - (3) Have an objective of maintaining a constant daily net asset value of \$1.00 per share;
 - (4) Limit assets of the fund to those described as “government” securities; and
 - (5) Maintain a rating of AAAm or the equivalent by a nationally recognized rating agency.

- G. State and local government investment pools organized under and meet the requirements of the PFIA, have been specifically approved by the Investment Officers, and authorized by the EDC's Board of Directors, as the case may be.
- H. Direct obligations of the State of Texas or its agencies.
- I. Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas.

Section 7. Other Investment Guidelines.

The EDC seek active management of its portfolio assets. In the effort of meeting the objectives of this Policy, the EDC may from time to time sell investments that it owns in order to better position its portfolio assets. Sales of investments prior to maturity shall be documented and approved by the Executive Director before such a transaction is consummated. Sales of investments yielding net proceeds less than ninety-eight percent (98%) of the book value of the investments must be approved in advance and in writing by the EDC.

Each security investment transaction must be based upon competitive quotations received from broker/dealers who have been approved by the EDC.

The purchase and sale of all securities shall be on a delivery versus payment or payment versus delivery basis. In this manner, the EDC will always have possession of either its securities or its monies.

The EDC is not required to liquidate investments that were authorized at the time of purchase. However, an investment that requires a minimum credit rating does not qualify as an Authorized Investment during the period the investment does not have the minimum credit rating. The Investment Officers shall monitor the rating of each issuer, as applicable, at least quarterly, and take all prudent measures that are consistent with this Policy to liquidate an investment that does not have the required minimum rating.

Section 8. Portfolio Maturities.

Maturities shall be selected which provide for both stability of income and reasonable liquidity. The maximum stated maturity of any non-bond proceed investment is two (2) years. An investment's "average life" does not constitute a stated maturity. The weighted average life of all non-bond proceed investments shall not exceed nine (9) months.

In the case of callable securities, the Investment Officer shall additionally calculate a weighted average call date. However, at all times the stated final maturity shall be used in portfolio average life calculations and reported as outlined in this Policy.

Investment of bond proceeds shall be limited to the shorter of the anticipated draw schedule or "temporary period" as defined by the Internal Revenue Service. Additionally, bond proceeds may be invested in a singular repurchase agreement, if reductions are allowed from the agreement without penalty for legitimate bond proceeds expenditures and the final maturity is within the

“temporary period” (this arrangement is commonly referred to as a “flexible repurchase agreement”).

Section 9. Investment Allocation Limits.

It is the Policy of the EDC to avoid concentration of assets in a specific maturity, a specific issue, or a specific class of investments. The asset allocation in the portfolio should, however, be flexible depending upon the outlook for the economy and the investment market.

The Investment Officers shall evaluate how each investment purchased fits into the EDC’s overall investment strategies (see Section 15 - Investment Strategy Statement).

Section 10. Broker/Dealers and Other Providers.

The EDC shall maintain a list of broker/dealers which have been approved by the EDC Council. Securities and other investments, where applicable, may only be purchased for the EDC from those authorized broker/dealers.

The Investment Officers shall review each broker/dealer approved under this Section and at least annually the EDC Council shall re-approve the applicable list.

Broker/dealers, investment pools, and other financial institutions will be selected by the Investment Officers on the basis of their financial stability, expertise in cash management and their ability to service the EDC’s and Corporations’ account. Each broker/dealer, investment pool, or financial institution, shall be required to submit to the EDC (as applicable) information as requested by the Investment Officers. The Investment Officers shall maintain a file which includes the most recent information submitted by each firm.

All business organizations eligible to transact investment business with the EDC shall be presented a written copy of this Policy. The qualified representative of the business organization seeking to transact investment business with the EDC shall execute a written instrument substantially to the effect that it has:

- 1) received and thoroughly reviewed this Policy, and
- 2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the EDC and the organization that are not authorized by this Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the EDC’s entire portfolio or requires an interpretation of subjective investment standards.

The EDC shall not enter into an investment transaction with a business organization prior to receiving the written instrument described above.

Section 11. Selection of Depositories.

To be eligible for receipt of EDC deposits, financial institutions must be a member of the FDIC, or other federally sponsored deposit insurance corporation, and meet the minimum standards established by the Investment Officers. Financial institutions failing to meet the minimum criteria or, in the judgment of the Investment Officers, no longer offering adequate safety for the EDC will be removed from the list.

Consistent with the requirements of State law, the EDC requires all financial institution deposits to be federally insured or collateralized with marketable securities, irrevocable letters of credit, or in any other manner allowed by State law, if the amount of deposit exceeds federal insurance levels. Financial institutions serving as depositories will be required to sign a Depository Agreement with the EDC. The custodial portion of the Depository Agreement shall define the EDC's rights to the collateral in case of default, bankruptcy, or closing and shall establish a perfected security interest in compliance with Federal and State regulations; including:

- A. the Agreement must be in writing;
- B. the Agreement has to be executed by the Depository and the EDC contemporaneously with the acquisition of the asset;
- C. the Agreement must be approved by the board of directors or the designated committee of the Depository and a copy of the meeting minutes must be delivered to the Investment Officers;
- D. the Agreement must be continuously, from the time of execution, an official record of the Depository.

Eligible collateral for financial institution deposits shall include all items allowable with the PFIA and the Public Funds Collateral Act, subject to prior approval and at the sole discretion of the Investment Officers.

Section 12. Safekeeping and Custody.

Investment securities purchased for the EDC shall be held in third-party safekeeping, and all pledged collateral shall be delivered to an independent third-party custodian prior to deposit. The EDC may designate safekeeping or custodian bank(s). With the exception of federally insured deposits, in no event will the EDC's custodial or safekeeping institution also be counterparty (broker/dealer) to the purchase or sale of those securities, or pledging of that collateral. The EDC shall execute a written agreement with each bank prior to utilizing the custodian or safekeeping services. The agreement must provide that the safekeeping or custodian bank will immediately record the receipt of purchased or pledged securities in its books and promptly issue and deliver a safekeeping receipt to the EDC showing the receipt and the identification of the security, as well as the EDC's perfected interest. The original safekeeping receipt for each transaction including purchased securities under a repurchase agreement and collateral securing deposits will be delivered to the Investment Officers.

Only institutions eligible under the Public Funds Collateral Act may be utilized as a custodian of securities pledged to secure financial institution deposits.

An Investment Officer must approve release of securities held as collateral, in writing, prior to their removal from the custodial account. A facsimile or email of a written authorization shall be sufficient if the custodian orally confirms receipt of the transmission, and an exact copy of the document is retained in the EDC's files.

Section 13. Recordkeeping and Reporting.

A record shall be maintained of any bids and offerings for investment transactions in order to ensure that the EDC receives competitive pricing. All transactions shall be documented by the person authorizing the transaction in a form that shows that person's name, the counterparty to the transaction, the date, a description of the transaction, and a brief statement of the reason(s) for the transaction.

Each depository institution of the EDC's funds shall maintain separate, accurate, and complete records relating to all deposits, the securities pledged to secure such deposits, and all transactions relating to the pledged securities. In addition, each depository shall file all reports required by the Texas State Depository Board. Each depository and custodian shall agree to make all the records described in this paragraph available to the EDC and its auditors at any reasonable time.

At least once each quarter, the Investment Officers shall verify that all securities owned by or pledged to the EDC are held in safekeeping in the safekeeping or custodial bank(s) with proper documentation. In conjunction with the annual audit, the EDC's investment program, including the records of safekeeping, custodian, and depository banks, shall be audited by independent certified public accountants. This annual audit shall include a compliance audit of the management and internal controls on investments and adherence to this Policy.

An investment report shall be prepared in compliance with the PFIA at least quarterly by the Investment Officers that:

- a) describes in detail the investment position of the EDC,
- b) states the reporting period beginning book and market values, and ending book and market values for the period of each pooled fund group,
- c) states the reporting period ending book and market value for each investment by asset type and fund type,
- d) states the maturity date of each investment,
- e) states the fund for which each investment was purchased,

- f) states the compliance of the investment portfolio with this Policy and the PFIA,
- g) summarizes quarterly transactions, including a detailed list of the gains and losses recognized, and
- h) explains the investment return during the previous quarter and compares the portfolio's performance to other benchmarks of performance.

This report will be prepared and signed by the EDC's Investment Officers and provided to the EDC's Board of Directors. In conjunction with the annual audit, these reports shall be annually reviewed by the independent auditor, and the result of that review shall be presented to the EDC's Board of Directors, as the case may be.

The Investment Officers shall determine market value of securities owned or pledged as collateral based on sources independent from the transaction.

All contracted Investment Advisors shall prepare reports as requested by the Investment Officers.

Section 14. Ethics and Conflicts of Interest.

Investment Officers and employees of the EDC involved in the investment process shall refrain from personal business activity that involves any of the EDC's approved custodians, depositories, broker/dealers, or investment advisors, and shall refrain from investing in any security issue held by the EDC. Investment Officers and employees of the EDC involved in the investment process shall not utilize investment advice concerning specific securities or classes of securities obtained in the transaction of the EDC's business for personal investment decisions, shall in all respects subordinate their personal investment transactions to those of the EDC, particularly with regard to the timing of purchases and sales, and shall keep confidential all investment advice obtained on behalf of the EDC and all transactions contemplated and completed by the EDC, except when disclosure is required by law.

All Investment Officers shall file with the Texas Ethics Commission and the EDC's Board of Directors a statement disclosing any personal business relationship with any business organization seeking to sell investments to the EDC or any relationship within the second degree by affinity or consanguinity to an individual seeking to sell investments to the EDC.

Section 15. Investment Strategy Statement.

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Investment guidelines by fund-type are as follows:

- a. Operating Funds

Suitability - Any investment eligible in this Policy is suitable for the Operating Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will however occur. By managing the weighted average days to maturity for the Operating Fund portfolio to less than nine (9) months and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement.

Liquidity - The Operating Fund requires the greatest short-term liquidity of any of the fund types. Short-term financial institution deposits, investment pools, and money market mutual funds provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities shall be staggered throughout the budget and cash flow cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk may be reduced by diversifying the appropriate maturity structure out through two years.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio shall be the minimum yield objective.

b. Capital Improvement Funds

Suitability - Any investment eligible in this Policy is suitable for Capital Improvement Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will however occur. By managing Capital Improvement Fund's portfolio to not exceed the anticipated expenditure schedule and restricting the maximum allowable maturity to the I.R.S. "temporary period", the market risk of the overall portfolio will be minimized.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement.

Liquidity - The funds used for capital improvement programs have reasonably predictable draw down schedules, therefore investment maturities shall generally follow the anticipated cash flow requirements. Short-term financial institution deposits, investment pools, and money market mutual funds provide readily available funds generally equal to at least one month's anticipated cash flow needs, or a competitive yield alternative for short term fixed maturity investments. A singular repurchase agreement may be utilized if

disbursements are: allowed in the amount necessary to satisfy any expenditure request; this investment structure is commonly referred to as a flexible repurchase agreement.

Diversification - Market conditions and the arbitrage regulations influence the attractiveness of staggering the maturity of fixed rate investments for bond proceeds and other construction and capital improvement funds. With bond proceeds, if investment rates exceed the applicable arbitrage yield, the EDC is best served by locking in most investments. If the arbitrage yield cannot be exceeded, then concurrent market conditions will determine the attractiveness of diversifying maturities or investing in shorter and larger lumps. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield with any EDC funds.

Yield - Achieving a positive spread to the applicable arbitrage yield is the desired objective for bond proceeds. Non-bond proceeds construction and capital project funds will target a rolling portfolio yield of six month Treasury Bills.

c. Fiduciary Funds

Suitability - Any investment eligible in this Policy is suitable for the Fiduciary Funds.

Safety of Principal - All investments shall be of high quality with no perceived default risk. Market price fluctuations will however occur. By managing the weighted average days to maturity for the Fiduciary Fund portfolio to less than nine (9) months and restricting the maximum allowable maturity to two years, the price volatility of the overall portfolio will be minimized.

Marketability - Investments with active and efficient secondary markets are necessary in the event of an unanticipated cash requirement.

Liquidity - The Fiduciary Fund requires short-term liquidity. Short-term financial institution deposits, investment pools, and money market mutual funds provide daily liquidity and may be utilized as a competitive yield alternative to fixed maturity investments.

Diversification - Investment maturities shall be staggered throughout the budget and cash flow cycle to provide cash flow based on the anticipated operating needs of the EDC. Market cycle risk may be reduced by diversifying the appropriate maturity structure out through two years.

Yield - Attaining a competitive market yield for comparable investment-types and portfolio restrictions is the desired objective. The yield of an equally weighted, rolling six-month Treasury Bill portfolio shall be the minimum yield objective.

Section 16. Policy Revisions.

This Policy will be reviewed at least annually by the Investment Officers and the EDC's Board of Directors and may be amended as conditions warrant by the EDC's Board of Directors. The EDC shall adopt a written instrument by resolution stating that it has reviewed the Investment Policy and investment strategies and that the written instrument so adopted shall record any changes made to either the Investment Policy or investment strategies

Section 17. Effective Date.

This Policy shall become effective from and after its date of passage as provided by law.



Date: 09/12/2022
Agenda Item #: 5.
Department: Economic Development Corporation
Strategic Goal: Maintain operational integrity and viability
Staff Contact: Jennette Espinosa, EDC Executive Director

AGENDA ITEM:

Discussion and Action to approve an Agreement for Reimbursement between the Town of Little Elm and Little Elm Economic Development Corporation for expenses incurred regarding a Data Processing Agreement, with Addendum, for services provided by EDOiQ. (Jennette Espinosa, Executive Director)

DESCRIPTION:

Details of this agreement as follows:

1. Payment for Services. The EDC covenants and agrees to pay directly to EDOiQ/Third Corner Inc., the sum of **Ten Thousand Eight Hundred and No/100 Dollars (\$10,800.00)** which consists of an annual license agreement in the amount of \$6,000.00 and the annual fee for monthly data entry and project management is \$4,800.00 for the Data Processing Agreement, a copy of which is attached hereto as Exhibit A. Further, upon payment of said Data Processing Agreement, EDC shall submit to the Town an invoice for said Data Processing Agreement in the amount of **Five Thousand Four Hundred and No/100 Dollars (\$5,400.00)**.
2. Reimbursement for Services. Within thirty (30) days after receipt of said invoice from the EDC, consistent with Section 1 of this Agreement, Town shall pay to the EDC the sum of **Five Thousand Four Hundred and No/100 Dollars (\$5,400.00)** for said Data Processing Agreement.

BUDGET IMPACT:

Little Elm EDC will pay the invoice for this service in full with monies from the budgeted amount for Contracted Services. The Town will reimburse the Little Elm EDC in the amount of **Five Thousand Four Hundred and No/100 Dollars (\$5,400.00)**, which will then be credited back to the same category, Contract Services.

RECOMMENDED ACTION:

Staff recommends approval of the Agreement as presented.

Attachments

Agreement for Reimbursement between TOLE and EDC-EDOIQ

AGREEMENT

This Agreement (hereinafter referred to as the "Agreement"), effective as of the ____ day of _____, 2022, (hereinafter referred to as the "Effective Date"), is made and entered into by and between the **TOWN OF LITTLE ELM, TEXAS**, a Texas home-rule municipality (hereinafter referred to as the "Town"); and **LITTLE ELM ECONOMIC DEVELOPMENT CORPORATION**, a Texas non-profit corporation (hereinafter referred to as the "EDC"), herein collectively referred to as ("Party" or "Parties").

WHEREAS, the Parties hereto recognize that the Town and EDC will incur and continue to incur expenses regarding a Data Processing Agreement with an addendum, a copy of which are attached hereto as ***Exhibit A***, and are incorporated herein for all purposes (collectively referred to as the "Data Processing Agreement"); and

WHEREAS, the Parties desire to share the cost of said Data Processing Agreement.

NOW, THEREFORE, in consideration of the mutual benefits and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Payment for Services. The EDC covenants and agrees to pay directly to EDOiQ/Third Corner Inc., the sum of **Ten Thousand Eight Hundred and No/100 Dollars (\$10,800.00)** which consists of an annual license agreement in the amount of \$6,000.00 and the annual fee for monthly data entry and project management is \$4,800.00 for the Data Processing Agreement, a copy of which is attached hereto as ***Exhibit A***. Further, upon payment of said Data Processing Agreement, EDC shall submit to the Town an invoice for said Data Processing Agreement in the amount of **Five Thousand Four Hundred and No/100 Dollars (\$5,400.00)**.
2. Reimbursement for Services. Within thirty (30) days after receipt of said invoice from the EDC, consistent with Section 1 of this Agreement, Town shall pay to the EDC the sum of **Five Thousand Four Hundred and No/100 Dollars (\$5,400.00)** for said Data Processing Agreement.
3. Termination. The Parties may terminate this Agreement by giving ten (10) business days prior written notice to the other party.
4. Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the transactions contemplated herein.
5. Amendment. This Agreement may be amended only by the mutual written agreement of the Parties.
6. Successors and Assigns. Neither Town nor the EDC may assign or transfer their interest in the Agreement without prior written consent of the other Party.

TOWN:

TOWN OF LITTLE ELM, TEXAS,
A Texas home-rule municipality,

By: _____

Matt Mueller, Town Manager

Date Executed: _____

ATTEST:

Caitlan Biggs, Town Secretary

APPROVED AS TO FORM:

Robert F. Brown, Town Attorney

EDC:

**LITTLE ELM ECONOMIC DEVELOPMENT
CORPORATION,**
A Texas non-profit corporation

By: _____

Ken Eaken, President

Date Executed: _____

Exhibit A

[Data Processing Agreement with an Addendum]



EDOiQ Terms of Service Agreement

These Terms of Service constitute an agreement (this "Agreement") by and between Third Corner, Inc. a Delaware corporation whose principal place of business is 2500 Dallas Parkway, Suite 410, Plano, Texas 75093 ("Vendor") and Little Elm Economic Development Corporation ("Customer") whose principal place of business is 100 West Eldorado Parkway, Little Elm, TX. This Agreement is effective upon execution by both parties (the "Effective Date"). Customer's use of Vendor's "EDOiQ Software" (as defined below in Section 1.6) are governed by this Agreement.

EACH PARTY ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS, AND THAT THE PERSON SIGNING ON ITS BEHALF HAS BEEN AUTHORIZED TO DO SO. THE PERSON EXECUTING THIS AGREEMENT ON CUSTOMER'S BEHALF REPRESENTS THAT HE OR SHE HAS THE AUTHORITY TO BIND CUSTOMER TO THESE TERMS AND CONDITIONS.

1. DEFINITIONS. The following capitalized terms will have the following meanings whenever used in this Agreement.

1.1. "AUP" means Vendor's acceptable use policy.

1.2. "Customer Data" means data in electronic form input or collected through the System by or from Customer, including without limitation by Customer's Users.

1.3. "Documentation" means Vendor's standard manual related to use of the System.

1.4. "Excluded Data" means any data or content that (a) is "personally identifiable information" or "protected health information" as may be defined by applicable law; (b) Customer does not have the legal right to input into the System; or (c) is not permitted under the AUP.

1.5. "Instance" means an online account to access the System, executed as follows: www.edoname.edo-iq.com

1.6. "Intellectual Property Rights" or "IPR" means the rights associated with the following anywhere in the world: (a) patents and utility models, and applications therefore (including any continuations, continuations-in-part, divisionals, reissues, renewals, extensions or modifications for any of the foregoing) ("Patents"); (b) trade secrets, Know-how and all other rights in or to confidential business or technical information ("Trade Secrets"); (c) copyrights, copyright registrations and applications therefore, moral rights and all other rights corresponding to the foregoing ("Copyrights"); (d); databases and data collections (including knowledge databases, customer lists and customer databases) under the laws of any jurisdiction, whether registered or unregistered, and any applications for registration; (e) trademarks, tradenames, trade dress and service marks, whether registered or unregistered and the goodwill appurtenant to each ("Trademarks") and any similar, corresponding or equivalent rights to any of the foregoing (a)-(e).

1.7. "System" means Vendor's EDOiQ cloud-based platform.

1.8. "SLA" means Vendor's standard service level agreement as defined in Exhibit B.

1.9. "Term" is defined in Section 11.1 below.

1.10. "User" means any individual who uses the System on Customer's behalf or through Customer's account name(s) and password(s), whether authorized or not.

2. THE SYSTEM.

2.1. Use of the System. During the Term, Customer may access and use the System pursuant to the terms of this agreement for any active and current subscription(s).

2.2. Service Levels. Vendor shall provide the remedies listed in the SLA for any failure of the System listed in the SLA. Such remedies are Customer's sole remedy for any failure of the System, and Customer recognizes and agrees that if the SLA does not list a remedy for a given failure, it has no remedy. Credits issued pursuant to the SLA apply to outstanding or future invoices only and are forfeited upon termination of this Agreement. Vendor is not required to issue refunds or to make payments against such credits under any circumstances, including without limitation after termination of this Agreement.

2.3. Documentation: Customer may reproduce and use the Documentation solely as necessary to support Users' use of the System.

2.4. System Revisions. Vendor may revise System features and functions or the SLA at any time, including without limitation by removing such features and functions or reducing service levels. If any such revision to the System materially reduces features or functionality provided pursuant to an Instance, Customer may within 30 days of notice of the revision terminate such Instance, without cause, or terminate this Agreement without cause if such Instance is the only one outstanding. If any such revision to the SLA materially reduces service levels provided pursuant to an outstanding Instance, the revisions will not go into effect with respect to such Instance until the start of the Term beginning 45 or more days after Vendor posts the revision and so informs Customer.

3. SYSTEM FEES. Customer shall pay Vendor the fee set forth for each applicable Instance (the "Subscription Fee") for each Term as defined in Exhibit A.

4. CUSTOMER DATA & PRIVACY.

4.1. Use of Customer Data. Unless it receives Customer's prior written consent or as otherwise expressly set forth herein, Vendor: (a) shall not access, process, or otherwise use Customer Data other than as necessary to facilitate the System; and (b) shall not intentionally grant any third-party access to Customer Data, including without limitation Vendor's other customers, except subcontractors of Vendor that are subject to a reasonable nondisclosure agreement. Notwithstanding the foregoing, Vendor may disclose Customer Data as required by applicable law or by proper legal or governmental authority. Vendor shall give Customer prompt notice of any such legal or governmental demand and reasonably cooperate with Customer in any effort to seek a protective order or otherwise to contest such required disclosure, at Customer's expense.

4.2. Privacy Policy. Vendor has a Privacy Policy applicable to its website. In the event of any conflict between the Privacy Policy and these Terms, the Terms shall control. Vendor's Privacy Policy applies only to the System and visitors to our website ("Site") and does not apply to any third-party website or service linked to the System or recommended or referred to through the System or by Vendor's staff.

4.3. Risk of Exposure. Customer recognizes and agrees that hosting data online involves risks of unauthorized disclosure or exposure and that, in accessing and using the System, Customer assumes such risks. Vendor offers no representation, warranty, or guarantee that Customer Data will not be exposed or disclosed through errors or the actions of third parties.

4.4. Data Accuracy. Vendor will have no responsibility or liability for the accuracy of data uploaded to the System by Customer, including without limitation Customer Data and any other data uploaded by Users.

4.5. Data Deletion. Vendor may permanently delete Customer Data if Customer's account is delinquent, suspended, or terminated for 90 days or more.

4.6. Excluded Data. CUSTOMER RECOGNIZES AND AGREES THAT: (a) VENDOR HAS NO LIABILITY FOR ANY FAILURE TO PROVIDE PROTECTIONS SET FORTH IN ANY LAW APPLICABLE TO EXCLUDED DATA OR OTHERWISE TO PROTECT EXCLUDED DATA; AND (b) VENDOR'S SYSTEMS ARE NOT INTENDED FOR MANAGEMENT OR PROTECTION OF EXCLUDED DATA AND MAY NOT PROVIDE ADEQUATE OR LEGALLY REQUIRED SECURITY FOR EXCLUDED DATA.

4.7. Aggregate & Anonymized Data. Notwithstanding the provisions above of this Article 4, Vendor may reproduce or utilize Aggregate Data in any way, in its sole discretion, provided customer does not opt out. "Aggregate Data" refers to Customer Data that has been stripped of any information that would identify the Customer or individual to whom the data pertains, including but not limited to the names and addresses of Customer and any of its Users or customers.

5. CUSTOMER'S RESPONSIBILITIES & RESTRICTIONS.

5.1. Acceptable Use. Customer (and each User) shall comply with the AUP. Customer shall not: (a) use the System for service bureau or time-sharing purposes or in any other way allow third parties to exploit the System; (b) provide System passwords or other log-in information to any third party; (c) share non-public System features or content with any third party; or (d) access the System in order to build a competitive product or service, to build a product using similar ideas, features, functions or graphics of the System, or to copy any ideas, features, functions or graphics of the System. Additionally, Customer shall not reverse engineer, data scrape or otherwise attempt to copy the System. In the event that Vendor suspects any breach of the requirements of this Section 5.1, including without limitation by Users, Vendor may suspend Customer's access to the System without prior notice, in addition to such other remedies as Vendor may have. Neither this Agreement nor the AUP requires that Vendor take any action against Customer or any User or other third party for violating the AUP, this Section 5.1, or this Agreement, but Vendor is free to take any such action it sees fit.

5.2. Unauthorized Access. Customer shall take reasonable steps to prevent unauthorized access to the System, including without limitation by protecting its passwords and other log-in information. Customer shall notify Vendor immediately of any known or suspected unauthorized use of the System, breach of its security or passwords and shall use best efforts to stop said breach.

5.3. Compliance with Laws. In its use of the System, Customer shall comply with all applicable laws, including without limitation laws governing the protection of personally identifiable information and other laws applicable to the protection of Customer Data.

5.4. Users & System Access. Customer is responsible and liable for: (a) Users' use of the System, including without limitation unauthorized User conduct and any User conduct that would violate the AUP or the requirements of this Agreement applicable to Customer; and (b) any authorized use of the System through Customer's account, or any unauthorized use of the System through Customer's account resulting from Customer's negligence.

6. IPR & FEEDBACK.

6.1. IPR with respect to the System. Vendor owns and retains all right, title, and interest in and to the System and all IPR with respect thereto including without limitation all software used to provide the System and all graphics, user interfaces, logos, and trademarks reproduced through the System. This Agreement does not grant Customer any IPR license or rights in or to the System or any of its components. Customer recognizes that the System and its components (including without limitation, look and feel) are protected by copyright and other laws. EDOiQ is trademark of Vendor.

6.2. Feedback. Customer may elect to provide Feedback (as defined below) to Vendor with respect to the System. Feedback is not considered Confidential Information of Customer or Users and Vendor is free to use, commercialize, disclose, publish, keep secret, or otherwise exploit Feedback in Vendor's discretion, without compensating or crediting Customer or the User in question. ("Feedback" refers to any suggestion or idea for improving or otherwise modifying any of Vendor's products or services.)

7. CONFIDENTIAL INFORMATION. "Confidential Information" refers to the following items Vendor discloses to Customer: (a) any document Vendor marks "Confidential"; (b) any information Vendor orally designates as "Confidential" at the time of disclosure in person, provided Vendor confirms such designation in writing within 10 business days; (c) the Documentation whether or not marked or designated confidential; and (d) any other nonpublic, sensitive information Customer should reasonably consider a Trade Secret or otherwise confidential. Notwithstanding the foregoing, Confidential Information does not include information that: (i) Customer can demonstrate was in its possession at the time of disclosure; (ii) is independently developed by Customer without use of or reference to Confidential Information; (iii) becomes known publicly, before or after disclosure, other than as a result of Customer's improper action or inaction; or (iv) is approved for release in writing by Vendor. Customer acknowledges that the Vendor Confidential Information may include Vendor's valuable Trade Secrets.

7.1. Nondisclosure. Customer shall not use Confidential Information for any purpose other than internal meetings and communications (the "Purpose"). Additionally, except as otherwise provided herein, Customer: (a) shall not disclose Confidential Information to any contractor of Customer unless such person needs access in order to facilitate the Purpose and first executes a nondisclosure agreement with Customer with terms no less restrictive than those of this Article 7 with Vendor as a third party beneficiary thereof; and (b) shall not disclose Confidential Information to any other third party without Vendor's prior written consent. Without limiting the generality of the foregoing, Customer shall protect Confidential Information with the same degree of care it uses to protect its own confidential information of similar nature and importance, but with no less than reasonable care. Customer shall promptly notify Vendor of any misuse or misappropriation of Confidential Information that comes to Customer's attention. Notwithstanding the foregoing, Customer may disclose Confidential Information as required by applicable law, specifically including the Texas Public Information Act, or by proper legal or governmental authority. Customer shall give Vendor prompt notice of any such legal or governmental demand and reasonably cooperate with Vendor in any effort to seek a protective order or otherwise to contest such required disclosure, at Vendor's expense.

7.2. Injunction. Customer agrees that breach of this Article 7 would cause Vendor irreparable injury, for which monetary damages would not provide adequate compensation, and that in addition to any other remedy, Vendor will be entitled to injunctive relief against such breach or threatened breach, without proving actual damage or posting a bond or other security.

7.3. Termination & Return. With respect to each item of Confidential Information, the obligations of Section 7.1 above (*Nondisclosure*) will not terminate; additionally, such obligations related to Confidential Information constituting Vendor's trade secrets will continue so long as such information remains subject to trade secret protection pursuant to applicable law. Subject to applicable document retention law and/or policy, upon termination of this Agreement, Customer shall return all copies of Vendor Confidential Information (including Documentation) to Vendor or certify, in writing, the destruction thereof.

7.4. Retention of Rights. This Agreement does not transfer ownership of Confidential Information or grant a license thereto. Vendor retains all right, title, and interest in and to all Confidential Information.

7.5. Exception & Immunity. Pursuant to the Defend Trade Secrets Act of 2016, 18 USC Section 1833(b), Customer is on notice and acknowledges that, notwithstanding the foregoing or any other provision of this Agreement:

(a) *Immunity.* An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that- (A) is made- (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(b) *Use of Trade Secret Information in Anti-Retaliation Lawsuit.* An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual- (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

8. REPRESENTATIONS & WARRANTIES.

8.1. From Vendor. Vendor represents and warrants that it is the owner of the System and of each and every component thereof, or the recipient of a valid license thereto, and that it has and will maintain the full power and authority to grant the rights granted in this Agreement without the further consent of any third party. Vendor's representations and warranties in the preceding sentence do not apply to use of the System in combination with hardware or software not provided by Vendor. In the event of a breach of the warranty in this Section 8.1, Vendor, at its own expense, shall promptly take one of the following actions: (a) secure for Customer the right to continue using the System; (b) replace or modify the System to make it non-infringing; or (c) terminate the infringing features of the Service and refund to Customer any prepaid fees for such features, in proportion to the portion of the Term left after such termination. The option selected shall be in the discretion of Vendor. In conjunction with Customer's right to terminate for breach where applicable, the preceding sentence states Vendor's sole obligation and liability, and Customer's sole remedy, for breach of the warranty in this Section 8.1 and for potential or actual intellectual property infringement by the System.

8.2. From Customer. Customer represents and warrants that: (a) it has the full right and authority to enter into, execute, and perform its obligations under this Agreement and that no pending or threatened claim or litigation known to it would have a material adverse impact on its ability to perform as required by this Agreement; (b) it has accurately identified itself and it has not provided any inaccurate information about itself to or through the System; (c) it is a corporation, the sole proprietorship of an individual 18 years or older, or another entity authorized to do business pursuant to applicable law and (d) it shall not directly or indirectly upload to the System any computer virus or malicious code.

8.3. Warranty Disclaimers. Except to the extent set forth in the SLA and in Section 8.1 above, CUSTOMER ACCEPTS THE SYSTEM “AS IS” AND AS AVAILABLE, WITH NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS, OR ANY IMPLIED WARRANTY ARISING FROM STATUTE, COURSE OF DEALING, COURSE OF PERFORMANCE, OR USAGE OF TRADE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING: (a) VENDOR HAS NO OBLIGATION TO INDEMNIFY OR DEFEND CUSTOMER OR USERS AGAINST CLAIMS RELATED TO INFRINGEMENT OF INTELLECTUAL PROPERTY; (b) VENDOR DOES NOT REPRESENT OR WARRANT THAT THE SYSTEM WILL PERFORM WITHOUT INTERRUPTION OR ERROR; AND (c) VENDOR DOES NOT REPRESENT OR WARRANT THAT THE SYSTEM IS SECURE FROM HACKING OR OTHER UNAUTHORIZED INTRUSION OR THAT CUSTOMER DATA WILL REMAIN PRIVATE OR SECURE.

9. INDEMNIFICATION. To the extent permitted by applicable law, Customer shall defend, indemnify, and hold harmless Vendor and the Vendor Associates (as defined below) against any “Indemnified Claim,” meaning any third party claim, suit, or proceeding arising out of or related to Customer’s alleged or actual use of, misuse of, or failure to use the System, including without limitation: (a) claims by Users or by Customer’s employees, as well as by Customer’s own customers; (b) claims related to unauthorized disclosure or exposure of personally identifiable information or other private information, including Customer Data; (c) claims related to infringement or violation of a copyright, trademark, trade secret, or privacy or confidentiality right by written material, images, logos or other content uploaded to the System through Customer’s account, including without limitation by Customer Data; and (d) claims that use of the System through Customer’s account harasses, defames, or defrauds a third party or violates the CAN-Spam Act of 2003 or any other law or restriction on electronic advertising. (The “Vendor Associates” are Vendor’s officers, directors, shareholders, parents, subsidiaries, agents, successors, and assigns.)

10. LIMITATION OF LIABILITY.

10.1. Exclusion of Consequential Damages. IN NO EVENT WILL VENDOR BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

10.2. Clarifications & Disclaimers. THE LIABILITIES LIMITED BY THIS ARTICLE 10 APPLY: (a) TO LIABILITY FOR NEGLIGENCE; (b) REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, STRICT PRODUCT LIABILITY, OR OTHERWISE; (c) EVEN IF VENDOR IS ADVISED IN ADVANCE OF THE POSSIBILITY OF THE DAMAGES IN QUESTION AND EVEN IF SUCH DAMAGES WERE FORESEEABLE; AND (d) EVEN IF CUSTOMER’S REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE. If applicable law limits the application of the provisions of this Article 10, Vendor’s liability will be limited to the maximum extent permissible. For the avoidance of doubt, Vendor’s liability limits and other rights set forth in this Article 10 apply likewise to Vendor’s affiliates, licensors, suppliers, advertisers, agents, sponsors, directors, officers, employees, consultants, and other representatives.

11. Term & Termination.

11.1. Term. The term of this Agreement (the “Term”) will commence on the Effective Date and continue for the period set forth in the agreement or, if none, for 3 Years. Thereafter, the Term will renew for successive 1

year periods, unless either party elects not to renew by written notice 30 or more days before the renewal date.

11.2. Termination for Cause. Either party may terminate this Agreement for the other's material breach by written notice specifying in detail the nature of the breach, effective in 30 days unless the other party first cures such breach, or effective immediately if the breach is not subject to cure.

11.3. Effects of Termination. Upon termination of this Agreement, Customer shall cease all use of the System and delete, destroy, or return all copies of the Documentation in its possession or control. The following provisions will survive termination or expiration of this Agreement: (a) any obligation of Customer to pay fees incurred before termination; (b) Articles and Sections 6 (*IP & Feedback*), 7 (*Confidential Information*), 8.3 (*Warranty Disclaimers*), 9 (*Indemnification*), and 10 (*Limitation of Liability*); and (c) any other provision of this Agreement that must survive to fulfill its essential purpose.

12. MISCELLANEOUS.

12.1. Independent Contractors. The parties are independent contractors and shall so represent themselves in all regards. Neither party is the agent of the other, and neither may make commitments on the other's behalf.

12.2. Notices. Vendor may send notices pursuant to this Agreement to Customer's email contact points provided by Customer, and such notices will be deemed received 72 hours after they are sent. Customer may send notices pursuant to this Agreement to support@edo-iq.com and such notices will be deemed received 72 hours after they are sent.

12.3. Force Majeure. No delay, failure, or default, other than a failure to pay fees when due, will constitute a breach of this Agreement to the extent caused by acts of war, terrorism, hurricanes, earthquakes, other acts of God or of nature, strikes or other labor disputes, riots or other acts of civil disorder, embargoes, or other causes beyond the performing party's reasonable control.

12.4. Assignment & Successors. Customer may not assign this Agreement or any of its rights or obligations hereunder without Vendor's express written consent. A Change of Control of Customer (defined as a change whereby more than 50% of the beneficial ownership of Customer is changed in a twelve month period) shall be considered an assignment by Customer. Except to the extent prohibited in this Section 12.4, this Agreement will be binding upon and inure to the benefit of the parties' respective successors and assigns.

12.5. Severability. To the extent permitted by applicable law, the parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

12.6. No Waiver. Neither party will be deemed to have waived any of its rights under this Agreement by lapse of time or by any statement or representation other than by an authorized representative in an explicit written waiver. No waiver of a breach of this Agreement will constitute a waiver of any other breach of this Agreement.

12.7. Choice of Law & Jurisdiction: This Agreement and all claims arising out of or related to this Agreement will be governed solely by the internal laws of the State of Texas, including without limitation applicable federal law, without reference to: (a) any conflicts of law principle that would apply the substantive laws of another jurisdiction to the parties' rights or duties; (b) the 1980 United Nations

Convention on Contracts for the International Sale of Goods; or (c) other international laws. The parties consent to the personal and exclusive jurisdiction of the federal and state courts of Collin County, Texas. This Section 12.7 governs all claims arising out of or related to this Agreement, including without limitation tort claims.

12.8. Conflicts. In the event of any conflict between this Agreement and any Vendor policy posted online, including without limitation the AUP or Privacy Policy, the terms of this Agreement will govern.

12.9. Construction. The parties agree that the terms of this Agreement result from negotiations between them. This Agreement will not be construed in favor of or against either party by reason of authorship.

12.10. Technology Export. Customer shall not: (a) permit any third party to access or use the System in violation of any U.S. law or regulation; or (b) export any software provided by Vendor or otherwise remove it from the United States except in compliance with all applicable U.S. laws and regulations. Without limiting the generality of the foregoing, Customer shall not permit any third party to access or use the System in, or export such software to, a country subject to a United States embargo (as of the Effective Date, Cuba, Iran, North Korea, Sudan, and Syria).

12.11. Entire Agreement. This Agreement sets forth the entire agreement of the parties and supersedes all prior or contemporaneous writings, negotiations, and discussions with respect to its subject matter. Neither party has relied upon any such prior or contemporaneous communications.

12.12. Amendment. Vendor may amend this Agreement from time to time by sending Customer written notice thereof. Such amendment will be deemed accepted and become effective 30 days after such notice (the "Proposed Amendment Date") unless Customer first gives Vendor written notice of rejection of the amendment. In the event of such rejection, this Agreement will continue under its original provisions, and the amendment will become effective at the start of Customer's next Term following the Proposed Amendment Date (unless Customer first terminates this Agreement pursuant to Article 11, *Term & Termination*). Customer's continued use of the Service following the effective date of an amendment will confirm Customer's consent thereto. This Agreement may not be amended in any other way except through a written agreement by authorized representatives of each party. Notwithstanding the foregoing provisions of this Section 12.12, Vendor may revise the Privacy Policy and Acceptable Use Policy at any time by posting a new version of either at the Website, and such new version will become effective on the date it is posted.

IN WITNESS THEREOF, the parties have executed this Agreement as of the Effective Date.

CUSTOMER	VENDOR
Little Elm Economic Development Corporation	EDOIQ / Third Corner Inc.
Signature: <i>Jennette Espinosa</i> Name: Jepinosa Title: Executive Director Date: 2021-08-19	Signature: <i>Josh Blachly</i> Name: Josh Blachly Title: Chief Financial Officer Date: 2021-08-18



Exhibit A

Fees

EDOiQ Economic Development Software Subscription Fees

Implementation fee:

0

Payment Amount:

\$ 6,000.00 USD

Payment Terms

Annual

Exhibit B Service Levels

Availability (excluding scheduled maintenance)	99% per month	
Response Time Service Levels to Support Requests		
Severity Type	Hours	Response Time Target
Severity 1 – Critical A reproducible Error is rendering the Company Service or any material functions thereof unavailable.	365 X 24 X 7	60 Minutes
Severity 2 – Urgent An Error is causing a material, negative effect on the Company Service or any material functions thereof unavailable.	365 X 24 X 7	90 Minutes
Severity 3 – Standard There is a reported problem with the Company Service for a limited population of end users.	9 a.m. – 6 p.m. each business day	4 Hours
Other	9 a.m. – 6 p.m. each business day	N/A

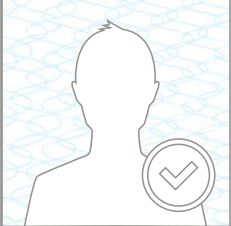

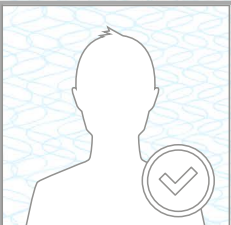
Status updates will be provided in accordance with the following until the issue is resolved:

	CRITICAL Severity One	URGENT Severity Two	Standard Severity Three	LOW Severity Four
Status update	Every 60 minutes until problem is resolved or severity level is changed	Every 2 hours until the problem is resolved or severity level is changed	Every 8 hours until the problem is resolved or severity level is changed	Every 48 hours until the problem is resolved or severity level is changed

Signature Certificate

Document Ref.: WJDPT-U9B3O-EB5XT-GMYDD

Document signed by:

	Josh Blachly Verified E-mail: billing@edo-iq.com IP: 72.180.117.170 Date: 18 Aug 2021 20:24:38 UTC	
	Jennette Espinosa Verified E-mail: jk@littleelm.org IP: 65.36.15.249 Date: 19 Aug 2021 23:39:41 UTC	

Document completed by all parties on:

19 Aug 2021 23:39:41 UTC

Page 1 of 1



Signed with PandaDoc.com

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Third Corner | EDOIQ | Origo
2500 Dallas Parkway Suite 520
Plano, TX 75093
+1 2147365400
jblachly@thirdcorner.com



INVOICE

BILL TO

Little Elm Economic
Development Corporation
100 W. ELDORADO
PARKWAY
Little Elm, TX 75068

INVOICE # 2011-2440

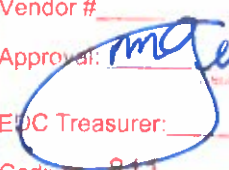
DATE 08/01/2022

DUE DATE 08/31/2022

TERMS Net 30

DATE	ACTIVITY	QTY	RATE	AMOUNT
	EDOIQ License and Support Annual License - September through August	1	6,000.00	6,000.00T

SUBTOTAL 6,000.00
TAX 0.00
TOTAL 6,000.00
BALANCE DUE **USD 6,000.00**

Little El	approval
Vendor #	8-16-22
Approval: 	Emma Espinosa
EDC Treasurer:	
Coding: 811 - 6214 - 80 - 00	

* TOLE is reimbursing 50%.



EDOiQ Data Processing Addendum

This Data Processing Addendum (this “**Addendum**”) is incorporated by reference into the EDOiQ Terms of Service (the “**Agreement**”), a binding legal contract between Third Corner, Inc. (“**Vendor**”) and Little Elm Economic Development Corporation (“**Customer**”) In the event of any inconsistency between this Addendum and the Agreement, the Agreement shall control.

1. Terms

1.1 Services. Vendor shall provide services to the Customer including: Data entry and property research for the management of economic development projects. Vendor and the Customer may agree, orally or in writing, on additional services or development tasks that are to be performed under this Agreement.

1.2 Time and Manner of Performance. Vendor shall devote such time as is required to providing services under this Agreement. Vendor shall be available for telephone and personal consultation and assistance on a reasonable basis consistent with the needs of the Customer and the necessary performance of the services described in section 1.1 above. All services hereunder shall be performed in accordance with good professional practice.

1.3 Fee and Term. As full and complete compensation for Vendor's services and all rights granted or assigned to Vendor under this Agreement, Vendor shall be compensated at the rate:

\$ 400 per month, paid monthly on the 1st, or 4800.00 annually.

1.4 Termination. This Agreement may be terminated by either party without cause by giving the other party thirty (30) days written notice of termination. Such notice shall be given to the Vendor at its principal office or via email, addressed to Accounts Payable at 2500 Dallas Parkway, Suite 520, Plano, Texas 75093 or jblachy@thirdcorner.com.

The provisions of the EDOiQ Terms of Service agreement shall survive termination of this addendum.





IN WITNESS THEREOF, the parties have executed this Addendum as of the Effective Date.

CUSTOMER	VENDOR
Little Elm Economic Development Corporation	EDOIQ / Third Corner Inc.
Signature: <i>Jennette Espinosa</i> Name: Jennette Espinosa Title: Executive Director Date: 2022-08-15	Signature: <i>Josh Blachly</i> Name: Josh Blachly Title: Chief Financial Officer Date: 2022-08-12

Signature Certificate

Reference number: QSTBG-SASAW-EOVYP-XATG3

Signer	Timestamp	Signature
Josh Blachly Email: billing@edo-iq.com Sent: 12 Aug 2022 20:56:47 UTC Viewed: 12 Aug 2022 21:06:42 UTC Signed: 12 Aug 2022 21:06:59 UTC		
Recipient Verification: ✓ Email verified	12 Aug 2022 21:06:42 UTC	IP address: 47.187.161.5 Location: Plano, United States
Jennette Espinosa Email: jk@littleelm.org Shared via link Sent: 12 Aug 2022 20:56:47 UTC Viewed: 12 Aug 2022 21:04:58 UTC Signed: 15 Aug 2022 18:40:29 UTC		
		IP address: 142.202.75.10 Location: Little Elm, United States

Document completed by all parties on:
15 Aug 2022 18:40:29 UTC

Page 1 of 1



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Third Corner | EDOIQ | Origo
2500 Dallas Parkway Suite 520
Plano, TX 75093
+1 2147365400
jblachly@thirdcorner.com



INVOICE

BILL TO

Little Elm Economic
Development Corporation
100 W. ELDORADO
PARKWAY
Little Elm, TX 75068

INVOICE # 2011-2447

DATE 08/16/2022

DUE DATE 09/15/2022

TERMS Net 30

DATE	ACTIVITY	QTY	RATE	AMOUNT
	EDOIQ Implementation & Services Annual Project Entry Services - September through August	1	4,800.00	4,800.00T

SUBTOTAL 4,800.00

TAX 0.00

TOTAL 4,800.00

BALANCE DUE **USD 4,800.00**

Little Elm EDC A/P Approval	
Vendor #	Date: 8-16-22
Approval: <u>Maquie Epirosa</u>	Department Director or Designee
EDC Treasurer:	
Coding: 811 - 6214 - 80 - 00	

* TOLE is reimbursing 50%.