

# Wylie Economic Development Corporation Board Regular Meeting



October 20, 2021 – 8:30 AM  
Council Conference Room - 300 Country Club Road, Building #100,  
Wylie, Texas 75098

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## CALL TO ORDER

## INVOCATION & PLEDGE OF ALLEGIANCE

## COMMENTS ON NON-AGENDA ITEMS

*Any member of the public may address Board regarding an item that is not listed on the Agenda. Members of the public must fill out a form prior to the meeting in order to speak. Board requests that comments be limited to three minutes for an individual, six minutes for a group. In addition, Board is not allowed to converse, deliberate or take action on any matter presented during citizen participation.*

## CONSENT AGENDA

*All matters listed under the Consent Agenda are considered to be routine by the Board and will be enacted by one motion. There will not be separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A. Consider and act upon approval of Minutes from the September 15, 2021 Regular Meeting and September 27, 2021 Special Called Meeting of the WEDC Board of Directors.
- B. Consider and act upon approval of the September 2021 WEDC Treasurer's Report.

## REGULAR AGENDA

- 1. Consider and act upon a First Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC.

## DISCUSSION ITEMS

- DS1. Discussion regarding ICSC- Here, We Go. 2021.
- DS2. Staff report: WEDC Property Update, Downtown Parking, WEDC Office/Insurance Claim, Engineering Report, Upcoming Events, New Board Member Handbook, WEDC Work Session and Board Tour, and WEDC Activities/Programs.

## EXECUTIVE SESSION

### **Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.**

A governmental body may conduct a closed meeting to deliberate the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on its negotiating position.

- ES1. Consider the sale or acquisition of properties located at Ballard/Brown, Brown/Eubanks, FM 544/Cooper, Jackson/Oak, State Hwy 78/Ballard, and State Hwy 78/Brown.

**Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.**

This chapter does not require a governmental body to conduct an open meeting:

- (1) to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations; or
- (2) to deliberate the offer of a financial or other incentive to a business prospect described by Subdivision (1).

ES2. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2017-10a, 2020-11b, 2021-4a, 2021-4b, 2021-4c, 2021-6a, 2021-6c, 2021-8a, 2021-8b, 2021-9c, 2021-9e, 2021-9f, and 2021-10a.

**RECONVENE INTO OPEN SESSION**

*Take any action as a result from Executive Session.*

**FUTURE AGENDA ITEMS**

**ADJOURNMENT**

**CERTIFICATION**

I certify that this Notice of Meeting was posted on October 15, 2021 at 5:00 p.m. on the outside bulletin board at Wylie City Hall, 300 Country Club Road, Building 100, Wylie, Texas, a place convenient and readily accessible to the public at all times.

\_\_\_\_\_  
*Stephanie Storm, City Secretary*

\_\_\_\_\_  
*Date Notice Removed*

The Wylie Municipal Complex is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Secretary's Office at 972.516.6020. Hearing impaired devices are available from the City Secretary prior to each meeting.

If during the course of the meeting covered by this notice, the Board should determine that a closed or executive meeting or session of the Board or a consultation with the attorney for the City should be held or is required, then such closed or executive meeting or session or consultation with attorney as authorized by the Texas Open Meetings Act, Texas Government Code § 551.001 et. seq., will be held by the Board at the date, hour and place given in this notice as the Board may conveniently meet in such closed or executive meeting or session or consult with the attorney for the City concerning any and all subjects and for any and all purposes permitted by the Act, including, but not limited to, the following sanctions and purposes:

Texas Government Code Section:

- § 551.071 – Private consultation with an attorney for the City.
- § 551.072 – Discussing purchase, exchange, lease or value of real property.
- § 551.073 – Discussing prospective gift or donation to the City.
- § 551.074 – Discussing personnel or to hear complaints against personnel.
- § 551.076 – Discussing deployment of security personnel or devices or security audit.
- § 551.087 – Discussing certain economic development matters.

**Minutes**  
**Wylie Economic Development Corporation**  
**Board of Directors Meeting**  
September 15, 2021 – 8:30 A.M.  
300 Country Club Road, Building #100  
Wylie, TX 75098

**CALL TO ORDER**

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*Announce the presence of a Quorum*

President Demond Dawkins called the regular meeting to order at 8:36 a.m. Board Members present were Melisa Whitehead, Gino Mulliqi, and Blake Brininstool.

Ex-Officio Member Mayor Matthew Porter was present.

WEDC staff present included Executive Director Jason Greiner, BRE Director Angel Wygant, and Senior Assistant Rachael Hermes.

**INVOCATION & PLEDGE OF ALLEGIANCE**

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President Dawkins gave the invocation and led the Pledge of Allegiance.

**COMMENTS ON NON-AGENDA ITEMS**

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With no citizen participation, President Dawkins moved to Regular Agenda.

**CONSENT AGENDA**

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*All matters listed under the Consent Agenda are considered to be routine by the WEDC Board of Directors and will be enacted by one motion. There will not be a separate discussion of these items. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.*

- A. Consider and act upon approval of the August 2021 WEDC Treasurer's Report.**
- B. Consider and act upon approval of Minutes from the August 18, 2021 Regular Meeting of the WEDC Board of Directors.**

**Board Action**

A motion was made by Melisa Whitehead, seconded by Gino Mulliqi, to approve the Consent Agenda as presented. A vote was taken, and the motion passed 4-0.

**REGULAR AGENDA**

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- 1. Consider and act upon Resolution 2021-01(R) between the WEDC and Government Capital Corporation.**

**Staff Comments**

Staff discussed the next step in the process of borrowing funds to refinance current debt and acquire additional properties. Approval of Resolution 2021-02(R) authorizes the borrowing of funds for the loan in the principal amount of \$8,108,000. Resolution 2021-02(R) will then be taken to City Council for ratification via a separate Resolution by City Council. Staff noted that a few edits may be necessary within the documents. Mayor Porter discussed the ability to authorize passage of the Resolution and finalization of the documents for minor edits by the Executive Director prior to final signature by the WEDC Secretary and WEDC Board President. Mayor Porter noted that substantial edits would need to be brought back to the Board for their review.

**Board Action**

A motion was made by Gino Mulliqi, seconded by Blake Brininstool, to approve Resolution 2021-02(R) between the WEDC and Government Capital Corporation and authorize the WEDC Executive Director to finalize the documents to be signed by the WEDC Secretary and President. A vote was taken, and the motion passed 4-0.

**DISCUSSION ITEMS**

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**DS1. Staff report: WEDC Property Update, Downtown Parking, WEDC Office/Insurance Claim, Engineering Report, Upcoming Events, WEDC Work Session and Board Tour, and WEDC Activities/Programs.**

Staff noted that sales tax revenues were up 20.20% for August and 18.68% for September. WEDC property updates include seeking multiple bids/quotes for tree removal and demolition as well as working toward land surveying for downtown parking. The majority of replacement office furniture has been received at the WEDC offices, with the exception of chairs that have been delayed. Updated engineering information is in process for flood studies of Steel Rd., Hooper Rd. and Alanis Dr. and additional information will be provided when it is available. Staff highlighted virtual TEDC Sales Tax Training attended by staff, Melisa Whitehead, and Gino Mulliqi. The first Community Open House for the Comprehensive Plan was held on September 13<sup>th</sup> and Mayor Porter encouraged everyone to log into the online portal to provide their feedback and direction. Staff discussed the Retail Coach survey and noted that the next meeting for CPAC is held on October 12<sup>th</sup> with City Council. Staff discussed upcoming events and opportunities to include the Chamber Rodeo, Manufacturing Day Proclamation/Events, the September Chamber Luncheon with Representative Noble, and TEDC Basic Economic Development Training.

**EXECUTIVE SESSION**

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Recessed into Closed Session at 8:59 a.m. in compliance with Section 551.001, et. seq. Texas Government Code, to wit:

**Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.**

**ES1. Consider the sale or acquisition of properties located at FM 544/Cooper, Jackson/Oak, State Hwy 78/Brown, State Hwy 78/Ballard, Ballard/Brown, State Hwy 78/Alanis, Regency/Steel, and Brown/Eubanks.**

**Sec. 551.074. PERSONNEL MATTERS; CLOSED MEETING.**

**ES2. Evaluation of WEDC Staff.**

**Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.**

**ES3. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2017-10a, 2018-3a, 2020-11b, 2021-4a, 2021-4b, 2021-4c, 2021-6a, 2021-8a, 2021-9a, and 2021-9b**

**RECONVENE INTO OPEN SESSION**

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*Take any action as a result from Executive Session.*

President Demond Dawkins reconvened into Open Session at 10:28 a.m. and took no action.

**FUTURE AGENDA ITEMS**

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There were no Items requested for inclusion on future agendas.

**ADJOURNMENT**

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With no further business, President Dawkins adjourned the WEDC Board meeting at 10:28 a.m.

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**Demond Dawkins, President**

**ATTEST:**

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**Jason Greiner, Executive Director**

**Minutes**  
**Wylie Economic Development Corporation**  
**Board of Directors Special Called Meeting**  
September 27, 2021 – 7:30 A.M.  
300 Country Club Road, Building #100  
Wylie, TX 75098

**CALL TO ORDER**

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*Announce the presence of a Quorum*

President Demond Dawkins called the special called meeting to order at 7:38 a.m. Board Members present were Melisa Whitehead, Gino Mulliqi, Tim Gilchrist, and Blake Brininstool.

Ex-Officio Members Mayor Matthew Porter and City Manager Chris Holsted were present.

WEDC staff present included Executive Director Jason Greiner, BRE Director Angel Wygant, and Senior Assistant Rachael Hermes.

**INVOCATION & PLEDGE OF ALLEGIANCE**

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Angel Wygant gave the invocation and led the Pledge of Allegiance.

**COMMENTS ON NON-AGENDA ITEMS**

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With no citizen participation, President Dawkins moved to Regular Agenda.

**REGULAR AGENDA**

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- 1. Consider and act upon issues surrounding a Purchase and Sale Agreement between WEDC and the City of Wylie.**

**Staff Comments**

Staff referenced the City of Wylie's Invitation to Bid for property at 802 W Kirby and the award of bid for Sale of Real Property to WEDC at the 8-10-21 City Council Meeting. Staff noted that the agreement has been reviewed by the WEDC attorney. Assuming approval by WEDC and finalization of funding efforts, the anticipated closing date for the purchase would be October 22, 2021.

**Board Action**

A motion was made by Gino Mulliqi, seconded by Tim Gilchrist, to approve a Purchase and Sale Agreement between WEDC and the City of Wylie for the sale of a 4.67-acre property located at 802 W Kirby and further authorize WEDC President Dawkins to execute all documentation necessary to effectuate the transaction. A vote was taken, and the motion passed 5-0.

- 2. Consider and act upon Resolution 2021-02(R) between the WEDC and Government Capital Corporation.**

**Staff Comments**

This item was a placeholder in order to satisfy timing requirements for closing in the event that additional discussion was required. Staff noted that there were a few minor changes made as previously suggested and approved at the 9-20-21 WEDC Board Meeting. However, no substantive changes were made, therefore no action is required on this item.

**Board Action**

No action was required or taken on this item.

**DISCUSSION ITEMS**

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**DS1. Staff report: WEDC Property Update and Upcoming Events.**

Staff discussed the WEDC-owned property at 100 W Oak and the tenant request to make door/window improvements to the structure. The Board was in agreement that the tenant request is allowable at their expense if all permitting/code requirements are satisfied. Staff discussed the pending purchase of property at 802 W Kirby and the need for timely notice to vacate to existing tenants. The Board was in favor of providing as much notice as possible. Staff discussed the process of acquiring additional demolition and tree removal bids. Staff noted the upcoming National Manufacturing Day Proclamation at the 9-28-21 City Council Meeting. Additional Manufacturing Day events will include five days of facility tours with 16 Wylie manufacturers. Nearly 200 WISD students are expected to participate in these tours. The October Chamber of Commerce luncheon will also feature Manufacturing Month and Workforce Development Programs.

**EXECUTIVE SESSION**

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Recessed into Closed Session at 7:52 a.m. in compliance with Section 551.001, et. seq. Texas Government Code, to wit:

**Sec. 551.072. DELIBERATION REGARDING REAL PROPERTY; CLOSED MEETING.**

**ES1. Consider the sale or acquisition of properties located at Ballard/Brown, FM 544/Cooper, Jackson/Oak, State Hwy 78/Ballard, and State Hwy 78/Brown.**

**Sec. 551.074. PERSONNEL MATTERS; CLOSED MEETING.**

**ES2. Evaluation of WEDC Staff.**

**Sec. 551.087. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING.**

**ES3. Deliberation regarding commercial or financial information that the WEDC has received from a business prospect and to discuss the offer of incentives for Projects: 2017-10a, 2020-11b, 2021-4a, 2021-4b, 2021-4c, 2021-6a, 2021-8a, 2021-8b and 2021-9c.**

**RECONVENE INTO OPEN SESSION**

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*Take any action as a result from Executive Session.*

President Demond Dawkins reconvened into Open Session at 9:13 a.m. and took no action.

**FUTURE AGENDA ITEMS**

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There were no Items requested for inclusion on future agendas.

**ADJOURNMENT**

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With no further business, President Dawkins adjourned the WEDC Board meeting at 9:13 a.m.

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**Demond Dawkins, President**

**ATTEST:**

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**Jason Greiner, Executive Director**



**AGENDA REPORT**

<b>Meeting Date:</b>	<u>October 20, 2021</u>	<b>Item Number:</b>	<u>B</u>
<b>Department:</b>	<u>WEDC</u>		<i>(Staff Use Only)</i>
<b>Prepared By:</b>	<u>Jason Greiner</u>	<b>Account Code:</b>	<u></u>
<b>Date Prepared:</b>	<u>10/6/21</u>	<b>Exhibits:</b>	<u>4</u>

**Subject**

Consider and act upon approval of the September 2021 WEDC Treasurer’s Report.

**Recommendation**

Motion to approve the September 2021 WEDC Treasurer’s Report.

**Discussion**

Presented for the Board’s review and approval is the September 2021 Treasurer’s Report detailing the month and year-to-date financial transactions and performance against budget. In this report you will find the Revenue and Expense Report, Statement of Net Position, Balance Sheet, Sales Tax Report, and the Quarterly Performance Agreement Summary.

**REVENUES:**

Sales Tax Revenue earned in July, allocated in September, was \$307,681.15, an increase of 18.68% over the same period in 2020.

**EXPENSES:**

Incentives

- \$30,000 Avanti Windows & Doors, LLC- Incentive 1 of 4
- \$30,000 Avanti Windows & Doors, LLC- Incentive 2 of 4
- \$45,000 Savannah Woodbridge Development, LLC- Incentive 1 of 2
- \$30,387.11 CSD Woodbridge, LLC- Quarterly Sales Tax Reimbursement

Special Services

\$5,000 City of Wylie- FY 2020-2021 Accounting & IS Services

Streets & Alleys

\$9,375 Kansas City Southern Railway- FM 544 Waterline Permit Fee

Additional Note:

Excess funds in Buildings (5611-54910) are due to the ice storm insurance claim. Funds will be transferred from this account to Office Supplies/Computer Hardware & Software once all items have been received.

Debt Service & Capital Replacement- the first and final P&I payment was made to American National Bank in September due to pending restructuring of debt with Government Capital. Budget transfer will be completed to make final adjustment after funding.

		Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 111 - WYLIE ECONOMIC DEVEL CORP</b>							
<b>Revenue</b>							
<a href="#">111-4000-40210</a>	SALES TAX	2,968,437.00	2,968,437.00	307,681.15	3,137,275.28	168,838.28	105.69 %
<a href="#">111-4000-46110</a>	ALLOCATED INTEREST EARNINGS	6,000.00	6,000.00	118.54	1,136.19	-4,863.81	81.06 %
<a href="#">111-4000-48110</a>	RENTAL INCOME	153,240.00	153,240.00	6,335.00	130,420.00	-22,820.00	14.89 %
<a href="#">111-4000-48410</a>	MISCELLANEOUS INCOME	0.00	0.00	0.00	1,435.00	1,435.00	0.00 %
<a href="#">111-4000-48430</a>	GAIN/(LOSS) SALE OF CAP ASSETS	164,500.00	164,500.00	0.00	-31,208.00	-195,708.00	118.97 %
<a href="#">111-4000-49600</a>	INSURANCE RECOVERIES	0.00	54,545.27	0.00	40,614.11	-13,931.16	25.54 %
	<b>Revenue Total:</b>	<b>3,292,177.00</b>	<b>3,346,722.27</b>	<b>314,134.69</b>	<b>3,279,672.58</b>	<b>-67,049.69</b>	<b>2.00%</b>
<b>Expense</b>							
<a href="#">111-5611-51110</a>	SALARIES	240,920.00	240,920.00	18,642.66	236,755.22	4,164.78	1.73 %
<a href="#">111-5611-51130</a>	OVERTIME	0.00	0.00	0.00	1,810.38	-1,810.38	0.00 %
<a href="#">111-5611-51140</a>	LONGEVITY PAY	784.00	784.00	0.00	588.00	196.00	25.00 %
<a href="#">111-5611-51310</a>	TMRS	37,464.00	37,464.00	2,949.30	36,551.44	912.56	2.44 %
<a href="#">111-5611-51410</a>	HOSPITAL & LIFE INSURANCE	36,369.00	36,369.00	3,567.88	35,148.46	1,220.54	3.36 %
<a href="#">111-5611-51420</a>	LONG-TERM DISABILITY	1,373.00	1,373.00	0.00	951.00	422.00	30.74 %
<a href="#">111-5611-51440</a>	FICA	14,986.00	14,986.00	1,055.09	13,780.55	1,205.45	8.04 %
<a href="#">111-5611-51450</a>	MEDICARE	3,505.00	3,505.00	246.75	3,222.88	282.12	8.05 %
<a href="#">111-5611-51470</a>	WORKERS COMP PREMIUM	305.00	305.00	0.00	246.78	58.22	19.09 %
<a href="#">111-5611-51480</a>	UNEMPLOYMENT COMP (TWC)	810.00	810.00	87.16	843.16	-33.16	-4.09 %
<a href="#">111-5611-52010</a>	OFFICE SUPPLIES	5,000.00	5,000.00	1,193.07	6,001.68	-1,001.68	-20.03 %
<a href="#">111-5611-52040</a>	POSTAGE & FREIGHT	300.00	300.00	0.00	30.55	269.45	89.82 %
<a href="#">111-5611-52810</a>	FOOD SUPPLIES	6,100.00	6,100.00	101.57	1,197.84	4,902.16	80.36 %
<a href="#">111-5611-54610</a>	FURNITURE & FIXTURES	0.00	0.00	1,563.94	25,201.94	-25,201.94	0.00 %
<a href="#">111-5611-54810</a>	COMPUTER HARD/SOFTWARE	5,500.00	5,500.00	0.00	5,530.15	-30.15	-0.55 %
<a href="#">111-5611-54910</a>	BUILDINGS	0.00	54,545.27	0.00	0.00	54,545.27	100.00 %
<a href="#">111-5611-56030</a>	INCENTIVES	1,130,310.00	1,130,310.00	135,387.11	776,231.51	354,078.49	31.33 %
<a href="#">111-5611-56040</a>	SPECIAL SERVICES	90,145.00	112,678.00	8,332.68	89,704.03	22,973.97	20.39 %
<a href="#">111-5611-56080</a>	ADVERTISING	114,100.00	114,100.00	18,475.97	55,391.80	58,708.20	51.45 %
<a href="#">111-5611-56090</a>	COMMUNITY DEVELOPMENT	44,550.00	44,550.00	2,714.36	17,637.05	26,912.95	60.41 %
<a href="#">111-5611-56110</a>	COMMUNICATIONS	5,936.00	5,936.00	519.82	3,786.12	2,149.88	36.22 %
<a href="#">111-5611-56180</a>	RENTAL	27,000.00	27,000.00	2,250.00	27,166.50	-166.50	-0.62 %
<a href="#">111-5611-56210</a>	TRAVEL & TRAINING	62,600.00	62,600.00	760.16	12,785.88	49,814.12	79.58 %
<a href="#">111-5611-56250</a>	DUES & SUBSCRIPTIONS	30,018.00	30,018.00	1,653.37	30,369.92	-351.92	-1.17 %
<a href="#">111-5611-56310</a>	INSURANCE	2,803.00	4,770.00	0.00	4,769.50	0.50	0.01 %
<a href="#">111-5611-56510</a>	AUDIT & LEGAL SERVICES	33,000.00	33,000.00	120.00	11,745.00	21,255.00	64.41 %
<a href="#">111-5611-56570</a>	ENGINEERING/ARCHITECTURAL	87,500.00	87,500.00	0.00	43,383.39	44,116.61	50.42 %
<a href="#">111-5611-56610</a>	UTILITIES-ELECTRIC	2,400.00	2,400.00	256.49	1,979.15	420.85	17.54 %
<a href="#">111-5611-57410</a>	PRINCIPAL PAYMENT	199,863.00	342,015.00	47,900.66	365,461.11	-23,446.11	-6.86 %
<a href="#">111-5611-57415</a>	INTEREST EXPENSE	342,015.00	199,863.00	17,039.18	206,140.15	-6,277.15	-3.14 %
<a href="#">111-5611-58110</a>	LAND-PURCHASE PRICE	0.00	408,540.00	0.00	407,332.20	1,207.80	0.30 %
<a href="#">111-5611-58210</a>	STREETS & ALLEYS	1,005,000.00	1,558,680.00	9,375.00	198,555.00	1,360,125.00	87.26 %
<a href="#">111-5611-58830</a>	FURNITURE & FIXTURES	2,500.00	2,500.00	0.00	797.00	1,703.00	68.12 %
<a href="#">111-5611-58995</a>	CONTRA CAPITAL OUTLAY	0.00	0.00	0.00	-407,332.20	407,332.20	0.00 %
	<b>Expense Total:</b>	<b>3,533,156.00</b>	<b>4,574,421.27</b>	<b>274,192.22</b>	<b>2,213,763.14</b>	<b>2,360,658.13</b>	<b>51.61%</b>
<b>Fund: 111 - WYLIE ECONOMIC DEVEL CORP Surplus (Deficit):</b>		<b>-240,979.00</b>	<b>-1,227,699.00</b>	<b>39,942.47</b>	<b>1,065,909.44</b>	<b>2,293,608.44</b>	<b>186.82%</b>

**Budget Report**

**For Fiscal: 2020-2021 Period Ending: 09/30/2021**

	<b>Original Total Budget</b>	<b>Current Total Budget</b>	<b>Period Activity</b>	<b>Fiscal Activity</b>	<b>Variance Favorable (Unfavorable)</b>	<b>Percent Remaining</b>
<b>Fund: 922 - GEN LONG TERM DEBT (WEDC)</b>						
<b>Expense</b>						
<a href="#">922-5611-57410</a> PRINCIPAL PAYMENT	0.00	0.00	-47,900.66	-365,461.11	365,461.11	0.00 %
<b>Expense Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>-47,900.66</b>	<b>-365,461.11</b>	<b>365,461.11</b>	<b>0.00%</b>
<b>Fund: 922 - GEN LONG TERM DEBT (WEDC) Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>-47,900.66</b>	<b>-365,461.11</b>	<b>365,461.11</b>	<b>0.00%</b>
<b>Report Surplus (Deficit):</b>	<b>-240,979.00</b>	<b>-1,227,699.00</b>	<b>87,843.13</b>	<b>1,431,370.55</b>	<b>2,659,069.55</b>	<b>216.59%</b>

**Group Summary**

Account Typ...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Remaining
<b>Fund: 111 - WYLIE ECONOMIC DEVEL CORP</b>						
Revenue	3,292,177.00	3,346,722.27	314,134.69	3,279,672.58	-67,049.69	2.00%
Expense	3,533,156.00	4,574,421.27	274,192.22	2,213,763.14	2,360,658.13	51.61%
<b>Fund: 111 - WYLIE ECONOMIC DEVEL CORP Surplus (Deficit):</b>	<b>-240,979.00</b>	<b>-1,227,699.00</b>	<b>39,942.47</b>	<b>1,065,909.44</b>	<b>2,293,608.44</b>	<b>186.82%</b>
<b>Fund: 922 - GEN LONG TERM DEBT (WEDC)</b>						
Expense	0.00	0.00	-47,900.66	-365,461.11	365,461.11	0.00%
<b>Fund: 922 - GEN LONG TERM DEBT (WEDC) Total:</b>	<b>0.00</b>	<b>0.00</b>	<b>-47,900.66</b>	<b>-365,461.11</b>	<b>365,461.11</b>	<b>0.00%</b>
<b>Report Surplus (Deficit):</b>	<b>-240,979.00</b>	<b>-1,227,699.00</b>	<b>87,843.13</b>	<b>1,431,370.55</b>	<b>2,659,069.55</b>	<b>216.59%</b>

## Fund Summary

Fund	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)
111 - WYLIE ECONOMIC DEVEL COR	-240,979.00	-1,227,699.00	39,942.47	1,065,909.44	2,293,608.44
922 - GEN LONG TERM DEBT (WEDC)	0.00	0.00	47,900.66	365,461.11	365,461.11
<b>Report Surplus (Deficit):</b>	<b>-240,979.00</b>	<b>-1,227,699.00</b>	<b>87,843.13</b>	<b>1,431,370.55</b>	<b>2,659,069.55</b>

Wylie Economic Development Corporation  
Statement of Net Position  
As of September 30, 2021

**Assets**

Cash and cash equivalents	\$ 2,972,757.96	
Receivables	\$ 60,000.00	Note 1
Inventories	\$ 12,435,269.70	
Prepaid Items	\$ -	
<b>Total Assets</b>	<b>\$ 15,468,027.66</b>	

**Deferred Outflows of Resources**

Pensions	\$ 95,608.55
<b>Total deferred outflows of resources</b>	<b>\$ 95,608.55</b>

**Liabilities**

Accounts Payable and other current liabilities	\$ 62,542.88	
Unearned Revenue	\$ 1,200.00	Note 2
Non current liabilities:		
Due within one year	\$ 29,531.01	Note 3
Due in more than one year	\$ 5,090,934.76	
<b>Total Liabilities</b>	<b>\$ 5,184,208.65</b>	

**Deferred Inflows of Resources**

Pensions	\$ (47,711.41)
<b>Total deferred inflows of resources</b>	<b>\$ (47,711.41)</b>

**Net Position**

Net investment in capital assets	\$ -
Unrestricted	\$ 10,331,716.15
<b>Total Net Position</b>	<b>\$ 10,331,716.15</b>

Note 1: Includes incentives in the form of forgivable loans for \$60,000 (LUV-ROS)

Note 2: Deposits from rental property

Note 3: Liabilities due within one year includes compensated absences of \$20,727

Account	Name	Balance
<b>Fund: 111 - WYLIE ECONOMIC DEVEL CORP</b>		
<b>Assets</b>		
<a href="#">111-1000-10110</a>	CLAIM ON CASH AND CASH EQUIV.	2,960,757.96
<a href="#">111-1000-10115</a>	CASH - WEDC - INWOOD	0.00
<a href="#">111-1000-10135</a>	ESCROW	10,000.00
<a href="#">111-1000-10180</a>	DEPOSITS	2,000.00
<a href="#">111-1000-10198</a>	OTHER - MISC CLEARING	0.00
<a href="#">111-1000-10341</a>	TEXPOOL	0.00
<a href="#">111-1000-10343</a>	LOGIC	0.00
<a href="#">111-1000-10481</a>	INTEREST RECEIVABLE	0.00
<a href="#">111-1000-11511</a>	ACCTS REC - MISC	0.00
<a href="#">111-1000-11517</a>	ACCTS REC - SALES TAX	0.00
<a href="#">111-1000-12810</a>	LEASE PAYMENTS RECEIVABLE	0.00
<a href="#">111-1000-12950</a>	LOAN PROCEEDS RECEIVABLE	0.00
<a href="#">111-1000-12996</a>	LOAN RECEIVABLE	0.00
<a href="#">111-1000-12997</a>	ACCTS REC - JTM TECH	0.00
<a href="#">111-1000-12998</a>	ACCTS REC - FORGIVEABLE LOANS	60,000.00
<a href="#">111-1000-14112</a>	INVENTORY - MATERIAL/ SUPPLY	0.00
<a href="#">111-1000-14116</a>	INVENTORY - LAND & BUILDINGS	12,435,269.70
<a href="#">111-1000-14118</a>	INVENTORY - BAYCO/ SANDEN BLVD	0.00
<a href="#">111-1000-14310</a>	PREPAID EXPENSES - MISC	0.00
<a href="#">111-1000-14410</a>	DEFERRED OUTFLOWS	438,367.00
	<b>Total Assets:</b>	<b>15,906,394.66</b>
		<b><u>15,906,394.66</u></b>
<b>Liability</b>		
<a href="#">111-2000-20110</a>	FEDERAL INCOME TAX PAYABLE	0.00
<a href="#">111-2000-20111</a>	MEDICARE PAYABLE	0.00
<a href="#">111-2000-20112</a>	CHILD SUPPORT PAYABLE	0.00
<a href="#">111-2000-20113</a>	CREDIT UNION PAYABLE	0.00
<a href="#">111-2000-20114</a>	IRS LEVY PAYABLE	0.00
<a href="#">111-2000-20115</a>	NATIONWIDE DEFERRED COMP	0.00
<a href="#">111-2000-20116</a>	HEALTH INSUR PAY-EMPLOYEE	50.02
<a href="#">111-2000-20117</a>	TMRS PAYABLE	0.00
<a href="#">111-2000-20118</a>	ROTH IRA PAYABLE	0.00
<a href="#">111-2000-20119</a>	WORKERS COMP PAYABLE	0.00
<a href="#">111-2000-20120</a>	FICA PAYABLE	0.00
<a href="#">111-2000-20121</a>	TEC PAYABLE	0.00
<a href="#">111-2000-20122</a>	STUDENT LOAN LEVY PAYABLE	0.00
<a href="#">111-2000-20123</a>	ALIMONY PAYABLE	0.00
<a href="#">111-2000-20124</a>	BANKRUPTCY PAYABLE	0.00
<a href="#">111-2000-20125</a>	VALIC DEFERRED COMP	0.00
<a href="#">111-2000-20126</a>	ICMA PAYABLE	0.00
<a href="#">111-2000-20127</a>	EMP. LEGAL SERVICES PAYABLE	0.00
<a href="#">111-2000-20130</a>	FLEXIBLE SPENDING ACCOUNT	9,249.78
<a href="#">111-2000-20131</a>	EDWARD JONES DEFERRED COMP	0.00
<a href="#">111-2000-20132</a>	EMP CARE FLITE	12.00
<a href="#">111-2000-20133</a>	Unemployment Comp Payable	0.00
<a href="#">111-2000-20151</a>	ACCRUED WAGES PAYABLE	0.00
<a href="#">111-2000-20180</a>	ADDIT EMPLOYEE INSUR PAY	48.00
<a href="#">111-2000-20199</a>	MISC PAYROLL PAYABLE	0.00
<a href="#">111-2000-20201</a>	AP PENDING	53,095.92
<a href="#">111-2000-20210</a>	ACCOUNTS PAYABLE	0.00
<a href="#">111-2000-20530</a>	PROPERTY TAXES PAYABLE	0.00
<a href="#">111-2000-20540</a>	NOTES PAYABLE	438,367.00
<a href="#">111-2000-20810</a>	DUE TO GENERAL FUND	0.00



**Balance Sheet**

**As Of 09/30/2021**

<b>Account</b>	<b>Name</b>	<b>Balance</b>
<a href="#">111-2000-22270</a>	DEFERRED INFLOW	0.00
<a href="#">111-2000-22275</a>	DEF INFLOW - LEASE PRINCIPAL	0.00
<a href="#">111-2000-22280</a>	DEFERRED INFLOW - LEASE INT	0.00
<a href="#">111-2000-22915</a>	RENTAL DEPOSITS	1,200.00
	<b>Total Liability:</b>	<b>502,022.72</b>

<b>Equity</b>		
<a href="#">111-3000-34110</a>	FUND BALANCE - RESERVED	0.00
<a href="#">111-3000-34590</a>	FUND BALANCE-UNRESERV/UNDESIG	14,338,375.34
	<b>Total Beginning Equity:</b>	<b>14,338,375.34</b>
Total Revenue		3,279,672.58
Total Expense		2,213,675.98
<b>Revenues Over/Under Expenses</b>		<b>1,065,996.60</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>15,404,371.94</b>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>15,906,394.66</u></b>

Balance Sheet

As Of 09/30/2021

Account	Name	Balance
<b>Fund: 922 - GEN LONG TERM DEBT (WEDC)</b>		
<b>Assets</b>		
<a href="#">922-1000-10312</a>	GOVERNMENT NOTES	0.00
<a href="#">922-1000-18110</a>	LOAN - WEDC	0.00
<a href="#">922-1000-18120</a>	LOAN - BIRMINGHAM	0.00
<a href="#">922-1000-18210</a>	AMOUNT TO BE PROVIDED	0.00
<a href="#">922-1000-18220</a>	BIRMINGHAM LOAN	0.00
<a href="#">922-1000-19050</a>	DEF OUTFLOW TMRS CONTRIBUTIONS	37,997.29
<a href="#">922-1000-19051</a>	DEF OUTFLOW SDBF CONTRIBUTIONS	1,800.00
<a href="#">922-1000-19075</a>	DEF OUTFLOW - INVESTMENT EXP	0.48
<a href="#">922-1000-19100</a>	DEF OUTFLOW - ACT EXP/ASSUMP	55,810.78
<a href="#">922-1000-19125</a>	(GAIN)/LOSS ON ASSUMPTION CHGS	-46,839.41
<a href="#">922-1000-19126</a>	DEF INFLOW SDBF CONTRIBUTIONS	-872.00
	<b>Total Assets:</b>	<b>47,897.14</b>
		<b><u>47,897.14</u></b>
<b>Liability</b>		
<a href="#">922-2000-20310</a>	COMPENSATED ABSENCES PAYABLE	0.00
<a href="#">922-2000-20311</a>	COMP ABSENCES PAYABLE-CURRENT	20,727.84
<a href="#">922-2000-21410</a>	ACCRUED INTEREST PAYABLE	8,803.17
<a href="#">922-2000-28205</a>	WEDC LOANS/CURRENT	0.00
<a href="#">922-2000-28220</a>	BIRMINGHAM LOAN	0.00
<a href="#">922-2000-28230</a>	INWOOD LOAN	0.00
<a href="#">922-2000-28232</a>	ANB LOAN/EDGE	0.00
<a href="#">922-2000-28233</a>	ANB LOAN/PEDDICORD WHITE	0.00
<a href="#">922-2000-28234</a>	ANB LOAN/RANDACK HUGHES	0.00
<a href="#">922-2000-28235</a>	ANB LOAN	0.00
<a href="#">922-2000-28236</a>	ANB CONSTRUCTION LOAN	0.00
<a href="#">922-2000-28237</a>	ANB LOAN/ WOODBRIDGE PARKWAY	0.00
<a href="#">922-2000-28238</a>	ANB LOAN/BUCHANAN	0.00
<a href="#">922-2000-28239</a>	ANB LOAN/JONES:HOBART PAYOFF	0.00
<a href="#">922-2000-28240</a>	HUGHES LOAN	0.00
<a href="#">922-2000-28242</a>	ANB LOAN/HWY 78:5TH ST REDEV	4,068,345.47
<a href="#">922-2000-28245</a>	ANB LOAN/DALLAS WHIRLPOOL	640,776.23
<a href="#">922-2000-28246</a>	GOVCAP LOAN/KIRBY	0.00
<a href="#">922-2000-28247</a>	JARRARD LOAN	174,168.89
<a href="#">922-2000-28250</a>	CITY OF WYLIE LOAN	0.00
<a href="#">922-2000-28260</a>	PRIME KUTS LOAN	0.00
<a href="#">922-2000-28270</a>	BOWLAND/ANDERSON LOAN	0.00
<a href="#">922-2000-28280</a>	CAPITAL ONE CAZAD LOAN	0.00
<a href="#">922-2000-28290</a>	HOBART/COMMERCE LOAN	0.00
<a href="#">922-2000-29150</a>	NET PENSION LIABILITY	199,184.17
<a href="#">922-2000-29151</a>	SDBF LIABILITY	8,460.00
	<b>Total Liability:</b>	<b>5,120,465.77</b>
<b>Equity</b>		
<a href="#">922-3000-34590</a>	FUND BALANCE-UNRESERV/UNDESIG	-5,317,765.74
<a href="#">922-3000-35900</a>	UNRESTRICTED NET POSITION	-120,264.00
	<b>Total Beginning Equity:</b>	<b>-5,438,029.74</b>
Total Revenue		0.00
Total Expense		-365,461.11
<b>Revenues Over/Under Expenses</b>		<b>365,461.11</b>
	<b>Total Equity and Current Surplus (Deficit):</b>	<b>-5,072,568.63</b>
	<b>Total Liabilities, Equity and Current Surplus (Deficit):</b>	<b><u>47,897.14</u></b>

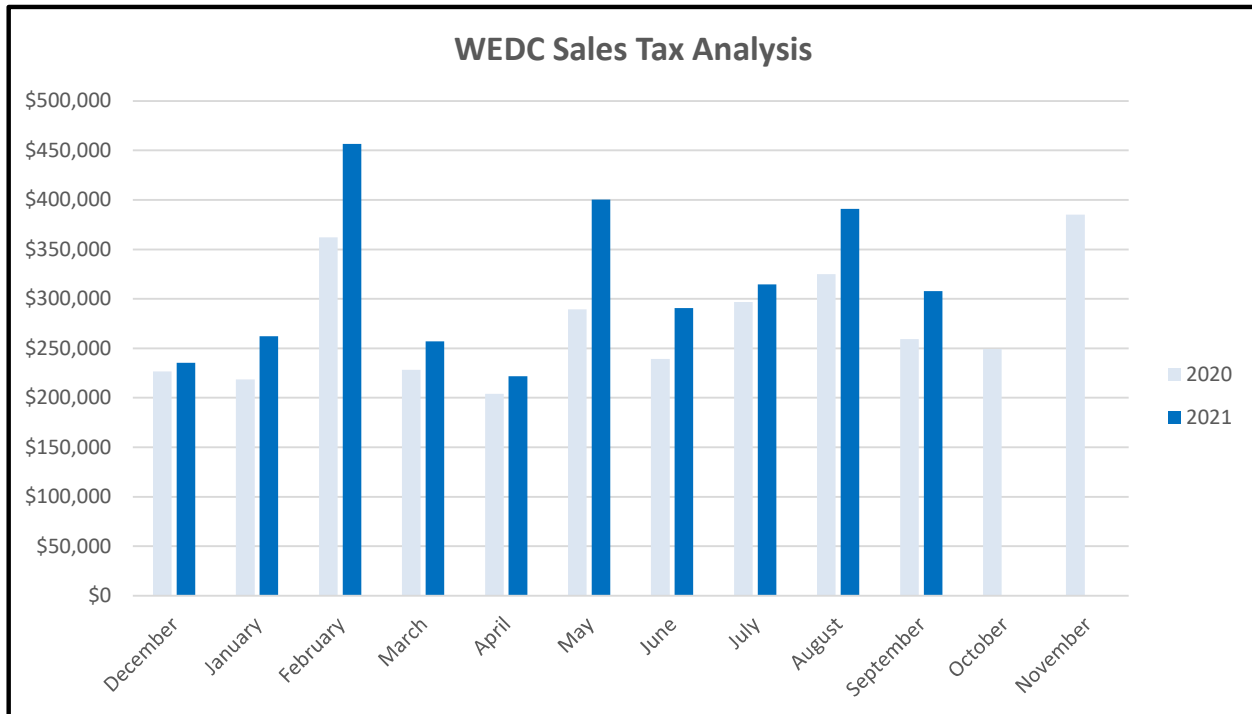
# Wylie Economic Development Corporation

## SALES TAX REPORT

September 30, 2021

### BUDGETED YEAR

MONTH	FY 2018	FY 2019	FY 2020	FY 2021	DIFF 20 vs. 21	% DIFF 20 vs. 21
DECEMBER	\$ 184,848.59	\$ 214,867.15	\$ 226,663.94	\$ 235,381.33	\$ 8,717.39	3.85%
JANUARY	\$ 191,895.71	\$ 223,749.61	\$ 218,520.22	\$ 262,263.52	\$ 43,743.30	20.02%
FEBRUARY	\$ 275,667.83	\$ 307,366.66	\$ 362,129.18	\$ 456,571.35	\$ 94,442.17	26.08%
MARCH	\$ 182,852.50	\$ 208,222.32	\$ 228,091.34	\$ 257,187.91	\$ 29,096.57	12.76%
APRIL	\$ 163,484.89	\$ 182,499.53	\$ 203,895.57	\$ 221,881.55	\$ 17,985.98	8.82%
MAY	\$ 203,707.17	\$ 274,299.18	\$ 289,224.35	\$ 400,371.70	\$ 111,147.35	38.43%
JUNE	\$ 199,412.29	\$ 234,173.88	\$ 239,340.35	\$ 290,586.92	\$ 51,246.57	21.41%
JULY	\$ 213,976.64	\$ 215,107.94	\$ 296,954.00	\$ 314,559.10	\$ 17,605.10	5.93%
AUGUST	\$ 249,589.63	\$ 283,602.93	\$ 325,104.34	\$ 390,790.76	\$ 65,686.42	20.20%
SEPTEMBER	\$ 213,425.79	\$ 243,048.40	\$ 259,257.89	\$ 307,681.15	\$ 48,423.26	18.68%
OCTOBER	\$ 210,701.71	\$ 224,875.38	\$ 249,357.02			
NOVEMBER	\$ 273,196.62	\$ 308,324.41	\$ 384,953.89			
<b>Sub-Total</b>	<b>\$ 2,562,759.35</b>	<b>\$ 2,920,137.37</b>	<b>\$ 3,283,492.09</b>	<b>\$ 3,137,275.28</b>	<b>\$ 488,094.10</b>	17.62%
<b>Total</b>	<b>\$ 2,562,759.35</b>	<b>\$ 2,920,137.37</b>	<b>\$ 3,283,492.09</b>	<b>\$ 3,137,275.28</b>	<b>\$ 488,094.10</b>	17.62%



\*\*\* Sales Tax collections typically take 2 months to be reflected as Revenue. SlsTx receipts are then accrued back 2 months.  
 Example: September SlsTx Revenue is actually July SlsTx and is therefore the 10th allocation in FY21.

# Wylie Economic Development Corporation

## PERFORMANCE AGREEMENT REPORT

September 30, 2021

PERFORMANCE AGREEMENTS	TOTAL INCENTIVE	BUDGETED YEAR					REMAINING AFTER CURRENT FY	PREVIOUS FY PAYMENTS	TOTAL INCENTIVE	
		FY 2021	FY 2022	FY 2023	FY 2024	FY 2025				
CSD WOODBRIDGE	\$ 1,100,000.00	\$ 125,304.29	\$ 150,000.00	\$ 90,649.24	\$ -	\$ -	\$ 215,953.53	\$ 758,742.18	\$ 1,100,000.00	A
EXCO	\$ 80,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,000.00	\$ 80,000.00	B
SAF-HOLLAND	\$ 239,792.48	\$ 85,810.58	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,981.90	\$ 239,792.48	C
SCSD-FINNELL	\$ 175,000.00	\$ 87,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,500.00	\$ 175,000.00	
CROSS DEVELOPMENT	\$ 250,000.00	\$ 250,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00	
WYLIE INSURANCE	\$ 27,500.00	\$ 27,500.00	***	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,500.00	D
WB REAL ESTATE	\$ 13,149.00	\$ 13,149.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,149.00	
FIRST MIRACLE	\$ 11,800.00	\$ 11,800.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,800.00	
CARDINAL STRATEGIES	\$ 106,800.00	\$ 17,433.00	\$ 24,933.00	\$ 24,934.00	\$ -	\$ -	\$ 49,867.00	\$ 32,000.00	\$ 99,300.00	
CBC PROPERTY HOLDINGS	\$ 50,000.00	\$ 25,000.00	\$ 25,000.00	\$ -	\$ -	\$ -	\$ 25,000.00	\$ -	\$ 50,000.00	
AVANTI, LLC	\$ 120,000.00	\$ 60,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ 60,000.00	\$ -	\$ 120,000.00	
SAVANNAH WOODBRIDGE	\$ 90,000.00	\$ 45,000.00	\$ 45,000.00	\$ -	\$ -	\$ -	\$ 45,000.00	\$ -	\$ 90,000.00	
BALLERS ELITE- THE LAB, LLC	\$ 20,000.00	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00	
AMERICAN ENTITLEMENTS	\$ 33,000.00	\$ 11,000.00	\$ 11,000.00	\$ 11,000.00	\$ -	\$ -	\$ 22,000.00	\$ -	\$ 33,000.00	
NORTH DALLAS WYLIE LAND	\$ 120,000.00	\$ 60,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ -	\$ 60,000.00	\$ -	\$ 120,000.00	
GDA INVESTMENTS	\$ 30,500.00	\$ -	\$ 20,000.00	\$ 10,500.00	\$ -	\$ -	\$ 30,500.00	\$ -	\$ 30,500.00	
LUV-ROS	\$ 10,000.00	\$ -	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ 10,000.00	\$ -	\$ 10,000.00	E
	<b><u>\$ 2,761,044.61</u></b>	<b><u>\$ 839,496.87</u></b>	<b><u>\$ 330,933.00</u></b>	<b><u>\$ 192,083.24</u></b>	<b><u>\$ 20,000.00</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 518,320.53</u></b>	<b><u>\$ 1,395,727.21</u></b>	<b><u>\$ 2,753,544.61</u></b>	

*Deferred Out Flow* \$ 438,367.00

A. SLSTX Reimbursement Qrtly Pmnts

B. Performance Agreement and Forgivable Land Grant. Paid remaining \$70,000 in early 2021.

C. Performance Agreement and Partial Tax Reimbursement. \$45,000 for Job Creation & 50% Reimb. of App Val. above the Baseline of \$14,375,324

D. Performance Agreement Obligations were met in FY21, so the FY22 payment was pulled forward.

E. Performance Agreement (\$10,000) and Forgivable Land Grant (\$60,000 forgiven over 3 years). \$20,000/year in 2021, 2022, & 2023.

AGENDA REPORT

Meeting Date: October 20, 2021; Department: WEDC; Prepared By: Jason Greiner; Date Prepared: 10/15/21; Item Number: 1; Account Code: ; Exhibits: 1

Subject

Consider and act upon a First Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC.

Recommendation

Motion to approve a First Amendment to the Purchase and Sale Agreement between the WEDC and Victory Group, LLC for the sale of approximately .29-acre of real property and further authorize the WEDC Board President to execute all documentation necessary to effectuate the transactions.

Discussion

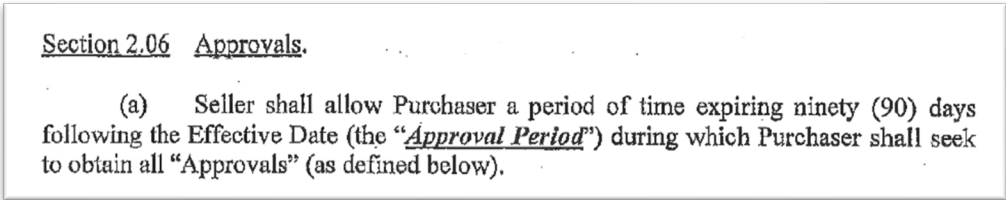
The Board approved the Purchase and Sale Agreement with Victory Group, LLC for the sale of property at 201 Industrial Court on July 21, 2021.

Original Analysis of the Agreement:

- Lot: .2901 acres or approximately 12,637 square feet; Sales Price: \$20.58/SF or \$260,036; Feasibility Period: 45 Days after Effective Date; Approval Period: 90 Days (plus up to two additional 30-day periods at additional fee of \$3,500 ea); Closing Date: 30 Days after expiration of Approval Period; Effective Date: July 30, 2021

Victory Group is requesting to extend the "Approval Period" (Section 2.06a) in the contract from ninety (90) days to December 15, 2021. Below is a screen shot from the original PSA as well as the proposed amendment language.

Current PSA:



(b) Seller shall cooperate and participate with Purchaser in connection with Purchaser's efforts to obtain the Approvals (as defined below), including without limitation, participation in any required hearings or meetings with governmental officials and in the submittal and execution of any documentation required by governmental authorities.

(c) If Purchaser has not fully obtained the Approvals within the initial Approval Period, then Purchaser may extend the Approval Period for up to two (2) additional periods of thirty (30) days each by, prior to the expiration of the Approval Period (as extended), (i) delivering a written notice of the extension of the Approval Period ("Approval Period Extension Notice") to Seller, and (ii) depositing Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) (the "Approval Extension Fee") for each extension, which will be non-refundable (except in the event this Agreement is terminated due to a Seller default, casualty or condemnation), but applicable to the Purchase Price at Closing.

(d) If the Approvals cannot be fully obtained by Purchaser prior to the expiration of the Approval Period (as extended), then Purchaser may terminate the Agreement at any time before the expiration of the Approval Period (as extended) by delivering written notice to Seller of Purchaser's termination of the Agreement, in which event, Purchaser shall receive the Earnest Money and Seller shall receive all of the Approval Extension Fees that Purchaser has paid prior to terminating the Agreement.

Amendment:

**AGREEMENT**

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. Approval Period. The Approval Period, (as defined in Section 2.06(a) of the Agreement) is hereby extended until 5:00 P.M. Central Daylight Time (CDT) on December 15, 2021.

With the current Approval Period about to expire, this amendment will allow adequate time for them to receive Planning and Zoning approval on November 16, 2021 and City Council on December 14, 2021.

## **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT**

This FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (this "**Amendment**") is entered into and effective as of October 20, 2021, (the "**Effective Date**"), by and between VICTORY GROUP, LLC, a Nevada limited liability company, or its assignee ("**Purchaser**") and WYLIE ECONOMIC DEVELOPMENT CORPORATION, a Texas corporation ("**Seller**").

### **BACKGROUND**

Seller and Purchaser entered into that certain Purchase and Sale Agreement effective July 30, 2021 (the "**Agreement**") in connection with the sale of certain real property located in the City of Wylie, Collin County, Texas, and as more particularly described in the Agreement. Seller and Purchaser desire to amend the Agreement as provided below.

### **AGREEMENT**

For and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser agree as follows:

1. **Approval Period.** The Approval Period, (as defined in Section 2.06(a) of the Agreement) is hereby extended until 5:00 P.M. Central Daylight Time (CDT) on December 15, 2021.
2. **Miscellaneous.**
  - (a) Capitalized terms not otherwise defined herein shall have the same meanings as in the Agreement.
  - (b) In all other respects, the terms of the Agreement remain unchanged and in full force and effect.
  - (c) The parties acknowledge that to each parties' actual knowledge, without investigation, neither Seller nor Purchaser is in default under the Agreement.
  - (d) Seller and Purchaser acknowledge and agree that there are no unwritten, oral agreements between the parties.
  - (e) In the event of any conflict between the meaning of any provision of this Amendment and any provision of the Agreement, the provisions of this Amendment shall control.
  - (f) All the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

(g) This Amendment may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument. Facsimile and Portable Document Form (PDF) signatures shall be effective for purposes of this Amendment.

*[Remainder of page intentionally left blank – signatures on next page]*



IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority and effective and binding as of the date first set above.

**PURCHASER:**      **VICTORY GROUP, LLC,**  
a Nevada limited liability company

By: \_\_\_\_\_  
Tony Ramji, Manager

Date: \_\_\_\_\_

**SELLER:**            **WYLIE ECONOMIC**  
**DEVELOPMENT CORPORATION,**  
a Texas corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_





# Wylie Economic Development Corporation

Inventory Subledger (Land)  
September 30, 2021

	Property	Purchase Date	Address	Acreage	Improvements	Cost Basis	Sub-totals	
<b>Cooper St.</b>	McMasters	7/12/05	709 Cooper	0.4750	\$ - n/a	\$ 202,045.00		
	Heath	12/28/05	706 Cooper	0.4640	\$ 32,005.00	\$ 3,625	\$ 186,934.22	
	Perry	9/13/06	707 Cooper	0.4910	\$ -	Demo	\$ 200,224.00	
	Bowland/Anderson	10/9/07	Cooper Dr.	0.3720	\$ -	n/a	\$ 106,418.50	
	Duel Products	9/7/12	704 Cooper Dr.	0.5000	\$ -	n/a	\$ 127,452.03	
	Randack	10/23/12	711-713 Cooper Dr.	1.0890	\$ 217,500.00	8,880	\$ 400,334.00	
	Lot 2R3	7/24/14	Cooper Dr.	0.9500	\$ -	n/a	\$ 29,056.00	\$ 1,252,463.75
<b>Industrial Ct.</b>	Jarrard	12/22/16	201 Industrial Ct	0.2900	\$ 32,893.00	Demo	\$ 300,493.00	\$ 300,493.00
<b>Regency Dr.</b>	Regency Pk.	6/4/10	25 Steel Road	0.6502	\$ -	n/a	\$ 25,170.77	\$ 25,170.77
<b>Commerce Dr.</b>	Hobart Investments	11/12/13	Commerce	1.6000	\$ -	n/a	\$ 156,819.50	
	Hobart	1/6/14	605 Commerce	1.0650	\$ 396,263.00	20,000	\$ 386,380.00	
	Dallas Whirlpools	11/22/16	900-908 Kirby	4.7900	\$ 128,925.00	9,000	\$ 2,182,080.30	\$ 2,725,279.80
<b>Downtown</b>	Heath	3/17/14	104 N. Jackson	0.1720	\$ -	Demo	\$ 220,034.00	
	Udoh	2/12/14	109 Marble	0.1700	\$ -	n/a	\$ 70,330.00	
	Peddicord	12/12/14	100 W. Oak St	0.3481	\$ 155,984.00	4,444	\$ 486,032.00	
	City Lot	12/12/14	108/110 Jackson	0.3479	\$ -	n/a		
	Jones (K&M)	9/3/15	106 N. Birmingham	0.2100	\$ 42,314.00	4,125	\$ 190,596.10	
	FBC Lot	6/15/16	111 N. Ballard St	0.2000	\$ -	n/a	\$ 150,964.00	
	FFA Village	1/7/18	102. N. Birmingham	0.1700	\$ 35,390.00	Demo	\$ 99,804.00	
Boyd	7/28/21	103 S. Ballard	0.0760	\$ -	n/a	\$ 328,792.20	\$ 1,546,552.30	
<b>Alanis Dr.</b>	White Property	12/12/14	Alanis	6.6328	\$ -	n/a	\$ 420,336.00	\$ 420,336.00
<b>South Ballard</b>	Birmingham Trust	6/3/15	505 - 607 S. Ballard	1.1190	\$ -	n/a	\$ 409,390.00	
	Murphy	3/7/19	701 S. Ballard	0.2000	\$ 115,724.00	1,312	\$ 172,487.04	
	Braley	7/22/19	503 S. Ballard	0.2558	\$ 50,762.00	Demo	\$ 177,397.96	\$ 759,275.00
<b>Squire Dr.</b>	Gallagher	3/14/18	Squire-lot 2-4	2.6720	\$ 100,404.00	6,000	\$ 573,844.35	\$ 573,844.35
<b>Brown &amp; 78</b>	Turner	12/5/18	504 E. Brown	1.0220	\$ 84,077.00	Demo	\$ 308,179.81	
	Wallace	12/18/18	502 E. Brown	0.1870	\$ 24,637.00	680	\$ 204,775.00	
	Karan	12/28/18	300 E. Brown	2.3866	\$ -	0	\$ 1,250,391.20	
	O'Donald	1/7/19	410 E. Brown	0.1870	\$ 64,421.00	940	\$ 177,043.75	
	Weatherford	2/12/19	303 Marble	2.1740	\$ -	0	\$ 757,488.00	
	Brothers JV	2/26/19	306 & 308 N. 2nd Street	0.3770	\$ -	n/a	\$ 145,923.04	
	Pulliam	2/27/19	300 N. 2nd Street	0.2570	\$ 122,764.00	1,364	\$ 218,472.20	
	Swayze	4/18/19	208 N. 2nd Street	0.2580	\$ 73,313.00	Demo	\$ 187,501.40	
	Swayze	5/9/19	204 N. 2nd Street	0.2580	\$ 121,781.00	Demo	\$ 187,658.20	
	Kreymer	10/9/19	302 N. 2nd Street	0.1290	\$ 72,609.00	1,386	\$ 187,941.76	
	KCS	11/22/19	Hwy 78 Frontage	2.5363	\$ -	0	\$ 674,110.20	
	City of Wylie	5/14/20	ROW Purchase/Alleys	1.8800	\$ -	0	\$ 81,713.00	
	Collin County	5/7/20	SWC Hwy 78 & Marble	0.3590	\$ -	0	\$ 75,964.20	
	Collin County	5/7/20	414 S. 2nd Street (NWC Hwy 78 & Marble)	1.2260	\$ -	0	\$ 296,152.20	
	TxDOT	2/21/21	SWC Hwy 78 & Brown	0.2209	\$ -	0	\$ 78,540.00	\$ 4,831,853.96
<b>Total</b>				<b>38.7676</b>	<b>\$ 1,871,766.00</b>	<b>61,756</b>	<b>\$ 12,435,268.93</b>	<b>\$ 12,435,268.93</b>



# Canadian Pacific and Kansas City Southern Execute Agreement to Combine, Creating First Single-Line Rail Network Linking U.S.-Mexico-Canada

September 15, 2021 / Calgary and Kansas City, Mo.

*Stock and Cash Transaction Represents an Enterprise Value of Approximately \$31 Billion*

*Expected to Create Annualized Synergies of Approximately \$1 Billion within Three Years*

*Historic Combination Enhances Competition, Creates New Options for Customers, and Supports Economic Growth in North America*

*Companies to Host Investor Conference Call Thursday at 8 a.m. ET*

Canadian Pacific Railway Limited (TSX: CP, NYSE: CP) (“CP”) and Kansas City Southern (NYSE: KSU) (“KCS”) today announced they have entered into a merger agreement, under which CP has agreed to acquire KCS in a stock and cash transaction representing an enterprise value of approximately USD\$31 billion<sup>1</sup>, which includes the assumption of \$3.8 billion of outstanding KCS debt. The transaction, which has the unanimous support of both boards of directors, values KCS at \$300 per share, representing a 34 percent premium, based on the CP closing price on Aug. 9, 2021, the date prior to which CP submitted a revised offer to acquire KCS, and KCS’ unaffected closing price on March 19, 2021<sup>2</sup>.

“Our path to this historic agreement only reinforces our conviction in this once-in-a-lifetime partnership,” said CP President and Chief Executive Officer Keith Creel. “We are excited to get to work bringing these two railroads together. By combining, we will unlock the full potential of our networks and our people while providing industry-best service for our customers. This perfect end-to-end combination creates the first U.S.-Mexico-Canada rail network with new single-line offerings that will deliver dramatically expanded market reach for CP and KCS customers, provide new competitive transportation options, and support North American economic growth.”

“We are glad to be partnering with CP to create a railroad that is able to compete by providing the best value for the transportation dollar,” said KCS President and Chief Executive Officer Patrick J. Ottensmeyer. “The CP-KCS combination will not only benefit customers, labor partners, and shareholders through new, single-line transportation services, attractive synergies and complementary routes, it will also benefit KCS and our employees by enabling us to become part of a growing and truly North American continental enterprise.”

While remaining the smallest of six U.S. Class 1 railroads by revenue, the combined company would have a much larger and more competitive network, operating approximately 20,000 miles of rail, employing close to 20,000 people, and generating total revenues of approximately \$8.7 billion based on 2020 actual revenues. The CP-KCS combination is expected to create jobs across the joined network. Additionally, the companies expect efficiency and service improvements to achieve meaningful environmental benefits.

[1] Except where noted, all figures are in U.S. dollars.

[2] Based on KCS closing share price of \$224.16 as of March 19, 2021 and CP closing share price of CAD\$91.50 (at 1.2565 FX rate) as of Aug. 9, 2021.

## Transaction to Expand Options and Efficiencies for Customers

A CP-KCS combination would provide unprecedented reach via new single-line hauls across a combined network, offering:

- New single-line competitive options for domestic intermodal shipments between Mexico, the U.S. Midwest, and Canada, providing a truck competitive product for time-sensitive shipments in the high-value parts, perishables, and expedited markets.
- New single-line hauls linking key automotive manufacturing and distribution centers in Mexico, the U.S. Midwest, and Canada, capitalizing on CP’s best-in-class automotive compound network.
- New single-line routes linking energy, chemical, and merchandise shippers to more quickly and efficiently connect origin and destination facilities and reach new markets and global consumers.

- Unmatched access to Atlantic, Gulf, and Pacific ports, linking international intermodal shippers with North America's largest consumer markets providing new optionality, capacity, and resiliency.
- New single-line routes allowing the efficient flow of agricultural products from CP's origin-rich franchise to KCS' destination-rich franchise, generating new optionality for shippers and receivers.
- Extended reach for short line and regional railroads coupled with new optionality for non-rail served customers via our extensive transload network.

Importantly, customers would not experience a reduction in independent railroad choices as a result of the transaction. CP-KCS have committed to keep all existing freight rail gateways open on commercially reasonable terms, while simultaneously competing aggressively to attract traffic via new single-line north-south lanes between Canada, the Upper Midwest and the Gulf Coast, Texas, and Mexico.

A CP-KCS combination would preserve the six-railroad structure of the North American Class 1 rail network: two in the west, two in the east and two in Canada, each with access to the U.S. Gulf Coast. The two companies once combined would remain the smallest of the Class 1 carriers.

### **Improving Highway Traffic, Environmental Sustainability, and Safety**

The new single-line routes made possible by the transaction are expected to shift trucks off crowded U.S. highways, lowering emissions and reducing the need for public investments in road and highway bridge repairs. Rail is four times more fuel efficient than trucking, and one train can keep more than 300 trucks off public roads and produce 75 percent less greenhouse gas emissions. The synergies created by this combination are expected to take tens of thousands of trucks off the highways annually.

CP is committed to sustainability and is currently developing North America's first line-haul hydrogen-powered locomotive. Additionally, the combined company would maintain both CP and KCS' pledges to improve fuel efficiency and lower emissions in-line with the Paris Agreement to support a more sustainable North American supply chain.

### **Creating Value for KCS and CP Shareholders**

Following the closing into a voting trust, common shareholders of KCS will receive 2.884 CP shares and \$90 in cash for each KCS common share held. Preferred shareholders will receive \$37.50 in cash for each KCS preferred share held. The fixed exchange ratio implies a price for KCS of \$300 per share, representing a 34 percent premium, based on the CP closing price on August 9, 2021 and KCS' unaffected closing price on March 19, 2021.

Immediately following the closing into trust, KCS common shareholders are expected to own 28 percent of CP's outstanding common shares, providing the ability to participate in the upside of both companies' growth opportunities. Following final regulatory approval by the U.S. Surface Transportation Board ("STB"), KCS shareholders would also reap the benefits of synergies resulting from the combination.

The combined growth strategies of the two fastest-growing Class 1s will result in new efficiencies for customers and improved on-time performance under their respective Precision Scheduled Railroading programs. The combined company is expected to create annualized synergies of approximately \$1 billion over three years.

The combination is expected to be accretive to CP's adjusted diluted EPS<sup>4</sup> in the first full year following CP's acquisition of control of KCS, and is expected to generate double-digit accretion upon the full realization of synergies thereafter.

To fund the stock consideration of the merger, CP will issue 262 million new shares. Consistent with the previously announced transaction, the cash portion will be funded through a combination of cash-on-hand and raising approximately \$8.5 billion in debt, for which financing has been committed. As part of the merger, CP will assume approximately \$3.8 billion of KCS' outstanding debt. Following the closing into trust, CP expects that its outstanding debt will be approximately \$20 billion.

Pro forma for the transaction, CP estimates its leverage ratio against 2021E street consensus EBITDA to be approximately 3.9x with the assumption of KCS debt and issuance of new acquisition-related debt. In order to manage this leverage effectively, CP will continue to temporarily suspend its normal course issuer bid program, and expects to produce approximately \$7 billion of levered free cash flow (after interest and taxes) over the next three years. CP estimates its long-term leverage target of approximately 2.5x to be achieved within 24 months after closing into trust. The combined company will remain committed to maintaining strong investment grade credit ratings while continuing to return capital for the benefit of shareholders.

[3] Based on KCS closing share price of \$224.16 as of March 19, 2021 and CP closing share price of CAD\$91.50 (at 1.2565 FX rate) as of Aug. 9, 2021.

[4] Accretion based on adjusted diluted EPS excluding one-time advisory, financing, and integration costs as well as incremental transaction-related amortization.

### **Strong Stakeholder Support for CP-KCS**

More than 1,000 stakeholders – including railroad labor unions, shippers, and community leaders – have written letters to the STB supporting CP's proposed combination with KCS. These letters emphasize the enhanced competition and unsurpassed levels of service, safety and economic efficiency that the transaction will bring for shippers and communities across the U.S., Mexico, and Canada that a CP-KCS combination offers.

### **Clear Path to Complete Transaction and Merger**

On May 6, 2021, the STB approved the use of a voting trust for a planned CP-KCS merger, and the pertinent circumstances surrounding this new agreement between CP and KCS have not changed relative to those underlying the STB's decision approving a trust. To close into voting trust, the transaction requires approval from shareholders of both companies along with satisfaction of customary closing conditions, including Mexican regulatory approvals. CP would then acquire KCS and place the KCS shares into the voting trust, at which point KCS shareholders would receive 2.884 CP shares and \$90 in cash for each KCS common share held. The companies expect the transaction to close and KCS shareholders to receive their consideration in Q1 2022.

CP's ultimate acquisition of control of KCS' U.S. railways is subject to the approval of the STB. In April, the STB decided that it would review the CP-KCS combination under the merger rules in existence prior to 2001 and the waiver granted to KCS in 2001 to exempt it from the 2001 merger rules. In August, the STB reaffirmed that the pre-2001 rules would govern its review of the CP-KCS transaction.

The STB review of CP's proposed control of KCS is expected to be completed in the second half of 2022. Upon obtaining control approval, the two companies will be integrated fully over the ensuing three years, unlocking the benefits of the combination.

### **Board, Management, and Headquarters**

Following STB approval of the CP's control of KCS, Mr. Creel will serve as the Chief Executive Officer of the combined company. The combined entity will be named Canadian Pacific Kansas City ("CPKC").

Calgary will be the global headquarters of CPKC, and Kansas City, Missouri will be the U.S. headquarters. The Mexico headquarters will remain in Mexico City and Monterrey. CP's current U.S. headquarters in Minneapolis-St. Paul will remain an important base of operations.

Four KCS Directors will join CP's expanded Board at the appropriate time, bringing their experience and expertise in overseeing KCS' multinational operations.

### **Advisors**

BMO Capital Markets and Goldman Sachs & Co. LLC are serving as financial advisors to Canadian Pacific. Sullivan & Cromwell LLP, Bennett Jones LLP and the Law Office of David L. Meyer are serving as legal counsel. Creel, García-Cuellar, Aiza y Enríquez, S.C. are serving as Mexican legal counsel to Canadian Pacific. Evercore is serving as the Canadian Pacific Board's financial advisors and Blake, Cassels & Graydon LLP is serving as the Board's legal counsel.

BofA Securities and Morgan Stanley & Co. LLC are serving as financial advisors to Kansas City Southern. Wachtell, Lipton, Rosen & Katz, Baker & Miller PLLC, Davies Ward Phillips & Vineberg LLP, WilmerHale, and White & Case, S.C. are serving as legal counsel to Kansas City Southern.

### **Conference Call for Investment Community**

CP and KCS will host a joint investor conference call Thursday, Sept. 16, at 8 a.m. ET to discuss this announcement. A live webcast of the call and the replay will be available on the CP website at <https://investor.cpr.ca/events> and the KCS website at <https://investors.kcsouthern.com/events-calendar>. Supporting materials will be posted on [www.FutureForFreight.com](http://www.FutureForFreight.com). To listen to the live conference call, dial (877) 830-2586 in the U.S. or (785) 424-1734 internationally, passcode 74335.

A conference call replay will be available for one week following the call and can be accessed by dialing (800) 753-5212 (no passcode needed).

For information on the benefits of a CP-KCS combination, visit [FutureForFreight.com](http://FutureForFreight.com).

### **Forward Looking Statements and Information**

This news release includes certain forward looking statements and forward looking information (collectively, FLI) to provide CP and KCS shareholders and potential investors with information about CP, KCS and their respective subsidiaries and affiliates, including each company's management's respective assessment of CP, KCS and their respective subsidiaries' future plans and operations, which FLI may not be appropriate for other purposes. FLI is typically identified by words such as "anticipate", "expect", "project", "estimate", "forecast", "plan", "intend", "target", "believe", "likely" and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: the timing and completion of the transaction, including receipt of regulatory and shareholder approvals and the satisfaction of other conditions precedent; interloper risk; the realization of anticipated benefits and synergies of the transaction and the timing thereof; the success of integration plans; the focus of management time and attention on the transaction and other disruptions arising from the transaction; changes in business strategy and strategic opportunities; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; potential changes in the CP share price which may negatively impact the value of consideration offered to KCS shareholders; the ability of management of CP, its subsidiaries and affiliates to execute key priorities, including those in connection with the transaction; general Canadian, U.S., Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions or other changes to international trade arrangements; the effects of current and future multinational trade agreements on the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, shareholder, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de Mexico, S.A. de C.V.'s Concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions, including the availability of short and long-term financing; and the pandemic created by the outbreak of COVID-19 and its variants, and resulting effects on economic conditions, the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments, fiscal and monetary policy responses by governments and financial institutions, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP and KCS with Canadian and U.S. securities regulators, including any proxy statement, prospectus, material change report, management information circular or registration statement to be filed in connection with the transaction. Reference should be made to "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements" in CP's and KCS's annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this news release is expressly qualified in its entirety by these cautionary statements.

#### **ABOUT CANADIAN PACIFIC**

Canadian Pacific is a transcontinental railway in Canada and the United States with direct links to major ports on the west and east coasts. CP provides North American customers a competitive rail service with access to key markets in every corner of the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. Visit [www.cpr.ca](http://www.cpr.ca) to see the rail advantages of CP. CP-IR

#### **ABOUT KCS**

Headquartered in Kansas City, Mo., Kansas City Southern (KCS) (NYSE: KSU) is a transportation holding company that has railroad investments in the U.S., Mexico and Panama. Its primary U.S. holding is The Kansas City Southern Railway Company, serving the central and south central U.S. Its international holdings include Kansas City Southern de Mexico, S.A. de C.V., serving northeastern and central Mexico and the port cities of Lázaro Cárdenas, Tampico and Veracruz, and a 50 percent interest in Panama Canal Railway Company, providing ocean-to-ocean freight and passenger service along the Panama Canal. KCS' North American rail holdings and strategic alliances with other North American rail partners are primary components of a unique railway system, linking the commercial and industrial centers of the U.S., Mexico and Canada. More information about KCS can be found at [www.kcsouthern.com](http://www.kcsouthern.com).



## **ADDITIONAL INFORMATION ABOUT THE TRANSACTION AND WHERE TO FIND IT**

CP will file with the U.S. Securities and Exchange Commission (SEC) a registration statement on Form F-4, which will include a proxy statement of KCS that also constitutes a prospectus of CP, and any other documents in connection with the transaction. The definitive proxy statement/prospectus will be sent to the shareholders of KCS. CP will also file a management proxy circular in connection with the transaction with applicable securities regulators in Canada and the management proxy circular will be sent to CP shareholders. INVESTORS, STOCKHOLDERS AND SHAREHOLDERS OF KCS AND CP ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND MANAGEMENT PROXY CIRCULAR, AS APPLICABLE, AND ANY OTHER DOCUMENTS FILED OR TO BE FILED WITH THE SEC OR APPLICABLE SECURITIES REGULATORS IN CANADA IN CONNECTION WITH THE TRANSACTION WHEN THEY BECOME AVAILABLE, AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT KCS, CP, THE TRANSACTION AND RELATED MATTERS. The registration statement and proxy statement/prospectus and other documents filed by CP and KCS with the SEC, when filed, will be available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov). In addition, investors and shareholders will be able to obtain free copies of the registration statement, proxy statement/prospectus, management proxy circular and other documents which will be filed with the SEC and applicable securities regulators in Canada by CP online at [investor.cpr.ca](http://investor.cpr.ca) and [www.sedar.com](http://www.sedar.com), upon written request delivered to CP at 7550 Ogden Dale Road S.E., Calgary, Alberta, T2C 4X9, Attention: Office of the Corporate Secretary, or by calling CP at 1-403-319-7000, and will be able to obtain free copies of the proxy statement/prospectus and other documents filed with the SEC by KCS online at [www.investors.kcsouthern.com](http://www.investors.kcsouthern.com), upon written request delivered to KCS at 427 West 12th Street, Kansas City, Missouri 64105, Attention: Corporate Secretary, or by calling KCS's Corporate Secretary's Office by telephone at 1-888-800-3690 or by email at [corpsec@kcsouthern.com](mailto:corpsec@kcsouthern.com).

You may also read and copy any reports, statements and other information filed by KCS and CP with the SEC at the SEC public reference room at 100 F Street N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-732-0330 or visit the SEC's website for further information on its public reference room. This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

## **NON-GAAP MEASURES**

Although this news release includes forward-looking non-GAAP measures (adjusted diluted EPS and earnings before interest, tax, depreciation and amortization (EBITDA)), it is not practicable to reconcile, without unreasonable efforts, these forward-looking measures to the most comparable GAAP measures (diluted EPS and Net income, respectively), due to unknown variables and uncertainty related to future results. Please see Note on forward-looking statements above for further discussion.

## **PARTICIPANTS IN THE SOLICITATION OF PROXIES**

This news release is not a solicitation of proxies in connection with the transaction. However, under SEC rules, CP, KCS, and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in connection with the transaction. Information about CP's directors and executive officers may be found in its 2021 Management Proxy Circular, dated March 10, 2021, as well as its 2020 Annual Report on Form 10-K filed with the SEC and applicable securities regulators in Canada on February 18, 2021, available on its website at [investor.cpr.ca](http://investor.cpr.ca) and at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov). Information about KCS's directors and executive officers may be found on its website at [www.kcsouthern.com](http://www.kcsouthern.com) and in its 2020 Annual Report on Form 10-K filed with the SEC on January 29, 2021, available at [www.investors.kcsouthern.com](http://www.investors.kcsouthern.com) and [www.sec.gov](http://www.sec.gov). These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of such potential participants in the solicitation of proxies in connection with the transaction will be included in the proxy statement/prospectus and management proxy circular and other relevant materials filed with the SEC and applicable securities regulators in Canada when they become available.

For more information, please contact:

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