

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
by and between
FORT BEND COUNTY,
FWP 14623 LLC and ALLIED FITTING, L.P.

AGREEMENT

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners Court, **FWP 14623 LLC**, a Texas limited liability company, hereinafter referred to as "Owner," the owner of the Real Property located in City of Missouri City Reinvestment Zone No. 6, and **ALLIED FITTING, L.P.**, a Texas limited partnership, hereinafter referred to as "Lessee," the lessee of the Real Property located in City of Missouri City Reinvestment Zone No. 6.

1. **Authorization**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the Fort Bend County Commissioners Court on March 1, 2011. County has determined that the request for Tax Abatement presented by Owner and Lessee conforms with the criteria established in the Guidelines for Tax Abatements.
- c. No official of County has an interest in the property subject to this Agreement.

2. **Definition**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The "**Certified Appraised Value or Value**" means the value certified by the District as of January 1 of each year of this Agreement regarding the property within City of Missouri City Reinvestment Zone No. 6 by the Fort Bend County Central Appraisal District.
- b. "**Improvements**" means a new building to be used as a warehouse and which may be used for office purposes, located on the Real Property and containing at least 200,000 square feet of floor space, and any sidewalks, parking lots, roads, outdoor lighting, landscaping and other improvements to serve the building.

- c. **“Real Property”** means Reserves 10, 11, 12, 13 and 14, Block 2 of the Lakeview Business Park, a subdivision plat recorded in Slide No. 20080032 of the Map Records of Fort Bend County, Texas, as described in Ordinance No. O-10-10 and Ordinance No. O-11-21, which created Reinvestment Zone No. 6 located within the City of Missouri City, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in City of Missouri City Reinvestment Zone No. 6 designated for economic development purposes.
- e. **“Eligible Property”** means the property to which the Abatement may be extended, fixed machinery and, equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 6(c).
- f. **“Ineligible Property”** means land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located on the reinvestment zone prior to the execution date of the this Agreement, real property with a productive life of less than 10 years, or any other property for which Abatement is not allowed by state law.
- g. **“Owner”** means **FWP 14623 LLC**, the Owner of the Real Property subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior written approval of the Fort Bend County Commissioners Court.
- h. **“Lessee”** means **ALLIED FITTING, L.P.**, the lessee of the Real Property, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners Court.
- i. **“County”** means the County of Fort Bend, Texas.
- j. **“District”** means Fort Bend Central Appraisal District.

3. **Subject Property**

(a) City of Missouri City Reinvestment Zone No. 6 is an area located in Fort Bend County, Texas, being legally described in Exhibit “A” attached hereto and incorporated herein for all purposes. The District has established the base-year values for the subject property as of January 1, 2011.

4. **Responsibility of Owner and/or Lessee**

In consideration of receiving the tax Abatement granted herein, Owner and/or Lessee represent and agree:

- (a) That Owner shall complete construction of the Improvements on or before June 1, 2016. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$15,000,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements. Owner may from time to time during the term of this Agreement and after the date set forth above in this Section 4(a), install additional Improvements, and modify, remove or replace Improvements, as Owner may determine in its discretion, provided such shall not modify the minimum value requirements in Section 4(b) hereof.
- (b) That Certified Appraised Value of Owner's Improvements on January 1 of each year that taxes are abated under this Agreement must have a minimum Value of \$15,000,000. Failure to meet the requirements of this Section 4(b) shall not be a default hereunder, but subject to the cure provisions in Section 4(c) hereof, shall merely invalidate the tax Abatement with respect to Owner's property only for the year that this requirement was not satisfied.
- (c) If the requirements of Paragraph 4(b) are not met for the Improvements for any year subject to this Agreement, the failure will not be a default of this Agreement and Owner or Lessee may cure such condition and receive an Abatement on the assessed Value, if Owner or Lessee, as appropriate, pays the County the full taxes on the difference between the assessed Value and the required value of Paragraph 4(b), as well as all taxes not subject to Abatement under this Agreement. For instance, if the Certified Appraised Value of the Improvements is \$10,000,000 in any year and the contractually required amount is \$15,000,000, Owner shall receive an Abatement on the assessed Value of \$10,000,000, but pay the County a sum equal to the full taxes on \$5,000,000, in addition to all other taxes due.
- (d) The requirements of paragraph 4(c) are contractual in nature and are not subject to the TEXAS PROPERTY TAX CODE.
- (e) That Lessee shall employ at the Improvements at least fifty (50) employees beginning January 1, 2017 and continuing through December 31, 2025. Failure of

Lessee to comply with this provision for any ninety (90) consecutive days during a tax year shall not be a default of this Agreement, but shall automatically invalidate the tax Abatement for the year that this requirement was not satisfied, not subject to cure.

- (f) That Lessee shall maintain at least forty-million dollars (\$40,000,000) in inventory at the Real Property each year that taxes are abated under this Agreement. Failure to meet the requirements of this Section 4(f) shall invalidate the tax Abatement for the year that this requirement was not satisfied.
- (g) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (h) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Trustee Member of the Greater Fort Bend Economic Development Council ("GFBEDC") for a minimum period coinciding with the term of this Agreement. Should Owner have other properties receiving property tax Abatement from Fort Bend County, Owner only needs to have one GFBEDC membership.
- (i) **IN THE EVENT OWNER FAILS TO PROVIDE THE COUNTY TAX ASSESSOR/COLLECTOR WITH A COPY OF THE CERTIFICATE OF OCCUPANCY FOR THE IMPROVEMENTS BY THE 10th DAY OF JULY, 2016, THE TAX ABATEMENT SHALL NOT APPLY FOR TAX YEAR 2016.**
- (j) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (k) **THAT OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY IS SOLD OR ASSIGNED AT LEAST THIRTY (30) DAYS BEFORE THE PROPOSED DATE FOR CLOSING OR ASSIGNMENT. OWNER SHALL INFORM COUNTY OF ANY AND ALL DATES FOR CLOSING OF THE SALE OR ASSIGNMENT. FAILURE OF OWNER TO NOTIFY THE TAX ASSESSOR/COLLECTOR OF THE SALE OF THE**

REAL PROPERTY WITHIN NINETY (90) DAYS AFTER SUCH SALE SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.

- (I) THAT LESSEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT OF A SALE OR ASSIGNMENT OF THE BUSINESS OR OF A BULK SALE OF THE ELIGIBLE PERSONAL PROPERTY OR INELIGIBLE PROPERTY AT LEAST THIRTY (30) DAYS BEFORE THE PROPOSED DATE FOR CLOSING OR ASSIGNMENT. LESSEE SHALL INFORM COUNTY OF ANY AND ALL DATES FOR CLOSING OF THE SALE OR ASSIGNMENT. FAILURE OF LESSEE TO NOTIFY THE TAX ASSESSOR/COLLECTOR OF THE SALE OF THE BUSINESS OR OF THE BULK SALE OF THE ELIGIBLE PERSONAL PROPERTY OR INELIGIBLE PROPERTY WITHIN NINETY (90) DAYS AFTER SUCH SALE SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by County or Owner, whichever is later. This Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2025. In no event shall this Agreement extend beyond December 31, 2025. This Agreement shall terminate upon the completion of the Abatements, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of Abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and Eligible Property.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax Abatement for the following years and in the following amounts on the Value of the Improvements and Eligible Property:

| <u>Tax Year</u> | <u>Percentage Abatement</u> |
|------------------------|------------------------------------|
| 2016 | 85% |
| 2017 | 85% |
| 2018 | 85% |
| 2019 | 85% |
| 2020 | 85% |
| 2021 | 85% |
| 2022 | 85% |
| 2023 | 85% |
| 2024 | 85% |
| 2025 | 85% |

(d) The Abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, inventory, existing improvements, or Ineligible Property as defined in Section 2(f) above.

(e) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.

(f) The District's determination of Values shall be used to determine the Value of the property subject to this Agreement. If Owner or Lessee protests the District's valuation of the property, the valuation placed on the property after the protest is resolved under state law shall be used.

(g) On or before September 1 of each year of this Agreement, commencing September 1, 2012, Owner and Lessee shall each certify in writing to Fort Bend County Tax Assessor/Collector that Owner and Lessee, respectively, are in compliance with each term of this Agreement.

6. **Taxability**

During the period that this tax Abatement is effective, taxes shall be payable as follows:

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory;
- (b) The Value of existing Improvements shall be determined in the base year by the District; and
- (c) The Abated Value of the Eligible Property shall be fully taxable.

7. **Event of Default**

- (a) County may declare the Owner and Lessee in default of this Agreement if: (1) Owner or Lessee fails to comply with any obligations under this Agreement

(excluding, however, Section 4(b) above); (2) Owner or Lessee allows County ad valorem taxes on the Real Property, or any property located thereon, to become delinquent; (3) Owner or Lessee vacates any of the Improvements subject to the Agreement before the term of the Abatement without prior written approval from the County.

- (b) County shall notify Owner and Lessee of any default in writing specifying the default. The Owner or Lessee shall have thirty (30) days from the date of the notice to cure any default. If Owner or Lessee fails to cure the default, County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by County due to Owner or Lessee's default, Owner and Lessee agree that they are liable for and will pay to County within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all property taxes abated under this Agreement; and
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes, such interest to commence accruing on the date of termination of the Agreement.
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) County shall have a lien against Owner and Lessee and the Real Property and Improvements for the taxes and interest owed because of the recapture of taxes under this section during the time period beginning on the date such payment obligation accrues and continuing until the date paid.

8. **Administration and Inspection**

(a) This Agreement shall be administered on behalf of Fort Bend County by the Fort Bend County Tax Assessor/Collector or her designee. Owner and Lessee shall allow employees or other representatives of County, who have been designated by the Tax Assessor/Collector for the specific purpose of ensuring compliance with this Agreement, to have access to the reinvestment zone during the term of the Agreement. All inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operations on the facility. A representative of Owner and Lessee may accompany the inspector.

(b) Upon completion of the contemplated construction, County shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to Owner and Lessee.

(c) The Chief Appraiser of the District shall annually determine (1) the taxable Value under the terms of this Agreement of the Real Property, Improvements, and other property otherwise located at or about the Real Property subject to this Agreement; and (2) the full taxable Value without Abatement of the Real Property, Improvements, and other property otherwise located thereon. The Chief Appraiser shall record both Abatement taxable Value and full taxable Value in the appraisal records. The full taxable Value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture.

(d) Owner and Lessee shall furnish the Chief Appraiser annually such information requested by the Chief Appraiser and as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of this Agreement. Owner and Lessee shall also provide such information as the County Tax Assessor/Collector in connection with preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Lessee's payroll records.

9. **Assignment**

(a) This Agreement may not be assigned without the prior written consent of County. No assignment shall be effective or approved if either County has declared a default hereunder which has not been cured, or the prospective owner or lessee is delinquent in the payment of ad valorem taxes owed to County. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.

10. **Indemnity**

It is understood and agreed between the parties that Owner and Lessee, in performing their respective obligations hereunder, are acting independently, and County assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AND LESSEE AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND**

CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER OR LESSEE'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY AND DUTY TO DEFEND SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE INTENTIONAL CONDUCT OR NEGLIGENCE OF COUNTY OR THE DISTRICT OR THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER AND LESSEE'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION WHICH ARE NOT DUE TO COUNTY'S OR DISTRICT'S, OR THEIR REPRESENTATIVES', INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER AND LESSEE SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER AND LESSEE SHALL BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. **Force Majeure**

If by reason of force majeure Owner and/or Lessee are unable to perform any obligation of this Agreement, Owner or Lessee shall give notice of the force majeure to County in writing within ten (10) calendar days after Owner and/or Lessee first become aware of the occurrence relied upon. By doing so, the obligation of Owner and/or Lessee to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and/or Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall mean acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or

the failure of the system or water supply system; or any other cause not reasonably within the control of Owner and/or Lessee.

12. **Commissioners Court Approval**

This Agreement is conditioned entirely upon the approval of the Commissioners Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioners Court.

13. **Compliance with State and Local Regulations**

(a) This Agreement shall not be construed to alter or affect the obligations of Owner and/or Lessee to comply with any city ordinance, federal or state law or regulation.

(b) Owner and Lessee, including their respective successors, executors, administrators, assigns, branches, divisions and departments certify that they do not and will not knowingly employ any undocumented workers. Owner and/or Lessee shall repay the total amount of the public benefit (tax abatement) received, with interest at the rate and according to the terms of this Agreement, if Owner is convicted of a violation under 8 U.S.C. Section 1324a (f). Repayment will be due no later than the 120th day after the date County notifies Owner and Lessee of the violation as provided in Section 9 of this Agreement.

14. **Changes in Tax Laws**

The tax Abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

15. **Miscellaneous**

(a) This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

(e) If there is a conflict between this Agreement and Exhibit B, the provisions of this Agreement shall prevail.

16. **Notices**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, certified mail, with return receipt requested, in a United States Post Office, addressed to Owner, Lessee, County, or Tax Assessor at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner, Lessee, County, or Tax Assessor at the following addresses:

To the Tax Assessor/Collector: The Honorable Patsy Schultz
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77469

To Owner: FWP 14623 LLC
7200 Mykawa Road
Houston, Texas 77033
Attn: Ricardo Ibarra

Copy Owner: Jeb Brown
Attorney at Law
4605 Post Oak Place, Suite 200
Houston, Texas 77027

To Lessee: Allied Fitting, L.P.
7200 Mykawa Road
Houston, Texas 77033
Attn: Ricardo Ibarra

Copy Lessee: Jeb Brown
Attorney at Law
4605 Post Oak Place, Suite 200
Houston, Texas 77027

To County: Fort Bend County
301 Jackson, Suite 719
Richmond, Texas 77469
Attention: County Judge

Copy County: Fort Bend County Attorney
301 Jackson, Suite 728
Richmond, Texas 77469

Either party may designate a different address by giving the other party ten (10) days written notice thereof. **Failure of Owner or Lessee to provide County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

17. Entire Agreement; Ordinance and Economic Impact Statement

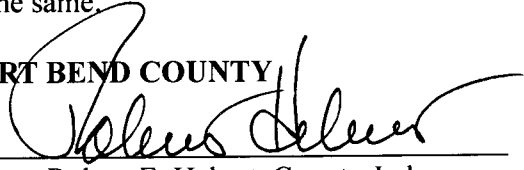
This Agreement contains the entire Agreement among the parties and supersedes all other negotiations and agreements, whether written or oral. Attached hereto is Exhibit A – Ordinance No. O-10-10 and O-11-21 Designating Reinvestment Zone No. 6; Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement.

EXECUTION PAGE TO FOLLOW

18. Execution

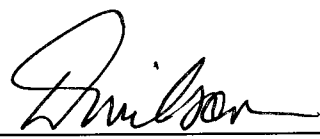
IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by County, Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of Owner and Lessee have full authority to execute this Agreement and bind Owner and Lessee to the same.

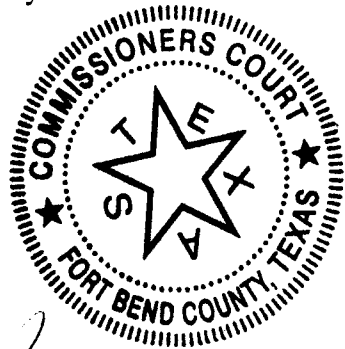
FORT BEND COUNTY

By: 
Robert E. Hebert, County Judge

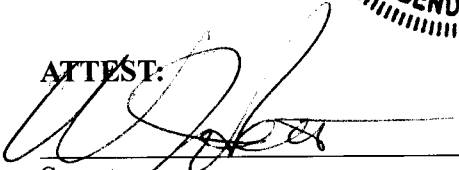
Date: 9-13-2011

ATTEST:


Dianne Wilson, County Clerk



ATTEST:


Secretary

"Owner:"

FWP 14623 LLC,
a Texas limited liability company

By: 

Printed Name: Ricardo Ibarra

Title: CFO

Date: 9/10/2011

"Lessee:"

Allied Fitting, L.P.
a Texas limited partnership
by: **Reliqua, L.L.C.**

a Texas limited liability corporation,
Its general partner

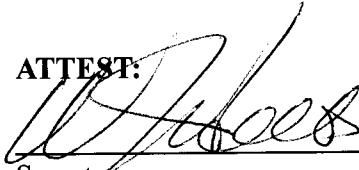
By: 

Printed Name: Ricardo Ibarra

Title: CFO

Date: 9/10/2011

ATTEST:


Secretary

Attachments:

Exhibit A – Ordinance No. O-10-10 and O-11-21 Designating Reinvestment Zone No. 6

Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement.

EXHIBIT A

ORDINANCE NO. O-10-10

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS, CREATING REINVESTMENT ZONE NO. 6 LOCATED IN PORTIONS OF LOTS 8, 9 AND 10 IN LAKEVIEW BUSINESS PARK IN THE FONDREN ROAD/BUFFALO RUN AREA IN THE CITY OF MISSOURI CITY, TEXAS; MAKING RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the City Council of the City of Missouri City has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created in Missouri City, Texas; and

WHEREAS, pursuant to the Guidelines, the City has received a request for creation of a reinvestment zone and tax abatement; and

WHEREAS, after proper notice, the City held a public hearing where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 6; and

WHEREAS, written notice of the hearing was given to all taxing entities where the proposed zone is to be located; and

WHEREAS, the City Council has determined, based on evidence presented, that the improvements sought to be located in proposed Reinvestment Zone No. 6 are feasible and practical and would be a benefit to the land to be included in the Zone and to the City after the expiration of the tax abatement agreement; and

WHEREAS, the creation of Reinvestment Zone No. 6 will be reasonably likely, as a result of its creation, to contribute to the retention or expansion of primary employment or to attract major investment into the Zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Missouri City; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct, and are made a part of this Ordinance for all purposes.

Section 2. That Reinvestment Zone No. 6 is hereby created for the purpose of encouraging economic development through tax abatement. A

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description of the Zone is attached hereto as Exhibit "A" and is made a part hereto for all purposes.

Section 3. This designation shall be effective for five (5) years from the date of final passage of this Ordinance and may be renewed for periods not to exceed five years.

Section 4. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict only.

Section 5. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 21st day of December, 2009.

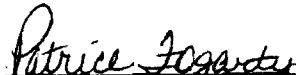

PASSED, APPROVED and ADOPTED on second and final reading this 15th day of March, 2010.



Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:


Patrice Fogarty, City Secretary
Caroline Kelley, City Attorney

ORDINANCE NO. O-11-21

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,
AMENDING ORDINANCE NO. O-10-10 CREATING
REINVESTMENT ZONE NO. 6 ENCOMPASSING RESERVES 8,
9, 10, 11, 12, 13 AND 14 IN BLOCK 2 OF LAKEVIEW BUSINESS
PARK LOCATED IN THE FONDREN ROAD/BUFFALO RUN
AREA IN THE CITY OF MISSOURI CITY, TEXAS; MAKING
RELATED FINDINGS; AND PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the City Council of the City of Missouri City has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created in Missouri City, Texas; and

WHEREAS, pursuant to the Guidelines, the City has received a request for creation of a reinvestment zone and tax abatement; and

WHEREAS, after proper notice, the City held a public hearing on December 21, 2009, where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 6, written notice of the hearing was given to all taxing entities where the proposed Zone is located, City Council made reasonable and necessary findings related to the creation of the Zone, and City Council adopted Ordinance No. O-10-10 on its second reading on March 15, 2010, creating Reinvestment Zone No. 6; and

WHEREAS, pursuant to the Guidelines, the City has received a request for an amendment of Reinvestment Zone No. 6 by the expansion of its boundaries and for tax abatement; and

WHEREAS, after proper notice, the City held a public hearing on June 6, 2011, where all interested persons were given an opportunity to speak and present evidence for and against the expansion of the boundaries of Reinvestment Zone No. 6; and

WHEREAS, written notice of the hearing was given to all taxing entities where the proposed zone is to be located; and

WHEREAS, the City Council has determined, based on evidence presented, that the improvements sought to be located in proposed expanded Reinvestment Zone No. 6 are feasible and practical and would be a benefit to the land to be included in the Zone and to the City after the expiration of the tax abatement agreement; and

WHEREAS, the expansion of Reinvestment Zone No. 6 will be reasonably likely, as a result of its creation, to contribute to the retention or expansion of primary employment or to attract major investment into the Zone that will benefit the property located therein and that will contribute to the economic development of the City of Missouri City; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct, and are made a part of this Ordinance for all purposes.

Section 2. That Reinvestment Zone No. 6, created by Ordinance No. O-10-10, is expanded for the purpose of encouraging economic development through tax abatement. The Zone, as expanded, is described as Reserves 8, 9, 10, 11, 12, 13 and 14 in Block 2 of Lakeview Business Park, a recorded subdivision in Fort Bend County, Texas, filed for record on slide number 20080032 in the office of the County Clerk of Fort Bend County, Texas.

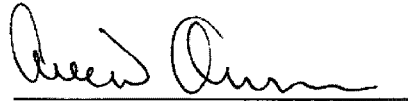
Section 3. This Ordinance renews the designation expressed in Ordinance No. O-10-10 as of the date of final passage of this Ordinance for the original Reinvestment Zone No. 6. Such designation and the expanded designation of Reinvestment Zone No. 6 shall be effective for five (5) years from the date of final passage of this Ordinance and may be renewed for periods not to exceed five years.

Section 4. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict only.

Section 5. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 6th day of June, 2011.

PASSED, APPROVED and ADOPTED on second and final reading this 20th
day of June, 2011.



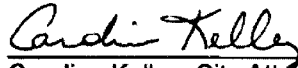
Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:



Maria Gonzalez, Interim City Secretary



Caroline Kelley, City Attorney

EXHIBIT B



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL



ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Allied Fitting, LP **Missouri City, Fort Bend County**

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.

1. **Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.**

Allied Fitting, LP has been in business for over 20 years and is owned by Marc Herzstein. We are a Master Distributor of Carbon Steel Fittings and Flanges with five locations in the USA.

We are currently proposing building a 350,000 square foot distribution facility in Missouri City, Texas. This facility will not only house our vast inventory, but will also be the home of the Allied Group Corporate Headquarters.

2. **Information About Your Company**

| | |
|---|---|
| Company Name: Allied Fitting, LP | |
| Contact Person: Ricardo Ibarra | Title: CFO |
| Current Address: 7200 Mykawa, Houston, TX 77033 | |
| Office #: 713-799-1100 | Mobile #: 713-628-6066 |
| Fax #: 713-847-9097 | Website: www.alliedfit.com |
| Email Address: ribarra@alliedfit.com | |
| The Company's Primary SIC Code: 3498 Allied, 3462 Trilad | |

3. **Type of project (check all that apply):**
☐ Existing business in Fort Bend County
☒ New business to Fort Bend County
☐ Expansion of existing facility
☐ Construction of new facility
☐ Company will lease facility
☐ Company will own facility
☐ Corporate/Regional Headquarters
4. **If the company will lease the facility, who will be the owner:** N/A
5. **Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):**

14623 Fairway Pines
Missouri City, Texas 77459
6. **Scope of project:**
- | | |
|---|-------------|
| Size of new facility/expansion: | 350,000 sqf |
| Size of existing facility (if applicable): | N/A |
| Size of lease space in existing facility (if applicable): | N/A |
| Number of acres at facility site: | 20 acres |
| Type of Construction (tilt wall, metal, concrete, etc.): | Tilt wall |
7. **Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):**

12% Office
22% Shop
66% Distribution
8. **Truck traffic to be generated (# daily or weekly):** 49.6 trucks per week
9. **Targeted start of construction:** 01/01/2015
10. **Targeted start of operations:** 01/01/2016
11. **Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):**

| Land | Construction Costs of Building Improvements | Furniture & Fixtures | Equipment | Inventory | Total |
|--------------|---|----------------------|--------------|---------------|---------------|
| \$ 3,500,000 | \$ 17,800,800 | \$ 122,022 | \$ 3,519,018 | \$ 69,550,000 | \$ 94,491,840 |

12. Estimated percent of inventory that would be Freeport qualified, if any: 55 %
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state.
13. Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified: _____ %
14. Employment information:
- | Number of new jobs to Fort Bend County | Number of existing jobs to be retained (if company currently located in Fort Bend) | Total Number of Jobs |
|--|--|----------------------|
| 27.5 | 144.5 | 199.5 |
15. Average salary (before benefits): \$38,976.66 per annum
16. Amount of initial, annual local payroll to be created: \$7,775,834, not including bonus
17. What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes? 250M, none
18. Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value: N/A
19. Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally: Yes, 500 stays per year
20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: Yes, Harris County
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): \$350 per month
22. Current owner of real property (land/building) at the time of application: Entity to be determined

23. Have you received or are you currently receiving tax abatement in Fort Bend:
 ___ Yes ___X___ No
24. Is this land currently under Agriculture Exemption: ___ Yes ___X___ No
- a. If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC*
- b. What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC*
25. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
26. Productive life of proposed improvements and/or initial term of lease: Indefinite
27. Time of day activities will be taking place (i.e, # of shifts): 3 shifts daily, until 2 a.m.
28. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any.
29. If located in the city limits, do you (or your construction company) agree to declare "situation" for construction sales taxes at the construction site:
When purchasing construction materials for the new facility from a company that is situated outside the city where the new facility will be located, the builder agrees to declare the situs (point of sale) of the materials as the construction site address so the local city receives the sales tax revenue.
30. Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that may be used or that may result from the activities to be conducted within the proposed improvements: *N/A*
31. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: *N/A*
32. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: *N/A*
33. Public improvements to be made by the Company in which the public may benefit (please list if any): *N/A*
34. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: *Unknown*

35. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. N/A
36. Do you anticipate your relocation to attract other new businesses to the area? Please explain: N/A
37. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: No.
38. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member (\$6,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: ☒ Yes ☐ No
The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers your decision in their evaluation of the project.
39. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:
 a. (1) lawfully admitted for permanent residence to the United States; or
 b. (2) authorized under law to be employed in that manner in the United States.


In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

CERTIFICATION:

I. APPLICANT:

Allied Fitting, LP does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:


Ricardo Ibarra

5/20/2011
Date

Printed Name: Ricardo Ibarra

Title: CFD

II. GFBEDC

The Greater Fort Bend Economic Development Council certifies that _____
_____ has met the standard
requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt
Vice President - Development & Marketing
Greater Fort Bend Economic
Development Council

Date