

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

FIRST AMENDMENT TO
TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY AND APPLIED OPTOELECTRONICS, INC.

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between FORT BEND COUNTY, TEXAS, a body politic, acting herein by and through its Commissioners Court and APPLIED OPTOELECTRONICS, INC., (hereinafter referred to as “Owner”).

RECITALS

WHEREAS, on or about October 28, 2014, the Parties entered into a Tax Abatement Agreement, attached hereto as Exhibit “One” and incorporated by reference;

WHEREAS, the Parties now desire to amend a certain portion of the Agreement; and

WHEREAS, both the Original Agreement and this First Amendment are executed as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS PROPERTY TAX CODE, and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones located in Fort Bend County, Texas

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, County, and Owner agree as follows:

I. Amendments

A. Section 4, Responsibility of Owner is amended as follows:

In consideration of receiving the Tax Abatement granted herein, Owner represents and agrees:

b. That construction of the Improvements shall:

1). Be more than 50% completed on or before January 1, 2016. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$14,000,000 in project costs with respect to the design and construction of the Improvements no later than January 1, 2016; and

2). Be fully completed on or before June 1, 2016. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$22,000,000 (inclusive to date) in project costs with respect to the design and construction of the Improvements within sixty (60) days after their completion.

f. Owner agree to meet the following employee requirements:

Time Period Beginning	Number of Employees Required
June 1, 2016 and ending on December 31, 2016	At least 50 Employees employed at the Improvements
January 1, 2017 and ending on December 31, 2017	At least 100 Employees employed at the Improvements
January 1, 2018 and ending on December 31, 2018	At least 150 Employees employed at the Improvements
January 1, 2019 and ending on December 31, 2019	At least 200 Employees employed at the Improvements
January 1, 2020 and ending on December 31, 2020	At least 250 Employees employed at the Improvements
January 1, 2021 and ending on December 31, 2021	At least 300 Employees employed at the Improvements
January 1, 2022 and ending on December 31, 2022	At least 350 Employees employed at the Improvements
January 1, 2023 and ending on December 31, 2023	At least 400 Employees employed at the Improvements
January 1, 2024 and ending on December 31, 2024	At least 465 Employees employed at the Improvements
January 1, 2025 and ending on December 31, 2025	At least 530 Employees employed at the Improvements

B. Section 7, Event of Default is amended as follows:

- a. County may declare the Owner in default of this Agreement if: (1) Owner fails to comply with any obligations under this Agreement; (2) allows County ad valorem taxes on the Real Property, or any property located thereon, to become delinquent or any property located thereon, to become delinquent even if the delinquent taxes are for a property not subject to an abatement, disputed values excepted; (3) vacates any of the Improvements subject to the agreement before the term of the abatement without prior written notice to the County.

II. Except as modified herein, any prior executed document remain in full force and effect and has not been modified or amended. In the event of conflict, the contents of this First Amendment shall prevail.

III. Execution

IN TESTIMONY OF WHICH, THIS AMENDMENT shall be effective upon execution of all parties.

“County”
FORT BEND COUNTY

By: _____
Robert E. Hebert, County Judge

ATTEST:

Date: _____

Laura Richard, County Clerk

“Owner”
APPLIED OPTOELECTRONICS, INC.

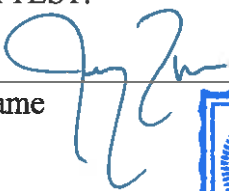
By: _____

Name: Stefan Murry

Title: CEO

Date: 2/2/16

ATTEST:

Name _____


Date: 2/2/16



Attachments:

Exhibit One: TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY AND APPLIED OPTOELECTRONICS, INC.