

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**FIRST AMENDMENT TO
TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY AND
HUDSON PRODUCTS CORPORATION**

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between **FORT BEND COUNTY** hereinafter referred to as “County,” acting by and through its Commissioners Court and **HUDSON PRODUCTS CORPORATION**, hereinafter referred to as “Owner” of the Real Property located within **FORT BEND COUNTY** Reinvestment Zone No. **18**.

RECITALS

WHEREAS, on or about February 28, 2017, 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

Section 2, Definitions, is amended as follows:

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

- i. Phase 1 Eligible Property means the Improvements & Equipment/Machinery installed at the Real Property having a taxable value of at least \$3,000,000 upon completion and eligible for a tax abatement only if completed and operational by December 31, 2019.
- j. Phase 2 Eligible Property means the Improvements & Equipment/Machinery installed at the Real Property having an additional taxable value of at least an additional \$1,500,000 (total combined taxable values of all Eligible Property to be at least \$4,500,000) upon completion and eligible for a tax abatement only if completed and operational by December 31, 2020.

Section 4, Responsibility of Owner, is amended as follows

In consideration of receiving the tax abatement granted herein, Owner: represents and agrees:

- a. That construction of the Improvements will commence in accordance with the below timeframes:

Phase	Construction to Begin No later than	Construction to be Completed on or before
Phase 1	February 28, 2017	December 31, 2019
Phase 2	TBD by Owner	December 31, 2020

- b. That Owner shall provide the County's Tax Assessor/Collector: a certified statement evidencing the following minimum values in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of each Phase of the Improvements in accordance with the below:

Phase	Minimum Value
Phase 1	\$3,000,000
Phase 2	\$1,500,000

- c. That Owner shall provide the County's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before the timeframes identified below or Owner may forfeit the abatement for the Tax Year identified for each period.

Phase	Certificate of Occupancy required by	Loss of Abatement of Tax year for failure to comply
Phase 1	December 31, 2019	2020
Phase 2	December 31, 2020	2021

- d. That the Certified Appraised Value of the Improvements on each and every January 1 during the term of this Agreement must not be less than as stated below:

Date	Minimum Additional Value	Total Minimum Cumulative Value
January 1, 2020	\$3,000,000	\$3,000,000
January 1, 2021	\$1,500,000	\$4,500,000
January 1, 2022	N/A	\$3,500,000
January 1, 2023	N/A	\$3,500,000
January 1, 2024	N/A	\$3,500,000
January 1, 2025	N/A	\$3,500,000
January 1, 2026	N/A	\$3,500,000
January 1, 2027	N/A	\$3,500,000
January 1, 2028	N/A	\$3,500,000
January 1, 2029	N/A	\$3,500,000

- f. Owner agrees to meet the following employee requirements:

In RZ Site by	Employee Requirement at the Improvements
January 1, 2019	Employ at least 50 new Employees and Retain 300 current Employees
January 1, 2020	Employ at least 40 new Employees and Retain 350 current Employees
January 1, 2021	Employ at least 40 new Employees and Retain 390 current Employees
January 1, 2022	Employ at least 60 new Employees and Retain 410 current Employees
January 1, 2023	Retain 410 current Employees
January 1, 2024	Retain 410 current Employees
January 1, 2025	Retain 410 current Employees
January 1, 2026	Retain 410 current Employees
January 1, 2027	Retain 410 current Employees
January 1, 2028	Retain 410 current Employees

5. Sections 5 Value and Term of Abatement is amended as follows:

- a. This Agreement shall be effective on the date executed by County or Owner, whichever is later. The actual tax abatement period is deferred, with the first year of the abatement period to be 2020. Phase IV of this Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2029. In no event shall this agreement extend beyond December 31, 2029. This Agreement shall terminate on 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 of the tax abatement period, for Phase IV Provisions, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Phase IV Improvements only.
- 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:

Tax Year	Percentage Abatement
2020	50%
2021	50%
2022	50%
2023	50%
2024	50%
2025	50%
2026	50%
2027	50%
2028	50%
2029	50%

Execution

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

“COUNTY:”

FORT BEND COUNTY

By: _____
Robert E. Hebert, County Judge

Date: _____

ATTEST:

Laura Richard, County Clerk

“OWNER”

HUDSON PRODUCTS CORPORATION


By:  _____

Printed Name: GRADY WALKER

Title: PRESIDENT

ATTEST:

Date: 8-20-18

 _____
Printed Name: Patricia M. Cook

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