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CITY OF SUGAR LAND REINVESTMENT ZONE 2018-01

This Tax Abatement Agreement hereinafter referred to as "Agreement," is executed by and between FORT BEND COUNTY DRAINAGE DISTRICT (a taxing entity, hereinafter referred to as "District,") acting by and through its Board of Directors, API REALTY, LLC, OWNER AND LESSOR OF REAL PROPERTY which is within the boundaries of the City of Sugar Land Reinvestment Zone 2018-01 .

I. Authorization and Findings:

- A. Fort Bend County Drainage District is authorized to provide Tax Abatement benefits in accordance with the State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.
- B. Fort Bend County Drainage District has adopted GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY DRAINAGE DISTRICT, and determined that this Owner's request for Tax Abatement conforms with those current Guidelines and Criteria;
- C. Owner first made Application for Abatement with District on or about December 11, 2020, for which the current Guidelines and Criteria specify such Application shall be controlled by the Guidelines and Criteria adopted on February 26, 2019, except as may otherwise be noted;
- D. City of Sugar Land Reinvestment Zone No. 2018-01 was created by the City of Sugar Land in accordance with Texas Tax Code, Chapter 312, and the Property subject to tax abatement under this Agreement is located within said Zone;
- E. Fort Bend County Drainage District is authorized under Section 312.206 to execute a tax abatement agreement with the owner of Eligible Property located on real property in a municipal created reinvestment zone ;
- F. No official of District has an interest in the property subject to this Agreement; and
- G. That the public notice required by Texas Tax Code Section 312.207 has been satisfied prior to the submission of this Agreement for consideration by this taxing entity.

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

- A. "Abatement" means the full or partial exemption from ad valorem taxes of Eligible Property in a reinvestment zone designated by the City of Sugar Land for economic development purposes.
- B. "Base Year Value" means the appraised value in the Reinvestment Zone on January 1 preceding the effective date of the tax abatement agreement, plus the agreed upon value of Eligible Property improvements (as defined herein) made after January 1 but before the effective date of the agreement, or the sales price, if the property was conveyed subsequent to January 1, whichever is greater.
- C. "Commercial Building" means a new facility, a new addition to an existing facility or build-out of unoccupied space within an existing facility
- D. "Employee" means a person whose employment is both permanent and full-time, who works for and is an employee of the Owner or an employee of a contract provider to the Owner, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, and whose employment is reflected in the Owner's (and/or contract provider's, as applicable) quarterly report filed with the Texas Workforce Commission (TWC); but excluding any direct contract(seasonal, part-time, and full-time equivalent).
- E. "Expansion" means the addition of improvements/buildings, structures, machinery, tangible personal property, equipment or payroll for purposes of increasing production or regional capacity.
- F. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- G. "Improvements" are as identified in the Texas Tax Code Chapter One.
- H. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the Lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.
- I. "Personal Property" means property that is not Real Property and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share, account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.
- J. "Real Property" means land or an improvement, or both, or other property classified as such under state law.
- K. "Reinvestment Zone" means a geographic area of the County designated as such for the purpose of tax Abatement as authorized by Chapter 312 of the Texas Tax Code.

III. Subject Property:

- A. "Real Property" means the approximate 17.2163 acre tract of land which is within the boundaries of City of Sugar Land Reinvestment Zone 2018-01, described in Exhibit 1 attached hereto and incorporated herein for all purposes.
- B. Owner intends to build or expand Eligible Property on the Real Property.
- C. The Eligible Property under this Agreement is an approximately 83,000 sf building owned Owner as generally described in EIS/Application for Abatement, attached as Exhibit 2 and incorporated into this Agreement by reference.
- D. The FBCAD will establish the base year values for all property in the Reinvestment Zone as of January 1, 2021 ("Base Year").

IV. Term and Termination

- A. This Agreement is effective as of the date of execution hereof and shall continue through **DECEMBER 31, 2032**, unless terminated earlier, as provided elsewhere herein. In no event shall this Agreement extend beyond December 31, 2032.
- B. Notwithstanding the foregoing, the Owner's obligations upon default to pay District any taxes abated under this Agreement, and penalty and interest thereon, as herein provided shall not terminate until the abated taxes, plus penalty and interest, are paid.
- C. 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 Eligible Property.

V. Value of Abatement:

- A. Subject to the limitations imposed by law and conditioned upon the representations made by Owner, there shall be granted and allowed hereunder an Abatement applicable to on Eligible Property of Owner for the following years and in the following amounts based upon the Value of the Eligible Property:

Tax Year	Percentage Abatement
Year 1	35%
Year 2	35%
Year 3	35%
Year 4	35%
Year 5	35%
Year 6	35%

Year 7	35%
Year 8	35%
Year 9	35%
Year 10	35%

- B. The percentage abatement shown reflects the portion of value abated for Eligible Property located in the stated Reinvestment Zone without an Incremental Incentive percentage included.
- C. The Abatement granted shall not apply to any Ineligible Property.
- D. During the period that this Agreement is effective, the value of taxes shall be payable by the Owner as follows:
 - i. The value of all property (Eligible and Ineligible Property), shall be determined in the Base Year and each year thereafter by the FBCAD.
 - ii. The value of Ineligible Property shall be fully taxable.
 - iii. The Value of Eligible Property shall be abated as set forth above.
- E. The FBCAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the FBCAD's valuation of the Eligible Property, the valuation placed on the Eligible Property after the protest is resolved under State law shall be used.

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

A. Performance Measures

Criteria	Required Deliverable	Documentation Required
Date by which construction of the Improvements will commence	OCTOBER 31, 2021	Owner shall provide certified statement to be provided with the minimum total project costs, as below
Date by which Improvements will be completely constructed	DECEMBER 31, 2022	Owner shall provide certified statement to be provided with the minimum total project costs, as below
Minimum total project costs with respect to the Eligible	\$9,500,000	Owner or Lessee shall provide the

Property at completion of construction		County's Director of Finance & Investments a certified statement for the total project costs with respect to the Eligible Property (excluding the cost of the Real Property) within thirty (30) days after completion of the Improvements
Minimum Certified Appraised Value for Eligible Property Effective in Tax Years 1 - 10	\$7,600,000	Owner shall provide the County's Director of Finance & Investments a certified statement for the Minimum Certified Appraised Value each year during the Agreement
Minimum new Employee requirements as shown in Exhibit 2 , while retaining any Employees -Contractual obligation for employee requirement is imposed on the Owner; however Owner may meet this requirement directly or by and through lease of property.	30 New Jobs 555 Retained jobs at 12682 Cardinal meadow Drive, Sugar Land, TX 77479.	Owner shall annually furnish County with payroll records allowed by law and necessary for County to confirm Owner's compliance with this Agreement (e.g. number of Employees is appropriate; payroll dollars, taxes, benefits, and bonuses are not appropriate).

B. Additional Requirements

- i. Owner shall ensures that construction on or at the Property is in conformity with all applicable Regulations, Ordinances and

Restrictions.

- ii. Owner shall ensure that use of the property is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; namely that the use will be as described in Exhibit 2 .
- iii. OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
- iv. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Budget Office compliance with each term of this Agreement by submission of the Annual Compliance Statement attached as Exhibit 3
- v. Owner shall ensure that taxes on all property owned by it in Fort Bend County Drainage District are current. Delinquent taxes for any Fort Bend County Drainage District property of Owner is a default of Owner and Owner's obligations hereunder and will be grounds for termination of this Agreement, regardless of whether the delinquent property is subject to an abatement under this Agreement.
- vi. Owner shall annually furnish information necessary for Fort Bend District's evaluation of Applicant's compliance with the terms and conditions of the tax Abatement Agreement and these guidelines and criteria (in the form of an annual report/statement of compliance).

VII. Administration

- A. This Agreement shall be administered in accordance with the GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS.
- B. Fort Bend Central Appraisal District annually determines an assessment of the real and personal property comprising the reinvestment zone. Each year, Owner shall furnish the FBCAD with such information as may be necessary for the Abatement. After value has been established, the District receives the certified appraised value from the FBCAD.
- C. The Chief Appraiser of the FBCAD shall annually determine (1) the taxable value under the terms of this abatement of any Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Eligible Property located on the Real Property. 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 of abated taxes.

- D. Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the Texas Tax Code as may be necessary for the administration of this Agreement. Such information shall also be provided annually to the Director of Finance & Investments in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement
- E. Upon completion of the construction, placement and/or installation of the Eligible Property, District shall annually evaluate the Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- F. Owner shall allow employees or other representatives of District who have been designated by the District to have reasonable access to the Real Property to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
 - i. Inspection shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility and in accordance with its safety standards;
 - i. Twenty-four (24) hours prior notice shall be given; and
 - ii. One or more representatives of the company or individual is present

VIII. Recapture/Default

- A. Failure to Commence Operation During Term of Agreement: In the event that the facility is not completed and does not begin operation with the minimum number of permanent jobs by the January 1st following the completion of construction, no tax Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the owner of such a facility fails to begin operation with the minimum number of permanent jobs by the next January 1st, then the tax Abatement Agreement shall terminate and all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- B. Discontinuance of Operations During Term of Agreement: In the event the facility is completed and begins operation with the required minimum number of permanent jobs, but subsequently discontinues operations and the minimum number of permanent jobs is not maintained on any January 1st during the term of the Agreement after the completion of construction, for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the Fort bend District and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within

sixty (60) days from the date of termination. If the District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.

- C. Delinquent Taxes: In the event that Owner allows any ad valorem taxes to become delinquent on any property in Fort Bend County Drainage District (whether abated or not) and fails to timely and properly follow the legal procedures for their protest and/or contest, the tax Abatement Agreement shall terminate and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- D. Performance Criteria: In the event that Owner fails to meet any other performance criteria provided by the Tax Abatement Agreement, the tax Abatement Agreement may terminate and so shall the Abatement of the taxes for the tax year of the non-performance. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the District does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- E. Actual Capital Investment: Should District determine that the total level of capital investment in the eligible property is lower than provided in the Agreement, the District, at its sole discretion, reserves the right to adjust the tax Abatement percentage to reflect the actual capital investment as determined.
- F. Undocumented Workers. This paragraph is required by Chapter 2264, Texas Government Code and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owner is convicted of a violation under 8 U.S.C. Section 1324a (f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph (d), Owner shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
- G. Procedure for "other" default, not specified herein:
 - i. For a default of any other requirement of this Agreement not specifically identified in this Section "Recapture and Default" District will notify Owner of the default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure the default.
 - ii. If Owner fails to cure the default. District may terminate this Agreement by written notice. Any default notice issued in

accordance this Agreement shall prominently state the following at the top of the notice:

NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE DISTRICT. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND ACTION TO RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

- H. Owner 's obligations upon termination to pay District monies owed for taxes abated, interest and penalties thereon shall survive termination of this Agreement, and the District shall have a lien against the 's Property and any improvements or tangible personal property located thereon for the monies owed until paid.

IX. Notice

- A. 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 hand delivered, deposited with a nationally recognized overnight courier, or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office, addressed to District and Owner and 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.
- B. Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that any notice required to be given under the provisions of this Agreement may be made by e-mail, alone or in addition to other methods for giving notice provided for herein.
- C. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or District at the following addresses:

To the **Director of**

Finance & Investments: Fort Bend County
Director of Finance & Investments
301 Jackson Street, Ste.
Richmond, Texas 77469

To **District:** Fort Bend County Drainage District
401 Jackson
Richmond, Texas 77469
Attention: County Judge

To **Owner:** **API REALTY, LLC**
12682 CARDINAL MEADOW DRIVE
SUGAR LAND, TX 77478
ATTN: CHETAN NEGANDHI

D. Any party may designate a different physical mailing or e-mail address by giving the other parties sixty (60) days prior written notice thereof.

X. Indemnity

- A. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT OWNER IN PERFORMING OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND DISTRICT ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THERE WITH TO THIRD PARTIES. OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FBCAD FROM ANY AND ALL NON- CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION.
- B. The Parties expressly acknowledge that the District's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution, and any provision that purports to require indemnification by the District is invalid. Nothing in this Agreement requires that the District incur debt, assess or collect funds, or create a sinking fund.

XI. Miscellaneous:

- A. Assignments- The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may be transferred or assigned by Owner only upon written permission by District, which permission

shall not be unreasonably withheld. No assignment shall be approved if the assignor or assignee is indebted to the City for ad valorem taxes or other obligations.

- B. 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.
- C. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation or law.
- D. Public Information. This Agreement is public information. To the extent, if any, that any provision of this Agreement is in conflict with the Texas Government Code Chapter 552, as amended (the "Texas Public Information Act"), such provision shall be void and have no force or effect.
- E. Severability and Reformation.
 - i. Unless the court applies subsection (ii), if any provision of this Agreement or the application thereof to any person or circumstance is ever judicially declared invalid, such provision shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall remain in effect.
 - ii. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.
- E. Venue: This Agreement and the rights and obligations of each party shall be construed and enforced 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.

XII. Entire Agreement.

This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

Attached hereto are:

Exhibit 1: RZ ORDER with all attachments
Exhibit 2: Economic Impact Statement
Exhibit 3: Annual Compliance Certificate

All of which are made part of this Agreement.

XIII. Conflict

Conflicts among documents shall be resolved in favor of:

First: RZ ORDER with all attachments

Second: This document titled TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY DRAINAGE DISTRICT AND API REALTY, LLC, CITY OF
SUGAR LAND REINVESTMENT ZONE 23

Third: Economic Impact Statement

Last: Annual Compliance Certificate (attached as form document)

*Remainder left blank
Execution page follows*

XIV. Execution

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

"COUNTY:"
FORT BEND COUNTY, TEXAS

By: _____
KP George, County Judge

ATTEST:

Date: _____

Laura Richard, County Clerk

"OWNER"
API REALTY, LLC

By:  _____

Printed Name: CHINH T. NGUYEN

Title: MANAGING MEMBER

Date: 8-12-2021

APPROVED AS TO LEGAL FORM:

Michelle L. Turner
General Counsel Division Chief
County Attorney Office*

*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of the County. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of the County. Our approval of this document was offered solely for the benefit of the County. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney.

COUNTY'S ORIGINAL EXECUTED DOCUMENT
TO BE RETURNED TO:

BUDGET OFFICE
ATTN: DIRECTOR OF FINANCE & INVESTMENTS
ADDRESS: 301 JACKSON ST. RICHMOND, TX 77469
TELEPHONE: 281-344-3922
FAX: 281-344-3954

OWNER SHALL SEND A COPY TO:

FORT BEND ECONOMIC DEVELOPMENT COUNCIL
1 FLUOR DANIEL DRIVE
SUGAR LAND, TX 77478

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EXHIBIT 1:
RZ ORDER WITH ALL ATTACHMENTS

ORDINANCE NO. 2128

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2018-01 FOR A 17.2163 ACRE TRACT OF LAND LOCATED SOUTH OF 12682 CARDINAL MEADOW DRIVE IN SUGAR LAND, TEXAS.

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone 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 a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely 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 Sugar Land; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:

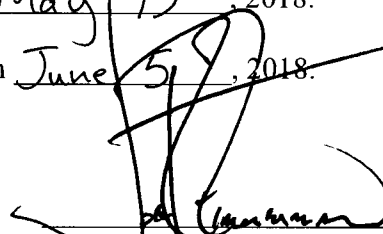
Section 1. That Reinvestment Zone No. 2018-01 is created for the real property consisting of 17.2163 acres, described by metes and bounds in the attached and incorporated Exhibit A, which formerly was shown as Commercial Reserve "G6", of the Sugar Land Central, Section Five Pat recorded under File No. 20060135 of the Fort Bend County, Texas Official Public Records.

Section 2. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.


Section 3. That Reinvestment Zone No. 2018-01 expires five years from the date of this ordinance.

APPROVED on first consideration on May 15, 2018.

ADOPTED upon second consideration on June 5, 2018.


Joe R. Zimmerman, Mayor

ATTEST:


Glenda Gundermann, City Secretary

APPROVED AS TO FORM:

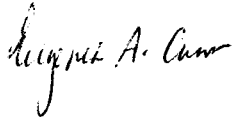


EXHIBIT A
Description of 17.2163-Acre Tract

FIELD NOTE DESCRIPTION OF 17.2163 ACRES OF LAND
OUT OF COMMERCIAL RESERVE "A" OF API COMMERCIAL
RESERVE A MINOR PLAT, ACCORDING TO THE MAP OR
PLAT THEREOF RECORDED IN PLAT NO. 20180111 OF THE
PLAT RECORDS OF FORT BEND COUNTY, TEXAS, SAID
17.2163 ACRE TRACT BEING MORE PARTICULARLY
DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at 5/8 inch iron rod found in the South right-of-way line of Cardinal Meadows Drive, as recorded in Slide No. 2370A F.B.C. Plat Records, said iron rod marks the Easterly corner of said Commercial Reserve "A" of API Commercial Reserve A Minor Plat and the herein described tract;

THENCE, South 42°28'04" West, along the Southeasterly line of said Commercial Reserve "A", a distance of 1226.26 feet to a 5/8 inch iron rod with cap found for an interior corner of said Commercial Reserve "G6";

THENCE, South 48°15'22" East, a distance of 575.48 feet to a 5/8 inch iron rod with cap found for corner;

THENCE, South 42°12'43" West, a distance of 20.09 feet to a 5/8 inch iron rod found for the beginning of a curve to the Left;

THENCE, in a Southerly direction, along and with said curve to the Left, having a radius of 440.00 feet, a central angle of 44°38'51", an arc length of 342.87 feet and a chord bearing and distance of South 19°53'17" West, 334.26 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, South 02°26'08" East, a distance of 140.18 feet to a 5/8 inch iron rod found in the North right-of-way line of Reed Road (100 feet wide) for the Southeast corner of said Commercial Reserve "A" and the herein described tract;

THENCE, South 88°26'49" West, along the North right-of-way line of Reed Road, a distance of 50.01 feet to a 5/8 inch iron rod found for the Southwest corner of said Commercial Reserve "A" and the herein described tract;

THENCE, North 02°26'08" West, a distance of 6.81 feet to a 5/8 inch iron rod found for the beginning of a curve to the Left;

THENCE, in a Northwesterly direction, along and with said curve to the Left, having a radius of 535.00 feet, a central angle of 41°52'57", an arc length of 391.08 feet and a chord bearing and distance of North 23°22'37" West, 382.43 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, North 44°19'05" West, a distance of 247.39 feet to a 5/8 inch iron rod found for the beginning of a curve to the Right;

THENCE, in a Northwesterly direction, along and with said curve to the Right, having a radius of 474.65 feet, a central angle of 17°41'01", an arc length of 146.49 feet and a chord bearing and distance of North 35°28'35" West, 145.91 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, North 26°38'04" West, a distance of 132.01 feet to a 5/8 inch iron rod with cap found for corner;

THENCE, North 02°38'14" West, along the West line of said Reserve "A", a distance of 208.71 feet to a 5/8 inch iron rod found for the Southwest corner of 1.163 acre Easement tract recorded under F.B.C.C.F. No. 2008066701, said iron rod also marks the Westerly most Northwest corner of the herein described tract;

THENCE, North 87°21'46" East, a distance of 65.00 feet to a 5/8 inch iron rod with cap found for the Southeast corner of said 1.163 acre tract and an interior corner of the herein described tract;

THENCE, North 02°38'14" West, a distance of 778.75 feet to a 5/8 inch iron rod found for the Northeast corner of said 1.163 acre Easement tract and the Northerly most Northwest corner of the herein described tract;

THENCE, North 88°28'04" East, a distance of 658.34 feet to a 5/8 inch iron rod found in the West right-of-way line of Cardinal Meadows Drive for corner, said iron rod falling in the arc of a curve to the Left;

THENCE, in a Southeasterly direction, along said right-of-way, with said curve to the Left, having a radius of 71.50 feet, a central angle of 145°15'22", an arc length of 181.27 feet and a chord bearing and distance of South 74°09'37" East, 136.48 feet to a 5/8 inch iron rod found for the Point of Reverse curve to the Right;

THENCE, in a Northeasterly direction, along said right-of-way, with said curve to the Right, having a radius of 25.00 feet, a central angle of 55°15'12", an arc length of 24.11 feet and a chord bearing and distance of North 60°50'18" East, 23.19 feet to a 5/8 inch iron rod found for the Point of Tangency;

THENCE, North 88°28'04" East, along the South right-of-way line of Cardinal Meadows Drive, a distance of 209.46 feet to the POINT OF BEGINNING and containing 17.2163 acres (749,946 square feet) of land, more or less.

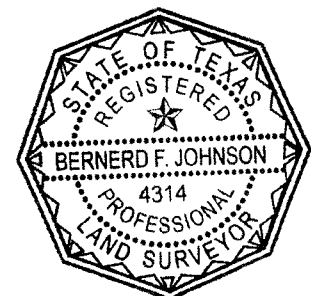
CENTURY ENGINEERING, INC.

Dated this 4th day of May, 2018



Bernerd F. Johnson

Registered Professional Land Surveyor No. 4314



CEI JOB NO. 07004-04.01
(QW06) SV 070040.T

EXHIBIT 2: ECONOMIC IMPACT STATEMENT



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

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 describe how the proposed new property will be owned and operated. If the Improvements will be owned by one entity and leased to another, or if one company will own the Improvements, Personal Property, and operate out of the space, please answer the questions below for both entities/one entity as appropriate:

As is being currently done with Phase I, Phase II and Phase III A, the new improvement (referred to as Phase III B here after) will be owned by API Realty LLC and leased to Accredo Packaging Inc.

Applicant/Owner of the Improvements and Personal Property

- a. Contact Person: Chetan Negandhi Title: Treasurer
- b. Current Address: API Realty LLC
12682 Cardinal Meadow Dr.
Sugar Land, TX - 77478
- c. Office #: 713-580-4844
- d. Mobile #: 281-865-4196
- e. Fax #:
- f. Website: <https://www.accredopackaging.com/>
- g. Email Address: Chetan.Negandhi@apicorp.com
- h. The Company's Primary SIC Code: 6519
- i. Public or Privately Held : Privately Held

Applicant/Owner of the Improvements (same as above)

- a. Contact Person: Title:
- b. Current Address:
- c. Office #:
- d. Mobile #:
- e. Fax #:
- f. Website:

- g. Email Address:
- h. The Company's Primary SIC Code:
- i. Public or Privately Held

Applicant/Lessee of the Improvements; Owner of Personal Property:

- a. Contact Person: Chetan Negandhi Title: Treasurer
- b. Current Address: Accredo Packaging Inc.
12682 Cardinal Meadow Dr.
Sugar Land, TX - 77478
- c. Office #: 713-580-4844
- d. Mobile #: 281-865-4196
- e. Fax #:
- f. Website: <https://www.accredopackaging.com/>
- g. Email Address: Chetan.Negandhi@apicorp.com
- h. The Company's Primary SIC Code: 2673
- i. Public or Privately Held : Privately Held

2. Type of project (check all that apply for the company that will be operating in the space):

- ☒ Existing business in Fort Bend County
- ☐ New business to Fort Bend County
- ☒ Expansion of existing facility
- ☒ Construction of new facility
- ☐ Renovation of existing facility
- ☒ Corporate/Regional Headquarters

3. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):

4. Scope of project:

Size of new facility/expansion:	Project 3B: 83,000 sq ft
Size of existing facility (if applicable):	Phase 1/2/3A: 545,000 sq ft
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	31.9329 Acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall

5. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

- a. Office Project 3A – Manufacturing -60%; Warehouse – 40%
- b. Distribution Project 3B – Office/Lobby – 50%; Covered Parking -50%

- c. Fabrication
- d. Warehouse
- e. Other

6. Truck traffic to be generated (# daily or weekly):
7. Targeted start of construction: Project 3A: June 2018 / Project 3B – February 2021
8. Targeted start of operations: Project 3B : Jan 2022
9. Estimated costs of taxable assets that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Completion Cost of Improvements	Initial Cost of Equipment & Machinery	Estimated Annual Inventory	Cost of Other Taxable Personal Property	Total
\$	\$ 9,500,000	\$	\$	\$	\$ 9,500,000

10. Estimated percent of inventory that would be Freeport qualified, if any: 100%
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. Fort Bend County does not offer the Freeport Exemption.
11. Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified: None%

12. 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
30	525	555

13. Average salary (before benefits): \$40,000/per person
14. Amount of initial, annual local payroll to be created: \$1,200,000/PA
15. 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? \$-0-
16. 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: None
17. 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: 100

18. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: None
19. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): 15%
20. Current owner of real property (land/building) at the time of application:
API Realty LLC
21. Have you received or are you currently receiving tax abatement in Fort Bend:
X Yes ____ No :- Yes Phase 2 and Phase 3A
22. 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 - N/A*
 - 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 N/A*
23. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
24. Productive life of proposed improvements and/or initial term of lease:
25. Time of day activities will be taking place (i.e, # of shifts):
26. 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.
27. 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:
28. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:
29. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:
30. Public improvements to be made by the Company in which the public may benefit (please list if any):

31. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: No
32. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.
33. Do you anticipate your relocation to attract other new businesses to the area? Please explain: N/A
34. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: None
35. The company agrees to participate in the continuing economic development process in Fort Bend County by continuing its Trustee membership (\$6,000/yr) in the GFBEDC, with the option to be a member of the board of Directors, for a minimum period coinciding with the term of any County abatement agreement granted on this project: ☒ Yes ☐ No Already a Paying Trustee Member
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.
36. 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:

- (1) lawfully admitted for permanent residence to the United States; or
- (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:

API Realty LLC/Accredo Packaging Inc. 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:

Rex Varn
Signature

12/11/20
Date

Printed Name: Rex Varn
Title: Executive Vice President

II. CO-APPLICANT:

(Name of Company) _____ 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:

Signature

Date

Printed Name: _____

Title: _____ FBEDC

III. GFBEDC

The Greater Fort Bend Economic Development Council certifies that _____

Has/have met the standard requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt
Executive Vice President
Greater Fort Bend Economic Development Council

Date

EXHIBIT 3: ANNUAL COMPLIANCE CERTIFICATE

FORT BEND COUNTY TAX ABATEMENT **ANNUAL COMPLIANCE CERTIFICATE**

Due by September 1 of current tax year

Current Tax Year _____

This certification is being made on behalf of the OWNER / LESSEE (circle one)
Each must prepare a separate report

Per the terms of the tax abatement agreement between Fort Bend County, Fort Bend County Drainage District and

Owner _____ and

Lessee (if applicable) _____

dated _____ we are in compliance
with the following terms of the agreement:

1. Construction of the improvements was completed on: _____
2. Certified statement regarding project costs was provided to the Fort Bend County Tax Assessor/Collector on: _____ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Tax Assessor/Collector on: _____ (date)
4. Certified appraised value of the improvements as of January 1 _____ (current tax year) was \$ _____ which meets the required minimum value requirement of \$ _____.
5. Certified appraised value of the eligible property (if included in abatement agreement) as of January 1 _____ (current tax year) was \$ _____ which meets the required minimum value requirement of \$ _____.
6. Total number of employees employed at the improvement for current tax year is _____ which meets the required minimum value requirement of _____.
7. Owner / lessee (circle one) applied for/renewed membership in the Greater Fort Bend Economic Development Council as required in the abatement agreement on _____ (date).

8. Owner / lessee (circle one) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

_____ (date).

9. If there are additional requirements under the specific abatement agreement(s) by and between Fort Bend County, Fort Bend County Drainage District, Owner / Lessee noted above, please list requirement(s) and certify compliance here:

At this time, Owner/Lessee (circle one) wishes to designate a different mailing address for notices under the terms of this abatement agreement.

NEW NOTIFICATION ADDRESS:

To Owner / Lessee :
(circle one)

Please indicate the basis for your authority to represent the property owner in filing this certificate:

_____ Officer of the company _____ General Partner of the company

_____ Attorney for property owner

_____ Agent for tax matters appointed under Tax Code Section 1.111 (copy of completed Form 50-162 filed with Fort Bend Central Appraisal District)

I _____, swear or affirm the following:
(print name)

- To the best of Company's knowledge and belief, each fact contained in this certificate is true and correct, and that Company is in compliance with the terms of the Agreement.
- Company understands that this Certificate is being relied upon by the County in connection with the tax abatement provided for in the Agreement.
- Company understands the consequences for noncompliance with the abatement agreement.
- The undersigned signatory has the legal and express authority to sign this Certificate on behalf of Company.

Signature of Authorized Representative: _____

Title of Authorized Representative: _____

Phone Number: _____

Email Address: _____

Mailing Address: _____

SWORN TO and SUBSCRIBED before me on this the _____ day

of _____ A.D. _____

NOTARY PUBLIC _____

STATE OF _____, COUNTY OF _____

MY COMMISSION EXPIRES _____

