

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
by and between the
FORT BEND COUNTY DRAINAGE DISTRICT
and
LYANT PROPERTIES, LLC
and
CONTINENTAL POLYBAGS, INC.

This Tax Abatement Agreement, hereinafter referred to as “Agreement,” is executed by and between the FORT BEND COUNTY, TEXAS, DRAINAGE DISTRICT, hereinafter referred to as “District,” acting by and through its Board of Directors, LYANT PROPERTIES, LLC, hereinafter referred to as “Owner,” of the improvements located within the City of Sugar Land Reinvestment Zone No. 2010-01; and CONTINENTAL POLYBAGS, INC., hereafter referred to as “Lessee” of the Real Property and Improvements.

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 the Fort Bend County, Texas, Drainage District which was approved by the Board of Directors on February 3, 2009. District has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of District 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 as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 2010-01 by the Fort Bend County Central Appraisal District.

- b. **“Improvements”** means a building to be used as an office and warehouse facility, containing approximately 60,000 square feet of floor space, and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in Exhibit A, attached to and incorporated into this Agreement by reference.
- c. **“Real Property”** means the real property as described in Ordinance No. 1792, which created Reinvestment Zone No. 2010-01 located within City of Sugar Land, 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 Sugar Land Reinvestment Zone No. 2010-01 designated for economic development purposes.
- e. **“Eligible Property”** Abatement may be extended to 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 5(c).
- f. **“Ineligible Property”** means real property, 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 in the reinvestment zone prior to the execution date of the tax abatement 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 Lyant Properties, LLC, the Owner of the Real Property and Improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Board of Directors of the District.
- h. **“Lessee”** means Continental Polybags, Inc.
- i. **“District”** means the Fort Bend County Texas, Drainage District
- j. **“CAD”** means Fort Bend County Central Appraisal District.

3. **Subject Property**

City of Sugar Land Reinvestment Zone No. 2010-01 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The CAD has established the base year values for the subject property as of January 1, 2010.

4. Responsibility of Owner and Lessee

In consideration of receiving the tax abatement granted herein, Owner and Lessee represent and agree:

- (a) That construction of the Improvements will commence on or before December 31, 2010.
- (b) That construction of the Improvements shall be completed on or before December 31, 2011. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$2,000,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2012, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$2,500,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied, unless cured in conformity with this Agreement.
- (d) That Owner or Lessee shall employ at least fifty (50) full-time employees in Fort Bend County on or before December 31, 2011 and throughout the term of this Agreement. Failure of Owner or Lessee to comply with this provision for any 90 consecutive days during an abatement year shall not be a default of this Agreement, but shall automatically invalidate the Abatement for the year that this requirement was not satisfied, not subject to cure.
- (e) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That Owner and Lessee will participate in the continuing economic development process in Fort Bend County by becoming a Regular Member of the Greater Fort Bend Economic Development Council with annual dues of \$1000 for a minimum period coinciding with the term of this Agreement.
- (g) **OWNER AND LESEE SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO**

QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.

- (h) **OWNER AND LESEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by District and Owner, whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2021. In no event shall this Agreement extend beyond December 31, 2021.

This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner and Lessee's obligation upon default to pay to District 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.

(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:

<u>Improvements:</u>	<u>Tax Year</u>	<u>Percentage Abatement</u>
	2012	40%
	2013	40%
	2014	40%
	2015	40%
	2016	40%
	2017	40%
	2018	40%
	2019	40%

2020	40%
2021	40%

TOTAL = 400%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Eligible Property, Ineligible Property, inventory or supplies.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner 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.
- (4) On or before September 1 of each year of this Agreement, Owner or Lessee shall certify in writing to Fort Bend County Tax Assessor/Collector Owner and Lessee's 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, Eligible Property and Ineligible Property shall be fully taxable, including inventory and supplies;
- (b) The value of existing Improvements shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) District may declare Owner or Lessee in default of this Agreement if: (1) Owner or Lessee fails to comply with any term of this Agreement or (2) Owner or Lessee allows District ad valorem taxes on the Real Property, or any property located thereon, to become delinquent.
- (b) District shall notify Owner and Lessee of any default in writing specifying the default. 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 within

sixty (60) days from receipt of notice, District may terminate this Agreement by written notice.

- (c) If this Agreement is terminated by District, Owner and Lessee agree that they are liable for and will pay to District within thirty (30) days of the termination of this Agreement:

- (1) The amount of all property taxes abated under this Agreement;
- (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes; and
- (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) District shall have a lien against the Real Property and Improvements for the taxes and interest owed because of the recapture of taxes under this paragraph.

- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner and Lessee are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner or Lessee are 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 and Lessee 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 and Lessee. In the event of termination under this paragraph, Owner or Lessee 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.

8. Administration and Inspection

- (a) This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. Owner and Lessee shall allow employees or other

representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property and Improvements (during normal business hours) during the term of the Agreement. All regular 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 operation of the facility. A representative of Owner or Lessee may accompany the inspector.

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

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Improvements subject to this Agreement and (2) the full taxable value without abatement of the Real Property, Eligible Property and Ineligible Property otherwise located at or about the Owner's premises. 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 as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of the abatement. Such information shall also be provided to County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

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

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 tax abatement agreement only.

10. Indemnity

It is understood and agreed between the parties that LYANT PROPERTIES, LLC and CONTINENTAL POLYBAGS, INC., in performing their obligations hereunder, are acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. LYANT PROPERTIES, LLC AND CONTINENTAL POLYBAGS, INC., AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CAD FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF LYANT PROPERTIES, LLC AND CONTINENTAL POLYBAGS, INC.'s OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. LYANT PROPERTIES, LLC and CONTINENTAL POLYBAGS, INC.'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. LYANT PROPERTIES, LLC AND CONTINENTAL POLYBAGS, INC., SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY LYANT PROPERTIES, LLC AND CONTINENTAL POLYBAGS, INC., NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND LYANT PROPERTIES, LLC AND CONTINENTAL POLYBAGS, INC. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, Owner or Lessee are unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days of the occurrence relied upon. The obligation of Owner or Lessee, to the extent and for the

period of time affected by the force majeure, shall be suspended. Owner and Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to 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 the Owner 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 Commissioner's Court.

13. Compliance with State and Local Regulations

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

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 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.

(b) In the event of 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.

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, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to District and Owner and Lessee at the mailing address as hereinafter set out.

If mailed, any notice of communication shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner and Lessee and District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Fort Bend County Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To **Owner & Lessee:** Mr. George Zhang
767 Industrial Blvd.
Sugar Land, Texas 77478

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

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

Any party may designate a different address by giving the other parties ten (10) days prior

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 supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – City of Sugar Land Ordinance No. 1792 designating Reinvestment Zone No. 2010-01, including legal description and (b) Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

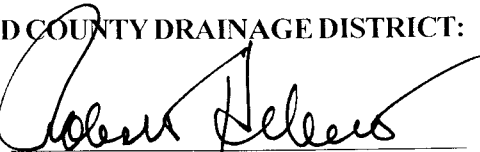
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18. Execution

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

FORT BEND COUNTY DRAINAGE DISTRICT:

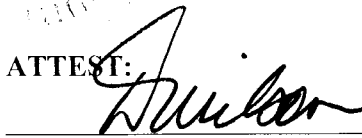
By:


Robert E. Hebert, County Judge

Date:

10-5-2010

ATTEST:


Dianne Wilson, County Clerk

**OWNER:
LYANT PROPERTIES, LLC**

By:

Name:

Title:

Date:

Date:

**LESSEE:
CONTINENTAL POLYBAGS, INC.**

By:

Name:

Title:

Date:

Date:

ATTEST:

ATTEST:

Attachments: Exhibit A – City of Sugar Land Ordinance No. 1792 Designating Reinvestment Zone No. 2010-01
Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement

MER:Continental Polybags.Sugar Land..3195-133

Exhibit A

ORDINANCE NO. 1792

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2010-01 FOR A 7.5 ACRE TRACT OF LAND LOCATED IN THE SUGAR LAND BUSINESS PARK.

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. 2010-01 is created for the real property described as follows: 7.500 acres being all of Commercial Reserve "A1" of Sugar Land Business Park Tract 130 Replat, a subdivision recorded in Plat No. 20050129 of the Plat Records of Fort Bend County, Texas.

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. 2010-01 expires five years from the date of this ordinance.

APPROVED on first consideration on August 13, 2010.

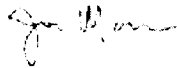
ADOPTED upon second consideration on August 19, 2010.


James A. Thompson, Mayor

ATTEST:


Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:



REINVESTMENT ZONE
2010-01

7.5 ACRES

JESS PIRTLE BLVD

GILLINGHAM LN

LYANT PROPERTIES, LLC.
SUGAR LAND
TEXAS

LEGEND

7.5 ACRES

LYANT PROPERTIES, LLC. 7.5 ACRES

APR 2014

APPROVED FOR REINVESTMENT

GIS

Exhibit B



APPLICATION FOR AD VALOREM TAX ABATEMENT

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 City.

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 Sugar Land.

ATTACHED (A)

2. Information About Your Company

Company Name: <u>LYANT PROPERTIES, LLC / CONTINENTAL POLY, INC.</u>	
Contact Person: <u>GEORGE X. CHANG</u>	Title: <u>PRESIDENT</u>
Current Address: <u>781 INDUSTRIAL BLVD., ALCOA PARK, DENVES 77448</u>	
Office #: <u>281-277-8550</u>	Mobile #: <u>832-847-8922</u>
Fax #: <u>281-277-6580</u>	Website: <u>WWW.CONTINENTALPOLY.COM</u>
Email Address: <u>GEORGE@CONTINENTALPOLY.COM</u>	
The Company's Primary SIC Code: <u>2831</u>	

3. Name of entity that will own the building:
4. Type of project (check all that apply):
 - ☒ Existing business in Fort Bend County
 - ☒ Existing business in Sugar Land
 - ☒ New business to Sugar Land/Fort Bend County
 - ☒ Expansion of existing facility
 - ☒ Construction of new facility
 - ☒ Company will lease facility
 - ☒ Company will own facility
 - ☒ Corporate/Regional Headquarters

5. **Location of proposed site(s) in Sugar Land (street address or nearest street intersection):**

4015 RICHES & BAYVIEW, AREA 7.5, COMMERICAL - GENERAL
SUGAR LAND BUSINESS PARK, TRUCK STOP BUILDING
SUGAR LAND, TEXAS 77479

6. **Scope of project:**

Size of new facility/expansion:	63,000 SF
Size of existing facility (if applicable):	70,000 SF
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	7.11 ACRES
Type of Construction (tilt wall, metal, concrete, etc.):	100% WAREHOUSE

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

10% OFFICE, 90% WAREHOUSE

8. **Truck traffic to be generated (# daily or weekly):** 30-40 PER WEEK

9. **Targeted start of construction:** DATE: 2016

10. **Targeted start of operations:** DATE: 2016

11. **Market value (taxable assets) of the firm's property that would be located at the facility in Sugar Land (new property to Sugar Land):**

<u>Land</u>	<u>Building Improvements</u>	<u>Furniture, Fixtures & Equipment</u>	<u>Inventory</u>	<u>Total</u>
7,500,000	3,500,000	100,000	100,000	11,600,000

12. **Estimated percent of inventory that would be Freeport qualified:** 75 %

Freeport goods are inventories (raw materials, goods in process, and finished product) acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state.

13. **Employment information:**

<u>New Jobs Created</u>	<u>Existing Jobs Retained</u>	<u>Total Number of Jobs</u>
40-50	15	40-55

14. Average salary (before benefits): \$0.000
15. Amount of initial, annual local payroll to be created: APPROX 100K
16. The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land: NO NO, KNOW (ETC) MAY APPROX \$2.12M
17. Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company: NO
18. Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value: NO
19. Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally?
YES, EST. 140
20. A draft site plan and a metes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before those documents can be drafted. ATTACHED TOGETHER WITH 0-10-10, SITEVIEW01, & SITEVIEW02
21. 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 (f). Repayment will be due no later than the 120th day after the date the City 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.

Signature

Title

Date

There is no application fee or membership required by the City of Sugar Land. However, Fort Bend County requires that companies receiving tax abatement maintain a trustee membership in the Greater Fort Bend Economic Development Council for the term of the agreement.

17

May 28, 2010

George Zhang
Lyant Properties, LLC / Continental Poly Bags, Inc.
767 Industrial Blvd
Sugar Land, Texas 77478

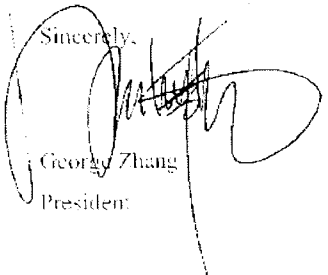
To Whom It May Concern:

Continental Poly, Inc. is a company focused on providing quality packaging products for commercial and consumer use. We built a facility and moved in Sugarland Business Park in 2000. Our manufacturing facility will continue staying at our current location at 767 Industrial Blvd., in Sugar Land. The purpose of this new location is to warehouse and distribute our manufactured products.

The new warehouse will be under the name of Lyant Properties, LLC., Continental Poly will be leasing the space.

Please feel free to contact me at 281-277-6550 should you have any questions or concerns.

Sincerely,



George Zhang

President