

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
by and between the
FORT BEND COUNTY DRAINAGE DISTRICT
and
FRITO-LAY, INC.

This Tax Abatement Agreement, hereinafter referred to as “Agreement,” is executed by and between the **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as “District,” acting by and through its Board of Directors, and **FRITO-LAY, INC.**, authorized to conduct business in the State of Texas, hereinafter referred to as “Owner,” of the Real Property and Improvements located within the Fort Bend County Reinvestment Zone No. 14.

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 District Board of Directors on March 1, 2011. 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 Fort Bend County Reinvestment Zone No. 14 by the Fort Bend County Central Appraisal District (“CAD”).
- b. “**Real Property**” means the real property as described in Fort Bend County Reinvestment Zone No. 14 located within the Fort Bend County, Texas, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.

- c. **“Improvements”** means a new building or buildings to be used for office, manufacturing and warehousing purposes located in Fort Bend County Reinvestment Zone No. 14, containing approximately 125,000 square feet of floor space, and the interior improvements to such office, manufacturing and warehousing building 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.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in Fort Bend County Reinvestment Zone No. 14 designated for economic development purposes.
- e. **“Eligible Property”** Abatement includes fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as 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 **FRITO-LAY, INC.**, the Owner of the Real Property, Improvements and Eligible Property the subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District Board of Directors.
- h. **“District”** means the Fort Bend County Drainage District.
- i. **“CAD”** means Fort Bend County Central Appraisal District.

3. Subject Property and Overlapping Reinvestment Zones

The Fort Bend County Reinvestment Zone No. 14 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes. The Fort Bend County Appraisal District has established the base year values Reinvestment Zone 14 for the subject property as of January 1, 2012.

This Agreement shall only be applicable to Improvements and Eligible Property that fall within Reinvestment Zone No. 14, but are outside of the June 14, 2005 Agreement associated with

Reinvestment Zone No. 5 made between Fort Bend County and Owner. At no time will Improvements and Eligible Property located in Reinvestment Zone No. 5 under the June 14, 2005 Agreement receive a tax abatement after 2015.

4. Responsibility of Owner:

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

- (a) That construction of the Improvements will commence on or before January 1, 2012.
- (b) That construction of the Improvements shall be completed on or before December 31, 2012. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$16,000,000 project costs with respect to the Improvements within sixty (60) days after completion of the Improvements to be constructed.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2013, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$12,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That the Certified Appraised Value of Eligible Property on January 1, 2014, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$20,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (e) That on or before January 1, 2013, and thereafter during the term of this Agreement, Owner shall occupy the Improvements, and use commercially reasonable efforts to continuously maintain a total employment of four hundred (400) full-time employees in the Reinvestment Zone.
- (f) That Owner shall provide District Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before June 15, 2013. Owner's failure to present a copy of the Certificate of Occupancy to District may result in a forfeiture of the tax abatement of tax year 2013.
- (g) That Owner has, 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 Regular Member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (i) **OWNER 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.**
- (j) **OWNER 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 shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2022. In no event shall this Agreement extend beyond December 31, 2022. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner'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 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>
2013	85%
2014	85%
2015	85%
2016	85%
2017	85%
2018	85%
2019	85%
2020	85%
2021	85%
2022	85%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Ineligible Property, inventory or supplies, nor shall this Agreement apply to the Improvements and Eligible Property subject to the June 14, 2005 Agreement for Reinvestment Zone No. 5.
- (2) All Eligible Property shall be placed and/or installed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
- (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 shall certify in writing to the District Tax Assessor/Collector Owner's compliance with each term of this Agreement.

6. Taxability

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

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory, without nullifying any associated Freeport exemptions.
- (b) The Value of existing Improvements shall be determined in the base year by the Fort Bend Central Appraisal District.

7. **Event of Default**

- (a) District may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement, (excluding, however, Section 4(c) and 4(d) above), or (2) Owner allows District ad valorem taxes on the Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) ceases operations on the Real Property before the expiration of the term of the Abatement.
- (b) District shall notify Owner of any default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure any default. If Owner fails to cure the default within ninety (90) days from receipt of notice, District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by District, Owner agrees that they are liable for and will pay to District within sixty (60) days of the termination of this Agreement:
 - (1) The amount of all taxes abated during the term of 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 Owner, Real Property and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid.
- (e) 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 a 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, 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.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the District Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property (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 operation of the facility. A representative of Owner may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to District.

(b) Upon completion of the placement and/or installation of the Eligible Property, District shall annually evaluate the Real Property and Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Real Property, any Improvements on the Real Property, and Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, any Improvements on the Real Property, and 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, including payroll records, as may be necessary for the administration of the this Agreement. Such information, including payroll records, shall also be provided annually to the District 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 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 Owner, in performing obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FORT BEND CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWER'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. 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 SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within sixty (60) calendar days of the occurrence relied upon. The obligation of Owner to the extent and for the period of time affected by the force majeure, shall be suspended. Owner 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.

12. Board of Director's 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 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 hand delivered or 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 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 or District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To **Owner:** Frito-Lay, Inc.
7701 Legacy Drive
Plano, Texas 75024
Attn: Kathleen H. Alfano, Director

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

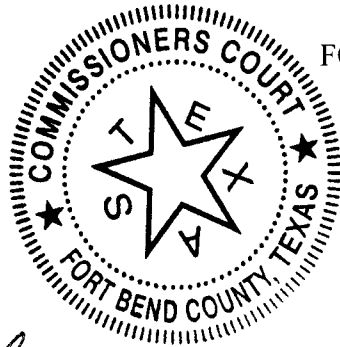
Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **Failure of Owner to provide District Tax Assessor/Collector sixty (60) days notice of a change of address may result in termination of this Agreement.**

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, with the exception of the Tax Abatement Agreement approved by Fort Bend County and Owner on June 14, 2005, pertaining to Fort Bend County Reinvestment Zone No. 5. 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 – Order Creating Fort Bend County Reinvestment Zone No. 14, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

18. Execution

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



FORT BEND COUNTY DRAINAGE DISTRICT

By: *Robert E. Hebert*
Robert E. Hebert, County Judge

Date: 1-24-2012

ATTEST:

Dianne Wilson
Dianne Wilson, County Clerk

“Owner:”
FRITO-LAY, INC.

By: *Paul Hoff*

Date: 1/13/2012

ATTEST:

Kathleen Alfano

Approved As To Form
JH
1/13/12
Law Dept.

Exhibit A

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County convened in regular session at a regular term of said Court, open to the public, on the 23rd day of August, 2011, at the Travis Building, 7th Floor, Richmond, Texas.

WHEREUPON, among other business, the following was transacted at said meeting:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 14

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NOES: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 14

WHEREAS, the County Commissioners Court passed and approved Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on March 1, 2011;

WHEREAS, pursuant to the Amended Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

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

WHEREAS, after proper notice had been given in the August 11, 2011, edition of the Fort Bend Herald, the County has held a public hearing on August 23, 2011, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 14, ("Reinvestment Zone No. 14") was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No. 14 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 14 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 14 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 14 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone No. 14 is hereby designated pursuant to the Amended Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of final passage of this Order and may be renewed for five (5) year periods thereafter.


SECTION FOUR

The attached Exhibit A described tract(s) are to be designated as Reinvestment Zone No. 14.

PASSED AND APPROVED this the 23 day of August, 2011.

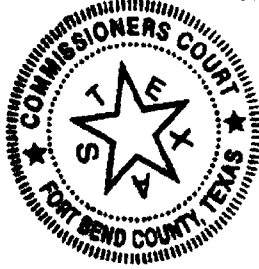
FORT BEND COUNTY, TEXAS

By:


Robert E. Hebert, County Judge

ATTEST:


Dianne Wilson, County Clerk



Attachment: Exhibit A - Metes & Bounds Description of Reinvestment Zone

MER/FBC RZ 14.3195-33(Frito-Lay)

Exhibit A

HENRY STEINKAMP, JR. INC.
Land Boundary & Topographic Surveying
500 Fifth Street
Rosenberg, Texas 77471
Telephone/Fax 281.342.2241

Franklin R. Schoelk
Registered Professional Land Surveyor

James L. Sypalak, Sr.
Registered Professional Land Surveyor

June 6, 2011

A Field Note Description of a 383.104 Acre Tract of Land, being the remainder of the original Prito-Lay, Inc. call 363.632 Acre Tract (Volume 933, Page 560, Deed Records), SAVE & EXCEPT the call 7.041 Acre Tract (Volume 2164, Page 1703, Official Records) and the Prito-Lay, Inc. call 20.722 Acre Tract of Land (Volume 2370, Page 1257, Official Records) and the Prito-Lay, Inc. 5.791 Acre Tract (Volume 2164, Page 1710, Official Records) and being 166.254 Acres in the John Foster Survey, Abstract No. 27, 146.180 Acres in the Vandell Ferris Survey, Abstract No. 375 and 49.948 Acres in the Vandell Ferris Survey, Abstract No. 377, Fort Bend County, Texas

Beginning at a call 1-1/2 inch iron pipe (found December 29, 1980) marking the Southeast corner of the Nancy Sproun Leasing, Abstract No. 88; a corner of said Vandell Ferris Survey, Abstract No. 377 and in the West line of said Vandell Ferris Survey, Abstract No. 375;

THENCE, North 00deg 17'03" West, 6524.39 feet along a fence line to a point marking the Northwest corner of this tract.

THENCE, Southeasterly along the Top Bank of the Brazos River along a meander line as surveyed December 29, 1980 with the following courses and distances:

South 52deg 38' 28" East, 121.61 feet to an angle point;
South 42deg 07' 45" East, 184.14 feet to an angle point;
South 71deg 33' 36" East, 414.83 feet to an angle point;
South 59deg 57' 37" East, 456.67 feet to an angle point;
South 52deg 20' 17" East, 286.32 feet to an angle point;
South 67deg 18' 16" East, 1070.95 feet to an angle point;
South 71deg 33' 25" East, 393.27 feet to a point marking the Northeast corner of this tract;

THENCE, South 25deg 59' West, at 12.7 feet pass a 3/4 inch iron pipe found, along a barbed-wire fence line, at 430.54 feet pass a 5/8 inch iron rod, in all 1001.04 feet to a call 7/8 inch iron rod found for corner.

THENCE, North 79deg 22' 20" West, along a barbed-wire fence line, 180.89 feet to a 5/8 inch iron pipe found marking the Northeast corner of said 5.791 Acre Tract and a re-entrant corner of this tract;

FN 383.104 , Acres, etc

THENCE, South 00deg 03' 40" East, along a new barbed-wire fence line, 5001.48 feet to a capped 5/8 inch iron rod found for angle point;

THENCE, South 33deg 20' 20" West, at 93.83 feet pass a 5/8 inch iron pipe found, in all 148.53 feet along a fence line to an iron pipe found for angle point.

THENCE, South 00deg 04' East, along a fence line marking the West line of said call 7.041 Acre Tract, 2156.75 feet to a 5/8 inch iron rod found marking the Southwest corner of this tract, said corner bears North 73deg 39' 54" West, 156.36 feet from the Southwest corner of said original call 363.632 Acre Tract.

THENCE, North 73deg 39' 54" West, along the North right-of-way line of the U.C. & S.F. Railroad (300 feet wide), 2299.04 feet to a 1/2 inch iron pipe found marking the Southwest corner of this tract, said corner also marks the Southwest corner of said call 20.722 Acre Tract.

THENCE, North 00deg 17' 03" West, along a fence line 1481.47 feet to a 1/2 inch iron pipe found marking the Northwest corner of said call 20.722 Acre Tract.

THENCE, North 89deg 58' 30" East, 574.94 feet to a 1/2 inch iron pipe found marking the Northeast corner of said call 20.722 Acre Tract.

THENCE, North 00deg 17' 03" West, along said Leasing Lts. 948.93 feet to the place of beginning and containing 383.104 Acres of Land.

Signed *Franklin R. Schoelk*
Registered Professional Land Surveyor No. 1434

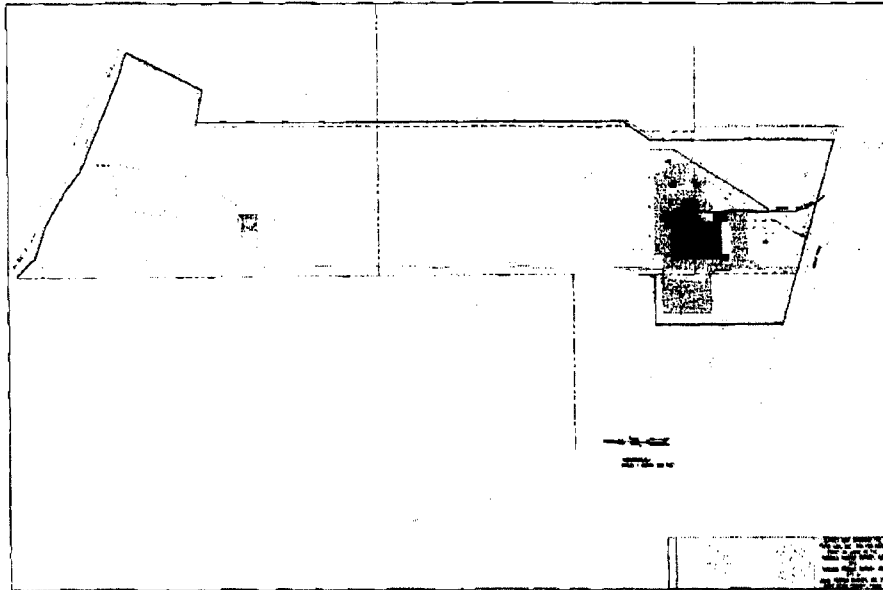


Exhibit B



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Company Name
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.**

Frito-Lay North America (FLNA) is the leading salty snack food producer in the United States. FLNA is the largest operating division of PepsiCo Americas Food, with 32 manufacturing sites in the United States and five in Canada. In addition to FLNA, PepsiCo includes Quaker Foods, Gatorade, Tropicana, Pepsi-Cola, and PepsiCo International. In Fort Bend County, FLNA owns and operates a plant that manufactures six lines: Potato Chips, Tostitos, Santitas, Doritos, Cheetos, Baked Cheetos, and Tostitos Scoops. With the proposed expansion- the plant will be able to distribute to customers, more quickly and it offers the opportunity for new product lines.

2. **Information About Your Company**

Company Name: Frito-Lay, Inc	
Contact Person: Kathleen H. Alfano	Title: Director
Current Address: 7701 Legacy Drive, Plano, TX 75024	
Office #: 972-334-2969	Mobile #:817-676-7304
Fax #:972-334-5075	Website:www.PepsiCo.com
Email Address: Kathy.Alfano@PepsiCo.com	
The Company's Primary SIC Code: 2096	

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: Not Applicable.
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): 3310 Hwy 36 North, Rosenberg.
6. Scope of project:

Size of new facility/expansion:	125,000 SF
Size of existing facility (if applicable):	336,200 SF
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	385.63
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt up and insulated metal panel

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.): 75% warehouse, 15% distribution, 10% office.
8. Truck traffic to be generated (# daily or weekly): Estimated daily incremental: 15 truck trailer loads outbound and 11 truck trailer loads inbound.
9. Targeted start of construction: Q3/2011
10. Targeted start of operations: Q4/2012
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
\$ 0	\$ 18 Million	\$ 500,000	\$ 38 Million	\$ 1 Million	\$57.5 Million

12. **Estimated percent of inventory that would be Freeport qualified, if any: 24%**
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: 0%**
14. **Employment information: Preliminary estimates only. Final to be determined and negotiated for agreement purposes.**

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
100	350	450

15. **Average salary (before benefits): \$46,955**
16. **Amount of initial, annual local payroll to be created: Approximately \$5.4 million annually.**
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? Estimated \$242 million per year incremental ticket sales. Pre-expansion sales at the current site are \$475 million. None are anticipated to be subject to local sales tax as the sales are for food items, and sales are made to retailers/distributors and not the end consumer.**

The facility's construction projects are estimated to result in the following taxable sales:

	Asump.	Total Capital	Assets	Labor
Building	55%	18,000,000	9,900,000	8,100,000
Machinery	75%	38,000,000	28,500,000	9,500,000
total		56,000,000	38,400,000	17,600,000
Average Wage				50,000
Incremental job years				352
Sales Tax Collections	Estimated Taxable Construction Materials	On Taxable Construction Labor	Total Sales Tax Collections	
% of materials taxed	100%	33%		
Sales Tax rate	6.25%			
2011	1,200,000	181,500	1,381,500	
2012	1,200,000	181,500	1,381,500	
2013				
Sales Tax Revenue			\$ 2,763,000	

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)? No, the company does not own a corporate airplane that would be housed at the local airport. If so, what is the plane's value:
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: The expansion is estimated to occur over 12 months. This includes the design phase, actual construction (6-7 months), and equipment installation and training (6-7 months). During this 12 month period, an estimated 10,000 incremental hotel stays are anticipated: 100 people x 4 night average stay x 25 weeks. After construction, an estimated 65 hotel stays per year are expected based on 65 employee visits with an average stay of one night.

Number of visitors	Year	#	
	2011:	200	construction phase
	2012:	200	construction phase
	2013:	65	
	2014:	65	
Spending on local community			
Average number of stays spent visiting the facility			2
Average number of nights in local hotel			1
Average daily spending subject to Sales tax			\$ 50
Average nightly room at local motel			\$ 95
Spending on community			
	Year	Taxable Spending in Community	Spending on Lodging in the Community Total
	2011	\$ 20,000	\$ 18,000
	2012	\$ 20,000	\$ 38,000
	2013	\$ 20,000	\$ 38,000
	2014	\$ 20,000	\$ 19,000
	Total	\$ 80,000	\$ 114,000 \$ 194,000

20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: Frito-Lay, Inc. has manufacturing facilities in Arlington, Dallas, Irving, Plano and San Antonio. Please see attached for a detailed listing of Frito-Lay Texas locations.
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): 44%

22. Current owner of real property (land/building) at the time of application:
Frito-Lay, Inc.
23. Have you received or are you currently receiving tax abatement in Fort Bend:
X Yes ___ No
24. Is this land currently under Agriculture Exemption: ___ Yes X No
The site does have an Agriculture Exemption on property adjacent to the plant; however, the land to be utilized for the expansion does not.
- 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: 35 Years
27. Time of day activities will be taking place (i.e., # of shifts): 24/7; 3 shifts.
28. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements: N/A
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any. N/A.
29. If located in the city limits, do you (or your construction company) agree to declare "situs" for construction sales taxes at the construction site: N/A – site outside of city limits.
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: As the improvement is primarily for a warehouse, no changes in wastewater activity will occur with the new improvement.
31. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: N/A - The plant does not discharge to the city sanitary sewer system.

32. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: N/A - The plant does not discharge to the city sanitary sewer system.
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: We anticipate no additional competition with any existing businesses in the county.
35. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. Local suppliers will have the opportunity to bid on projects during the construction of the expansion. Due to the addition of people and machinery and equipment local businesses will continue, and new suppliers may be added, to provide services and products for such items as parts and materials, recycling and waste handling, and material handling.

Due to increased visits to the plant, increases in hotel/motel stays, food establishments, and fuel purchases for rental cars are anticipated. Please see below for a summary of estimated annual other tax revenue based on a general economic impact analysis for Texas:

Other Annual Tax Revenue per Worker	
Gasoline Taxes	\$ 38
Motor Vehicle Sales and Use Tax	\$ 219
Cigarette & Tobacco	\$ 168
Alcohol Beverage	\$ 92
Net Lottery proceeds	\$ 196
Total	\$ 713
Number of jobs	352
Incremental Revenue	\$ 250,976

36. Do you anticipate your relocation to attract other new businesses to the area? No
Please explain: The plant has been in existence for approximately 30 years. The expansion is not anticipated to attract other new businesses.
37. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: The warehouse expansion itself will not generate any significant emissions. The additional truck traffic will increase fuel exhaust (approximately 15 incremental daily loads outbound and 11 daily loads inbound).

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: N/A The Company is already a member of the GFBEDC.
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.

**Frito-Lay
Summary of Locations in Texas**

DIVISION	DESCRIPTION	ADDRESS1	ADDRESS2	CITY	STATE	ZIP	COUNTY
Frito-Lay	Plant	4855 Greatland		San Antonio	TX	78218-5336	Bexar
Frito-Lay	Frito HQ	7701 Legacy Dr		Plano	TX	75024-4002	Collin
Frito-Lay	Office	1200 Summit Ave		Plano	TX	75074-8510	Collin
Frito-Lay	Office - IT Support	5600 Headquarters Dr		Plano	TX	75024-5838	Collin
Frito-Lay	Office	2465 Golden Bear Ct		Carrollton	TX	75006-2656	Dallas
Frito-Lay	Office	9301 Stoneview Dr		Dallas	TX	75237-3969	Dallas
Frito-Lay	Plant	1141 Regal Row		Dallas	TX	75247-3611	Dallas
Frito-Lay	Warehouse	3420 Duncanville Rd		Dallas	TX	75236-1010	Dallas
Frito-Lay	Warehouse	3548 Duncanville Rd		Dallas	TX	75236-1012	Dallas
Frito-Lay	Plant	701 N Wildwood Dr		Irving	TX	75061-8831	Dallas
Frito-Lay	Farm	101 S Progressive Rd		Hereford	TX	79045-9500	Deaf Smith
Frito-Lay	Distribution	7170 Industrial Ave		El Paso	TX	79915-1214	El Paso
Frito-Lay	Plant	3310 Highway 36 N		Rosenberg	TX	77471-9716	Fort Bend
Frito-Lay	Office	11611 Belfort Village Dr		Houston	TX	77031-2627	Harris
Frito-Lay	Office	16102 Spence Rd	Suite 300	Houston	TX	77060-4072	Harris
Frito-Lay	Office	6901 Alabonson Rd		Houston	TX	77088-6502	Harris
Frito-Lay	Office	950 Tristar Dr		Webster	TX	77598-1515	Harris
Frito-Lay	Office	1001 E 75th St		Lubbock	TX	79404	Lubbock
Frito-Lay	Office	414 Sun Belt Dr		Corpus Christi	TX	78408-2411	Nueces
Frito-Lay	Office	4615 DC Dr		Tyler	TX	75701-8459	Smith
Frito-Lay	Plant	948 Avenue H E		Arlington	TX	76011-7722	Tarrant
Frito-Lay	Office	4701 Pylon St		Ft Worth	TX	76106-1919	Tarrant
Frito-Lay	SWZ Rebuild Center	4705 Pylon St		Ft Worth	TX	76106-1919	Tarrant
Frito-Lay	Office	9807 Middle Fiskville Rd		Austin	TX	78753-3831	Travis

