

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "Memorandum") by and between, Fluor Enterprises, Inc. (the "Company") and the County of Fort Bend, Texas (the "County") (collectively the "Parties") describes the intent of the Parties with respect to initiating a due diligence process for the purpose of the Company entering into a Purchase and Sale contract for certain real property and improvements located at the "Telfair Project" in the County of Fort Bend, Texas as more particularly described in Exhibit A attached hereto (hereafter the "Project Site") and for the Parties to pursue negotiations and approvals for specific tax and economic incentives which will induce the Company to consolidate, locate and/or expand certain of its operations to the Project Site and make capital expenditures at the Project Site.

Recitals

1. For operational considerations, the Company has decided that it would be more beneficial for it to consolidate, locate and/or expand certain operations within the State of Texas (the "State") and more specifically in the County.
2. After consideration of a number of alternative locations, the Company has identified the Project Site as the potential consolidation, retention or expansion location. The Project Site has become a location of interest to the Company specifically because of the tax incentives proposed by the County, including but not limited to an ad valorem (property) tax abatement, (hereafter and as more specifically defined in Section 3 below, the "Incentive"). The Company is about to enter into a Purchase and Sale Agreement to acquire the Project Site (the "Purchase Agreement"), but will not do so without the commitments of the County with respect to their intent to negotiate an agreement to provide the potential Incentive. The County acknowledges and agrees that without said Incentive, Company would not consider the Project Site for acquisition and development, and would consider locating its operations in another jurisdiction and, thus, "But-for" the proffer of these Incentives by the Parties, the Project Site would not have become a location of interest to the Company (the "But-For Test").
3. The County desires that the Company select a Project Site within their jurisdiction and has specifically offered the Incentive to the Company which must be approved by its Commissioner's Court, to induce the Company to select the Project Site within their jurisdiction. The County intends to work with Company and the State, where necessary, to identify and secure financial and other support including, without limitation, the Incentive, as set forth below, to assist in the completion of the consolidation, retention or expansion project (hereafter, the "Project").
4. Representatives of the Parties hereto have initiated discussions related to the business

terms of this Memorandum. This Memorandum is an expression of intent to proceed with further good faith negotiations, and the Parties shall not be legally bound hereby except the Parties hereby acknowledge that the But-For Test required for any discretionary incentives to be awarded to this Project has been and is met and that this Memorandum shall not negatively impact such conclusion, and the representatives of the Parties agree to negotiate all applicable agreements in good faith based upon the terms set forth herein. Any legal rights or obligations of the Parties shall arise solely out of subsequent negotiation and documentation of the Incentive, in one or more agreements signed by the relevant Parties, upon corporate approval by the Company and all approvals necessary from State, County and City agencies, departments, commissions, councils and boards.

NOW, THEREFORE, the Parties intend to negotiate toward entering into legally binding agreements that must be approved by their governing bodies and are subject to law, as follows:

1. Statement of Overall Intent. It is the intention of the County that it will assist the Company in moving forward with the Project through the use of the incentive in order for the Company to complete the acquisition of the Project Site.. The County intends to seek the approval of any other public entities required for the granting of the Incentive in a reasonable time period, not to exceed 90 days from the date the County receives all applications and documentation from Company required by the County's ordinances, policies or regulations the County intends to submit for approval of the Commissioner's Court, and subject to law, the granting of such Incentive. The County understands that the Company will be entering in to the Purchase Agreement, and conducting due diligence concerning the Project Site (and thereby expending significant sums) in reliance upon the good faith agreement of the County to work with the Company towards a mutually acceptable Incentives agreement.

2. The Company's Commitments. Provided an Incentive agreement acceptable to all Parties is finally agreed upon, as consideration for the Incentives, the Company would consider making the following commitments:

Investment. It is anticipated at this time that the Company would consider an investment in the Project as follows:

(1) The Project Site having a minimum investment in personal property and equipment, defined as Phase I personal property, in the range of \$15 million (Personal Property and Equipment Investment), and

(2) The Project Site having a minimum investment in real property and improvements (exclusive of land, increases in the value of land, personal property, inventory, supplies, and equipment) (Real Property Investment) of \$150 million, and defined as Phase I Improvements. Most of these expenditures will result from the development, site

improvement and construction of an industrial park and campus of buildings for the consolidation, relocation and/or expansion of the Company's current facilities and operations in the County at the Project Site.

Hereinafter, the sum of the aforesaid amounts for Personal Property and Equipment Investment and the Real Property Investment together shall be referred to as the "Project Investment" to be measured in the aggregate upon substantial completion of the entire Project. Notwithstanding the preceding, in the event the aggregate Project Investment falls below \$165 million following substantial completion of the Project, any "clawback" or other diminution, reduction or contraction in the Incentives, as set forth below, related to capital investment at the Project Site would be on a pro rata basis and only after a showing that the Project Investment at the Project Site, after the Project Site is totally completed, would not be less than \$165 million. For example should the Project Investment be \$148.5 million instead of \$165 million there would be a 10% reduction in the amount of the Incentive. So, if the Incentive was for a 75% abatement for 10 years it would be reduced to a 67.5% abatement for 10 years.

3. Incentives. In consideration of the commitments by the Company set forth above, the County intends to provide the Company with the following Incentive, subject to law, approvals of the County's governing body, and appropriate communications with taxing authorities, as follows:

Texas Tax Code Chapter 312 Tax Abatement Agreement. Subject to the provisions of this Memorandum the County's representatives will negotiate an ad valorem property tax abatement agreement pursuant to Chapter 312 of the Texas Tax Code (the "Chapter 312 Property Tax Abatement") providing for tax abatement of the Improvements at the Project Site for 10 years according to the percentages set forth below. Improvements means the building(s), any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building(s) as delineated in an exhibit to the agreement. It is anticipated at this time that the Project Site will be developed in phases and over an extended period of time. The Parties shall negotiate the Chapter 312 Property Tax Abatement in such a way that each phase of the Improvements of the development of the Project Site is subject to the tax abatement for a full 10 years. The County, through its Commissioner's Court, consideration of a Chapter 312 tax abatement agreement, among other things, is contingent upon:

- (1) The Company submitting an application to the County, as required by the County's respective policies and procedures;
- (2) The Company submitting all required documents, including surveys, site plans, cost estimates for the Improvements, the construction time line for each phase of building development of Phase I of the Improvements at the Project Site and any other phase of Improvements after Phase I of the Improvements at the Project Site, and any other

documents required by the respective City's policies and procedures;

(3) The negotiated agreement containing a requirement that the Phase I of the Improvements at the Project Site, which is comprised of the Phase I Project Investment, will receive:

- (A) 85% abatement for 10 years if project completed by 6/30/2019;
- (B) 80% abatement for 10 years if project completed by 6/30/2020; or
- (C) 75% abatement for 10 years if project completed by 6/30/2021.

(4) The negotiated agreement containing a requirement that regardless of the date of the construction of a phase of any other Improvements after Phase I of the Improvements at the Project Site, the tax abatement for any other phase after Phase I of the Improvements at the Project Site will be equal to a 75% abatement for 10 years except that all tax abatements will end on January 30, 2033.

In the event that there were a subsequent change in law or interpretation to Texas Tax Code Chapter 312 that would have made it more financially advantageous to have executed a tax abatement agreement pursuant to Chapter 381 of the Texas Tax Code instead of Chapter 312 of the Texas Tax Code the County's representatives intend to negotiate an ad valorem property tax abatement agreement pursuant to Chapter 381 of the Texas Tax Code setting forth similar basic terms contained in the Chapter 312 tax abatement agreement.

4. Conditions Precedent. The Parties' representatives will work in good faith to negotiate more detailed legal agreements for approval of their governing bodies to effectuate the Incentives, that subject to the various government agency approvals at the State, County and City level, the Company would plan on accepting the Incentive awards so long as those Incentives are in-line with initial discussions of potential Incentive amounts with State, County and City personnel, and, that the Incentives are appropriately approved by the proper governmental bodies. It is also agreed by the Parties that by executing this document, the Parties hereby acknowledge that the But-For Test required for any discretionary Incentives to be awarded to this Project has been and is met and that this Memorandum shall not negatively impact such conclusion.

5. Costs. Each of the Parties shall be responsible for their own reasonable and customary due diligence costs. The Company will pay all standard applicable application fees related to any Incentives discussed above or offered to the Company at a later date. The Company shall pay all administrative and permitting fees applicable to any of the Incentives.

6. Approvals. The mutual statements of intent herein are subject to negotiation of the terms of the Incentives acceptable to all Parties, approvals of government agency boards, county commissions, city councils and other legislative or administrative bodies as required by law, and approval by the senior management of the Company.

7. Confidentiality. To the extent permitted by law, the Parties agree that each other will treat in confidence this Memorandum and all documents, material and other information which each party shall have obtained during the course of negotiations leading up to, and its performance of, this Memorandum (Confidential Information). The Confidential Information shall not be communicated to any third party, including the media, without prior notice to the non-disclosing party, unless required by law. The County is subject to the Public Information Act and will comply with that law.

8. Cooperation. The Parties' representatives will cooperate with each other in securing the Incentives and objectives of this Memorandum, which, however, must be approved by the Parties' respective governing bodies.

9. Indemnity. The Company agrees to indemnify and hold harmless the State, County and City from and against any claim, lawsuit, judgment and/or penalty arising from the transactions described herein, including, without limitation, all attorneys' fees incurred in defending same.

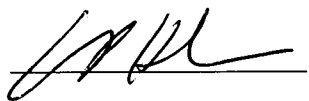
10. Effective date. This Memorandum shall become effective upon execution by County.

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IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the date first written above.

Fluor Enterprises, Inc.

By:

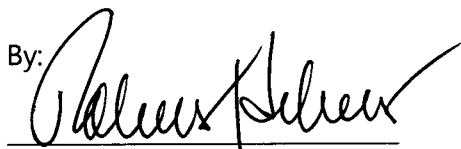


Name: E. P. Helm

Title: Vice President, Managing General Counsel
and Asst. Secretary

The County of Fort Bend, Texas

By:



Robert E. Hebert, County Judge

Date: July 3, 2012

Attest:



Dianne Wilson, County Clerk

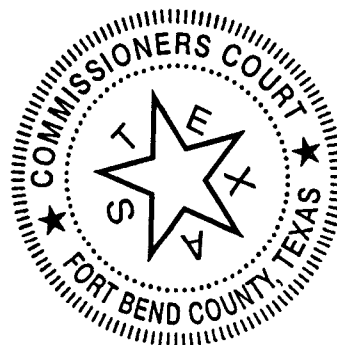
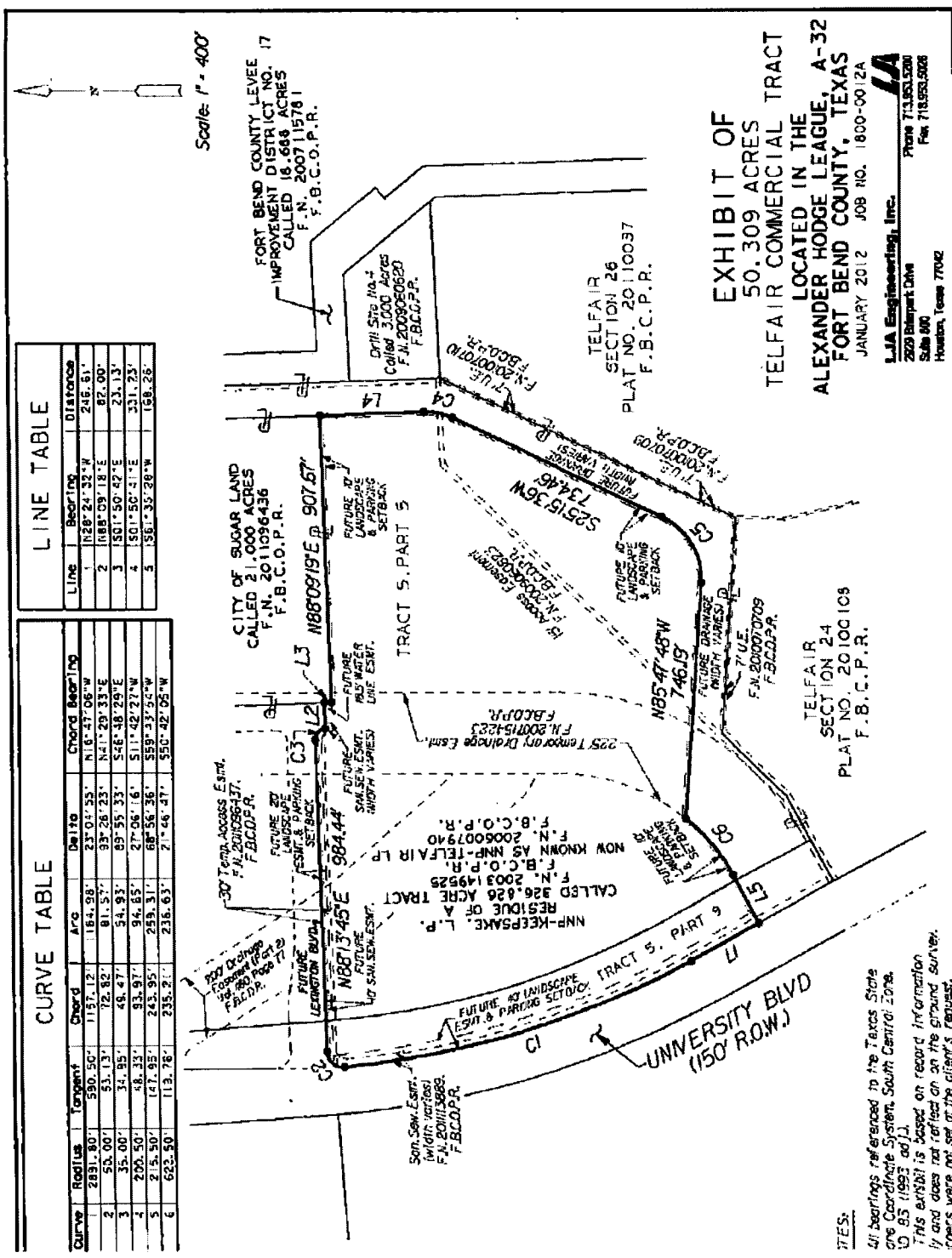


EXHIBIT "A"

DESCRIPTION OF PROPERTY

A drawing depicting the approximately 50.3 gross acre tract which is the Property follows this page. At such time as a metes and bounds description of the Property is available, upon review and confirmation that such metes and bounds description accurately reflects the attached drawing, the parties agree that, without the need for amendment of this Agreement, such metes and bounds description shall be attached hereto and incorporated herein, and shall be the legal description of the Property to be incorporated in the Deed.



LINE TABLE

Line	Bearing	Distance
1	N28°24'32"W	246.61'
2	N85°09'18"E	82.00'
3	S01°50'42"E	23.13'
4	S01°50'11"E	331.23'
5	S81°33'28"W	198.28'

CURVE TABLE

Curve	Radius	Chord	Chord Bearing	Area	Delta
1	2931.80'	590.50'	115.7°12'	184.98'	23°01'53"
2	50.00'	31.13'	72.82'	81.57'	93°26'23"
3	35.00'	34.95'	48.47'	54.33'	89°55'33"
4	200.50'	48.33'	93.97'	94.65'	27°06'16"
5	215.50'	147.95'	243.95'	259.31'	68°56'36"
6	622.50'	113.78'	235.21'	236.63'	71°46'47"

Scale: 1" = 400'

EXHIBIT OF
50.309 ACRES
TELFAIR COMMERCIAL TRACT
LOCATED IN THE
ALEXANDER HODGE LEAGUE, A-32
FORT BEND COUNTY, TEXAS
 JANUARY 2012 JOB NO. 1800-0012A

LJA Engineering, Inc.
 2829 Blinnpark Drive
 Suite 600
 Houston, Texas 77062
 Phone 713.953.5200
 Fax 713.953.5068

NOTES:
 All bearings referenced to the Texas State
 Coordinate System, South Central Zone,
 10 83 (1993 ad).
 This exhibit is based on record information
 and does not reflect on an the ground survey.
 There's were not set at the client's request.

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 3/1/2012