

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
 by and between the
FORT BEND COUNTY DRAINAGE DISTRICT,
J CROSBY INVESTMENTS, LLC
 and
CD&N MANUFACTURING, LLC d/b/a
CNC MANUFACTURING

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 **J. CROSBY INVESTMENTS, LLC**, a Texas limited liability corporation, hereinafter referred to as "Owner," of the Real Property and Improvements located within the City of Missouri City Reinvestment Zone No. 11, and **CD&N MANUFACTURING, LLC**, a Texas limited liability corporation, doing business as CNC Manufacturing, hereinafter referred to as "Lessee", the lessee of the Real Property and Improvements located within the City of Missouri City Reinvestment Zone No. 11.

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, was approved by the District's Board of Directors on March 1, 2011. District has determined that the request for Tax Abatement presented by Owner and Lessee 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 Missouri City Reinvestment Zone No. 11 by the District.

- b. **“Real Property”** means the portion of Reserve 23 and Reserve 24, in Block 3, Lakeview Business Park, a recorded subdivision in Fort Bend County, Texas, as described in Ordinance No. O-13-02, which created Reinvestment Zone No. 11 located within the City of Missouri City, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- c. **“Improvements”** means a new building to be used for office, manufacturing, and warehousing purposes located in Reinvestment Zone No. 11, containing at least 70,000 square feet of floor space, and the interior improvements to such office, manufacturing, distribution and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building.
- d. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Missouri City Reinvestment Zone No. 11 designated for economic development purposes.
- e. **“Eligible Property”** means the personal property owned or acquired by Lessee and installed at the Improvements which is not Ineligible Property. Abatement shall be extended to machinery and equipment (fixed or otherwise), 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 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 J CROSBY INVESTMENTS, LLC, the owner of the Real 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. **“Lessee”** means CD&N MANUFACTURING LLC, doing business as CNC Manufacturing, the lessee of the Real Property, or other person or entity to which this Agreement is assigned, with prior approval of the District Board of Directors.
- i. **“District”** means the Fort Bend County Drainage District.
- j. **“CAD”** means Fort Bend County Central Appraisal District.

3. Subject Property

The City of Missouri City Reinvestment Zone No. 11 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The District has established the base year values for the subject property as of January 1, 2013.

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 September 30, 2013.
- (b) That construction of the Improvements shall be completed on or before September 30, 2014. Owner shall provide the District's Tax Assessor/Collector a certified statement evidencing a minimum of \$3,000,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2015, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$3,000,000. Owner may from time to time during the term of this Agreement for the Improvements, install additional improvements, and modify, remove or replace improvements, as Owner may determine in its discretion, provided such shall not modify the minimum value requirements hereof. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That Owner shall provide the District's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before December 31, 2014. 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 2015.

- (e) That the Certified Appraised Value of the Eligible Property on January 1, 2015, and on each and every January 1 thereafter during the term of this Agreement must not be less than \$1,000,000. Lessee may from time to time during the term of this Agreement for Eligible Property, install additional Eligible Property, and modify, remove or replace Eligible Property, as Lessee may determine in its discretion, provided such shall not modify the minimum value requirements hereof. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (f) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (g) 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 for a minimum period coinciding with the term of this Agreement.
- (h) **OWNER AND/OR LESSEE 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.**
- (i) **OWNER AND/OR LESSEE 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. EXCEPT AS OTHERWISE PROVIDED HEREIN, 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, 2024. In no event shall this Agreement extend beyond December 31, 2024. 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 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>
2015	40%
2016	40%
2017	40%
2018	40%
2019	40%
2020	40%
2021	40%
2022	40%
2023	40%
2024	40%

- (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.
- (2) All Eligible Property shall be placed and/or installed in substantial accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
- (3) The District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner or Lessee protest 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 and Lessee shall certify in writing to District Tax Assessor/Collector Owner and Lessee's compliance with each term of this Agreement.

6. Event of Default

- (a) District may declare Owner or Lessee in default of this Agreement if: (1) Owner or Lessee fail to comply with any term of this Agreement or (2) Owner or Lessee allows District ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) Owner or Lessee ceases operations on the Real Property for a continuous period of one hundred eighty (180) days before the expiration of the term of the Abatement without the prior written consent of the District, except that (i) a temporary shutdown of the facility, with assurance of the resumption of operations, for the purpose of facility modification, expansion, improvement, retooling or similar purpose, (ii) in the event the facility is being actively marketed, the District shall not unreasonably withhold consent to a reasonable extension to such period to permit the sale of the facility to another operator, (iii) the closure of the facility pending settlement of insurance, casualty or condemnation claims or (iv) the closure of the facility due to inadequate or unacceptable raw water supply shall not constitute a vacating of or a cessation of operations on the Real Property under this Section 13(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 10 herein.
- (b) District shall notify Owner and Lessee of any default in writing specifying the default. Owner and/or Lessee shall have sixty (60) days from the date of the notice to cure any default. If Owner or Lessee 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 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 taxes abated during the term of this Agreement; and
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) Penalties on the amount abated in the year of default, at the rate provided

for in the TEXAS TAX CODE for delinquent taxes. District shall have a lien against the Real Property, Ineligible 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 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 a 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 and 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.

7. Administration and Inspection

(a) This Agreement shall be administered on behalf of the District 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 (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction or operation of the facility. A representative of Owner and Lessee may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner and Lessee'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 Improvements and any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential 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, and any Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, the Improvements, and any 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 to be recaptured in the event that this Agreement is terminated.

(d) Owner or Lessee, as appropriate, 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.

8. Assignment

(a) Owner and Lessee may not assign this Agreement 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.

(b) 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 Agreement only.

(c) Owner shall provide notice to District within ninety (90) days of any sale or

assignment of the Real Property subject to this Agreement.

9. Indemnity

It is understood and agreed between the parties that Owner and Lessee, in performing obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AND LESSEE AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE CAD FROM ANY AND ALL NON-OWNER OR NON-LESSEE CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER OR LESSEE'S BREACH OF ITS 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 AND LESSEE'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 WHICH ARE NOT DUE TO DISTRICT'S, THE CAD'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER AND LESSEE 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 OR LESSEE. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER AND LESSEE SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

10. Force Majeure

If by reason of force majeure, Owner or Lessee are 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 after Owner or Lessees first become aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owner and 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 or lack of capacity of the wastewater system or water supply system; or any other cause not reasonably within the control of the or Lessee.

11. 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.

12. 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.

13. Changes in Laws/Vested Rights

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, but only the extent required by law to be enforceable and after giving Owner and Lessee all vesting, non-conforming and/or “grandfather” rights, contained in and applicable to this Agreement and allowed by law.

14. 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.

15. 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 certified, return receipt requested, in a United States Post Office, addressed to District, 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) business days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner, District or Lessee 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: J Crosby Investments, LLC
5904 Jessamine, Suite A-12
Houston, Texas 77081
Attn: Jim Crosby

Copy: Law Office of Gary D. Mathews
2777 Allen Parkway, Suite 1000
Houston, Texas 77019
Attn: Gary Mathews

To Lessee: CNC Manufacturing
5904 Jessamine, Suite A-12
Houston, Texas 77081
Attn: Jim Crosby

Copy: Law Office of Gary D. Mathews
2777 Allen Parkway, Suite 1000
Houston, Texas 77019
Attn: Gary Mathews

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

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

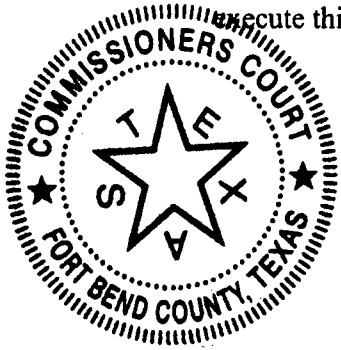
Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. **Failure of Owner or Lessee to provide District Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

16. 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 Missouri City Ordinance No. O-13-02 designating Reinvestment Zone No. 11, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

17. Execution

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



ATTEST:

Dianne Wilson

Dianne Wilson, County Clerk

"DISTRICT:"

FORT BEND COUNTY DRAINAGE DISTRICT

By: *Robert E. Hebert*

Robert E. Hebert, County Judge

Date: 2-12-2013

J CROSBY INVESTMENTS, LLC,
a Texas limited liability corporation

By: *James F. Crosby*

Name: James F. Crosby

Title: MANAGER

Date: 2/6/2013

ATTEST:

[Signature]

WITNESS

C D & N Manufacturing LLC,
a Texas limited liability corporation
d/b/a CNC Manufacturing

By: *James F. Crosby*

Name: James F. Crosby

Title: MANAGER

Date: 2/6/2013

ATTEST:

[Signature]

WITNESS

Exhibit A
Ordinance Creating City of Missouri City Reinvestment Zone No. 11

ORDINANCE NO. O-13-02

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,
CREATING REINVESTMENT ZONE NO. 11 ENCOMPASSING A
PORTION OF RESERVE 23 AND RESERVE 24 IN BLOCK 3 OF
LAKEVIEW BUSINESS PARK LOCATED SOUTHWEST OF THE
INTERSECTION OF BUFFALO RUN AND FONDREN ROAD IN THE
CITY OF MISSOURI CITY, TEXAS; MAKING RELATED FINDINGS; AND
PROVIDING FOR SEVERABILITY.

* * * * *

WHEREAS, the City Council of the City of Missouri City has passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones Created in Missouri City, Texas; and

WHEREAS, pursuant to the Guidelines, the City has received a request for creation of a reinvestment zone and tax abatement; and

WHEREAS, after proper notice, the City held a public hearing where all interested persons were given an opportunity to speak and present evidence for and against the creation of Reinvestment Zone No. 11; and

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

WHEREAS, the City Council has determined, based on evidence presented, that the improvements sought to be located in proposed Reinvestment Zone No. 11 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 the tax abatement agreement; and

WHEREAS, the creation of Reinvestment Zone No. 11 will be reasonably likely, as a result of its creation, 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 Missouri City; now therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MISSOURI CITY, TEXAS:

Section 1. That the facts and recitations set forth in the preamble of this Ordinance are hereby found to be true and correct, and are made a part of this Ordinance for all purposes.

Section 2. That Reinvestment Zone No. 11 is hereby created for the purpose of encouraging economic development through tax abatement. The Zone is described

as a portion of Reserve 23 and Reserve 24 in Block 3 of Lakeview Business Park, a recorded subdivision in Fort Bend County, Texas, more fully described in Exhibit A attached hereto.

Section 3. This designation shall be effective for five (5) years from the date of final passage of this Ordinance and may be renewed for periods not to exceed five (5) years.

Section 4. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict only.

Section 5. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstance shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair, or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Missouri City, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any such part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

PASSED and APPROVED on first reading this 3rd day of December, 2012.

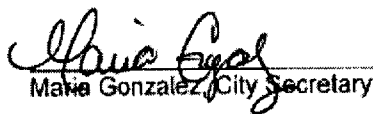
PASSED, APPROVED and ADOPTED on second and final reading this 22nd day of January, 2013.



Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:


Maria Gonzalez, City Secretary
Caroline Kelley, City Attorney

**DESCRIPTION OF A TRACT OF LAND CONTAINING
7.580 ACRES (330,185 SQUARE FEET) SITUATED IN
I&G.N.R.R. SURVEY, A-263
FORT BEND COUNTY, TEXAS**

Being a tract of land containing 7.580 acres (330,185 square feet) situated in the I&G.N.R.R. Survey, A-263 in Fort Bend County, Texas, being a portion of a called 168.46-acre tract of land conveyed unto Lakeview BP Land, L.P., by deed recorded under County Clerk's File No. 2007119017 of the Official Public Records of Real Property, Fort Bend County, Texas, a portion of Reserve 23 in Block 3 of Lakeview Business Park, a subdivision plat recorded under County Clerk's File No. 20080032 of the Official Public Records of Fort Bend County, Texas, and all of Reserve 24 in Block 3 of Partial Replat of Lakeview Business Park, Replat No. 4, a subdivision plat recorded under County Clerk's File No. 20120187 of the Official Public Records of Fort Bend County, Texas. Said 7.580 acre tract of land being more particularly described by metes and bounds as follows:

**Note: All bearings cited herein are referenced Lakeview Business Park, a subdivision plat recorded under County Clerk's File No. 20080032 of the Official Public Records of Fort Bend County, Texas.*

BEGINNING at a found 5/8-inch iron rod with cap stamped "T.E.A.M." in the northwest right-of-way line of Willow Oak Drive (based on a width of 60 feet), same being the most southerly corner of Reserve 25, Block 3 of said Partial Replat of Lakeview Business Park Replat No. 4, for the most easterly corner of said Reserve 24 and for the most westerly corner of said tract herein described, from which a found 5/8-inch iron rod with cap stamped "South Texas Surveying" at the most easterly corner of said Reserve 25 bears North 62° 39' 59" East a distance of 309.10 feet (called 309.07 feet);

THENCE South 62° 39' 59" West with the northwest right-of-way line of said Willow Oak Drive, same being the southeast line of said Partial Replat of Lakeview Business Park, Replat No. 4, at a distance 477.03 feet (called 477.06 feet) pass a found 5/8-inch iron rod with cap stamped "T.E.A.M." at the most southerly corner of said Reserve 24, same being the most easterly corner of said Reserve 23, and continuing for a total distance of 623.10 feet to a set 5/8-inch iron rod with cap stamped "Cobb, Fenley & Associates" in the southeast line of said Reserve 23, for the most southerly corner of said tract herein described;

THENCE North 27° 20' 01" West across said Reserve 23, a distance of 79.82 feet to a set 5/8-inch iron rod with cap stamped "Cobb, Fenley & Associates" for an angle point in the southwest line of said tract herein described;

THENCE North 21° 25' 57" West continuing across said Reserve 23, a distance of 494.23 feet to a set 5/8-inch iron rod with cap stamped "Cobb, Fendley & Associates" in the southeast right-of-way line of Buffalo Run (based on a width of 100 feet), in the northwest line of said Reserve 23, for the most westerly corner of said tract herein described;

THENCE North 68° 34' 03" East with the southeast right-of-way line of said Buffalo Run, same being the northwest line of said Lakeview Business Park at a distance 145.34 feet pass a found 5/8-inch iron rod at the most northerly corner of said Reserve 23, same being the most westerly corner of said Reserve 24, and continuing for a total distance of 620.23 feet to a found 5/8-inch iron rod with cap stamped "T.E.A.M." for the most northerly corner of said Reserve 24, for the most westerly corner of said Reserve 25, and for the most northerly corner said tract herein described;

THENCE South 21° 25' 46" East (called South 21° 25' 57" East) with the southwest line of said Reserve 25, a distance of 425.04 feet (called 425.07 feet) to a found 5/8-inch iron rod with cap stamped "T.E.A.M." for an angle point in the northeast line of said tract herein described;

THENCE South 27° 24' 13" East (called South 27° 20' 01") continuing with the southwest line of said Reserve 25, a distance of 74.93 feet (called 74.90 feet) to the POINT OF BEGINNING of said tract herein described, and containing 7.580 acres (330,185 square feet) of land, more or less.

Note: This Metes and Bounds Description is referenced to a plat of survey prepared by Cobb, Fendley & Associates, Inc. dated Nov. 29, 2012.

Cobb, Fendley & Associates, Inc.
13430 NW Freeway, Suite 1100
Houston, TX 77040
Phone: 713-462-3242
Job Number 1207-082-01

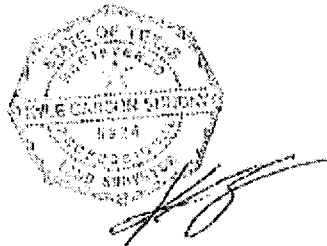


Exhibit B



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.

2. Information About Your Company

Company Name: CNC Manufacturing	
Contact Person: Jim Crosby	Title: President
Current Address: 5904 Jessamine, Suite A-12, Houston, Texas 77081	
Office #: 713-667-8021	Mobile #: 281-804-2376
Fax #: 713-667-4619	Website: none
Email Address: Jim@cnc-mfg.net	
The Company's Primary SIC Code:	

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:
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): Lakeview Business Park
6. Scope of project:

Size of new facility/expansion:	72,500
Size of existing facility (if applicable):	40,000
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	7.85
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt wall

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, 70 machine shop, 20% warehouse
8. Truck traffic to be generated (# daily or weekly): 15 round trips our truck, 25/week vendors
9. Targeted start of construction: Q2/2013
10. Targeted start of operations: Q1/2014
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): See spread sheet

Land	Construction Costs of Building Improvements	Furniture & Fixtures	Equipment	Inventory	Total
\$	\$	\$	\$	\$	\$

12. Estimated percent of inventory that would be Freeport qualified, if any:
50 %
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: %
14. Employment information: See spreadsheet

Number of new jobs to Fort Bend	Number of existing jobs to be retained (if company	Total Number of Jobs
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2

County	currently located in Fort Bend)	

15. Average salary (before benefits): see spread sheet
16. Amount of initial, annual local payroll to be created: see spread sheet
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? See spread sheet
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)? 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 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: no
20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: Houston Texas
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): none
22. Current owner of real property (land/building) at the time of application: Trammel Crow
23. Have you received or are you currently receiving tax abatement in Fort Bend:
☐ Yes ☒ No
24. Is this land currently under Agriculture Exemption: ☐ Yes ☒ No
 - 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:
27. Time of day activities will be taking place (i.e., # of shifts): 2 shifts- 6:00am to 4:30pm; 4:30pm to 3:00am

28. **The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:** none
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any:
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:**
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:** process will not require wastewater pretreatment
31. **Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:** no
32. **Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:** none
33. **Public improvements to be made by the Company in which the public may benefit (please list if any):** none
34. **Will this business compete with existing businesses in the county? If so, please list local companies providing the same services:**
35. **Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.** We currently purchase over \$11 million per year in materials and supplies.
36. **Do you anticipate your relocation to attract other new businesses to the area? Please explain:** n/a
37. **Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider:** none
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:** ☒ Yes ☐ No
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.
39. **By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly**

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4

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.

CERTIFICATION:

I. APPLICANT:

_____(Name of Company)____CNC Manufacturing.

_____ 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: _____ James Crosby _____

Title: _____ President _____

II. GFBEDC

The Greater Fort Bend Economic Development Council certifies that _____ has met the standard requirements and is qualified for value added tax abatement in Fort Bend County.

W. Jackson Belt

Date

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5

CNC MANUFACTURING

Question 11	Market Value of the firm's property to be located at the facility in Fort Bend (DEPRECIATED VALUE)					
	Land	Building Improvements	Furniture and Fixtures	Equipment	Inventory	Total
Move In	1,600,000	4,500,000	30,000	1,900,000	5,000,000	13,030,000
End of Year 1	1,600,000	4,500,000	30,000	4,900,000	5,000,000	16,030,000
End of Year 4	1,600,000	6,500,000	30,000	10,900,000	7,000,000	26,030,000

Question 14	number of new jobs to Fort Bend County	number of existing jobs to be retained	total number of Jobs
Move In	68	0	68
End of Year 1 (10 new machines)	93	0	92
End of Year 4 (20 additional machines)	144	0	140

Questions 15 & 16	Average Salary				
	Position	Number	Total Salaries	Average Salaries	
Move In	Machinists	40	3002600	75065	
	Management & Office	12	1067370	90614	
	Indirect Shop	16	617829	38614	
	Total	68	4707799	69232	
End of Year 1 (10 new machines)	Machinists	60	4503900	75065	
	Management & Office	13	1177884	90614	
	Indirect Shop	20	772286	38614	
	Total	93	6454170	69400	
End of Year 4 (20 additional machines)	Machinists	100	7506499	75065	
	Management & Office	15	1359212	90014	
	Indirect Shop	29	1119815	38614	
	Total	144	9985527	69344	

Question 17	Total Sales
Move In	\$30 million
End of Year 1	\$40 million
End of Year 4	\$58 million