

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
 by and between
FORT BEND COUNTY DRAINAGE DISTRICT
 and
KOBELCO WELDING OF AMERICA INC.

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as "District," acting by and through its Board of Directors and **KOBELCO WELDING OF AMERICA INC.**, 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. 13.

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, were approved by the District's Board of Directors on April 26, 2013. District has determined that the request for Tax Abatement presented by Owner conforms to 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. 13 by the District.
- b. "Real Property" means the approximate 5.4676 acre tract of vacant land described in Exhibit C and as described in Ordinance No. O-14-21 which created Reinvestment Zone No. 13 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 and distribution facility located in Reinvestment Zone No. 13, containing at least 40,000 square feet of floor space, and the interior improvements to such office, distribution 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 the City of Missouri City Reinvestment Zone No.13 designated for economic development purposes.
- e. “Ineligible Property” means real property, existing improvements, tangible personal property that the CAD 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.
- f. “Owner” means KOBELCO WELDING OF AMERICA INC, the Owner of the Real Property that is 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.
- g. “County” means the County of Fort Bend, Texas.
- h. “CAD” means Fort Bend County Central Appraisal District.
- i. “District” means the Fort Bend County Drainage District.

3. Subject Property:

The City of Missouri City Reinvestment Zone No. 13 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The CAD has established the base year values for the subject property as of January 1, 2014.

4. Responsibility of Owner:

- a. In consideration of receiving the tax abatement granted herein, Owner represents and agrees:
 - i. That construction of the Improvements will commence on or before December 31, 2015.
 - ii. That construction of the Improvements shall be completed on or before December 31, 2016. Owner shall provide the District's Tax Assessor/Collector a certified statement evidencing a minimum of \$5,000,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
 - iii. That the combined Certified Appraised Value of the Improvements on January 1, 2017, and on each and every January 1 thereafter during the term of this Agreement must not be less than \$5,000,000. Owner may from time to time during the term of this Agreement install additional improvements, and modify, remove or replace improvements as Owner may determine in its discretion. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
 - iv. 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, 2016. 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 2016.
 - v. That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.

- vi. 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.
 - vii. 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. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.
- b. For Tax Years 2017 through 2026, inclusive, if the requirements of Section 4(a)(iii) are not met for any year that this Agreement is in effect, Owner may receive an Abatement on the Certified Appraised Value of the Improvements, provided Owner pays the District a sum equal to the taxes on the value of the Abated Value of the Improvements, the full taxes on the difference between the Certified Appraised Value of the Improvements and the \$5,000,000 value, and all taxes not subject to abatement under this Agreement. (For instance, if the Certified Appraised Value of the Improvements is \$4,000,000 in any year, Owner shall receive Abatement on the Certified Appraised Value of \$4,000,000 and shall pay the District a sum equal to the taxes on the Abated Value of the Improvements, the full taxes on \$1,000,000, and all other taxes due.) Upon full compliance with the provisions of this Section 4(c), failure to comply with the requirements of Section 4(a)(iii) shall not be a default under this Agreement. District's remedy as set forth in this Section 4(b) for Owner's failures under Section 4(a)(iii) shall be the sole and exclusive remedy available to District for such failures.
- c. For Tax Years 2017 through 2026, inclusive, the option contained in Section 4(b) providing for Owner's payment of a sum equal to the full taxes on the difference between the Certified Appraised Value of the Improvements and the \$5,000,000 value is contractual in nature and is not subject to any provisions of the TEXAS TAX CODE.

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, 2026. In no event shall this Agreement extend beyond December 31, 2026. 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.
- 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:

Tax Year	Abatement percentage
2017	50%
2018	50%
2019	50%
2020	50%
2021	50%
2022	50%
2023	50%
2024	50%
2025	50%
2026	50%.

- i. The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Ineligible Property, Eligible Property, inventory or supplies.
- ii. 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.
- iii. The CAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the CAD's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.

- iv. 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, and
- b. The value of existing improvements, if any, and existing Eligible Property shall be determined in the base year by the CAD.

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 or (2) Owner allows District ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) 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 7(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 11 herein.
- 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 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 thirty (30) days of the termination of this

Agreement:

- i. The amount of all taxes abated during the term of this Agreement; and
 - ii. 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 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 Fort Bend 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 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 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 Improvements and any Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- c. The Chief Appraiser of the Fort Bend County Appraisal District 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 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

- a. Owner 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.

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 CAD FROM ANY AND ALL NON-OWNER CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'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'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 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 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 first become aware or should have become aware of the occurrence relied upon. By doing so, 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 or lack of capacity of the wastewater system or water supply system; or any other cause not reasonably within the control of the Owner.

12. Board of Directors Approval:

This Agreement is conditioned entirely upon the approval of the District Board of Directors by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Board of Directors.

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 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 all vesting, non-conforming and/or "grandfather" rights, contained in and applicable to this Agreement and allowed by law.

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 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)

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 or District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
District Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77469

To **Owner:** Kobelco Welding of America Inc.
4755 Alpine Drive, Suite 250
Stafford, Texas 77477
Attn: Legal Department

To **District:** Fort Bend Drainage District
401 Jackson
Richmond, Texas 77469
Attention: Board of Directors

Copy to: Fort Bend County Attorney
401 Jackson
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 the District Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

17. Entire Agreement; Ordinance and Economic Impact Statement.

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – City of Missouri City Ordinance No. O-14-12 designating Reinvestment Zone No. 13, (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, and Exhibit C – legal description of Real Property which are made part of this Agreement.

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18. Execution

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

"COUNTY:"

FORT BEND COUNTY, TEXAS

By: _____

Robert E. Hebert, County Judge

ATTEST:

Date: _____

7-22-2014

Dianne Wilson

Dianne Wilson, County Clerk



"Owner:"

**Kobelco Welding of America Inc., a
Foreign For-Profit Corporation**

By: _____

Name: Norisuke Miyauchi

Title: President

ATTEST:

Date: _____

7/9/2014

ANH POWELL

Printed Name: ANH POWELL

Exhibit A

Ordinance Creating City of Missouri City Reinvestment Zone No. 13

ORDINANCE NO. O-14-21

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,
CREATING REINVESTMENT ZONE NO. 13 ENCOMPASSING AN
APPROXIMATE 5.4676 ACRE TRACT OF LAND 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 ("Guidelines") created in the City of Missouri City, Texas ("City"); and

WHEREAS, pursuant to the Guidelines, the City has received a request for the 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. 13; 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. 13 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. 13 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; 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. The City Council of the City of Missouri City conducted the public hearing on the creation of Reinvestment Zone No. 13 and closed the public hearing prior to the final adoption of this Ordinance.

Section 3. That Reinvestment Zone No. 13 is hereby created for the purpose of encouraging economic development through tax abatement. A description of Reinvestment Zone No. 13 is attached hereto as Exhibit "A."

Section 4. 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 5. All ordinances or parts of ordinances in conflict herewith are repealed to the extent of such conflict only.

Section 6. 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, whether there be one or more parts.

PASSED and APPROVED on first reading this 19th day of May, 2014.

PASSED, APPROVED and ADOPTED on second and final reading this 2nd day of June, 2014.



Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:

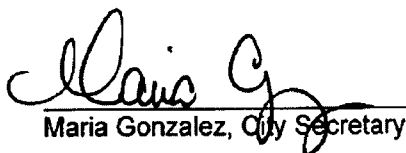

Maria Gonzalez, City Secretary
Caroline Kelley, City Attorney

Exhibit B

Economic Impact Statement/Application for Value Added Tax Abatement



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.

Kobelco Welding of America, Inc (KWA) was established in Houston, TX in March 1990. KWA engages primarily in the distribution of welding materials manufactured by its foreign affiliates to customers primarily in the North America market. These welding materials are used to construct and repair metal products and structures including buildings, ships, boilers, pressure vessels, and tanks.

KWA plans to construct a manufacturing facility to produce welding materials. We are in the process of selecting a suitable location for the facility in one of the following cities: Missouri City, Sugar Land, Stafford, and Houston.

2. Information About Your Company

Company Name: Kobelco Welding of America, Inc.	
Contact Person: Norisuke (Nick) Miyauchi	Title: President
Current Address: 4755 Alpine Rd. Ste 250, Stafford, TX 77477	
Office #: 281 - 240 - 5600	Mobile #:
Fax #: 281 - 240 - 5625	Website: www.kobelcowelding.com
Email Address: miyauchi@kobelcowelding.com	
The Company's Primary SIC Code: 5084	

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): Considering Missouri City, Sugar Land, Stafford or Houston (not yet decided)
6. Scope of project:

Size of new facility/expansion:	5 to 6 acres
Size of existing facility (if applicable):	
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	5 to 6 acres
Type of Construction (tilt wall, metal, concrete, etc.):	Concrete & metal

7. Please give detailed breakdown of operations within the proposed facility: 12% office; 20% warehouse, 68% production
8. Truck traffic to be generated (# daily or weekly): 4 daily
9. Targeted start of construction: 2014
10. Targeted start of operations: 2015
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
\$ 1 mil	\$ 5 mil	\$ 50,000	\$ 5 mil	\$ 500,000	\$11,550,000

12. Estimated percent of inventory that would be Freeport qualified, if any: 90 %
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:**
- | 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 |
|--|--|----------------------|
| 20 to 30 | 9 | 30 to 40 |
15. Average salary (before benefits): \$50,000
16. Amount of initial, annual local payroll to be created: \$1 million
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? 8 million. Wholesales only
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: Yes. 400 room nights
20. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:
Southwest Techniplex 4755 Alpine Rd. Stafford, TX 77477
21. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): 30%
22. Current owner of real property (land/building) at the time of application:
Not decided yet
23. Have you received or are you currently receiving tax abatement in Fort Bend:
x Yes No (free port exemption on our inventory)
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: 40 years
27. Time of day activities will be taking place (i.e, # of shifts): 1 to 2
28. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:
Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any.
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: Insignificant
31. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:
32. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:
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: No
35. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. No
36. Do you anticipate your relocation to attract other new businesses to the area? Please explain: No
37. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: Insignificant
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 *Have offered Regular Mmbshp @ \$2,000/yr w/ 15% abatement*
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 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:

Kobelco Welding of America, Inc. does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:



Signature

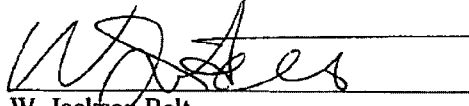
07/24/2013

Date

Printed Name: NORISUKE MIYAUCHI
Title: President

II. GFBEDC

The Greater Fort Bend Economic Development Council certifies that Kobelco
Welding of America, Inc. has met the standard
requirements and is qualified for value added tax abatement in Fort Bend County.



W. Jackson Belt
Vice President - Development & Marketing
Greater Fort Bend Economic
Development Council

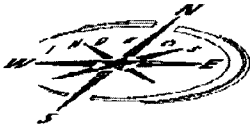
8/15/13

Date

One Fluor Daniel Drive • Sugar Land, Texas 77478 • www.fortbendcounty.org
Main (281) 242-0000 • Fax (281) 242-6739 • Toll Free (888) 500-5668

Exhibit C

Legal Description of Real Property



Windrose Land Services, Inc

3200 Wilcrest, Suite 325

Houston, Texas 77042

Phone (713) 458-2281 Fax (713) 461-1151

Professional Development Consultants

Land Surveying • Platting • Project Management • GIS Services

**DESCRIPTION OF
5.4676 ACRES OR 238,167 SQUARE FEET**

A TRACT OR PARCEL OF LAND CONTAINING 5.4676 ACRE OR 238,167 SQUARE FEET OF LAND SITUATED IN THE 1. & G.N.R.R. CO. SURVEY SECTION NO. 4, ABSTRACT NO. 263, FORT BEND COUNTY, TEXAS; COMPRISING OF 2 TRACTS OF LAND AS FOLLOWS: TRACT 1 - BEING OUT OF AND A PART OF RESERVE 22, IN BLOCK 3 OF LAKEVIEW BUSINESS PARK RECORDED IN SLIDE NO. 20080032 OF THE PLAT RECORDS OF FORT BEND COUNTY (P.R.F.B.C., TX) AND TRACT 2 BEING ALL OF RESERVE 23, BLOCK 1 OF PARTIAL REPLAT OF LAKEVIEW BUSINESS PARK NO. 5 RECORDED IN SLIDE NO. 20130028 P.R.F.B.C., TX, SAID 5.4676 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS ARE BASED ON THE WARRANTY DEED CONVEYED TO LAKEVIEW BP LAND, LP, A DELAWARE LIMITED PARTNERSHIP OR ITS ASSIGNS RECORDED IN CLERK'S FILE NO. 2007119017;

COMMENCING, AT A CAPPED 5/8 INCH IRON ROD STAMPED "COBB FENDLEY" FOUND MARKING THE INTERSECTION OF THE EASTERLY RIGHT-OF-WAY LINE OF FAIRWAY PINES DRIVE (WIDTH VARIES RECORDED UNDER SLIDE NO. 20080032 P.R.F.B.C., TX) AND THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF BUFFALO RUN (BASED ON A WIDTH OF 100.00 FEET RECORDED IN VOLUME 964, PAGE 676 DEED RECORDS OF FORT BEND COUNTY, SLIDE NO. 2032B MAP RECORDS OF FORT BEND COUNTY AND SLIDE NO. 20080032 P.R.F.B.C., TX);

THENCE, NORTH 65 DEGREES 48 MINUTES 53 SECONDS EAST, ALONG THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAID BUFFALO RUN, A DISTANCE OF 335.14 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE LAND SERVICES" SET FOR THE WEST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 65 DEGREES 48 MINUTES 53 SECONDS EAST, CONTINUING ALONG THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAID BUFFALO RUN, AT 204.88 FEET PASSING THE COMMON NORTH CORNER OF SAID RESERVES 22 AND 23 AND CONTINUING A TOTAL DISTANCE OF 406.79 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "COBB FENDLEY" FOUND FOR THE WEST CORNER OF RESERVE 24, BLOCK 1 OF AFORESAID PARTIAL REPLAT OF LAKEVIEW BUSINESS PARK NO. 5, SAME BEING THE NORTH CORNER OF SAID RESERVE 23 AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 24 DEGREES 11 MINUTES 07 SECONDS EAST, DEPARTING THE SOUTHEASTERLY RIGHT-OF-WAY OF SAID BUFFALO RUN AND ALONG THE WESTERLY LINE OF SAID RESERVE 24, A DISTANCE OF 484.23 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "COBB FENDLEY" FOUND FOR AN ANGLE POINT;

THENCE, SOUTH 30 DEGREES 05 MINUTES 11 SECONDS EAST, CONTINUING ALONG THE WESTERLY LINE OF SAID RESERVE 24, A DISTANCE OF 79.81 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "COBB FENDLEY" FOUND ON THE NORTHWESTERLY RIGHT-OF-WAY LINE OF WILLOW OAK DRIVE (BASED ON A WIDTH OF 60.00 FEET RECORDED IN SLIDE NO. 20080032 P.R.F.B.C.) FOR THE COMMON SOUTH CORNER OF SAID RESERVES 23 AND 24 AND OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 59 DEGREES 54 MINUTES 49 SECONDS WEST, ALONG THE NORTHWESTERLY LINE OF SAID WILLOW OAK DRIVE, AT 202.93 FEET PASSING THE COMMON SOUTH CORNER OF SAID RESERVES 23 AND 22 AND CONTINUING A TOTAL DISTANCE OF 408.96 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE LAND SERVICES" SET FOR THE SOUTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 30 DEGREES 05 MINUTES 11 SECONDS WEST, DEPARTING THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SAID WILLOW OAK DRIVE AND THROUGH AND ACROSS SAID RESERVE 22, A DISTANCE OF 79.81 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE LAND SERVICES" SET FOR AN ANGLE POINT;

THENCE, NORTH 24 DEGREES 11 MINUTES 07 SECONDS WEST, CONTINUING THROUGH AND ACROSS SAID RESERVE 22, A DISTANCE OF 526.27 FEET TO THE PLACE OF BEGINNING AND CONTAINING 5.4676 ACRES OR 238,167 SQUARE FEET OF LAND, AS SHOWN ON SURVEY JOB NUMBER 51424 PREPARED BY WINDROSE LAND SERVICES, INC.


MIKE KURKOWSKI
R.P.L.S. NO. 5101



11-19-13
DATE: