

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

TAX ABATEMENT AGREEMENT
 by and between
FORT BEND COUNTY DRAINAGE DISTRICT, NALCO
COMPANY, AND
NALCO TEXAS LEASING, LLC

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS**, hereinafter referred to as "District," acting by and through its Board of Directors, **NALCO COMPANY**, a Delaware Corporation, and **NALCO TEXAS LEASING, LLC**, Delaware limited liability companies hereinafter collectively referred to as "OWNERS" of the Real Property and Improvements located within the City of Sugar Land Reinvestment Zone No. 2014-01.

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 Owners 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. "Affiliate" means, with respect to either or both of the Owners, any other partnership (whether general or limited), limited liability company or corporation directly or indirectly controlled by, controlling, or under common control with such entity; for this purpose, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or operating policies of the entity through the exercise of voting rights, contract rights, trust rights or otherwise.
- b. The "Certified Appraised Value or Value" means the value certified as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 2014-01 by the District.
- c. "Real Property" means the approximate .9659 acre tract of vacant land described in Exhibit C and as described in Ordinance No. O-14-21 which created Reinvestment Zone No. 2014-01 located within the City of Sugar

Land described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.

- d. "Improvements" means a building to be used for offices for the Owners' energy services operations located in Reinvestment Zone No. 2014-01, containing at least 130,000 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.
- e. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No.2014-01 designated for economic development purposes.
- f. "Ineligible Property" means real property, existing improvements, tangible personal property that the FBCAD 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. Owners" means Nalco Company and Nalco Texas Leasing, LLC, each of which own(s) a portion 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.
- h. Ownership Interest. Subject to the provisions in this Agreement, the percentage of property tax abatement granted in Section 3(a) on the Value of the Improvements is applied to the percentage interest of ownership that Nalco Company and Nalco Texas Leasing, LLC each owns in the Improvements. So, if Nalco Company owns 50% of the Improvements and Nalco Texas Leasing, LLC owns 50% of the Improvements, the property tax abatement for each would be 37.5% on the Value of the Improvements;
- i. "County" means the County of Fort Bend, Texas.
- j. "FBCAD" means Fort Bend County Central Appraisal District.

3. Subject Property:

- a. The City of Sugar Land Reinvestment Zone No. 2014-01 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.
- b. The FBCAD has established the base year values for the subject property as of January 1, 2014.

4. Responsibility of Owners:

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

- a. That construction of the Improvements will commence without delay.
- b. That construction of the Improvements shall be completed on or before January 1, 2016, or by January 1 of such later year that is not later than January 1, 2018, if notice is given pursuant Section 5(c).

- c. That Owners shall provide the District's Tax Assessor/Collector a certified statement evidencing a minimum of \$12,840,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
- d. That Owners 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. Owners' 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, unless extended as described in *Section 5(c)*.
- e. That the Certified Appraised Value of the Improvements on January 1, 2016, or by January 1 of such later year that is not later than January 1, 2018, if notice is given pursuant Section 5(c), and on each and every January 1 thereafter during the term of this Agreement must not be less than \$12,840,000. Owners may from time to time during the term of this Agreement install additional improvements, and modify, remove or replace improvements as Owners may determine in their discretion. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- f. Owners agree to meet the following employee requirements, provided, however, that if the Owners provide notice to the District pursuant to Section 5(c), each of the above dates shall be extended by the corresponding number of year(s) allowed by Section 5(c) and extended by such notice:

Time Period Beginning	Number of Employees Required
March 31, 2016 and ending on December 31, 2016	At least 500 Employees employed at the Improvements
January 1, 2017 and ending on December 31, 2017	At least 534 Employees employed at the Improvements
January 1, 2018 and ending on December 31, 2018	At least 568 Employees employed at the Improvements
January 1, 2019 and ending on December 31, 2019	At least 602 Employees employed at the Improvements
January 1, 2020 and ending on December 31, 2020	At least 636 Employees employed at the Improvements
January 1, 2021 and ending on December 31, 2021	At least 670 Employees employed at the Improvements
January 1, 2022 and ending on December 31, 2022	At least 704 Employees employed at the Improvements
January 1, 2023 and ending on December 31, 2023	At least 738 Employees employed at the Improvements
January 1, 2024 and ending on December 31, 2024	At least 772 Employees employed at the Improvements
January 1, 2025 and ending on December 31, 2025	At least 806 Employees employed at the Improvements

- g. Owners shall annually furnish District with only those payroll records allowed by law and necessary for District to confirm Lessee's compliance with this Agreement (e.g. number of employees is appropriate; payroll dollars, taxes, benefits, and bonuses are not appropriate).
- h. The amount of the tax abatement granted by this Agreement for the tax year following the year in which the employee requirement was not met is reduced in the same percentage as the percentage decrease in the actual number of Employees from the number required. The average number of Employees that is maintained in the 90-day period will be used for the percentage calculation. Calculations for reduction in tax abatement should the Job Requirements of Value of Improvements requirement not be met in any year of the abatement is specified in Par. 5 (c)5 of this agreement.
- i. That Owner will participate in the continuing economic development process in Fort Bend County by continuing as a Trustee Member (\$6,000/year dues) of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- j. OWNERS SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
- k. OWNERS 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.
- l. That Owners have, as of the effective date of this Agreement, the financial resources to implement the above representations.

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 of the last day of the abatement period. In no event shall this Agreement extend beyond December 31 of the tenth year of the abatement period. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owners' obligations 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	Percentage Abatement
2016	75%
2017	75%
2018	75%
2019	75%
2020	75%
2021	75%
2022	75%
2023	75%
2024	75%
2025	75%

Notwithstanding the foregoing, if the Improvements are not fully completed for their intended use for any reason, Owners may elect to begin the abatement years on the January 1 following such completion, by giving written notice to the District of its election to do so. In such event one year shall be added to the tax year listed above for each year for which the Owner provides such notice. Provided, however, that the abatement may not begin later than tax year 2018, and in no event shall the abatement period exceed 10 tax years. The Owners must provide written notice to the District under this Section by November 30th of the calendar year preceding the tax year in which abatement would otherwise apply.

- 1) 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.
- 2) All Eligible Property shall be placed and/or installed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Eligible Property is placed and/or installed.
- 3) The FBCAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owners protest the FBCAD'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, Owners shall certify in writing to Fort Bend District Tax Assessor/Collector Owners' compliance with each term of this Agreement.
- 5) Tax Abatement Reduction and Calculation
 - a. Value of the Improvements
 - i. The property tax abatement granted on the Value of the Improvements is reduced, as provided in this Section where the Value of the Improvements has a Value less than \$12,840,000 on January 1 of any year subject to the tax abatement.

- ii. If the property tax abatement reduction applies in any of the years as provided in this Section, the property tax abatement is reduced by a percentage equal to $\$12,840,000$ minus the sum of the Value of the Improvements on January 1 of that year divided by $\$12,840,000$ times 100 ($\$12,840,000 - (\text{Value of Improvements}) \div \$12,840,000 \times 100\% = \text{percentage reduction}$).
- iii. An example of the percentage reduction is as follows: If on January 1, 2018, the Value of Improvements were $\$10,000,000$, the calculation would be $((\$12,840,000 - \$10,000,000) \div \$12,840,000) \times 100 = 22.12\%$. For 2018, the property tax abatement for Improvements would be reduced by 22.12% from 75% to 52.88%.
- b. Job Requirements
 - i. Owners agree to maintain the Job Requirements as shown in the chart in Par. 4(f).
 - ii. The tax abatement will be reduced if the actual number of jobs for any period is less than what is required for any specific period.
 - iii. the reduction in the tax abatement would be calculated as follows
 - iv. An example of the reduction is as follows: If the actual average number of Employees is 400 in any 90-day period in 2017, the percentage decrease in the actual number of Employees below the number required would be 25.1% $[(534 - 400) \div 534] = 25.1\%$. The percentage of the tax abatement granted in 2018 under this Agreement would be decreased by the same percentage ($75\% - 25.1\% = 49.9\%$).

6. Taxability:

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

- a. The value of Real Property, Ineligible Property and Eligible 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 FBCAD.

7. Event of Default:

- a. District may declare Owners in default of this Agreement if: (1) Owners fail to comply with any term of this Agreement or (2) Owners allow District ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) Owners cease 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 in the event of (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) 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 Owners of any default in writing specifying the default. Owners shall have sixty (60) days from the date of the notice to cure any default. If Owners fail 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, as District's sole and exclusive remedy, Owners agree 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. Owners are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owners 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 Owners of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owners. In the event of termination under this paragraph, Owners 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. Owners 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 Owners may

accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owners' 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 Owners.
- c. The Chief Appraiser of the FBCAD 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. Owners 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. The Owners may assign this Agreement to an Affiliate without the District's prior written consent if the:
 - i. Affiliate(s) meet(s) the requirements for receiving tax abatement under state law, the District's Tax Abatement Guidelines, and this Agreement; and
 - ii. Owners give written notice to the District of the proposed assignment at least 30 days before the Agreement is assigned.Otherwise, Owners 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. Owners 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 Owners, in performing obligations hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNERS AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FBCAD FROM ANY AND ALL NON-OWNERS 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 DISTRICT'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNERS 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 OWNERS. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNERS SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure:

If by reason of force majeure, Owners 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 Owners first become aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owners, to the extent and for the period of time affected by the force majeure, shall be suspended. Owners 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 Owners.

12. Drainage District Board of Directors Approval:

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

13. Compliance with State and Local Regulations:

This Agreement shall not be construed to alter or affect the obligations of Owners 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 Owners 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 District, 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

- a. 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 Owners 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.
- b. Unless otherwise provided in this Agreement, all notices shall be delivered to Owners or District at the following addresses:

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

To District: Fort Bend District
401 Jackson
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
401 Jackson
Richmond, Texas 77469

To **Owners:**

Nalco Company
7705 Highway 90A
Sugar Land, TX 77478
ATTN: General Counsel

Nalco Texas Leasing, LCC
7705 Highway 90A
Sugar Land, TX 77478
ATTN: General Counsel

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

17. Entire Agreement

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit A – City of Sugar Land Ordinance No. O-14-12 designating Reinvestment Zone No. 2014-01, (b) Exhibit B - 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 District and Owners as of the dates below stated. Owners warrant and represent that the individuals executing this agreement on behalf of Owners have full authority to execute this Agreement and bind Owners to the same.



ATTEST:

Dianne Wilson

Dianne Wilson, County Clerk

"DISTRICT:"
FORT BEND DISTRICT, TEXAS

By: Robert E. Hebert

Robert E. Hebert,
Chair Board of Directors

Date: 8-5-14

'OWNER"
NALCO COMPANY

By: Steve M. Taylor

Printed: Name: Steve M. Taylor

Title: President

Date: 8-4-2014

ATTEST:

Melinda Fikes

Printed Name: Melinda Fikes

'OWNER"
NALCO TEXAS LEASING, LLC

By: Judy McNamee

Printed: Name: Judy McNamee

Title: VP of Texas

Date: _____

ATTEST:

Roger M. Rouse

Printed Name: Roger M. Rouse

Exhibit A
Ordinance Creating City of Sugar Land Reinvestment Zone No. 2014-01

ORDINANCE NO. 1959

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2014-01 FOR A 0.9659 ACRE TRACT OF LAND LOCATED IN ALEXANDER HODGE LEAGUE, A-32 FORT BEND COUNTY, TEXAS, SOUTH OF OYSTER CREEK AND NORTHEAST OF THE INTERSECTION OF STATE HIGHWAY 6 AND U.S. HIGHWAY 90A.

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL
OF THE CITY OF SUGAR LAND, TEXAS:**

Section 1. That the City Council adopts the findings and recitals set forth in the preamble to this Ordinance.

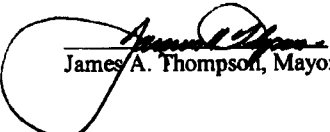
Section 2. That Reinvestment Zone No. 2014-01 is created for the real property described in Exhibit A, attached to and incorporated into this Ordinance by reference.

Section 3. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

Section 4. That Reinvestment Zone No. 2014-01 expires five years from the date of this ordinance.

APPROVED on first consideration on June 03, 2014.

ADOPTED upon second consideration on June 17, 2014.


James A. Thompson, Mayor

ATTEST:


Glenda Gundermann, City Secretary

APPROVED AS TO FORM:

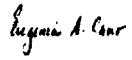


Exhibit B

Legal Description of Real Property



Windrose Land Services, Inc.

3300 Wilcrest, Suite 335

Houston, Texas 77042

Phone (713) 488-2281 Fax (713) 481-1181

Professional Development Consultants

Land Surveying, Platting, Project Management and GIS Services

Firm Registration No. 10108800

**DESCRIPTION OF
0.9659 ACRES OR 42,073 SQ. FT.**

A TRACT OR PARCEL CONTAINING 0.9659 ACRES OR 42,073 SQUARE FEET OF LAND SITUATED IN THE A. HODGE LEAGUE, ABSTRACT NO. 32, FORT BEND COUNTY, TEXAS, BEING A PORTION OF A CALLED 18.418 ACRE TRACT OF LAND CONVEYED TO NATCO COMPANY AS RECORDED UNDER FORT BEND COUNTY CLERKS FILE NO. 2017143860 AND A PORTION OF A CALLED 30.772 ACRE TRACT OF LAND CONVEYED TO NATCO TEXAS LEASING LLC AS RECORDED UNDER FORT BEND COUNTY CLERKS FILE NO. 2008017429, WITH SAID 0.9659 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

COMMENCING AT A CAPPED 5/8" IRON ROD FOUND MARKING THE NORTHWESTERLY CORNER OF SAID 30.772 ACRE TRACT AND AN INTERIOR CORNER OF SAID 18.418 ACRE TRACT, FROM WHICH A 5/8" IRON ROD FOUND ALONG THE COMMON LINE OF SAID 30.772 ACRE TRACT AND SAID 18.418 ACRE TRACT BEARS NORTH 74 DEG. 38 MIN. 12 SEC. EAST 1567.66 FEET;

THENCE SOUTH 17 DEG. 59 MIN. 02 SEC. EAST ALONG THE COMMON LINE OF SAID 30.772 ACRE TRACT AND SAID 18.418 ACRE TRACT, A DISTANCE OF 178.34 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 59 DEG. 21 MIN. 53 SEC. EAST, A DISTANCE OF 17.15 FEET TO A POINT FOR THE NORTHERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 30 DEG. 36 MIN. 07 SEC. EAST, A DISTANCE OF 365.43 FEET TO A POINT FOR THE EASTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 59 DEG. 23 MIN. 53 SEC. WEST, PASSING AT A DISTANCE OF 98.93 FEET THE COMMON LINE OF SAID 30.772 ACRE TRACT AND SAID 18.418 ACRE TRACT, CONTINUING FOR A TOTAL DISTANCE OF 115.13 FEET TO A POINT FOR THE SOUTHERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 30 DEG. 36 MIN. 07 SEC. WEST, A DISTANCE OF 365.43 FEET TO A POINT FOR THE WESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 59 DEG. 23 MIN. 53 SEC. EAST, A DISTANCE OF 97.99 FEET TO THE PLACE OF BEGINNING AND CONTAINING 0.9659 ACRES OR 42,073 SQUARE FEET OF LAND, AS SHOWN ON JOB NO. 5163-EXHIBIT-C, PREPARED BY WINDROSE LAND SERVICES INC.


MIKE KLUNKOWSKI
R.P.L.S. NO. 5101
STATE OF TEXAS



03-31-14
DATE
REV 04-01-14

SHEET 2 OF 2

