

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**THIRD AMENDMENT TO TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY DRAINAGE DISTRICT AND CLB, INC.**

This Third Amendment to the Tax Abatement Agreement (hereinafter, the "Agreement"), attached hereto as Exhibit "A," and made a part hereof for all purposes, by and between THE **FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS**, (hereinafter referred to as "District") a body politic, acting herein by and through its Board of Directors and CLB, INC., a domestic for-profit corporation (hereinafter, the "Owner") shall be effective upon Owner or the County's execution, whichever is later. Terms defined in the Agreement shall have the same meaning when used in this Third Amendment. It is the intent and desire of the parties to modify the Agreement pursuant to Section 312.208 of the Texas Tax Code by adding new terms to the Agreement to provide for an abatement for an expansion of the existing building.

WHEREAS, District and Owner entered into a Tax Abatement Agreement on or about September 6, 2011, and

WHEREAS, the parties desire to amend said Agreement as hereinafter set forth for the purposes described in this preamble;

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, District and Owner agree as follows:

Pursuant to and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS PROPERTY TAX CODE, and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones located in Fort Bend County, Texas; the Agreement is hereby amended as follows:

Section 2 of the Agreement, titled "Definitions" shall add the following term:

- j. "New Improvements" means the expansion of the existing building or buildings to be used for office, manufacturing, and warehouse purposes located on the Real Property and containing at least 15,000 square feet of floor space, and any sidewalks, parking lots, roads, outdoor lighting, landscaping, utilities, and other improvements to serve the building or buildings."

Section 4 of the Agreement, titled “Responsibility of Owner” shall add the following requirements:

- k. That construction of the New Improvements shall be commenced on or before December 31, 2014, and shall be completed on or before December 31, 2015.
- l. Owner shall provide the Tax Assessor- Collector a certified statement evidencing a minimum of \$2,200,000 in project costs with respect to the design and construction of the New Improvements within sixty (60) days after completion of the New Improvements.
- m. That, beginning on January 1, 2016, the combined Certified Appraised Value of the New Improvements on January 1 of each year that taxes are abated under this Agreement’s provisions must have a minimum value of \$2,200,000. Failure to meet the requirements of this Section 4(l) will invalidate the Abatement for the New Improvements for the year that this requirement was not satisfied.”
- n. That Owner shall provide District Tax Assessor/Collector with a copy of the Certificate of Occupancy for the New Improvements on or before December 31, 2015. 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.
- o. That Owner has, as of the effective date of this Amendment, the financial resources to implement the above representations.

These sections of the Agreement shall delete all references to “Improvements” and substitute therefor “Improvements and New Improvements.”

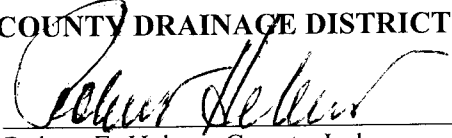
Section 5 **Value and Term of Abatement** (b), (c)
Section 6 **Taxability** (b)
Section 8 **Administration and Inspection** (c)

[remainder of page left blank]

[execution page follows]


IN TESTIMONY OF WHICH, THIS AMENDMENT shall be effective upon
execution of all parties.

“District”
FORT BEND COUNTY DRAINAGE DISTRICT

By: 
Robert E. Hebert, County Judge

Date: 9-9-14

ATTEST:


Dianne Wilson, County Clerk

“Owner”
CLB, Inc.

By: 
Name: LEN BENCKENSTEIN

Title: OWNER

Date: 9-5-2014

ATTEST:



Date: 9-5-2014

Attachments: Exhibit A – September 6, 2011 Tax Abatement Agreement

MTR/MER/Tax Abatements 08.25.2014



Exhibit A

September 6, 2011 Tax Abatement Agreement

STATE OF TEXAS
COUNTY OF FORT BEND

§
§
§

TAX ABATEMENT AGREEMENT
by and between the
FORT BEND COUNTY DRAINAGE DISTRICT
and
CLB, INC.

This Tax Abatement Agreement, hereinafter referred to as “Agreement,” is executed by and between the **FORT BEND COUNTY DRAINAGE DISTRICT**, hereinafter referred to as “District,” acting by and through its Board of Directors, and **CLB, INC.**, a Texas corporation, hereinafter referred to as “Owner,” of the Real Property and Improvements located within the City of Missouri City Reinvestment Zone No. 8.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the District’s Board of Directors on March 1, 2011. District has determined that the request for Tax Abatement presented by Owner conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of District has an interest in the property subject to this Agreement.

2. **Definition:**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. The “**Certified Appraised Value or Value**” means the value certified as of January 1 of each year of this Agreement regarding the property within City of Missouri City Reinvestment Zone No. 8 by the Fort Bend County Central Appraisal District (“CAD”).
- b. “**Real Property**” means the real property as described in Ordinance No. O-11-28, which created Reinvestment Zone No. 8 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 or buildings to be used for office, manufacturing and warehousing purposes located in Reinvestment Zone No. 8, containing at least 40,000 square feet of floor space, and the interior improvements to such office, manufacturing and warehousing building and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in Exhibit A, attached to and incorporated into this Agreement by reference.
- d. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in the City of Missouri City Reinvestment Zone No. 8 designated for economic development purposes.
- e. **"Eligible Property"** Abatement may be extended to fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as included in Section 5(c).
- f. **"Ineligible Property"** means real property, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- g. **"Owner"** means **CLB, INC.**, 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's Board of Directors.
- h. **"District"** means the Fort Bend County Drainage District.
- i. **"CAD"** means Fort Bend County Central Appraisal District.

3. **Subject Property**

The City of Missouri City Reinvestment Zone No. 8 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The Fort Bend County Appraisal District has established the base year values for the subject property as of January 1, 2011.

4. **Responsibility of Owner:**

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

- (a) That construction of the Improvements will commence on or before November 1, 2011.
- (b) That construction of the Improvements shall be completed on or before October 31, 2012. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$1,600,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2013, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$1,600,000. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That total inventory having a Certified Appraised Value of not less than \$2,500,000 shall be located at the Improvements on or before January 1, 2013, and remain for the term of this Agreement.
- (e) That beginning January 1, 2013, and thereafter during the term of this Agreement, Owner shall occupy and/or lease the Improvements, which shall render employment of not less than twenty-five (25) new full-time employees and seventy-five (75) full-time employees retained from a relocated lessee and/or Owner.
- (f) That Owner shall provide District Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before November 15, 2012. Owner's failure to present a copy of the Certificate of Occupancy to District may result in a forfeiture of the tax abatement of tax year 2013.
- (g) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (h) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Regular Member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (i) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE CAD OF THE ABATEMENT, INCLUDING FILING WITH THE CAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY**

FOR OR RECEIVE THE ABATEMENT GRANTED.

- (j) **OWNER SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY DISTRICT.**

5. Value and Term of Abatement

(a) This Agreement shall be effective on the date executed by District and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2022. In no event shall this Agreement extend beyond December 31, 2022. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to District any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements.

(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:

<u>Tax Year</u>	<u>Percentage Abatement</u>
2013	60%
2014	60%
2015	60%
2016	60%
2017	60%
2018	60%
2019	60%
2020	60%
2021	60%
2022	60%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, Eligible Property, Ineligible 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 Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the District's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner shall certify in writing to 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, Eligible Property and Ineligible Property shall be fully taxable, including inventory
- (b) The Value of existing Improvements shall be determined in the base year by the Fort Bend Central Appraisal District.

7. Event of Default

- (a) District may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement or (2) Owner allows District ad valorem taxes on the Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) ceases operations on the Real Property before the expiration of the term of the Abatement.
- (b) District shall notify Owner of any default in writing specifying the default. Owner shall have thirty (30) days from the date of the notice to cure any default. If Owner fails to cure the default within sixty (60) 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:
 - (1) The amount of all taxes abated during the term of this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the

TEXAS TAX CODE for delinquent taxes; and

- (3) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) District shall have a lien against the Owner, Real Property and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered a default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner. In the event of termination under this paragraph, Owner shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the District Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of District who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the operation of the facility. A representative of Owner may accompany the inspector. District shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to District.

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

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the Real Property, any Improvements on the Real Property, and Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, any Improvements on the Real Property, and Eligible Property located on the Real Property. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture of abated taxes.

(d) Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE, including payroll records, as may be necessary for the administration of the this Agreement. Such information, including payroll records, shall also be provided annually to the District Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

This Agreement may not be assigned without prior written consent of District. No assignment shall be effective or approved if District has declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to District. Approval shall not be unreasonably withheld.

Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

10. Indemnity

It is understood and agreed between the parties that Owner, in performing obligations

hereunder, is acting independently, and District assumes no responsibilities or liabilities in connection therewith to third parties. **OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FORT BEND CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY DISTRICT IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

11. Force Majeure

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to District in writing within thirty (30) calendar days of the occurrence relied upon. The obligation of Owner to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural

occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the federal or state government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure of the system or water supply system; or any other cause not reasonably within the control of the Owner.

12. 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.

13. Compliance with State and Local Regulations

This Agreement shall not be construed to alter or affect the obligations of Owner to comply with any city ordinance or federal or state law or regulation.

14. Changes in Tax Laws

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

15. Miscellaneous

(a) This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event of one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed

by both parties hereto.

16. Notices

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to District and Owner at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or District at the following addresses:

To the Tax Assessor/Collector: The Honorable Patsy Schultz
Fort Bend County Drainage District Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To Owner: CLB, Inc.
12701 Royal Drive
Stafford, Texas 77477
Attn: Len Benckenstein, Chairman/CEO

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 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; 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-11-28 designating Reinvestment Zone No. 8, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

REMAINEDER OF PAGE INTENTIONALLY LEFT BLANK

19. Execution

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

FORT BEND COUNTY DRAINAGE DISTRICT

By: _____
Robert E. Hebert, County Judge

ATTEST:

Date: _____

Dianne Wilson, County Clerk

“Owner:”
CLB, INC.,
a Texas corporation

By: _____

ATTEST:

Date: _____

Exhibit A
Ordinance Creating City of Missouri City Reinvestment Zone No. 8

ORDINANCE NO. O-11-28

AN ORDINANCE OF THE CITY OF MISSOURI CITY, TEXAS,
CREATING REINVESTMENT ZONE NO. 8 ENCOMPASSING A
PART OF RESERVES 26 AND 27 OF BLOCK 3 OF LAKEVIEW
BUSINESS PARK LOCATED IN THE BUFFALO RUN/FONDREN
ROAD AREA 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. 8; 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. 8 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. 8 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. 8 is hereby created for the purpose of encouraging economic development through tax abatement. A

description of the Zone is attached hereto as Exhibit "A" and is made a part hereto for all purposes.


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 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 5th day of July, 2011.

PASSED, APPROVED and ADOPTED on second and final reading this 18th day of July, 2011.


Allen Owen, Mayor

ATTEST:

APPROVED AS TO FORM:


Maria Gonzalez, Interim City Secretary


Caroline Kelley, City Attorney

REVISED RESERVE 26
DESCRIPTION OF A TRACT OF LAND CONTAINING
5.1527 ACRES (224,452 SQUARE FEET) LOCATED IN THE
GEORGE B. LUCAS SURVEY, A-626 AND THE
I. & G.N.R.R. SURVEY, A-263, IN FORT BEND COUNTY, TEXAS

Being a tract of land containing 5.1527 acres (224,452 square feet) located in the George B. Lucas Survey, A-626, and the I. & G.N.R.R. Survey, A-263 in Fort Bend County, Texas, being a portion of Reserves 26 & 27, Block 3 of Lakeview Business Park, a subdivision plat recorded under File No. 2008025733 of the Map Records of Fort Bend County, Texas. Said 5.1527-acre tract being more particularly described as follows:

BEGINNING at a set 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" located in the southeast right-of-way line of Buffalo Run (100' wide) recorded in said Lakeview Business Park, also recorded in Volume 964, Page 676 of the Fort Bend County Deed Records, and under Slide Number 2032B of the Fort Bend County Map Records, same being the southwest right-of-way line of a Fairway pines Drive (width varies) recorded in said Lakeview Business park, being the north corner of said Reserve 27, and the north corner of said herein described tract, being the beginning of a curve to the right;

THENCE in a southeasterly direction along the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, and with said curve to the right whose radius is 40.00 feet and whose central angle is 90° 00' 00" (chord bears South 66° 25' 57" East, a distance of 56.57 feet), for a curve length of 62.83 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for a point of tangency;

THENCE South 21° 25' 57" East continuing with the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, a distance of 130.00 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" found for a point of curvature of a curve to the left;

THENCE in a southeasterly direction continuing along the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, and with said curve to the left whose radius is 10.00 feet and whose central angle is 03° 48' 50" (chord bears South 23° 20' 22" East, a distance of 0.67 feet), for a curve length of 0.67 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" found for a point of tangency;

THENCE South 25° 14' 47" East continuing with the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, a distance of 150.00 feet to a found 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates";

THENCE South 21° 25' 57" East continuing with the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, a distance of 79.18 feet to a found 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for a point of curvature of a curve to the right;

THENCE in a southeasterly direction continuing along the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, and with said curve to the right whose radius is 620.00 feet and whose central angle is $0^{\circ} 54' 40''$ (chord bears South $20^{\circ} 58' 37''$ East, a distance of 9.86 feet), for a curve length of 9.86 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for the southern most east corner of said herein described tract;

THENCE South $62^{\circ} 39' 59''$ West leaving the southwest right-of-way line of said Fairway Pines Drive and the northeast line of said Reserve 27, a distance of 236.75 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for the south interior corner of said herein described tract, same being in the common line of said Reserves 26 and 27;

THENCE South $05^{\circ} 29' 07''$ East with the common line of said Reserves 26 and 27, a distance of 43.24 feet to an "X" cut in a concrete sidewalk set in the north right-of-way line of Willow oak Drive (60' wide) recorded in said Lakeview Business Park, same being the common south corner of said Reserves 26 and 27;

THENCE South $84^{\circ} 30' 53''$ West with the north right-of-way line of said Willow Oak Drive and the south line of said Reserve 26, a distance of 25.47 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for a point of curvature of a curve to the left;

THENCE in a southwesterly direction continuing along the north right-of-way line of said Willow Oak Drive and the south line of said Reserve 26, and with said curve to the left whose radius is 430.00 feet and whose central angle is $21^{\circ} 50' 54''$ (chord bears South $73^{\circ} 35' 26''$ West, a distance of 162.98 feet), for a curve length of 163.97 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set;

THENCE South $62^{\circ} 39' 59''$ West continuing with the north right-of-way line of said Willow Oak Drive and the south line of said Reserve 26, a distance of 73.85 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set for south corner of said herein described tract;

THENCE North $27^{\circ} 20' 01''$ West leaving the north right-of-way line of said Willow Oak Drive and the south line of said Reserve 26, a distance of 76.73 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set;

THENCE North $21^{\circ} 25' 57''$ West a distance of 385.30 feet to a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" set in the southeast right-of-way line of said Buffalo Run, the northwest line of said Reserve 26, and for the west corner of herein described tract;

THENCE North 68° 34' 03" East (Bearing Basis) with the southeast right-of-way line of said Buffalo Run and the northwest line of said Reserve 26, at a distance of 283.10 feet pass a 5/8-inch iron rod with yellow cap stamped "Cobb, Fendley & Associates" found for the common corner of said Reserves 26 and 27, continuing for a total distance of 465.64 feet to the **POINT OF BEGINNING** and containing 5.1527 acres (224,452 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated July 1, 2011 and titled "ALTA/ACSM LAND TITLE SURVEY OF A 5.1527 ACRE TRACT LOCATED IN THE GEORGE B. LUCAS SURVEY, A-626 AND THE I. & G.N.R.R. SURVEY, A-263, IN FORT BEND COUNTY, TEXAS."

Cobb, Fendley & Associates, Inc.
13430 NW Freeway, Suite 1100
Houston, Texas 77040
Phone 713-462-3242
Job No. 1102-015-01
July 1, 2011



A handwritten signature in cursive script, appearing to read "Blaine Fisher", written below the professional seal.

EXHIBIT B



ECONOMIC IMPACT STATEMENT QUESTIONNAIRE – Part I

Southwest Electronic Energy Corporation
Proposed Facility at Lakeview, Missouri City, Fort Bend County, Texas

Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) and City of Missouri City will begin prequalification of your project. The information you provide will allow us 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. ___ Southwest Electronic Energy has been in business since 1964. We design, engineer and manufacture innovative renewable energy systems (batteries) using lithium primary and lithium-ion secondary cells together with other technologies to meet and exceed our customers' requirements. These energy systems help our customers be more: productive, energy efficient, environmentally clean (greener), cost competitive, and quickly market ready. The company invented a better way to build large scale lithium-ion and lithium-polymer batteries that last longer; are safer; are adaptable in energy, power and configuration; and that can have selectively longer life (up to 10 years) than conventional technology has traditionally provided. SWE has broken new ground with Battery Management System (BMS) technology maximizing your value proposition for lithium-ion batteries that is a paradigm shift away from inflexible convention. SWE engineers and builds large scale lithium-ion battery systems that can be controlled autonomously or centrally giving end users unprecedented flexibility and visibility in managing and maintaining their energy systems.

2. Information About Your Company

Company Name: Southwest Electronic Energy Corp. (SWE)	
Contact Person: Len Benckenstein	Title: CFO
Current Address: 12701 Royal Drive	
Office #: 281.240.3586	Mobile #: 281.797.7177
Fax #: 281.240.3920	Website: www.swe.com
Email Address: lbenck@swe.com	
The Company's Primary SIC Code: 3679	

3. Type of project (check all that apply):
- ☒ Existing business in Fort Bend County
 - ☐ New business in 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:
N/A

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, Missouri City

6. Scope of project:

Size of new facility/expansion	50,000 SQFT
Size of existing facility (if applicable):	
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	5.1527
Type of Construction (full 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.):

42% Production, 20% Administration, 30% Warehouse, 8% Engineering

7. Truck traffic to be generated (# daily or weekly): 800 weekly

8. Targeted start of construction: September 2011

9. Targeted start of operations: May 2012

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

2

10. 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
\$ 700,000	\$ 2,000,000	\$400,000	\$400,000	\$3,000,000	\$ 6,500,000

11. Estimated percent of inventory that would be Freeport qualified: 34%

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.

12. 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
25	70	95

13. Average salary (before benefits): \$3,000

14. Amount of initial, annual local payroll to be created: \$1,370,000

15. The firm's estimated annual amount of taxable sales (that generate sales taxes) if the site will be located within the city limits of a Fort Bend County city: \$22,000,000

16. 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: N/A

17. 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: 150-200

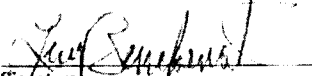
CERTIFICATION:

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

3

18. Southwest Electronic Energy 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

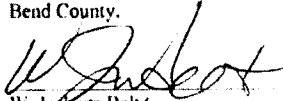
Len Benckenstein
Printed Name

Chairman/CEO
Title

South West Electronic Energy Corporation
Name of Company

Date

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


W. Jackson Belt

6/19/11
Date

Vice President
Greater Fort Bend Economic
Development Council