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STATE OF TEXAS

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COUNTY OF FORT BEND

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**TAX ABATEMENT AGREEMENT BETWEEN  
FORT BEND COUNTY DRAINAGE DISTRICT AND  
APPLIED OPTOELECTRONICS, INC.**

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 and **APPLIED OPTOELECTRONICS, INC.**, hereinafter referred to as "Owner," a Delaware Corporation.

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 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 Sugar Land Reinvestment Zone No. 2014-02 by the District.
- b. "Real Property" means the approximate 4.4833 acres (195,294 SQ.FT.) tract of land, being all of a called 2.8911 acres (125,936 SQ. FT.) described in Exhibit B and as described in Ordinance No. 1965 which created Reinvestment Zone No. 2014-02 located within the City of Sugar Land described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.
- c. "Improvements" means the Corporate Office, R&D Facility and the MOCVD Facility for the Owner's manufacturing operations and containing approximately 102,000 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.
- d. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2014-02 designated for economic development purposes.

- e. "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.
- f. Owner" means Applied Optoelectronics, Inc., or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Drainage District.
- g. "County" means the County of Fort Bend, Texas.
- h. "FBCAD" means Fort Bend County Central Appraisal District.

**3. Subject Property:**

- a. The City of Sugar Land Reinvestment Zone No. 2014-02 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 Owner:**

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

- a. That construction of the Improvements will commence not later than December 31, 2014.
- b. That construction of the Improvements shall be completed on or before January 1, 2016.
- c. That Owner shall provide the District's Tax Assessor/Collector a certified statement evidencing a minimum of \$20,000,000.00 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
- d. That Owner shall provide the District's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before December 31, 2016. Owner' 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.
- 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 \$20,000,000.00. 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 their discretion. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.

- f. Owner agree to meet the following employee requirements:

<b>Time Period Beginning</b>	<b>Number of Employees Required</b>
January 1, 2016 and ending on December 31, 2016	At least 50 Employees employed at the Improvements
January 1, 2017 and ending on December 31, 2017	At least 100 Employees employed at the Improvements
January 1, 2018 and ending on December 31, 2018	At least 150 Employees employed at the Improvements
January 1, 2019 and ending on December 31, 2019	At least 200 Employees employed at the Improvements
January 1, 2020 and ending on December 31, 2020	At least 250 Employees employed at the Improvements
January 1, 2021 and ending on December 31, 2021	At least 300 Employees employed at the Improvements
January 1, 2022 and ending on December 31, 2022	At least 350 Employees employed at the Improvements
January 1, 2023 and ending on December 31, 2023	At least 400 Employees employed at the Improvements
January 1, 2024 and ending on December 31, 2024	At least 465 Employees employed at the Improvements
January 1, 2025 and ending on December 31, 2025	At least 530 Employees employed at the Improvements

- g. Owner shall annually furnish District with only those payroll records allowed by law and necessary for District to confirm Owner'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 (b) 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. OWNER 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. 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.
- l. That Owner 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. Owner' 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:

<b>Tax Year</b>	<b>Percentage Abatement</b>
2016	70%
2017	70%
2018	70%
2019	70%
2020	70%
2021	70%
2022	70%
2023	70%
2024	70%
2025	70%

Notwithstanding the foregoing, if the Improvements are not fully completed for their intended use for any reason, Owner 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 Owner must provide written notice to the District and the FBCAD 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 Owner 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, Owner shall certify in writing to District Tax Assessor/Collector Owner' 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 \$20,000,000.00 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  $\frac{\$20,000,000.00 - \text{Value of the Improvements on January 1 of that year}}{\$20,000,000.00} \times 100\%$  (percentage reduction).
    - iii. An example of the percentage reduction is as follows: An example of the percentage reduction is as follows: If on January 1, 2016, the Value of Improvements \$18,900,000 the calculation would be  $\frac{(\$20,000,000 - \$18,900,000)}{\$20,000,000} \times 100\% = 5.50\%$ . For 2016, the property tax abatement for the Improvements would be reduced by 5.50% from 70% to 65.00%.

- b. Job Requirements
  - i. Owner 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. For example, if the actual average number of Employees is 45 in any 90-day period in 2016, the percentage decrease in the actual number of Employees below the number required would be 10%  $[(50 - 45) \div 50] = 10\%$ . The percentage of the tax abatement granted in 2017 under this Agreement would be decreased by the same percentage  $(70\% - 10\% = 60\%)$ .

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, 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 Owner in default of this Agreement if: (1) Owner fail to comply with any term of this Agreement or (2) Owner allow District ad valorem taxes on any Eligible Property or Ineligible Property, or any property located thereon, to become delinquent, or (3) Owner 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 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 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, Owner 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. Owner are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owner are convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered a default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner 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 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 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. 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. The Owner 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. Owner give written notice to the District of the proposed assignment at least 30 days before the Agreement is assigned.

Otherwise, 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 AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS DISTRICT AND THE FBCAD 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 DISTRICT'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 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. Drainage District Approval:**

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

**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 C, 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 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.
- b. 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 County:**                                Fort Bend County Drainage District  
401 Jackson  
Richmond, Texas 77469  
Attention: County Judge

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

**To Owner:**                                Applied Optoelectronics, Inc.  
13115 Jess Pirtle Blvd  
Sugar Land, TX 77478  
Attn: \_\_\_\_\_

- c. 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**

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. designating Reinvestment Zone No. 2014-02, (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 Owner as of the dates below stated. Owner warrant and represent that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

“DISTRICT:”

**FORT BEND COUNTY DRAINAGE DISTRICT**

By: 

Robert E. Hebert, County Judge

Date: 10-28-2014

ATTEST:



Dianne Wilson, County Clerk



OWNER”

**APPLIED OPTOELECTRONICS, INC.**

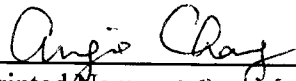
By: 

Printed: Name: Stefan Mury

Title: CFO

Date: 10/22/14

ATTEST:

 10/22/2014  
Printed Name: YU-YUN ANGIE CHANG

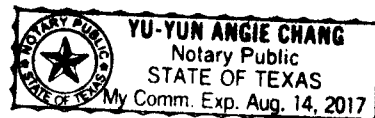


Exhibit A  
Ordinance Creating City of Sugar Land Reinvestment Zone No. 2014-02

**ORDINANCE NO. 1965**

**AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2014-02 FOR A 4.4833 ACRE TRACT OF LAND LOCATED IN THE BROWN AND BELKNAP LEAGUE, ABSTRACT NO. 15, FORT BEND COUNTY, TEXAS, SOUTHWEST OF THE INTERSECTION OF JESS PIRTLE BOULEVARD AND GILLINGHAM LANE.**

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.

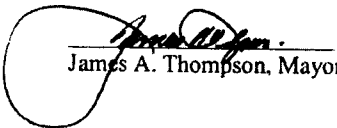
**Section 2.** That Reinvestment Zone No. 2014-02 is created for the real property described in Exhibit A, attached to and incorporated into this Ordinance by reference.

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

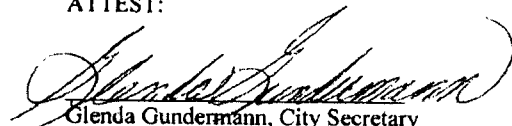
**Section 4.** That Reinvestment Zone No. 2014-02 expires five years from the date of this ordinance.

APPROVED on first consideration on July 17, 2014.

ADOPTED upon second consideration on July 21, 2014.

  
James A. Thompson, Mayor

ATTEST:

  
Glenda Gundermann, City Secretary

APPROVED AS TO FORM:



Attachment: Exhibit A - Property Description


Exhibit B

Legal Description of Real Property

**A 4.4833 ACRES (195,294 SQ. FT.) TRACT OF LAND, BEING ALL OF A CALLED 2.8911 ACRES (125,936 SQ. FT.) AS DESCRIBED TO APPLIED OPTOELECTRONICS, INC., AS RECORDED IN THE FORT BEND COUNTY CLERK FILE NO. 2006153708, AND BEING A PORTION OF THE COMMERCIAL RESERVE "A-1", 3.4203 ACRES, IN THE SUGAR LAND BUSINESS PARK, TRACT 27, AS RECORDED IN FORT BEND COUNTY PLAT RECORDS SLIDE NO. 2006B, IN THE BROWN & BELKNAP LEAGUE, ABSTRACT NO. 15, FORT BEND COUNTY, TEXAS, SAID 4.4833 ACRES TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

**BEGINNING**, at a 5/8-inch iron rod set in the southerly right-of-way line of Jess Pirtle Boulevard (100 feet wide) as recorded in Volume 26, Page 11, Fort Bend County Plat Records, being the northerly corner of a 2.2114 acres, Tract F, Sugar Land Business Park Southwest Detention Pond, as recorded in Slide No. 1769/A, Fort Bend County Plat Records, and being the northwesterly corner of said 2.8911 acres tract;

- (1) **THENCE**, North 67°42'00" East, along the south right-of-way line of Jess Pirtle Boulevard, a distance of 214.29 feet to a 5/8-inch iron rod set for a point of curvature to the right;
- (2) **THENCE**, in a northeasterly direction, at a length of 300.25 feet pass a 5/8-inch iron rod found being the northwest corner of said Commercial Reserve "A-1", continue along a total length of 460.24 feet, a radius of 1950.00 feet, a central angle of 13°31'22", and a chord bearing of North 74°27'18" East a distance of 459.17 to a 5/8-inch iron rod set;
- (3) **THENCE**, South 11°54'07" East, a distance of 380.07 feet to a 5/8-inch iron rod set in the northerly line of Commercial Reserve "A-2";
- (4) **THENCE**, South 87°44'17" West, along the north line of said Commercial Reserve "A-2", a distance of 221.67 feet to a 5/8-inch iron rod found;
- (5) **THENCE**, South 02°15'43" East, along the west line of said Commercial Reserve "A-2", a distance of 134.77 feet to a 5/8-inch iron rod set in the north line of said 2.2114 acres;
- (6) **THENCE**, North 59°25'41" West, along the north line of said 2.2114 acres, a distance of 584.72 feet to a 5/8-inch iron rod set for an interior corner of said 2.2114 acres;
- (7) **THENCE**, North 02°30'08" East, a distance of 13.55 feet to the **POINT OF BEGINNING** of herein described tract.

  
 05/19/14  
 George R. Lardizabal, RPLS 6051  
 GGC Survey, PLLC  
 4419 Zimmerly Court  
 Sugar Land, TX 77479







