

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

FIRST AMENDMENT TO
 TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY DRAINAGE DISTRICT AND
 API REALTY, LLC. AND ACCREDO PACKAGING, INC.

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between FORT BEND COUNTY DRAINAGE DISTRICT, TEXAS, a body politic, (hereinafter referred to as "District") and API REALTY, LLC. AND ACCREDO PACKAGING, INC. (hereinafter referred to as "Owner").

RECITALS

WHEREAS, on or about October 10, 2010, the Parties entered into a Tax Abatement Agreement, attached hereto as Exhibit "One" and incorporated by reference;

WHEREAS, the Parties now desire to amend a certain portion of the Agreement; and

WHEREAS, both the Original Agreement and this First Amendment are executed as authorized by 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, as approved by the Fort Bend County Drainage District

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

I. Amendments

a. Section 4, Responsibility of Owner and Lessee is amended as follows:

4. Responsibility of Owner and Lessee

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

- (a) That construction of the Improvements shall be and were completed by December 31, 2014. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$9,000,000 project costs with respect to the Improvements within sixty (60) days after completion of the Improvements to be constructed by Owner.
- (b) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2016 and on each and every January 1, thereafter during the term of this Agreement will not be less than \$30,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (c) That the Certified Appraised Value of inventory on January 1, 2016, and on each January 1 thereafter during the term of this Agreement will not be

less than \$1,000,000.

- (d) That Lessee will have created at least forty-five (45) new full-time positions by September 1, 2015 and will maintain at least 45 jobs at the facility continuously through September 25, 2025. Lessee shall provide Tax Assessor/Collector a certified statement of the number of full-time employees employed each September 1 throughout the term of this agreement. Failure to meet the requirements of this section will invalidate the tax abatement for that year.

b. Section 5, Value and Term of Abatement is amended as follows:

- (a) This Agreement shall be effective on the date executed by District or Owner, whichever is later. The start of the actual tax abatement period has been deferred, with the first year of the abatement period to be 2016. This Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2025. The tax abatement shall not extend beyond December 31, 2025. This Agreement shall terminate on the completion of the abatements, 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 of the tax abatement period, 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 5 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Improvements and Eligible Personal Property:

Tax Year	Percentage Abatement
2016-2025	50% each year

c. Section 7, Event of Default is amended as follows:

- (a) District may declare the Owner in default of this Agreement if: (1) Owner fails to comply with any obligations under this Agreement; (2) allows District ad valorem taxes on the Real Property, or any property located thereon, to become delinquent or any property located thereon, to become delinquent even if the delinquent taxes are for a property not subject to an abatement, disputed values excepted and said delinquency continues for fifteen (15) days after written notice; (3) vacates any of the Improvements subject to the agreement before the term of the abatement without prior written notice to the District.

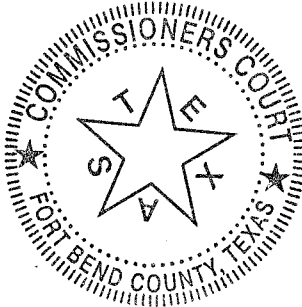
- II. Except as modified herein, any prior executed document remain in full force and effect and has not been modified or amended. In the event of conflict, the contents of this First Amendment shall prevail.
- III. Execution

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

FORT BEND COUNTY
 By: *Robert E. Hebert*
 Robert E. Hebert, County Judge

Date: 10-13-2015

ATTEST:
Laura Richard
 Laura Richard, County Clerk



API REALTY, LLC
 By: *Jamaki Sheth*
 Signature
JAMAK K. SHETH, Syc VP & CFO
 Printed name & title
 Date: 9/25/15

ATTEST:
Amelou Collins 9/25/15

ACCREDO PACKAGING, INC.
 By: *Jamaki Sheth*
 Signature
JAMAK K. SHETH, Syc VP & CFO
 Printed name & title
 Date: 9/25/15

ATTEST:
Amelou Collins 9/25/15

Exhibit One: TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY DRAINAGE DISTRICT, API REALTY, LLC. AND ACCREDO PACKAGING, INC. EXECUTED ON OR ABOUT OCTOBER 10, 2010.

MTR/Tax/Abatements/Amendments/API 8.18.15

Approved As To Legal Form:
M. Wenzel 10/18/15
 Asst. County Atty. Date

Exhibit One:

TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY DRAINAGE DISTRICT, API REALTY, LLC.
AND ACCREDO PACKAGING, INC. EXECUTED ON OR ABOUT
OCTOBER 10, 2010.

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY DRAINAGE DISTRICT,
API REALTY, LLC. AND ACCREDO PACKAGING, 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 **API REALTY, LLC**, owner of the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as “Owner,” and **ACCREDO PACKAGING, INC.**, owner of the eligible property located within the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as “Lessee.”

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 Board of Directors on February 3, 2009. The District has determined that the request for Tax Abatement presented by Owner and Lessee conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of the 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. 2006-03 by the Fort Bend County Central Appraisal District.

- b. **“Improvements”** means a building to be used as an office building and warehouse, containing approximately 171,000 square feet of floor space, and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all shown on Exhibit A, attached hereto and incorporated by reference as if set forth herein verbatim for all purposes.
- c. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2006-03 designated for economic development purposes.
- d. **“Eligible Property”** Abatement may be extended to the value of buildings and structures as defined in the Texas Tax Code including fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 5(c).
- e. **“Ineligible Property”** means land, 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.
- f. **“Real Property”** means the 13.55 acre tract of land located within City of Sugar Land Reinvestment Zone No. 2006-03, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- g. **“Owner”** means **API REALTY, LLC**, the Owner of the real property and improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the District Board of Directors.
- h. **“Lessee”** means **ACCREDO PACKAGING, INC.**, the lessee of the real property and Improvements from Owner and owner of the Eligible Personal Property subject to this Agreement.
- i. **“District”** means the Fort Bend County Drainage District
- j. **“CAD”** means Fort Bend County Central Appraisal District.

3. **Subject Property**

City of Sugar Land Reinvestment Zone No. 2006-03 is an area located in Fort Bend County, Texas, being legally described in Exhibit "A" attached hereto and incorporated herein for all purposes. The CAD has established the base year values for the subject property as of January 1, 2010.

4. Responsibility of Owner and Lessee

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

- (a) That construction of the Improvements shall be completed on or before January 1, 2012. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$9,000,000 project costs with respect to the Improvements within sixty (60) days after completion of the Improvements to be constructed by Owner.
- (b) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2012, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$30,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (c) That the Certified Appraised Value of inventory on January 1, 2012, and on each January 1 thereafter during the term of this Agreement will not be less than \$1,000,000.
- (d) That Lessee will create at least forty-five (45) new full-time persons beginning January 1, 2012 continuously through December 31, 2021. Lessee shall provide Tax Assessor/Collector a certified statement of the number of full-time employees employed each September 1 throughout the term of this agreement. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (e) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That either the Owner or Lessee will participate in the continuing economic development process in Fort Bend County by becoming a trustee member of

the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.

- (g) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (h) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

5. **Value and Term of Abatement**

(a) This Agreement shall be effective on the date executed by the District, Owner or Lessee, whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2021. In no event shall this agreement extend beyond December 31, 2021. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's and Lessee's obligation upon default to pay to the 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 and Eligible Property as defined in Section 2(d) above:

Tax Year

Percentage Abatement

2012	50%
2013	50%
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%
2019	50%
2020	50%
2021	50%

TOTAL = 500%

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property or Ineligible Property as defined in Section 2(e) above.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The CAD's determination of values shall be used to determine the value of the property subject to this Agreement. If the Owner and/or Lessee protest the District's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, the Owner Lessee shall certify in writing to District's Tax Assessor/Collector that each party is in compliance with each term of this Agreement.

6. Taxability

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

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory;
- (b) The Value of existing Improvements and Eligible Property shall be determined annually by the Central Appraisal District.

7. Event of Default

- (a) The District may declare the Owner and Lessee in default of this Agreement if: (1) the Owner or Lessee fails to comply with any term of this Agreement; (2) allows District ad valorem taxes on the Land, or any property located thereon, to become delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.
- (b) The District shall notify Owner and Lessee of any default in writing specifying the default. The Owner or Lessee shall each have thirty (30) days from the date of the notice to cure any default. If the Owner or Lessee fails to cure the default, the District may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the District, the Owner and Lessee agree that they are liable for and will pay to the District within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all property taxes abated under this Agreement;
 - (2) Interest on the abated amount at the rate provided for in the Tax Code for delinquent taxes; and
 - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TAX CODE for delinquent taxes.
- (d) The District shall have a lien against the Owner's real property and improvements, and the Lessee's eligible personal property for the taxes and interest owed because of the recapture of taxes under this paragraph.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner and Lessee are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner or Lessee is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, District shall provide written notice to Owner and Lessee of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from District to Owner and Lessee. In the event of termination under this

paragraph, Owner or Lessee shall repay to District the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

8. Administration and Inspection

(a) This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. The Owner and Lessee shall allow employees or other representatives of the District who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone 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 construction and/or operation of the facility. A representative of the Owner or Lessee may accompany the inspector.

(b) Upon completion of the contemplated construction, the District shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner and Lessee.

(c) The Chief Appraiser of the CAD shall annually determine (1) the taxable value under the terms of this abatement of the real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other property otherwise located at or about the Owner's or Lessee's premises. 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.

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

including Lessee's payroll records.

9. Assignment

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

(b) Any and all assignments shall contain the same terms and conditions as set out in the first Abatement 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 API Realty, LLC, and Accredo Packaging, Inc., in performing their obligations hereunder, are acting independently, and the District assumes no responsibilities or liabilities in connection therewith to third parties. **API REALTY, LLC. AND ACCREDO PACKAGING, INC. AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE DISTRICT AND THE CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF API REALTY, LLC.'S AND/OR ACCREDO PACKAGING, INC.'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE DISTRICT OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. API REALTY, LLC.'S AND ACCREDO PACKAGING, INC.'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. API REALTY, LLC. AND**

ACCREDITO PACKAGING, INC. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE 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 API REALTY, LLC AND/OR ACCREDITO PACKAGING, INC., NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT DISTRICT FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND API REALTY, LLC. AND ACCREDITO PACKAGING, INC. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. Force Majeure

If by reason of force majeure, the Owner or Lessee is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the District in writing within ten (10) calendar days of the occurrence relied upon. The obligation of Owner and Lessee to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall mean 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 Owner and Lessee.

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 or Lessee 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 shall be construed under and in accord 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 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 the Owner or Lessee at the mailing addresses 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 the Owner or Lessee or the District at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Patsy Schultz
Fort Bend County Tax Assessor-Collector
500 Liberty, Suite 101
Richmond, Texas 77469

To **Owner:** API Realty LLC
1470 First Colony Blvd.
Sugar Land, Texas 77479
Attn: Janak Sheth, EVP

To **Lessee:** Accredo Packaging, Inc.
1470 First Colony Blvd.
Sugar Land, Texas 77479
Attn: Janak K. Sheth, Executive VP and CFO

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

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

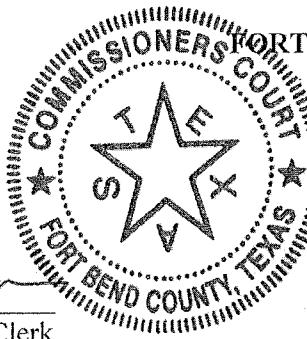
17. Entire Agreement; Ordinance and Economic Impact Statement

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto are Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03, and Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

18. Execution

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

Inc. to the same.



By: Robert E. Hebert
Robert E. Hebert, County Judge

Date: 10-26-2010

ATTEST: Dianne Wilson
Dianne Wilson, County Clerk

API REALTY, LLC

By: Janak K. Sheth
Signature
JANAK K. SHETH, EVP & CFO
Printed name & title

Date: 10-22-10

ATTEST: Jewel P. Dillard

ACCREDITO PACKAGING, INC.

By: Janak K. Sheth
Signature
JANAK K. SHETH, EVP & CFO
Printed name & title

Date: 10-22-10

ATTEST: Jewel P. Dillard

Attachments: Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03
Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement

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Exhibit A

ORDINANCE NO. 1565

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2006-03 FOR 14.713 ACRES OF LAND LOCATED NORTH OF REED ROAD, WEST OF DAIRY ASHFORD ROAD AND EAST OF INDUSTRIAL BOULEVARD.

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 Reinvestment Zone No. 2006-03 is created for the real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

Section 2. That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

Section 3. That Reinvestment Zone No. 2006-03 expires five years from the date of this ordinance.

APPROVED on first consideration on May 16, 2006.

ADOPTED upon second consideration on June 06, 2006.

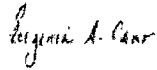

David G. Wallace, Mayor

ATTEST:



Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:



Regina A. Carr

Attachment: Exhibit A - Property Description (4 pages)

County: Fort Bend
Project: Sugar Land Central - Industrial Tract 2
C.L. No.: 1047-06 (sketch prepared)
Job Number: 2000006-053

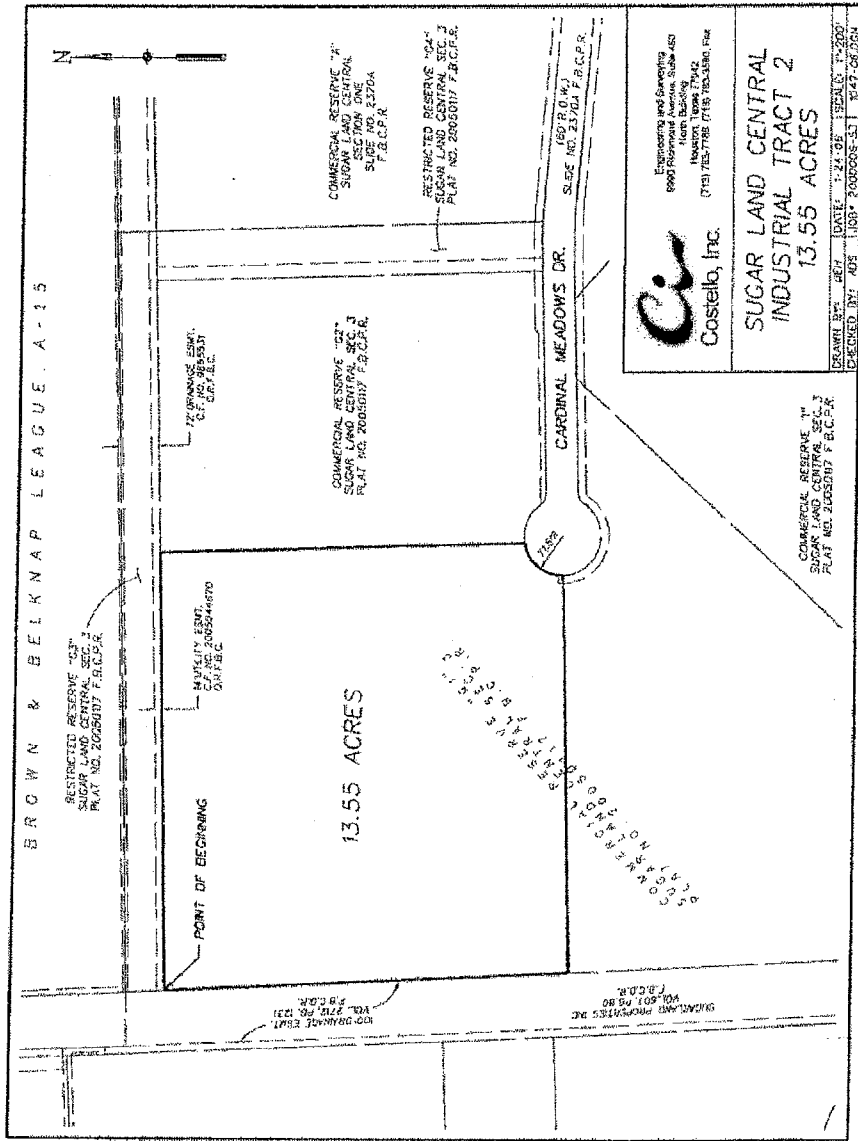
METES AND BOUNDS DESCRIPTION FOR 13.55 ACRES

Being a 13.55 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 13.55 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 13.55 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

Beginning at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the O.R.F.B.C.;

1. Thence, with the north line of said Commercial Reserve "G1" and south line of said Restricted Reserve "G3", North 88 degrees 28 minutes 04 seconds East, a distance of 798.42 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the most northerly northeast corner of said Commercial Reserve "G1" and northwest corner of Commercial Reserve "G2" of said Sugar Land Central Section Three;
2. Thence, with an east line of said Commercial Reserve "G1" and west line of said Commercial Reserve "G2", South 01 degrees 31 minutes 56 seconds East, a distance of 679.64 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for an exterior corner of said Commercial Reserve "G1" and southwest corner of said Commercial Reserve "G2", said iron rod also being on the north right-of-way line of a cul-de-sac for Cardinal Meadows Drive recorded in Slide No. 2370A of the F.B.C.P.R.;
3. Thence, with said right-of-way line, 101.37 feet along the arc of a curve to the left, said curve having a central angle of 81 degrees 13 minutes 49 seconds, a radius of 71.50 feet and a chord that bears South 39 degrees 04 minutes 59 seconds West, a distance of 93.09 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set;
4. Thence, leaving said right-of-way line through and across aforesaid Commercial Reserve "G1", South 88 degrees 28 minutes 04 seconds West, a distance of 723.35 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set on the west line of said Commercial Reserve "G1" and east line of aforesaid 100-foot wide drainage easement;
5. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 750.45 feet to the **Point of Beginning** and containing 13.55 acres of land.





Cir
Castello, Inc.

Engineering and Surveying
8000 Ruppert Avenue, Suite 400
Houston, Texas 77042
(713) 787-7788 (713) 788-3888, Fax

SUGAR LAND CENTRAL INDUSTRIAL TRACT 2
13.55 ACRES

DRAWN BY: BEY DATE: 1-24-06 SCALE: 1"=200'
CHECKED BY: ADE DATE: 03B-2006035-51 1547-06-06A

County: Fort Bend
Project: Sugar Land Central - Industrial Tract 2B
C.I. No.: 1090-06 (sketch prepared)
Job Number: 2000006-053

METES AND BOUNDS DESCRIPTION FOR 1.163 ACRES

Being a 1.163 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 1.163 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 1.163 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

Commencing at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the Official Records of Fort Bend County;

Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 750.45 feet to the **Point of Beginning** and northwest corner of the herein described tract;

1. Thence, leaving the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 88 degrees 28 minutes 04 seconds East, a distance of 65.01 feet;
2. Thence, 55-foot east of and parallel with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 778.75 feet;
3. Thence, South 87 degrees 21 minutes 46 seconds West, a distance of 65.00 feet to the west line of said Commercial Reserve "G1" and east line of said drainage easement;
4. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 780.09 feet to the **Point of Beginning** and containing 1.163 acres of land.

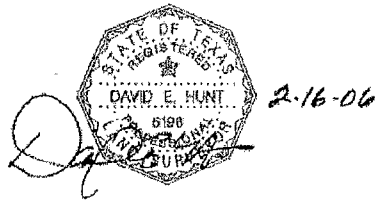


Exhibit B



APPLICATION FOR AD VALOREM TAX ABATEMENT

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 City.

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 Sugar Land.

Accredo is a manufacturing facility which specializes in multi-layer diecast aluminum, printing, lamination of film and parchment. The facility will be manufacturing, warehousing and shipping products from this location.

2. Information About Your Company

Company Name: ACCREDO PACKAGING INC	
Contact Person: ANAK SETHI	Title: EXECUTIVE VP/CEO
Current Address: 1470 FIRST COLONY BLVD SUGAR LAND TX 77478	
Office #: 713-520-4500	Mobile #:
Fax #: 713-471-0502	Website:
Email Address: ANAK.SETHI@ACCREDI.COM	
The Company's Primary SIC Code:	

3. Name of entity that will own the building:
API REALTY LLC
4. Type of project (check all that apply):
 - Existing business in Fort Bend County
 - Existing business in Sugar Land
 - New business to Sugar Land/Fort Bend County
 - Expansion of existing facility
 - Construction of new facility
 - Company will lease facility
 - Company will own facility
 - Corporate/Regional Headquarters

5. Location of proposed site(s) in Sugar Land (street address or nearest street intersection):
 12682 CARDINAL MEADOW DR.
 SUGAR LAND, TX 77478

6. Scope of project:

Size of new facility/expansion:	171,076 SF
Size of existing facility (if applicable):	174,000 SF
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	14.716 acres
Type of Construction (tilt wall, metal, concrete, etc.):	STRUCTURE STEEL-WALL TILT WALL

7. Please give detailed breakdown of operations within the proposed facility (i.e., 10% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

OFFICE - 20%
 WAREHOUSE - 25%
 MANUFACTURING - 55%

8. Truck traffic to be generated (# daily or weekly): 30 / month

9. Targeted start of construction: January 2014

10. Targeted start of operations: September 2014

11. Market value (taxable assets) of the firm's property that would be located at the facility in Sugar Land (new property to Sugar Land):

Land	Building Improvements	Furniture, Fixtures & Equipment	Inventory	Total
800k	10 million	23 million	2 million	34.8 million

12. Estimated percent of inventory that would be Freeport qualified: 90%
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired or brought into the state by businesses and held for no more than 173 days before being shipped out of state.

13. Employment information:

New Jobs Created	Existing Jobs Retained	Total Number of Jobs
45	10	55

- 14. Average salary (before benefits): 35,000k
- 15. Amount of initial, annual local payroll to be created: 1.5 million
- 16. The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land: 0
- 17. Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company: NO
- 18. Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value: NO
- 19. Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally? 200/yr

LEED TAX ABATEMENT
(If Applicable to Project)

- 20. Applicable LEED Green Building Rating System and Version on which the Certification Will Be Based:
Rating System: LEED Version: 2009
- 21. Level and Number of Points of LEED Rating System at which applicant expects Certification:
Level: SILVER Number of Points: 50-59
- 22. Proof that Project Has been Registered with the US Green Building Council
Proof of Registration: 1000003477
- 23. Information on LEED Accredited Professional Assigned to the Design Team for the Project (If applicable)

Contact Person: <u>TRIN LENOUGH</u>	Title: <u>ASSOCIATE</u>
Address: <u>5010 WEST MAIN SUITE A</u>	<u>BEAUBLANCHE CITY TX 77413</u>
Office #: <u>281.311.6442</u>	Mobile #:
Fax #: <u>713-513-5200</u>	Email Address: <u>TRIN@ARCAD-ARCHITECTS</u>

24. Note: A draft site plan and a metes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before those documents can be drafted.

21. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a (f). Repayment will be due no later than the 120th day after the date the City notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:
(1) lawfully admitted for permanent residence to the United States; or
(2) authorized under law to be employed in that manner in the United States.



Signature

EXECUTIVE VP & CFO

Title

Date

There is no application fee or membership required by the City of Sugar Land. However, Fort Bend County requires that companies receiving tax abatement maintain a trustee membership in the Greater Fort Bend Economic Development Council for the term of the agreement.

