CHAPTER 312

TAX ABATEMENT AGREEMENT

BETWEEN

WALLER COUNTY

AND

P150, LLC.

STATE OF TEXAS §
§
COUNTY OF WALLER §

This Chapter 312 Tax Abatement Agreement ("Agreement") is made, entered, and executed by and among, **P150, LLC**, a Delaware limited liability company ("**COMPANY**"), which has signed a contract to purchase the taxable real property (the "Property") located within the jurisdictional limits of the Waller County, Texas ("**COUNTY**"), and specifically located within the "Waller County P150 Reinvestment Zone No. 1" ("Reinvestment Zone"). Collectively, Company and County are herein referred to as the "Parties."

This Agreement is made and entered into between the Parties for the purpose of encouraging the development of primary employment and attracting major economic investments in warehouse distribution, manufacturing, and other industry related development within the jurisdictional limits of the County.

I. AUTHORIZATION

1.1. This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Texas Tax Code, ("Tax Code") Chapter 312, V.T.C.A., as amended, and by authorization of the County for property located within a County Reinvestment Zone and constitutes the valid and binding obligation of the County from, and after execution hereof, by all Parties. Company's execution and performance of this Agreement has been duly authorized and constitutes the valid and binding obligation of Company from and after execution hereof by all Parties.

II. CONDITIONS PRECEDENT

2.1. Waller County properly complied with the notice and public hearing requirements for the designation of a reinvestment zone pursuant to Sec. 312.201 and 312.401 of the Texas Property Tax Code and did thereby designate the Waller County P150 Reinvestment Zone No. 1 by Resolution adopted on February 27, 2019, ("**Reinvestment Resolution**") attached hereto as Exhibit D. The County received the Company's Tax Abatement Application ("**Abatement Application**") which is attached hereto as Exhibit E (as updated).

2.2 The execution of this Agreement is contingent upon the terms and conditions as may be established by the Parties.

III. DEFINITIONS, GUIDELINES & CRITERIA

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

a. "**Abatement**" means the exemption from ad valorem taxes of qualifying taxable personal property and qualifying taxable Improvements in the Reinvestment Zone designated for economic development purposes pursuant to the terms of Section 5.1 hereof.

b. "**Abatement Period**" means the periods of January 1, 2023 through December 31, 2032.

c. **"Affiliate"** of any person or entity identified in this Agreement means any other person or entity which, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under direct or indirect common control with such specified person or entity. For purposes of this definition, the term "**control**" when used with respect to any person or entity in conjunction with the term "affiliate" means (i) the ownership, directly or indirectly, of fifty percent (50%) or more of the voting securities of such person or entity, or (ii) the right to direct the management or operations of such person or entity, directly or indirectly, whether through the ownership (directly or indirectly) of securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing term "**control**" as herein defined.

d. "**Certified Appraised Value**" means the January 1 value of all taxable property located within the Waller County P150 Reinvestment Zone No. 1 as certified by the Waller County Appraisal District as of that date in any given year.

e. "**Construction Phase**" means a material and substantial improvement of the Premises which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when distribution commences at the Premises, as defined herein.

f. "**Eligible Abatement Property**" means qualifying taxable personal property and real property improvements, including the buildings, structures, fixed machinery, and equipment and improvements necessary to the operation and administration of the Improvements as noted in Exhibit B.

g. "**Employee**" means a person who (i) is an employee or contract employee of the operator of the Project, and paid directly, or in the case of a contract employee paid directly or indirectly, by such operator and (ii) regularly works at least 40 hours a week at, or based from, the Project, excluding time taken for holidays, vacations, sick leave, or other regular leave.

h. "**Force Majeure**" means an event or occurrence caused by any cause (except financial), whether similar or dissimilar, over which Company has no reasonable control and which forbids or prevents performance.

i. "**Improvements**" means the buildings or portions thereof, fixed machinery, and equipment used for commercial or industrial purposes that are constructed or installed by Company on the Property after January 1, 2019.

j. "**Ineligible Abatement Property**" means land, supplies, tools, furnishings, and other forms of movable personal property, including but not limited to, inventories, vehicles, vessels, aircraft, housing, deferred maintenance investments, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any improvements including those to produce, store, or distribute natural gas, fluids or gases, which are not necessary to the operation of the Project, and all property that is otherwise not Eligible Abatement Property.

k. "**Premises**" means the land that is subject to the P150 Waller County Reinvestment Zone No. 1, as described in Exhibit A attached hereto and incorporated herein, and comprising approximately 189.9 acres of land.

l. "**Project**" means a warehouse and distribution facility with a minimum area of 1.7 million square feet at the Premises in Waller County.

3.2. The Tax Abatement Guidelines (attached as Exhibit F) and criteria for granting tax abatements in a Reinvestment Zone within the jurisdictional limits of the County, which the County adopted on July 19, 2017, are applicable to this Agreement.

IV. SUBJECT PROPERTY

4.1. Certified Appraised Values for the Premises, Improvements and tangible personal property located within the Reinvestment Zone that will be hereafter certified by the Waller County Appraisal District in accordance with applicable law are hereby incorporated in this Agreement by reference.

4.2. Company estimates the appraised values of Premises, Improvements and tangible personal property, including inventory, located on the Property within the Reinvestment Zone will exceed **$300 Million** at the date of first full year of operations, of which $126,000,000 will be the first year values of qualifying personal property and $70,000,000 for real property improvements as identified in Exhibt B. Estimated appraised values may account for depreciation over time and may be subject to further change based on actual appraised values as may be established by the Waller County Appraisal District. Taxable value upon completion of the Project for personal property is based on cost of production for annual estimated inventory.

4.4. Company will arrange to establish necessary tax accounts with the Waller County Appraisal District.

4.5. Company shall annually file the Texas Comptroller of Public Accounts Forms 50-116, 50-141, and 50-142, and any other required documentation to verify real and personal property values for the abatement granted, with the Waller County Appraisal District during the Term of this Agreement.

4.6 Company shall annually provide a copy of filed Forms referenced in Section 4.5 of this Agreement in addition to an annual certification of Employees to the County.

V. VALUE AND TERM OF AGREEMENT

5.1. The Abatement provided for in this Agreement shall be effective on the January 1, 2023 valuation date as authorized by Sec. 312.007 of the Tax Code. In each year of the Abatement

Period, the appraised value, as defined in the Texas Property Tax Code, of Eligible Abatement Property shall be abated as follows:

TAX ABATEMENT SCHEDULE

Tax Year Abated	Real Property Improvements (Exhibit B) Percentage	Qualifying Personal Property (Exhibit B) Percentage
2023	40%	20%
2024	40%	20%
2025	40%	20%
2026	40%	20%
2027	40%	20%
2028	40%	20%
2029	40%	20%
2030	40%	20%
2031	40%	20%
2032	40%	20%

5.2. The Term of this Agreement ("Term") shall commence upon the date the County signs this Agreement and shall expire upon receipt of the tax payment due to the County for the 2032 tax year.

VI. TAXABLE VALUE

6.1. During the Abatement Period:

a. The appraised value of Ineligible Abatement Property shall be fully taxable; and

b. The appraised value, as defined in the Texas Property Tax Code, of Eligible Abatement Property shall be abated as set forth above under Article V entitled "VALUE AND TERM OF AGREEMENT".

VII. CONTEMPLATED IMPROVEMENTS AND EMPLOYEES

7.1 Company represents that it will construct the Improvements, and until the expiration of this Agreement, operate and maintain the Project as a warehouse and distribution facility, with a guaranteed minimum aggregate appraised value of all Eligible Abatement Property of at least **$150,000,000** (the **"Eligible Abatement Property Requirement**"). During the Construction Phase, and during the Term of this Agreement, Company may make changes to the Eligible Abatement Property as are reasonably necessary to accomplish its intended use but in no

event shall that mean a reduction in the guaranteed minimum value of the project. All Improvements shall be completed in accordance with all applicable federal, state, and local laws, ordinances, rules, or regulations.

7.2 From and after commencement of operations at the Premises and for the remaining duration of this Agreement, Company shall employ at the Premises, the number of persons set forth in Exhibit C.

7.3 Company, shall make a good faith effort, to the greatest extent possible, to employ qualified applicants living in Waller County, Texas.

VIII. LIABILITY

8.1. No Assumption by the Parties: By executing and performing in accordance with this Agreement, Company assumes no obligation, duty or other responsibility with regard to any governmental function or service for which the County is responsible that is not otherwise addressed by this Agreement. In addition, Company assumes no legal liability for the actions of the County through Company's execution of and performance under this Agreement. Likewise, the County assumes no obligation, duty or other responsibility with regard to any duty, right, obligation or responsibility associated with the Improvements for which Company is responsible that is not otherwise addressed by this Agreement. In addition, the County assumes no legal liability for the actions of Company or its successors or assigns by virtue of the County's execution of this Agreement.

8.2. Agents: Each Party to this Agreement agrees that it shall have no liability for the actions or omissions of the employees, agents, directors, members, trustees or representatives of any other Party, and each Party is solely responsible for the actions and omissions of its own employees, agents, directors, members, trustees or representatives.

8.3. Governmental Immunity: Nothing in this Agreement shall constitute a waiver by the County of its governmental or sovereign immunity.

IX. CONDITIONS / ADJUSTMENTS / DEFAULT / REMEDIES

9.1. Conditions to Abatements:

a. In each year of the Abatement Period the Abatements described in Article V shall be conditioned upon Company's payment of its ad valorem taxes to the County and other taxing jurisdictions within the County on a timely basis, subject to the Cure Period set forth below

in this Article IX. Failure to pay such taxes and bills will negate the County's obligation to grant Abatements for the year in which such delinquency occurs.

b. Should the appraised value of all Eligible Abatement Property fall below $150,000,000 in any given year of the Abatement Period, then no Abatement will be granted in that year or carry forward to subsequent years.

c. Should Company fail to maintain at the Project a minimum rendered taxable inventory value of $150,000,000 in any given tax year of the Abatement Period, Company will lose the Abatement applicable to the tax year in which it failed to maintain the minimum rendered taxable inventory value of $150,000,000.

9.2. Adjustments to Abatements:

a. Nothing in this Agreement shall affect Company's right to protest any taxes assessed on the Improvements and Eligible Abatement Property. However, if as a result of Company's protest, the appraised value of the Eligible Abatement Property is lowered for any particular year of the Abatement Period, then, regardless of the initial appraised value, the Abatement applicable to the Eligible Abatement Property for such particular year will be adjusted downward in proportion to the reduction in the appraised value of the Eligible Abatement Property that resulted from Company's protest of taxes assessed on the Improvements and Eligible Abatement Property. For example, if Company's tax protest results in the appraised value of Eligible Abatement Property being reduced by 6.6% in any given year of the Abatement Period, then the Abatement for such given year would be decreased by the same percentage, rounded to the nearest whole number, thereby reducing the Abatement by 7%.

b. In the event Company fails to maintain employment of the required number of persons as set forth in Exhibit C for any consecutive 90-day period from and after commencement of operations at the Premises through the end of the Abatement Period (the "**Employment Requirement**"), then the County shall be entitled to recapture from the Abatement applicable to the next year of the Abtement Period a portion of the taxes abated during the year in which Company failed to satisfy the Employment Requirement. The taxes recapturable for failure to satisfy the Employment Requirement shall be the amount equal to the abated taxes multiplied by the percentage shortfall in the employee census set forth in Exhibit C that was not maintained in the ninety (90) day default period. For example, if the actual number of employees in any 90-

day default period in 2023 was only 950 (instead of the 1,000 employees required per Exhibit C), the percent decrease in employees would be 5%, and the percentage of the tax abatement granted for 2024 under this Agreement with respect to Eligible Abatement Property would be decreased by 5%.

c. In the event that, in the same year of the Abatement Period, Company fails to satisfy the Employment Requirement and successfully lowers the appraised value of the Eligible Abatement Property through a tax protest, the County shall have the right to recapture abated taxes in an amount equal to the higher of the Abatement reduction resulting from the failure to satisfy the Employment Requirement or the Abatement reduction resulting from the reduction in appraised value due to a tax protest. In the examples above, that greater percentage would be 7%.

9.3. Events of Default: During the Term of this Agreement, the County may declare Company in default hereunder if Company:

a. fails to commence construction of the Improvements within two (2) years from the date this Agreement is executed, or

b. fails to complete construction and place the Improvements in service by December 31, 2022; or

c. fails to timely file annual required renditions for the Premises and or any Improvements; or

d. fails to file an annual application with the Waller County Appraisal District for so long as the Law requires such an application; or

e. allows ad valorem taxes owed by Company to the County, or any other taxes owed by Company to any other taxing entity located in whole or in part in the County, to become delinquent without timely and properly following the legal procedures for protest and/or contest of any such taxes; or

f. operates the Project in violation of public health and safety laws, or allows the Premises or any part thereof to become a public nuisance, as provided under the appropriate ordinances of the City of Brookshire, Waller County, or the State of Texas.

9.4. Notice and Right to Cure Events of Default: If the County declares that Company is in default under this Agreement, the County must notify Company in writing. If Company's default is not cured within sixty (60) days from the date of such notice ("**Cure Period**"), then, as the sole and exclusive remedy of the County for such default, the County may terminate this Agreement by providing further written notice to Company. However, if Company's default

cannot with due diligence be cured within the Cure Period as a result of Force Majeure, then the Cure Period shall be automatically extended for so long as Company is using commercially reasonable efforts to continue to cure Company's default if Company (i) notifies the County of Company's intention to institute steps reasonably necessary to cure Company's default, (ii) institutes steps to cure Company's default and uses commercially reasonable efforts to pursue the remedy of Company's default, and (iii) submits a proposed schedule for the completion of the Improvements, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements that is completed as of the date of the County's notice of default. In no event shall this Section 9.4 supersede Sections 9.5 thru 9.7 below.

9.5. Grounds for Termination: In the event Company defaults under this Agreement and fails to cure as provided by Section 9.4, then the County may terminate this Agreement.

9.6. Recapture of Taxes for Default: In the event the County terminates this Agreement pursuant to the provisions of this Article IX as a result of an event of default, the County shall be entitled to recapture taxes abated pursuant as follows. The recaptured taxes for default under Section 9 shall be the amount equal to the amount of taxes that would have been due for the tax year in which the Company's default occurred if such taxes had not been abated by virtue of this Agreement, which amount shall be paid by Company to the County within sixty (60) days of the termination.

9.7. Discontinuation of Distribution: In the event the Improvements are completed and Company begins distributing product or services, but subsequently discontinues distributing product or services for any reason (excepting Force Majeure) for a period of one (1) year during the Abatement Period, then the County shall have the right to terminate this Agreement by providing thirty (30) days prior written notice to Company; *provided*, that if Company resumes distributing product or services prior to the end of such thirty (30) day period, this Agreement shall not terminate. In the event of termination pursuant to the provisions of this Section 9.7, the abatement of the taxes for the calendar years during which the Improvements no longer produce distribution of products and services shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement, except as set forth in Section 9.6. The taxes not otherwise abated shall be paid to the County prior to the delinquency date for such year. In no event shall Company

be required to pay such taxes within less than sixty (60) days of the date of any such termination pursuant to this Section 9.7.

X. EQUITABLE RELIEF

10.1. The County's sole remedies for a default by Company under this Agreement shall be those set forth in this Agreement. The foregoing shall not prevent the County from enforcing any Laws violated by Company.

XI. ADMINISTRATION

11.1. Administered by County Judge: This Agreement shall be signed on behalf of the County by its County Judge or his/her designee pursuant to the County's direction or by such other representative designated by County. Upon completion of the Improvements, the County shall annually evaluate the Improvements to ensure compliance with this Agreement.

11.2. Annual Determination by Appraiser: The Chief Appraiser of the Waller County Appraisal District annually determines (i) the taxable value of the qualifying real property, real property improvements, and tangible personal property located within the Reinvestment Zone and (ii) the full taxable value without abatement of the real, real property improvements, and tangible personal property located within the Reinvestment Zone. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year the Company shall furnish the Chief Appraiser with the information required by Chapter 22, Tax Code, V.T.C.A. Such information shall also be provided to the County in preparation of its annual evaluation for compliance with this Agreement.

11.3 County Inspection Rights: Company will provide access to and authorizes inspection of the Project by County's designated representative for the purpose of ensuring that the improvements thereto are made according to the specifications and conditions of this Agreement. After completion of the Improvements, the County shall, upon not less than twenty four hours of notice to Company, have the continuing right of access to ensure that the Project is thereafter maintained an operated in accordance with this Agreement, during the Term of this Agreement. The County agrees that (i) such inspections shall be during normal business hours (8 AM to 5 PM, Monday through Friday), and (ii) Company shall be permitted to have a representative accompany the County's representative(s) at all times during such inspections, and (iii) the County will not interfere with Company's operations during any such inspections. The

County's inspections, if any, shall not constitute acknowledgement or certification to Company, or any third party, that Company followed federal, state, or local laws or regulations.

11.4 Annual Company Compliance Certificate: Company shall annually certify to the County and the Waller County Appraisal District that Company is in compliance with all applicable terms of this Agreement.

XII. ASSIGNMENT

12.1. Company may assign this Agreement to an Affiliate without the written consent or approval of the Waller County Commissioners' Court provided that Company shall provide written notice of such assignment to the County within 30 days of the assignment. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. No assignment shall be permitted if Company or the assignee is delinquent in payment of ad valorem taxes due the County.

12.2 Company may not assign this Agreement to a non-Affiliate without the prior written consent and approval of Waller County Commissioners' Court, which consent shall not be unreasonably withheld, delayed, or conditioned.

XIII. NOTICE

13.1. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is transmitted by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the County or Company. Notices shall be deemed to be delivered upon receipt. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To the Company:

P150, LLC.
4077 WHITE ALDER
SONOMA, CA 95476
ATTN: MR. BRIAN E. MCLAUGHLIN

WITH A COPY TO:

VINSON & ELKINS LLP
1001 FANNIN STREET, SUITE 2500
HOUSTON, TX 77002

ATTN: ALBERTO P. CARDENAS, JR.

To the County:

THE HONORABLE TREY DUHON
COUNTY JUDGE
836 AUSTIN STREET, SUITE 203
HEMPSTEAD, TX 77445

13.2. Either Party may designate a different addressee and/or address by giving the other Party ten (10) days' written notice.

XIV. AUTHORITY

14.1. Each of the Parties hereto represents and warrants to the other Party that (i) it has all requisite power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each Party of the transactions contemplated by this Agreement have been duly authorized by the requisite corporate authority on the part of Company and by the requisite governmental authority on the part of the County and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such Party.

XV. EFFECTIVE DATE

15.1. This Agreement may be executed in counterparts, and the effective date shall be the date of execution hereof by the County.

XVI. MISCELLANEOUS

16.1. Further Assurances: In the event any further documentation or information is required for this Agreement to be valid, then the Parties to this agreement shall provide or cause to be provided such documentation or information. The Parties shall execute and deliver such documentation, including but not limited to any amendments, corrections, deletions or additions as necessary to this Agreement; provided, however, that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties. The Parties further agree that they shall do anything necessary to comply with any requirements to enable the full effect of this Agreement; provided,

however that the Parties shall not be required to do anything that has the effect of changing the essential economic terms of this Agreement or imposing greater liability on the Parties.

16.2. Recordation: The Company may record a certified copy of this Agreement in the Deed Records of Waller County, Texas.

16.3. Governing Law; Venue: This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Waller County, Texas.

16.4. Modification: This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the County and Company unless otherwise specifically provided for herein.

16.5. Disclaimer: Nothing herein shall confer upon any person, firm or other entity other than the Parties hereto any benefit or any legal or equitable right, remedy or claim under this Agreement. All obligations hereunder of the Parties hereto shall be binding upon their respective successors and assigns.

16.6. Waivers: Waiver of any term, condition or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition or provision, or a waiver of any other term, condition or provision of this Agreement.

16.7. Approvals or Consents: Approvals or consents required or permitted to be given under this Agreement shall be evidenced by minutes of the Waller County Commissioners' Court or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of a Party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

16.8. Parties in Interest: This Agreement shall be for the sole and exclusive benefit of the Parties hereto and their assigns and shall not be construed to confer any rights upon any third parties.

16.9. Merger: This Agreement and its incorporated Exhibits contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties

and others relating hereto and relating to the subject matter hereof are superseded by this Agreement.

16.10. Authorization: Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

16.11. Severability: If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision or condition cannot be so reformed, then such term, provision or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality and enforceability of the remaining terms, provisions and conditions contained herein (and any other application such term, provision or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in a mutually acceptable manner so as to affect the original intent of the Parties as closely as possible to the end that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Agreement, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

16.12. Payment of Expenses: Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

16.13. Force Majeure: In the event either Party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of this Agreement, then the obligations of such Party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended

during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the Force Majeure relied upon, the Party whose contractual obligations are affected thereby shall give notice and full particulars of such Force Majeure to the other Party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

16.14. Interpretation: When a reference is made in this Agreement to a Section, Article or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. The words "include," "includes" and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase "but not limited to" words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require. This Agreement is the joint product of the Parties and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of each Party and shall not be construed for or against any Party.

16.15. Consent to Suit: Nothing in this Agreement shall be construed as express or implied consent by the County to being sued.

16.16. Counterparts: This complete Agreement has been executed by the Parties in multiple originals, each having full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

P150, LLC.
a Delaware corporation

By: Brian E. McLaughlin
Name: Brian E. McLaughlin
Title: V.P. Real Estate

July 10, 2019
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF _____ §

Before me, the undersigned authority on this day personally appeared_____, _____ of P150, LLC., the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said (state in which incorporated) corporation.

Given under my hand and seal of office this the _____ day of _____ 2019.

Notary Certificate Attached

_____
Notary Public in and for the State of Texas

My commission expires: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

California All-Purpose Acknowledgement

State of California
County of Sonoma } SS.

On July 16, 2019 before me Michal Marie Ostrow, Notary Public

personally appeared Brian E. McLaughlin
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

JER-1 MICHAL MARIE OSTROW, COMM. #2155152 NOTARY PUBLIC - CALIFORNIA SONOMA COUNTY My Comm. Expires MAY 29, 2020 JER-1

Optional

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of the Attached Document:

Title of Type of Document: Chapter 312 Tax Abatement Agreement Between Waller County and P150 LLC

Document Date: July 16, 2019 Number of Pages: 16

Signer(s) Other Than Named Above: _____

WALLER COUNTY

By: _____
Name: Carbett "Trey" J. Duhon, III
Title: County Judge
JUL 1 0 2019
(Date)

ATTEST:

Debbie Hollan
County Clerk, Waller County

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF WALLER §

Before me, the undersigned authority on this day personally appeared Carbett "Trey" J. Duhon, III. County Judge of Waller County, Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said County.

Given under my hand and seal of office this the 10 day of July 2019.

NOTARY PUBLIC STATE OF TEXAS
CINDY JONES
COMM. EXPIRES 2-11-2023
NOTARY ID 714277-2

Cindy Jones
Notary Public in and for the State of Texas

My commission expires: 02-11-2023

SCHEDULE OF EXHIBITS

Exhibit A – Premises (with preliminary site plan)

Exhibit B – Eligible Abatement Property

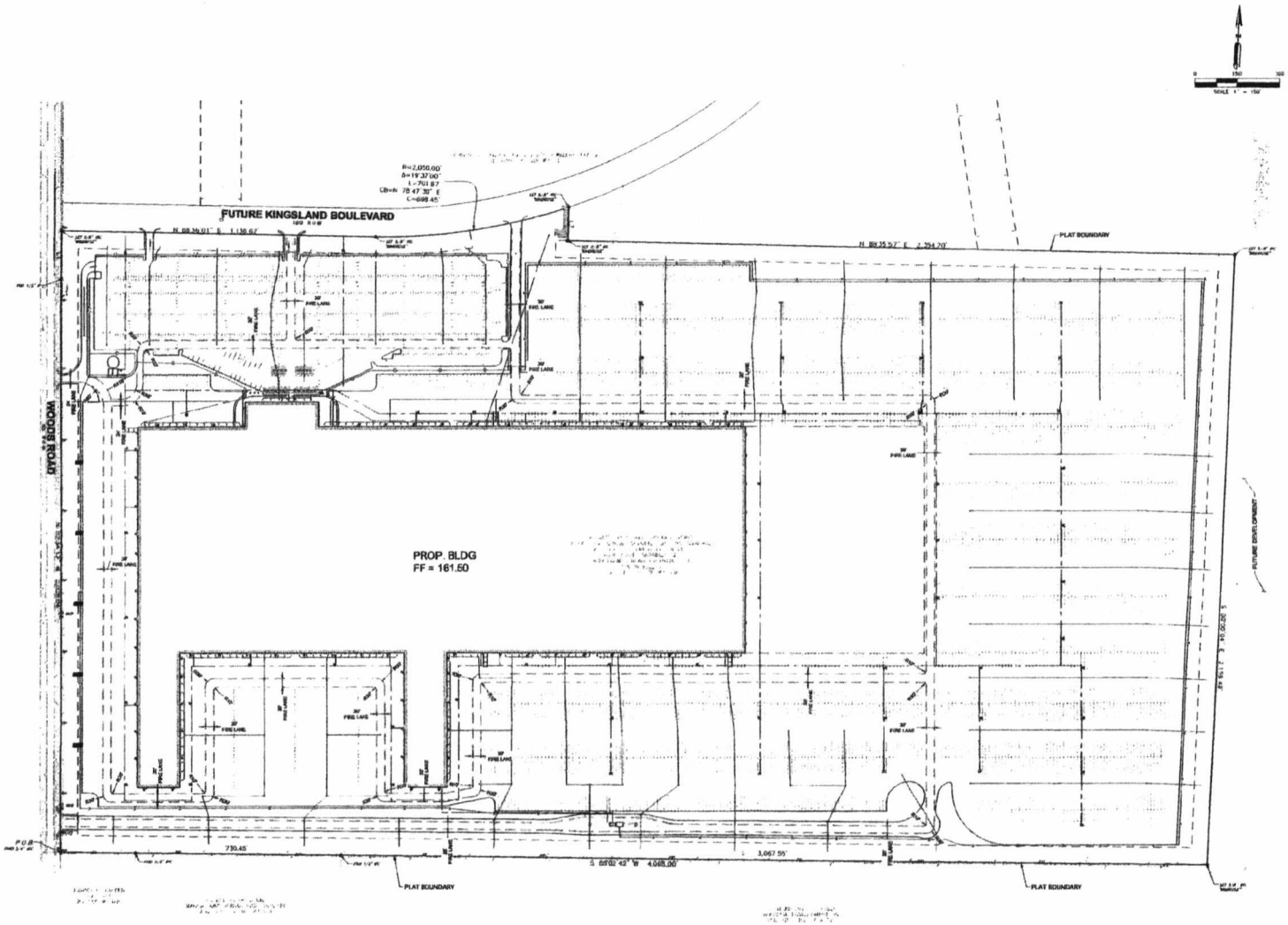
Exhibit C – Employees/Jobs Commitment

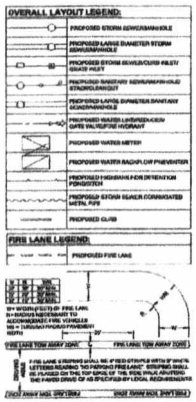
Exhibit D – Waller County Resolution Approving Reinvestment Zone

Exhibit E – P150, LLC Tax Abatement Application

Exhibit F – Waller County Tax Abatement Guidelines

Exhibit A





FIRE STRIPING DETAIL

WGA
CONSULTING ENGINEERS

WINDROSE

LAND SURVEYING | PLATTING

DESCRIPTION OF
189.906 ACRES OR 8,272,290 SQ. FT.

A TRACT OR PARCEL CONTAINING 189.906 ACRES OR 8,272,290 SQUARE FEET OF LAND BEING PART OF AND OUT OF THE RESIDUE OF A CALLED 280.3406 ACRE TRACT CONVEYED TO KATY I-10 PRAIRIE PARTNERS, LP (99% INTEREST), AS RECORDED UNDER WALLER COUNTY DEED RECORDS (W.C.D.R.) VOL. 998, PG. 438 & 443 AND DIXIE FARM PARTNERS, LLP AND BEAMER ROAD PARTNERS, LLP (1% INTEREST) AS RECORDED UNDER VOL. 817, PG. 27, W.C.D.R., AND THE RESIDUE OF A CALLED 279.2420 ACRE TRACT, CONVEYED TO WALTER XYZ LP, AS RECORDED UNDER VOL. 1079, PG. 510, W.C.D.R., SITUATED IN THE H.H. PENNINGTON SURVEY, ABSTRACT NO. 322, WALLER COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83):

COMMENCING AT A CAPPED 3/4 INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY (R.O.W.) LINE OF WOODS ROAD (80 FEET WIDE) FOR THE NORTHWEST CORNER OF A TRACT CONVEYED TO KENNIA B. PARKER, AS RECORDED UNDER VOL. 873, PG. 656, W.C.D.R. AND THE SOUTHWEST CORNER OF SAID 280.3406 ACRE TRACT;

THENCE, NORTH 42 DEG. 44 MIN. 13 SEC. EAST, OVER AND ACROSS SAID 280.3406 ACRE TRACT, A DISTANCE OF 84.40 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR **THE POINT OF BEGINNING** AND THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 02 DEG. 34 MIN. 27 SEC. WEST, OVER AND ACROSS SAID 280.3406 ACRE TRACT, A DISTANCE OF 1,968.71 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR AN ANGLE POINT OF THE HEREIN DESCRIBED TRACT;

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NORTH 02 DEG. 37 MIN. 34 SEC. WEST, A DISTANCE OF 109.44 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

NORTH 88 DEG. 36 MIN. 01 SEC. EAST, A DISTANCE OF 1,060.88 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR A POINT OF CURVATURE;

ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 2,110.00 FEET, A CENTRAL ANGLE OF 09 DEG. 25 MIN. 53 SEC., AN ARC LENGTH OF 347.32 FEET, AND A CHORD BERING AND DISTANCE OF NORTH 83 DEG. 53 MIN. 04 SEC. EAST – 346.93 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

NORTH 10 DEG. 26 MIN. 38 SEC. WEST, A DISTANCE OF 60.00 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

ALONG SAID CURVE TO THE LEFT, HAVING A RADIUS OF 2,050.00 FEET, A CENTRAL ANGLE OF 10 DEG. 10 MIN. 27 SEC. AN ARC LENGTH OF 364.02 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 74 DEG 04 MIN. 14 SEC. EAST – 363.54 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR A NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

SOUTH 01 DEG. 38 MIN. 56 SEC. EAST, A DISTANCE OF 119.06 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

SOUTH 88 DEG. 35 MIN. 57 SEC. WEST, A DISTANCE OF 43.92 FEET TO A CAPPED 5/8 ICH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

SOUTH 01 DEG. 23 MIN. 59 SEC. EAST, A DISTANCE OF 60.00 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

NORTH 88 DEG. 35 MIN. 57 SEC. EAST, A DISTANCE OF 2,337.13 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 00 DEG. 00 MIN. 04 SEC. EAST, PASSING AT A DISTANCE OF 74.39, THE NORTH LINE OF SAID 280.3406 ACRE TRACT, AND CONTINUING FOR A TOTAL DISTANCE OF 2,040.01 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 88 DEG. 02 MIN. 42 SEC. WEST, OVER AND ACROSS SAID 280.3406 ACRE TRACT, A DISTANCE OF 3,950.65 FEET TO THE **POINT OF BEGINNING** AND CONTAINING 189.906 ACRES OR 8,272,290 SQUARE FEET OF LAND.

PRELIMINARY
THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS FINAL SURVEY DOCUMENT

_____

ROBERT KNESS
R.P.L.S. NO. 6486
STATE OF TEXAS
FIRM REGISTRATION NO. 10108800

12-06-2018
DATE:

EXHIBIT B - SUPPORT DOCUMENTATION FOR REAL AND PERSONAL PROPERTY COVERED BY THE ABATEMENT

Personal property and fixed equipment. Total values for both should match those totals provided in the economic impact data sheet.

"**Personal Property**" as designated by the Waller County Appraisal District is anything that can be removed from the building without destroying or changing the building. This category would include any machinery or equipment that may be bolted to the floor but has a shorter life than the building and is used in the primary line of business as designated by the qualifying business type set here in the Waller County Abatement Policies.

Please attach a list of personal property to be covered by the abatement. Include value, model numbers and make for easy identification.

Real Property Improvements:

"**Real Property**" real property improvements as designated by the Waller County Appraisal District are any buildings, including any buildings that are built on skids or portable buildings, parking areas and any fences attached to the land.

NOTE: Do not include the land values as land is not eligible for tax abatement.

Please attach a list of the value for each building, fencing, driveways and other real property improvements along with the total value.

Real Property Improvements (Note you can replace the sample below with your own table or spreadsheet)

Description	**Value**
Buildings	
Driveways & Parking Areas	
Fencing	
Other	
Total	$70-75,000,000 appraised value

Personal Property Equipment (fixed-in-place and primary equipment)

Please copy and paste a spread sheet here with details of personal property.

Description	**Value**
Material Handling Equipment	$ 80,000,000
IT Equipment	$ 20,000,000
Rack Materials	$ 7,500,000
Rolling Stock & Automated Guided Vehicles	$ 15,000,000
Carton Erector	$ 2,000,000
Shredders, Bailers & Compactors	$ 1,500,000
Total	$126,000,000 rendered value

EXHIBIT C - JOB COMMITMENTS

This information should be the same as that provided for the economic impact analysis. Any discrepancies will cause a delay in your application. You only need complete the years covered by the agreement. For example, if you have a seven year agreement, then complete years 1 – 7.

Year	Number of jobs
1	1,000
2	1,000
3	1,000
4	1,000
5	1,000
6	1,000
7	1,000
8	1,000
9	1,000
10	1,000

Exhibit D

STATE OF TEXAS

COUNTY OF WALLER

IN THE COMMISSIONERS COURT

OF WALLER COUNTY, TEXAS

ORDER DESIGNATING REINVESTMENT ZONE WALLER COUNTY P150 REINVESTMENT ZONE 1 PURSUANT TO SECTIONS 312.401 AND 312.201 OF THE TAX CODE (THE PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT)

BE IT REMEMBERED at a meeting of Commissioners Court of Waller County, Texas, held on the 27th day of February, 2019, on motion made by Beckendorff, Commissioner of Precinct No 4, and seconded by Barnett, Commissioner of Precinct No 3, the following Order was adopted:

WHEREAS, the Commissioners Court of Waller County, Texas desires to create the proper economic and social environment to induce the Investment of private resources in productive business enterprises located in the county and to provide employment to residents of the area; and,

WHEREAS, it is in the best interest of the County to designate as a Reinvestment Zone, pursuant to Sections 312.401 and 312.201 of the Tax Code (The Property Redevelopment and Tax Abatement Act), the property under contract by P150, LLC, being a tract or parcel containing 189.906 acres or 8,272,290 square feet of land being part of and out of the residue of a called 280.3406 acre tract conveyed to Katy I-10 Prairie Partners, LP (99% interest), as recorded under Waller County deed records (W.C.D.R.) Vol. 998, pg. 438 & 443 and Dixie Farm Partners, LLP and Beamer Road Partners, LLP (1% interest) as recorded under Vol. 817, pg. 27, W.C.D.R., and the residue of a called 279.2420 acre tract, conveyed to Walter XYZ LP, as recorded under Vol. 1079, pg. 510, W.C.D.R., situated in the H.H. Pennington Survey, abstract No. 322, Waller County, Texas.

IT IS THEREFORE ORDERED BY THE COMMISSIONERS COURT OF WALLER COUNTY, TEXAS

Section 1. That the Commissioners Court hereby designates as a Reinvestment Zone (the "Zone") the property under contract by P150, LLC, being a tract or parcel containing 189.906 acres or 8,272,290 square feet of land being part of and out of the residue of a called 280.3406 acre tract conveyed to Katy I-10 Prairie Partners, LP (99% interest), as recorded under Waller County deed records (W.C.D.R.) Vol. 998, pg. 438 & 443 and Dixie Farm Partners, LLP and Beamer Road Partners, LLP (1% interest) as recorded under Vol. 817, pg. 27, W.C.D.R., and the residue of a called 279.2420 acre tract, conveyed to Walter XYZ LP, as recorded under Vol. 1079, pg. 510, W.C.D.R., situated in the H.H. Pennington Survey, abstract No. 322, Waller County, Texas, described in Exhibit A attached hereto;

Section 2 That the Commissioners Court finds that the Zone area meets the

qualifications of the Texas Redevelopment and Tax Abatement Act;

Section 3. That the Commissioners Court has heretofore adopted Tax Abatement and Incentives Policy Guidelines & Criteria for Waller County;

Section 4 That the Commissioners Court held a public hearing to consider this Order on the 27th day of February, 2019;

Section 5. The Commissioners Court finds that such improvements are feasible and will benefit the Zone after the expiration of the agreement;

Section 6. The Commissioners Court finds that creation of the Zone is likely to contribute to the retention or expansion of primary employment in the area and/or would contribute to attract major investments that would be a benefit to the property and that would contribute to the economic development of the community; and

Section 7. That this Order shall take effect from and after its passage as the law in such cases provides.

Signed this 27th day of February, 2019.

CARBETT "TREY" J. DUHON III
County Judge

COMMISSIONER JOHN A AMSLER
Precinct No. 1

COMMISSIONER JERON BARNETT
Precinct No. 3

COMMISSIONER WALTER SMITH
Precinct No. 2

COMMISSIONER JUSTIN BECKENDORFF
Precinct No. 4

Exhibit A

WINDROSE

DESCRIPTION OF
189.906 ACRES OR 8,272,290 SQ. FT.

A TRACT OR PARCEL CONTAINING 189.906 ACRES OR 8,272,290 SQUARE FEET OF LAND BEING PART OF AND OUT OF THE RESIDUE OF A CALLED 280.3406 ACRE TRACT CONVEYED TO KATY-JO PRAIRIE PARTNERS, LP, 99% INTEREST, AS RECORDED UNDER WALLER COUNTY DEED RECORDS (W.C.D.R.) VOL. 998, PG. 468 & 443 AND DYKE FARM PARTNERS, LLP AND BEAMER ROAD PARTNERS, LLP, 1% INTEREST, AS RECORDED UNDER VOL. 817, PG. 27, W.C.D.R. AND THE RESIDUE OF A CALLED 279.2420 ACRE TRACT, CONVEYED TO WALTER XYZ, LP, AS RECORDED UNDER VOL. 1079, PG. 510, W.C.D.R. SITUATED IN THE H.H. PENNINGTON SURVEY, ABSTRACT NO. 322, WALLER COUNTY, TEXAS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS (WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83)):

COMMENCING AT A CAPPED 3/4" INCH IRON ROD FOUND ON THE EAST RIGHT-OF-WAY (R.O.W.) LINE OF WOODS ROAD (80 FEET WIDE) FOR THE NORTHWEST CORNER OF A TRACT CONVEYED TO KENNA B. PARKER, AS RECORDED UNDER VOL. 873, PG. 656, W.C.D.R. AND THE SOUTHWEST CORNER OF SAID 280.3406 ACRE TRACT;

THENCE, NORTH 42 DEG. 44 MIN. 13 SEC. EAST, OVER AND ACROSS SAID 280.3406 ACRE TRACT, A DISTANCE OF 84.40 FEET TO A CAPPED 5/8" INCH IRON ROD STAMPED "WINDROSE" SET FOR **THE POINT OF BEGINNING** AND THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

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ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2,112.00 FEET, A CENTRAL ANGLE OF 09 DEG. 25 MIN. 53 SEC., AN ARC LENGTH OF 347.92 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 43 DEG. 53 MIN. 04 SEC. EAST, 346.93 FEET TO A CAPPED 5/8" INCH IRON ROD STAMPED "WINDROSE" SET FOR AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;

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PURPOSE AND SHALL NOT BE USED OR VIEWED OR
RELIED UPON AS FINAL SURVEY DOCUMENT

12-06-2013
DATE

ROBERT KNESS
R.P.L.S. NO. 6486
STATE OF TEXAS
FIRM REGISTRATION NO. 10108800

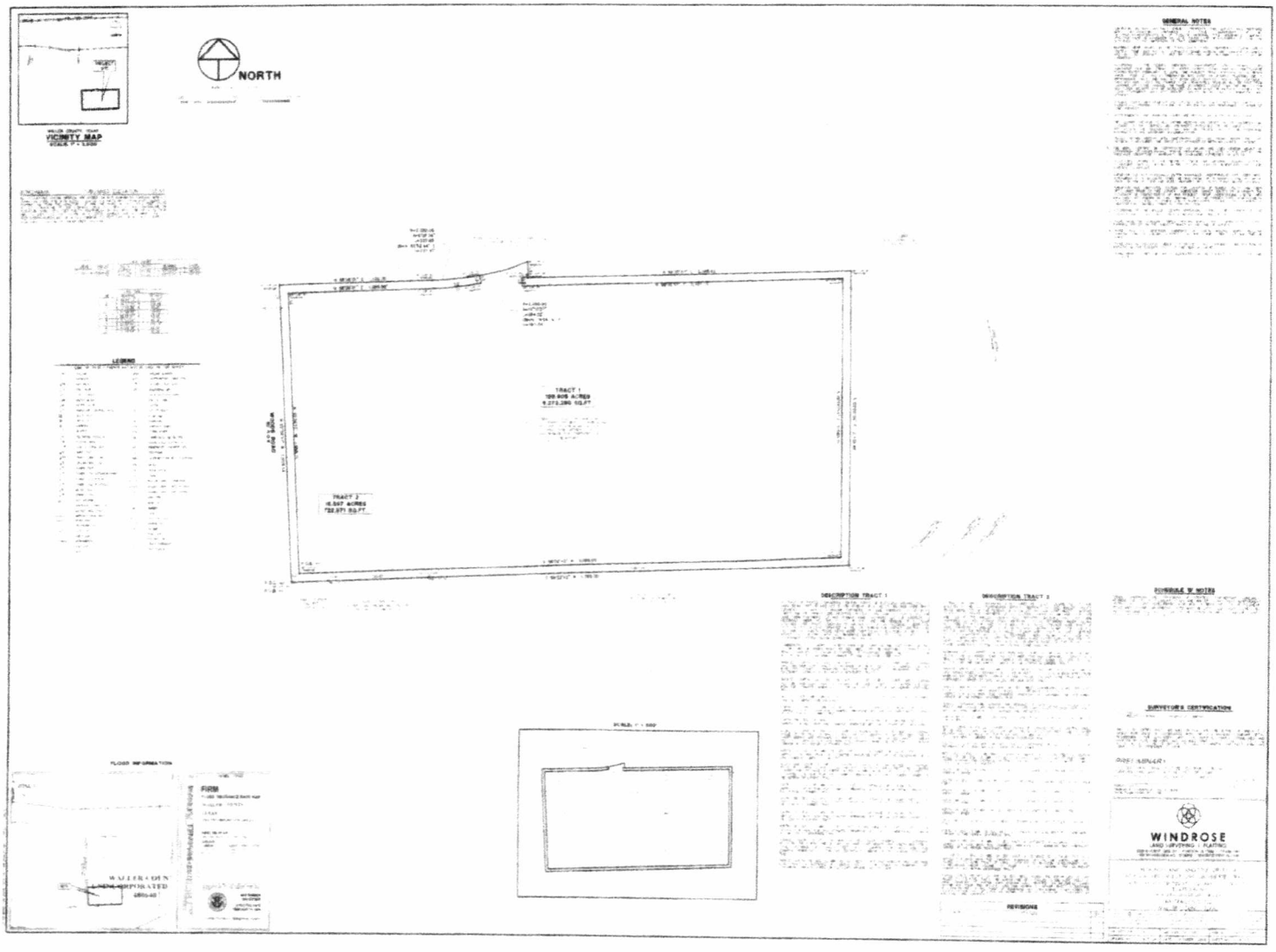

NORTH
VICINITY MAP
MINERAL NOTES
LEGEND
TRACT 1
TRACT 2
DESCRIPTION TRACT 1
DESCRIPTION TRACT 2
EASEMENT NOTES
SURVEYOR'S CERTIFICATION
FLOOD INFORMATION
FIRM
WATER ORIGIN
UNINCORPORATED
WINDROSE
LAND SURVEYING | PLATTING
REVISIONS

Exhibit E

APPLICATION FOR TAX ABATEMENT IN WALLER COUNTY

NOTE:
DO NOT START CONSTRUCTION BEFORE COMPLETING THE APPLICATION PROCESS

If you will be located within the city limits, and have not received tax abatement from that city, the county cannot provide abatement until the city has agreed to provide abatement.

Requesting tax abatement consideration from Waller County is a two phase process. First, the entity seeking abatement must complete an economic impact analysis. The results of the analysis will determine if the entity qualifies for further consideration. Secondly, if the result of the analysis is an overall positive impact to the community with a reasonable investment recovery time for the estimated abatement investment made by the county, then the entity will be encouraged to proceed with the abatement application.

FILING INSTRUCTIONS

This application should be filed prior to new construction or the equipment installation. By filing this application, applicant acknowledges they have read and will comply with the terms contained in the **"TAX ABATEMENT POLICY GUIDELINES & CRITERIA FOR WALLER COUNTY"**, herein after referred to as "Guidelines". Information provided in this application will become part of the legal agreement or contract for providing abatement. Any intentional misrepresentations on this application or any supporting documentation supplied with this application will result in voiding any agreement or contract to receive tax abatement.

1. Section II of the Guidelines, sets out regulations governing eligible facilities, eligible and ineligible improvements, terms and economic qualifications. Conformance with all applicable sections is required for eligibility.
2. Attach additional pages if there is not enough space allotted to answer each question on the application.
3. Applicants must submit an application processing fee in the amount of $1000.00 to cover costs of processing.
4. Applicants must submit an adequately definitive legal description that sufficiently describes the tract(s) of land comprising the proposed tax abatement area (reinvestment zone) upon which the new facility expansion or modernization project will be located. Applications with insufficient or indefinite legal descriptions will be returned to the Applicant for amendment and will not be considered for hearing until corrected.
5. Applicant must submit a "Certification of Appraised Value of Properties" form as part of this application. This certification should cover the proposed tax abatement area and it is the responsibility of the applicant to obtain this information from the Waller County Appraisal District. The Waller County Appraisal District can be reached at 979-921-0060.

6. SUBMIT THE ORIGINAL COPY OF THIS APPLICATION, PROCESSING FEE AND ATTACHMENTS TO:

Waller County Judge
Waller County Courthouse
836 Austin Street, Suite 203
Hempstead, Texas 77445

SPECIAL COMMENTS:

APPLICANT'S INFORMATION

Applicant's financial capacity may be considered in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly-owned businesses/subsidiaries of such companies, should be prepared to include a copy of their latest annual report to stockholders with the application if requested.

Privately-owned and new companies may be requested to attach documentation showing:

(1) when company was established (corporate charter or DBA)

(2) be prepared to provide, if requested business references (name, contact and telephone number of principal bank, accountant and attorney)

(3) be prepared to provide, if requested an audited financial statement, company financials and business plan

PROJECTION INFORMATION

Only facilities listed in Section II (a) of the Guidelines may receive abatement without applying for variance. Check guidelines definitions in Sections I to see if project qualifies.
If the project is a Regional Entertainment Facility, Regional Service Facility, Regional Distribution Center Facility (1) Market studies (2) Business Plans (3) Agreements or other materials demonstrating that the facility is intended to serve a market of which the majority is substantially outside of the Waller County region.

ATTACHMENTS

When providing attachments requested within a specific section of the application, please provide a reference to the section in the attachment. For example, "this attachment is for section 2 item 4, a legal description of the property".

ADDITIONAL ASSISTANCE

If you have any questions regarding the application process, please contact WCEDP at 979-921-9059 or the County Judge's office at 979-826-7700.

APPLICATION FOR TAX ABATEMENT IN WALLER COUNTY

SECTION: 1 APPLICANT INFORMATION

Date: ~~4/23/2019~~ ?

Company Name: P150, LLC.

Address: 4077 White Alder

City: Sonoma State: California Zip: 95476

Phone: 707-815-0558

Name of primary contact for this project: Brian McLaughlin/Beto Cardenas

Contact Phone: 707-815-0558 / 713-758-3264

Contact Email: mclaughlinlaw@prodigy.net / bcardenas@velaw.com

Type of business structure:

Corporation: ( ) Partnership ( ) Proprietorship ( ) Limited Liability Company (X)

Attach documentation showing when the business was established (corporate charter/filing documentation from the Texas Secretary of State).

Please Note: Certificate of Formation From Delaware Attached.

Total employed at current location: 0

Estimated local employees to be hired: ~~800~~ 1,500

Estimated annual sales: Note: Inventory estimated at ~~$170,000,000~~ 150,000,000 in 2023

Facilities to be: Owned (XX) Leased: ( ) by company

Will landlord be seeking abatements for real property improvements? Yes ( ) No ( )

NOTE: If landlord will be seeking abatement, they will also be party to the abatement agreement and will be required to meet all conditions of the agreement including documents related to timely annual rendering forms for the appraisal district.

If leased and landlord is seeking abatements for real property improvements provide:

Name of landlord: _____

Landlord Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Additional information that may be required for review.

Please have the following information available. It is not required to file with this application, but may be required prior to granting abatement. In order to protect confidentiality, the information will be for review purposes only and not submitted with any public documents. This information is helpful in assessing the viability of the business.

1. Annual report/financials.

2. Business references (name, contact and telephone number of principal bank, accountant and attorney).

3. Financing verification and current cash availability.

4. Business plan.

SITE LOCATION INFORMATION

1. Is the proposed facility in the city limit or ETJ of a city listed below?

( ) Brookshire
( ) Hempstead
( ) Prairie View
( ) Waller
( ) Katy
(XX) Not located in a city

IF THE PROJECT IS LOCATED WITHIN THE JURISDICTION OF A CITY, YOU MUST FIRST OBTAIN ABATEMENT FROM THE CITY BEFORE YOU CAN RECEIVE ABATEMENT FROM THE COUNTY.

2. Has the company made application for abatement of this project by other taxing jurisdictions?

Yes (XX)_____No ( )

If yes, please provide:

(1) Name of jurisdiction Waller County Road Improvement District No. 1

(2) Date(s) of Application April 2, 2019

(3) Hearing Dates (if any) April 22, 2019

(4) Contact(s) reviewing the application John Wallace/Bacon & Wallace, LLP.

(5) Attach copies of any letters from the jurisdiction to which you applied of intent to abate.

Please See Attached Letter to Waller County RID No. 1.

3. This application is for a:

New Plant (X) Expansion ( ) Modernization ( )

Check type of facility to be abated:

Manufacturing	( )	Regional Distribution	(XX)
Regional Service	( )	Regional Entertainment Center	( )
Research	( )	Other Basic Industry	( )
Hospital	( )	Spec Building	( )
Urgent Care Facility	( )		

NOTE: National Distribution Facility

4. Proposed facility address (or location) and legal description: (attach tax information for legal description if necessary).

Address (if available):

Proposed facility to be wholly located within Waller County P150 Reinvestment Zone.

Provide a brief legal description and proposed site plan of the reinvestment zone (attach a map showing site plat (if available) and proposed layout of improvements as Exhibit A) :

Please see MAP of Reinvestment Zone.

5. Is the proposed facility in the Brookshire Katy Drainage District (BKDD)? Yes ( ) No (X)
If yes, has the site plan and drainage been approved by the drainage district Yes ( ) No ( )
If you are building in the BKDD and a plan has not been approved prior to applying for abatement, how many days from the date of this application do you anticipate it being approved?

SECTION: 2 PROJECT DESCRIPTION & PROPOSED IMPROVEMENTS

Please provide attachments if necessary.

1. Briefly describe the project and products or services to be provided:

P150, LLC. proposes the construction and operation of a 1.7 Million Sq. Ft. national distribution facility.

2. Briefly describe the site and any existing improvements:

The site proposed for improvements is located within the recently established Waller County P150 Reinvestment Zone No. 1, and is wholly within the jurisdiction of both Waller County and the Waller County Road Improvement District No. 1.

3. Briefly describe all proposed real property improvements. Include itemized list of improvements and values as Exhibit B):

It is estimated that in year 1 for which an abatement is requested (2023) real property improvements will ~~total~~ approximately $~~110~~ 70-75 Million for cummulative building improvements and approximately $~~130~~ 126 Million in fixed mainline machinery.

4. Describe how the personal property and fixed equipment, for which abatement is requested, is used in the primary function/processes of the company and attach a list of personal property items and values as Exhibit B:

Fixed equipment is utilized for the daily operation of the distribution center facility. It is estimated that in 2023, taxable inventories for which an abatement is sought will be near $~~170~~ 150 Million, with growth up to $230 Million by 2032.

5. Will there be any state or federal environmental permits required? Yes ( ) No (XXX)
If yes, provide copies of any applications filed or permits received, and a description of their purpose.

6. Project estimated start date: 1/2/2020 Estimated completion date: 12/31/2022

7. Estimated Appraised Value on Site:

	LAND	PERSONAL PROPERTY	REAL PROPERTY IMPROVEMENTS
Valuation January 1 preceding abatement application.	$25,230,484.50	0	0
A. Estimated value, upon completion of project, of personal property and real property improvements not subject to abatement	~~$32,500,000~~ 25,230,484.50	$30,000	0
B. Value of personal property and real property improvements that will be rendered for the first year proposed for the abatement.	~~$130,000,000~~ 126,000,000	~~$150~~,000,000 76-75	
C. Estimated accumulated value of eligible improvements over the approved abatement period.	$132,350,000	~~$137,500,000~~ 105,000,000	

NOTE: Inventory Value Est. ~~$150~~ 150,000,000.

8. Is a variance being sought under Section III (f) of the Guidelines? Yes (XX) No ( )
If yes, attach any supplementary information required.

~~Variance from Section III(d) sought to include abatement of inventory subject to tax;~~ construction timeline to exceed one-year; and Assignment by P150, LLC to Third Party to follow Agreement Execution.

SECTION: 3 SUPPORT FOR ECONOMIC DEVELOPMENT

We would be interested in supporting economic development in Waller County by joining the Waller County Economic Development Partnership (WCEDP). The WCEDP is a 501 (c) 6 non-profit corporation dedicated to promoting business and community development throughout Waller County. Annual basic membership fee is $1250.00.

Yes ( ) No (X)

Note: Joining the WCEDP is optional and has no impact on the final decision to grant or not grant abatement.

SECTION: 4 DECLARATION

To the best of my knowledge, the above information is an accurate description of project details. I understand that the information provided with this application is subject to annual review for compliance during the term of the abatement if granted.

Company Officer's Signature

Brian McLaughlin, Vice President, Real Estate

Printed Name & Title of Company Official

EXHIBIT A - SUPPORT DOCUMENTATION FOR REINVESTMENT ZONE OR SITE PLAN

Attach copy of plat and legal description (generally available from Title Company at closing) and a site plan showing the approximate location of real property and improvements (buildings, driveways and fences, etc.). Drawing doesn't have to be an engineered drawing, but must show all proposed improvements in the reinvestment zone. Please provide the address if you have one. Include as many documents as needed to provide the information.

Legal description:

Please See Map and Resolution passed by Waller County establishing Waller County P150 Reinvestment Zone No. 1.

Attached plat and site plan

Please provide a clear copy of the plat and site plan. If possible, include it on paper no larger than legal size. This may be difficult for some attachments. If you need to use a larger page size to ensure readability, then please do.

EXHIBIT B - SUPPORT DOCUMENTATION FOR REAL AND PERSONAL PROPERTY COVERED BY THE ABATEMENT

Personal property and fixed equipment. Total values for both should match those totals provided in the economic impact data sheet.

"Personal Property" as designated by the Waller County Appraisal District is anything that can be removed from the building without destroying or changing the building. This category would include any machinery or equipment that may be bolted to the floor but has a shorter life than the building and is used in the primary line of business as designated by the qualifying business type set here in the Waller County Abatement Policies.

Please attach a list of personal property to be covered by the abatement. Include value, model numbers and make for easy identification.

Real Property Improvements:
"Real Property" real property improvements as designated by the Waller County Appraisal District are any buildings, including any buildings that are built on skids or portable buildings, parking areas and any fences attached to the land.
NOTE: Do not include the land values as land is not eligible for tax abatement.
Please attach a list of the value for each building, fencing, driveways and other real property improvements along with the total value.

Real Property Improvements (Note you can replace the sample below with your own table or spreadsheet)

Description	**Value**
Buildings	
Driveways	
Fencing	
Other Improvements	
Total	$[redacted]000,000

70-75

Personal Property Equipment (fixed-in-place and primary equipment)
Please copy and paste a spread sheet here with details of personal property.

NOTE: Information detailing $[redacted],000,000 for fixed machinery to follow.
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Exhibit C

Attach current property certification and account information from the Waller County Appraisal District.

Tax Certificate Update

Remit certificate fee to :

National TaxNet
P.O. Box 848123
Dallas, Texas 75284-8123

Customer : CHARTER TITLE - DOWNTOWN (Branch DT)
User : NTN Charter NTN Charter
GF Number : 1076551800273
Closer : JILL LANTZ
Buyer(s) :

Certificate Number : 9255336
Print Date : 04/30/2019

Fee : $71.00 **(includes sales tax)**

Certificate Current Year Tax Summary

Jurisdiction	Tax Year	Base Tax
WALLER COUNTY	2018	$567.77
WALLER COUNTY RID #1 (LEARED)	2018	$935.25
WALLER-HARRIS ESD #200	2018	$74.45
ROYAL ISD	2018	$1,143.86
Current Year Total (as available)		$2,721.33

Certificate Totals of Taxes Due by Collector

PAYABLE TO:	Balance Due w/o Penalties	Amount Due 04/2019	Amount Due 05/2019
WALLER COUNTY	$0.00	$0.00	$0.00
WALLER COUNTY RID #1 (LEARED)	$0.00	$0.00	$0.00

CAD Account Number(s)

332200003000100

Assessment Information

Account Number:	332200003000100 **(Parcel 1 of 1)**	**2018 Assessed Values**	
Owner Name(s):	KATY I-10 PRAIRIE PARTNERS LP	**Land:**	3,780,300
		Imprv:	0
Mailing Address:	2310 BAKER ROAD HOUSTON TX 77094-7094	**Agri:**	74,820
Property Address:		**Total:**	74,820
Legal Description:	Property ID: 13311 ********** ABS A332200 A-322 H H PENNINGTON TRACT 3 ACRES 262 5206 P/O 280.3406 AC TR(17.82 ACS IN FT BEND) P/O 280.3406 AC TR(17.82 ACS IN FT BEND)		
Geo Id:	000000013311		
Property Class:	NATIVE PASTURE		
Land Use:	D1		
Acreage:	262 52060		
2018 Exemptions:	AG	Total Est. Taxes w/o Exempt: $137,496.05	
Warnings:	Property carries AG valuation - Rollback taxes may be due if land use changed or developed. Property and mailing address do not match. Removal of any exemption could result in additional taxes being due.		

REALTIME TAX INFORMATION DETAIL

WALLER-HARRIS ESD #200
COLLECTED BY
WALLER COUNTY
(979) 826-7620

2018 Tax Rate: 0.099500
Est. Taxes w/o Exempt: $3,761.40

Payments as of : 04/30/2019 Current Year Taxes
04/30/2019 Prior Year Taxes

Tax Year	Base Tax	Amount Due 04/2019	Amount Due 05/2019
2018	$74.45	Paid	Paid
SUBTOTAL	**$74.45**	**$0.00**	**$0.00**

REALTIME TAX INFORMATION DETAIL

WALLER COUNTY
730 9TH STREET
HEMPSTEAD, TX 77445
(979) 826-7620

2018 Tax Rate: 0.758856
Est. Taxes w/o Exempt: $28,687.03

Payments as of : 04/30/2019 Current Year Taxes
04/30/2019 Prior Year Taxes

Tax Year	Base Tax	Amount Due 04/2019	Amount Due 05/2019
2018	$567.77	Paid	Paid
SUBTOTAL	**$567.77**	**$0.00**	**$0.00**

REALTIME TAX INFORMATION DETAIL

WALLER COUNTY RID #1 (LEARED)
11111 KATY FWY, SUITE 725
HOUSTON, TX 77079
(713) 932-9011

Payments as of : 04/30/2019 Current Year Taxes
04/30/2019 Prior Year Taxes

2018 Tax Rate: 1.250000
Est. Taxes w/o Exempt: $47,253.75

Bill Ref: 37201000030100

Tax Year	Base Tax	Amount Due 04/2019	Amount Due 05/2019
2018	$935.25	Paid	Paid
SUBTOTAL	**$935.25**	**$0.00**	**$0.00**

- Bonds Approved: $0.00
- Bonds Issued: $0.00
- No Standby fee assessed

REALTIME TAX INFORMATION DETAIL

ROYAL ISD
COLLECTED BY
WALLER COUNTY
(979) 826-7620

Payments as of : 04/30/2019 Current Year Taxes
04/30/2019 Prior Year Taxes

2018 Tax Rate: 1.528817
Est. Taxes w/o Exempt: $57,793.87

Tax Year	Base Tax	Amount Due 04/2019	Amount Due 05/2019
2018	$1,143.86	Paid	Paid
SUBTOTAL	**$1,143.86**	**$0.00**	**$0.00**

Account Summary of Taxes Due

Payable to:	Balance Due w/o Penalties	Amount Due 04/2019	Amount Due 05/2019
WALLER COUNTY	$0.00	$0.00	$0.00
WALLER COUNTY RID #1 (LEARED)	$0.00	$0.00	$0.00

Exclusions and Conditions of Tax Certificates

ALL APPLICABLE AD VALOREM TAXES ON THE ABOVE REFERENCED PROPERTY(S) ARE FOUND TO HAVE THE STATUS PROVIDED EXCEPT:

a. THE STATUS DOES NOT COVER ANY CHANGES MADE TO THE TAX RECORDS OF THE AGENCIES LISTED AFTER THE "PAYMENTS AS OF" DATE
b. DOES NOT INCLUDE OR IS NOT A CERTIFICATION OF ANY
   1. MINERAL TAXES
   2. PERSONAL PROPERTY TAXES (INCLUDING MOBILE HOMES)
   3. ANY OTHER NON AD VALOREM TAXES

Texas Tax Information

- Texas taxes are usually billed for the calendar year on or around October 1st
- Taxes are delinquent on February 1st
- Additional penalties apply to current year delinquencies on July 1st

HOA Certificate

National TaxNet
P.O. Box 848123
Dallas, Texas 75284-8123

Customer : CHARTER TITLE - DOWNTOWN (Branch DT)
User : NTN Charter NTN Charter
GF Number : 1076551800273
Closer : JILL LANTZ
Buyer(s) :

Certificate Number : 9255336
Print Date : 04/30/2019

PROPERTY INFORMATION	
Owner Name(s):	KATY I-10 PRAIRIE PARTNERS LP
Legal Description:	ABS A332200 A-322 H H PENNINGTON TRACT 3 ACRES 262.5206 P/O 280.3406 AC TR(17.82 ACS IN FT BEND) P/O 280 3406 AC TR(17 82 ACS IN FT BEND)
Situs Address:	
CAD Account:	WALLER. #332200003000100

HOMEOWNER'S ASSOCIATION INFORMATION		
HOA Name:	NO MAINTENANCE ASSESSED	
Collection Cycle:	Unknown	
Collector:	NO MAINTENANCE ASSESSED	**Phone:** **Fax:** **Contact:**
Comments:	**NATIONAL TAXNET HAS RESEARCHED VARIOUS RESOURCES AND HAS NOT BEEN ABLE TO FIND AN ACTIVE HOMEOWNERS ASSOCIATION FOR THE REPORTED LEGAL DESCRIPTION **IF ANY INFORMATION TO THE CONTRARY IS KNOWN, PLEASE NOTIFY NATIONAL TAXNET (HOANTNHOU@BKFS.COM) FOR FURTHER RESEARCH.	

ASSESSMENT INFORMATION

Billing Cycle	Assessment Type	Base Amount	Balance Due	Payoff	Payoff	Payoff
		Total Due:	$0.00	$0.00		$0 00

Comments:

HOA Bill Status: Ready

HOA Certificate

National TaxNet
P.O. Box 848123
Dallas, Texas 75284-8123

Customer : CHARTER TITLE - DOWNTOWN (Branch DT)
User : NTN Charter NTN Charter
GF Number : 1076551800273
Closer : JILL LANTZ
Buyer(s) :

Certificate Number : 9255336
Print Date : 04/30/2019

PROPERTY INFORMATION

Owner Name(s): KATY I-10 PRAIRIE PARTNERS LP

Legal Description: ABS A332200 A-322 H H PENNINGTON TRACT 3 ACRES 262 5206 P/O 280 3406 AC TR(17 82 ACS IN FT BEND) P/O 280 3406 AC TR(17 82 ACS IN FT BEND)

Situs Address:

CAD Account: WALLER, #332200003000100

HOMEOWNER'S ASSOCIATION INFORMATION

HOA Name: RESEARCH INCONCLUSIVE

Collection Cycle: Unknown

Collector: RESEARCH INCONCLUSIVE

Phone:
Fax:
Contact:

Comments: **NATIONAL TAXNET HAS RESEARCHED VARIOUS RESOURCES AND HAS NOT BEEN ABLE TO DETERMINE IF THE REQUESTED LEGAL IS ASSESSED BY A HOME OWNERS ASSOCIATION.
**IF ADDITIONAL INFORMATION AS TO THE EXISTENCE OF A HOMEOWNERS ASSOCIAITION IS KNOWN.

**PLEASE PROVIDE NTN WITH ANY INFORMATION FROM THE OWNER OR AGENT OF WHO THE HOA IS.

**EXAMPLE STATEMENT OF ACCOUNT AND OR CONTACT INFORMATION OF WHO THEY PAY FEES TO.

**PLEASE EMAIL ANY INFORMATION FOR THE HOA TO HOANTNHOU@BKFS.COM TO ASSIST IN THIS SEARCH

ASSESSMENT INFORMATION

Billing Cycle	Assessment Type	Base Amount	Balance Due	Payoff	Payoff	Payoff
			Total Due:	$0.00	$0 00	$0.00

Comments:

HOA Bill Status: Ready

Exhibit F

TAX ABATEMENT AND INCENTIVES POLICY
GUIDELINES & CRITERIA
FOR WALLER COUNTY

Whereas, the creation and retention of job opportunities that bring new wealth into Waller County is a high priority; and

Whereas, new jobs and investments will benefit the area economy, provide needed economic opportunities, and generate tax revenue to support local services; and

Whereas, the communities within Waller County must compete with other localities across the nation currently offering tax incentives to attract new plant and modernization projects; and

Whereas, any incentives offered in Waller County would be strictly limited in application to those new and existing industries that bring new capital investment to the community; and

Whereas, the abatement of property taxes, when offered to attract primary jobs in industries which bring in revenue from outside the County instead of merely re-circulating dollars within the County, has been shown to be an effective method of enhancing and diversifying the local economy; and

Whereas, incentives should not be used to attract those industries that have demonstrated a lack of commitment to protect the environment; and

Whereas, the Waller County Commissioners' Court contracts with the Waller County Economic Development Partnership ("WCEDP"), considers WCEDP to be the exclusive entity for the provision of professional services for qualifying prospective projects seeking County assistance; and

Whereas, effective September 1, 1987, Texas law, pursuant to Chapter 312 of the Texas Tax Code, requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax abatement Agreements prior to granting of any future tax abatement, said guidelines and criteria to be unchanged for a two-year period unless amended by a three-quarters vote of Commissioners' Court; and

Whereas, these guidelines and criteria do not: (1) limit the discretion of Waller County to decide whether to enter into a specific tax abatement or incentives agreement; (2) limit the discretion of Waller County to delegate to its employees or to the WCEDP the authority to determine whether or not the governing body should consider a particular application or request for tax abatement or other incentives; or (3) create any property, contract, or other legal right in any applicant to have the governing body consider or grant a specific application or request for tax abatement or incentives.

Now, therefore, be it resolved, that Waller Commissioners' Court does hereby adopt these Guidelines and Criteria for granting tax abatement in reinvestment zones or incentives in Waller County, Texas.

ADMONITORY PROVISIONS

The final determination of value to be abated is vested with the Waller County Appraisal District ("WCAD"), an agency autonomous from Waller County.

Tax abatement and incentives provided by the County are subject to an economic impact analysis. Applicants scoring well will be encouraged to apply for incentives. First priority for providing incentives to any applicant are given to projects that are located within areas of economic interest to Waller County and that conform to Waller County's overall development objectives.

Applicants applying for tax abatement with Waller County are advised that any agreement with Waller County applies only to taxes assessed by Waller County. Any abatement or incentive agreement with other taxing entities must be negotiated directly with such entities. In addition, each applicant receiving tax abatement retains the responsibility for annually applying to the WCAD for recognition and implementation of their abatement Agreement.

DEFINITIONS - Section I

a. **"Abatement"** means the full or partial exemption from qualifying ad valorem taxes of certain real and personal property, including fixed-in-place machinery and equipment, in a reinvestment zone or enterprise zone, designated by Waller County, for economic development purposes.

b. **"Affected jurisdiction"** means the County of Waller.

c. **"Agreement"** means a contractual agreement between an applicant (property owner and/or lessee) and Waller County for the purposes of tax abatement or incentives.

d. **"Base year value"** means the assessed value of eligible property January 1 preceding the execution of the Agreement plus the agreed upon value of eligible property improvements made after January 1, but before the execution of the Agreement.

e. "**Competitively-Sited Project**" means a project where the applicant has completed an evaluation of competing locations, outside of Waller County, for expansion, relocation, or new operations, including identification of specific sites in those locations.

f. **"Deferred maintenance"** means improvements necessary for continued operations which do not improve productivity or alter the process technology.

g. **"Distribution Center Facility"** means buildings and structures, including fixed-in-place machinery and equipment, used or to be used primarily to receive, store, service or distribute goods or materials.

h. **"Expansion"** means the addition of buildings, structures, fixed-in-place machinery or equipment for purposes of increasing production capacity.

i. **"Facility"** means real property improvements completed or in the process of construction, and qualifying fixed-in-place machinery and equipment, which together comprise an integral whole.

j. **"Hospital"** as defined in Texas Health & Safety Code Section 241.003.

k. **"Manufacturing Facility"** means products, buildings and structures, including machinery and equipment, the primary purpose of which is or will be the manufacturing of tangible goods or materials or the processing of such goods or materials by physical or chemical change.

l. **"Modernization"** means a complete or partial demolition of facilities and/or the completion of partial construction, reconstruction, or installation of a facility or facilities of similar or expanded production capacity. Modernization may result from the construction, alteration, or installation of buildings, structures, machinery or equipment. Modernization shall include improvements for the purpose of increasing productivity or updating the technology of machinery and equipment, or both.

m. **"New Facility"** means the construction of a qualifying facility on previously undeveloped real property, or property changing use to commercial / industrial and eligible for tax abatement or incentives.

n. **"Other Basic Industry"** means buildings and structures including fixed-in-place machinery and equipment not elsewhere described, used or to be used for the production of products or services resulting in the creation of new permanent jobs bringing in new wealth.

o. **"Personal Property"** means personal property, as designated by the Waller County Appraisal District, which includes, but is not limited to, any tangible thing (including gasses, steams, and other non-solid state things) that can be removed from real property without destroying or changing such real property. Personal Property also includes, for example, any machinery or equipment that may be bolted to the floor, but has a shorter life than the building and is used in the primary line of business.

p. **"Productive Life"** means the number of years a property improvement is expected to be in service in a facility.

q. **"Real Property"** means real property improvements, as designated by the Waller County Appraisal District, which includes, but is not limited to, any buildings, buildings built on skids, portable buildings, parking areas, and fences attached to land.

r. **"Regional Entertainment/Tourism Facility"** means buildings and structures, including fixed-in-place machinery and equipment, used or to be used to provide entertainment through the admission of the general public where the majority of users reside outside any part of Waller County.

s. **"Research Facility"** means buildings and structures, including fixed-in-place machinery and equipment, used or to be used primarily for research or experimentation to improve or develop new tangible goods or materials or to improve or develop the production processes thereto.

t. **"Regional Service Facility"** means buildings and structures, including fixed-in-place machinery and equipment, used or to be used to service goods where a majority of the goods being serviced originate outside any part of Waller County.

u. **"Spec Building"** means the new building constructed to create an enclosed area of a commercial facility, which would be used by a business that would normally qualify for abatement or incentives, built without an occupying tenant at the time the construction has started or is complete.

v. **"Urgent Care Facility"** a facility dedicated to the delivery of unscheduled, walk-in diagnosis and treatment of acute, but non-life threatening injuries and illnesses, outside of a hospital emergency department or doctor's office.

ABATEMENT AND INCENTIVES AUTHORIZED - Section II

a. **Authorized Facility**. An applicant's facility may be eligible for abatement or incentives if it is one of the qualifying business types specified in Section I - Definitions.

b. **Creation of New Value**. Abatement or incentives may only be granted for the additional value of eligible property improvements made subsequent to and specified in an Agreement between Waller County and the applicant (property owner and/or lessee), subject to such limitations as Waller County Commissioners' Court may require.

c. **New and Existing Facilities**. Abatement or incentives may be granted for new facilities and improvements to existing facilities for purposes of modernization or expansion. For spec buildings, 100% abatement may be granted for up to two years or until occupied or sold, whichever occurs first.

d. **Eligible Property**. Abatement or incentives may be extended to the value of buildings, structures, fixed-in-place machinery and equipment, site improvements, and related

fixed-in-place improvements necessary to the primary operation of the facility.

e. **Ineligible Property**. The following types of property shall be fully taxable and ineligible for abatement or incentives: land; inventories; supplies; tools; furnishings, and other forms of movable personal property; vehicles; vessels; housing; hotels; retail facilities; deferred maintenance; property to be rented or leased except as provided in Section II (f); improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has a productive life of less than 10 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; or any other property for which abatement or incentives is not allowed by state law.

f. **Owned/Leased Facilities**. If a leased facility is granted abatement or incentives, the Agreement shall be executed with the lessor and the lessee.

g. **Offer, Execution, Value, and Term of Agreement**. Abatement or incentives shall be granted effective with the January 1 valuation date immediately following the date of execution of the Agreement, or as agreed by Waller County. The value of new eligible properties shall be abated according to the approved Agreement between applicant and Waller County. Waller County, in its sole discretion, shall determine the amount of any abatement or incentives. The term of any abatement may not exceed ten (10) years.

The abatement or incentives may be extended through an initial Agreement and a subsequent Agreement as may be required to comply with state law.

1. **Offer** – During the initial negotiations with a prospect, a tentative offer for incentives may be made on behalf of Waller County. This initial offer will expire after 90 days. Applicants can extend this, if needed, by providing written justification for the extension within the 90 day period.

2. **Execution** – Once accepted by Waller County Commissioners' Court, the Agreement must be executed within 10 days, unless otherwise agreed by Waller County.

h. **Construction in Progress**. If a qualifying facility has not been placed in service within one year after execution of the incentive or abatement Agreement, the applicant may apply for a one year extension of the term, to be granted or denied in accordance with the Agreement. Said extension must be applied for prior to the expiration of the one year anniversary of execution of the Agreement.

i. **Projects within a corporate limits or special taxing district**. For projects located

within the jurisdiction of any incorporated city, town, or special taxing district, the applicant must first be approved for tax abatement or incentives by that respective city or town, or special taxing district, or an intent to participate in incentives must be conveyed by a representative from the city, town, or special taxing district to the County, before the County can provide assistance. If the incorporated city, town, or special taxing district does not have an organization authorized by that respective city or town to act on its behalf, the WCEDP will be available to facilitate applications for assistance.

1. For projects located within the corporate limits of a city located in Waller County, Waller County will consider participating in abatement or incentives only if the city has approved and abatement or incentives, or an intent to participate in incentives has been conveyed by a representative from the city to the County.

2. Waller County may participate with no more than a value match for only abatement or incentives offered by the city unless, by so doing, the abatement amount under consideration produces a low return (as the result of running the economic impact analysis). In cases where matching the city will create a low return for the County, the County will revise the value of its participation until a suitable return is obtained. It is the sole discretion of Waller County to participate and determine an adequate return as each prospect represents varying levels of risk.

3. For projects located within a special district, or areas within a limited purpose annexation that has the ability to provide tax abatement or negotiate incentives, the County will require similar match participation to that of a city or town from that district or entity before considering any incentives.

j. **Economic Qualification**. In order to be eligible for designation as a reinvestment zone and receive tax abatement or incentives for planned improvements:

1. The applicant will contact the WCEDP and complete an economic impact analysis consistent with the requirements of the WCEDP and the County.
2. For projects located within the unincorporated areas of Waller County, the applicant must work with the WCEDP, and the WCEDP will be the primary organization facilitating projects seeking County assistance.
3. The applicant's facility must be expected to have an increased appraised ad valorem tax value of at least $500,000 for expanding existing qualifying facilities or $1,000,000 for new qualifying facilities, based upon the Waller County Appraisal District's assessment of the eligible property.
4. The applicant's facility must be expected to retain or create employment on a permanent basis in Waller County.
5. The applicant's facility must not be expected to solely or primarily have the effect of transferring employment from one part of Waller County to another.
6. The applicant's facility must be necessary because capacity cannot be provided

efficiently by utilizing existing improved property when reasonable allowance is made for necessary improvements.

7. The applicant's facility must have no serious adverse effect on other jurisdictions.
8. The applicant's facility must be in an area outside of the taxing jurisdiction of an incorporated city or town, unless the city or town has granted incentives or a tax abatement for the planned improvements, or has conveyed intent to participate in an abatement or incentives, and ninety (90) days have not passed since conveying intent or the granting of such abatement or incentives.
9. The applicant's facility must have a significantly positive result from the economic impact analysis performed as part of the application process (*i.e.*, the local economic benefit must significantly exceed the amount of anticipated tax revenue foregone by the Agreement).
10. All things being equal, preferential treatment shall be given to hiring operators and construction workers residing in Waller County, not only in the construction phase, but also during operations thereafter. When possible, the applicant agrees to hire Waller County citizens first in positions for which a citizen may be qualified.

k. **Standards for Tax Abatement and Incentives**. The following factors, among others, shall be considered by the County in determining whether to grant tax abatement or incentives:

1. The value of land and existing improvements, if any.
2. The type and value of the proposed improvements.
3. The expected economic life of the proposed improvements.
4. The number and quality of existing, permanent jobs to be retained by the proposed improvements.
5. The number of new permanent jobs to be created by the proposed improvements.
6. The amount of local payroll to be created or enhanced.
7. Whether the new jobs to be created will be filled by persons residing or projected to reside in the County.
8. The amount the property tax base will be increased as a result of the incentive(s).
9. The costs to be incurred by the County to provide facilities or services directly resulting from the new improvements. The amount of ad valorem taxes to be paid to the County during the incentive period - considering (a) existing values, (b) the percentage of new value abated, (c) the incentive period, and (d) the value after expiration of the incentive period.
10. The amount of local taxes to be generated directly as a result of the applicant's facility.
11. The population growth of the County that might occur as a direct result of new improvements.
12. The types and values of public improvements, if any, to be made by applicant seeking incentives.
13. The impact on the business opportunities of existing businesses, including

whether local labor, local subcontractors, and local vendors/suppliers will be used in the construction phase of the project.

14. The attraction of other new businesses to the area.
15. Whether the proposed improvements compete with existing businesses to the detriment of the local economy.
16. Whether the project is compatible with the community, particularly with respect to any environmental concerns and the health, safety, and welfare of citizens.
17. The applicant's company profile, including business references, principal bank, audited financial statement, and business plan.
18. The overall economic impact to Waller County.

Each application shall be reviewed on its individual merit, utilizing the factors provided above. After such review, incentives may be denied entirely or may be granted to the extent deemed appropriate after full evaluation.

l. **Denial of Abatement or Incentives**. No abatement or incentives Agreement shall be authorized if:

1. There would be substantial adverse effect on the tax base, health, safety, or welfare of the community, or costs associated with the providing of government services.
2. The applicant has insufficient financial capacity, which reasonably could be expected to jeopardize the success of the undertaking.
3. The planned or potential use of the property would constitute a hazard to public safety, health, welfare, or morals.
4. The area considered for incentives lies within the taxing jurisdiction of an incorporated city or town or a special taxing district, and applicant has been denied abatement or incentives by that city or town.
5. Granting abatement might lead to the violation of other codes or laws.
6. For any other reason deemed appropriate by Commissioners' Court or the WCEDP.

m. **Taxability**. From the execution of the Agreement to the end of the Agreement, taxes shall be payable as follows:

1. The value of ineligible property as provided in Section II (e) shall be fully taxable;
2. The base year value of existing eligible property shall be fully taxable; and
3. The additional value of new eligible property shall be taxable pursuant to the Agreement.

APPLICATION - Section III

a. Any present or potential owner of taxable property in Waller County may request the creation of a reinvestment zone and tax abatement by filing an application, along with the

application processing fee set forth in the application form, to the County Judge of Waller County (checks should be made payable to Waller County).

b. The application shall consist of a completed application form accompanied by:
   1. A copy of the executive overview from the economic impact analysis;
   2. A general description of the proposed use and the general nature and extent of the modernization, expansion, or new improvements to be undertaken;
   3. A descriptive list of the improvements which will be a part of the facility;
   4. A site map and property description;
   5. A time schedule for undertaking and completing the planned improvements. In the case of modernization or expansion, a statement of the assessed value of the facility, separately stated for real and personal property, shall be given for the tax year immediately preceding the application. The application form may require such financial and other information as the County deems appropriate for evaluating the financial capacity, risk, and other factors of the applicant; and
   6. Disclosure of any environmental permits required or additional environmental impacts.

c. Waller County shall not establish a reinvestment zone for the purpose of abatement if it finds that the application for the abatement was filed after the commencement of construction, alteration, or installation of improvements related to a proposed modernization, expansion, or construction of new facility.

d. **Variance**. Requests for variance from the provisions of Section II may be made in written form to the Commissioners' Court. Such request shall include all the items listed in Section III (b), together with a complete description of the circumstances which prompt the applicant to request a variance. The approval process for a variance request requires a three-fourths (3/4) vote of the governing body and shall be identical to that for a standard application and may be supplemented by such additional requirements as may be deemed necessary by the Commissioners' Court.

e. **Confidentiality Required**. Information that is provided to the County in connection with an application or request for tax abatement or incentives, and that describes the specific processes or business activities to be conducted or the equipment or other property to be located on the property for which tax abatement or incentives is sought, may be deemed **confidential and proprietary, and not subject to public disclosure, if it is properly labeled as such, unless it becomes part of the executed incentive Agreement**. To the extent provided by law, Waller County will protect any properly labeled confidential and proprietary information and return it only at the request of the applicant. That information remaining in the custody of the County after the Agreement is executed is public record, subject to open records requests, and no longer considered confidential.

PUBLIC HEARING - Section IV

a. Pursuant to Tax Code Chapter 312, Subchapter C, the County must hold a public hearing prior to designating an area as a reinvestment zone. Should any affected jurisdiction be able to show cause in the public hearing why the designation of a reinvestment zone will have a substantial adverse effect on its bonds, tax revenue, service capacity or the provision of service, that showing shall be reason for the Commissioners' Court to deny any designation of the reinvestment zone, the granting of abatement, or both.

b. Following the public hearing for designation of a reinvestment zone, the Commissioners' Court must make affirmative findings in the minutes of the Court that:
   1. Designation of the reinvestment zone would contribute to the retention or expansion of primary employment;
   2. Designation of the zone would attract major investment in the zone that would benefit the property within the zone; and/or
   3. Designation of the zone would contribute to the economic development of the County.

AGREEMENT - Section V

a. After approval, Waller County shall execute an Agreement with the owner of the facility and/or lessee as required which shall include:
   1. Estimated value to be abated and the base year value;
   2. Percent of value to be abated each year as provided in Section II;
   3. The commencement date and the termination date of Agreement;
   4. The proposed use of the facility; nature of construction, time schedule, map, property description, and improvements list;
   5. A list of the kind, number, and location of all proposed improvements to the property;
   6. Provisions providing access to and authorization for inspection of the property and documents by the taxing unit to ensure compliance with the Agreement;
   7. Limitations on the uses of the property, consistent with the County's development goals;
   8. Provisions providing for recapturing property tax revenues that are lost if the applicant fails to make the improvements or create the jobs as provided by the application/Agreement;
   9. A provision allowing the taxing unit to cancel or modify the Agreement at any time if the applicant fails to comply with the terms of the Agreement;
   10. Each term that was agreed upon with the applicant and require the applicant to annually certify compliance with the terms of the Agreement to each taxing unit;
   11. Contractual obligations in the event of default, violations of terms or conditions, delinquent taxes, recapture, administration, and assignment as provided herein

and other provisions that may be required for uniformity or by State law; and

12. Size of investment and number of jobs involved for the period of the abatement or incentives.

b. Such Agreement shall be executed within sixty (60) days after the later of the date applicant has forwarded all necessary information and documentation to Waller County or the date of the approval of the application.

RECAPTURE - Section VI

a. In the event that the applicant's facility is completed and begins producing products or services, but subsequently discontinues producing products or services or fails to maintain the agreed upon number of jobs for any reason for a period of one year during the Agreement, other than because of fire, explosion, or other casualty, accident, or natural disaster, then the Agreement shall terminate and so shall the abatement of the taxes or incentives for the calendar year during which the applicant's facility no longer produces or does not maintain the jobs numbers. The taxes otherwise abated for that calendar year shall be paid to the County within sixty (60) days from the date of termination.

b. Should the County determine that the applicant is in default according to the terms and conditions of its Agreement, the County shall notify the applicant in writing at the address stated in the Agreement, and if such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then the Agreement may be terminated.

c. In the event that the applicant: (1) allows its ad valorem taxes owed the County or affected jurisdiction to become delinquent (taxes that are not covered by an abatement or incentives Agreement) and fails to timely and properly follow the legal procedures for their protest and/or contest; or (2) violates any of the terms and conditions of an Agreement and fails to cure during the Cure Period, the Agreement then may be terminated and all taxes previously abated or incentives provided by virtue of the Agreement will be recaptured and paid within sixty (60) days of the termination.

d. Payment in Lieu of Taxes: If, during the abatement period, any Federal or State law provides an additional tax exemption (*i.e.*, for environmental or emissions improvements) for the property that is already the subject of the abatement Agreement, applicant may be required to agree with the County to decline that tax exemption during the abatement period. If applicant is unable to decline that tax exemption, applicant may be required to agree to pay the taxes, or payment in lieu of taxes, on the reduction of property tax revenue to Waller County that is the result of said exemption.

ADMINISTRATION - Section VII

a. The Chief Appraiser of Waller County shall annually determine an assessment of the real and personal property within the reinvestment zone. Each year, the applicant receiving abatement shall furnish the Appraiser with such information as may be necessary to determine compliance with the Agreement, including but not limited to the number of new or retained employees associated with the applicant's facility. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions which levy taxes of the amount of the assessment.

b. The Agreement shall stipulate that employees and/or designated representatives of Waller County will have access to the applicant's facilities and documents during the term of the incentives to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only after the giving of reasonable notice and will only be conducted in a manner as to not unreasonably interfere with the construction and/or operation of the facility. All inspections will be made with one or more representatives of the applicant, and in accordance with its safety standards.

c. Upon completion of construction, the Waller County Appraisal District shall annually evaluate each facility receiving abatement to insure compliance with the Agreement and report possible violations of the Agreement to the Commissioner's Court.

d. **Timely Filing**. The County shall timely file, with the appropriate person, agency, department, or board of the State of Texas, all information required by the Tax Code.

ASSIGNMENT - Section VIII

a. An Agreement may be transferred and assigned to a new owner or lessee of the applicant's facility upon the approval by resolution of Waller County Commissioners' Court, subject to the financial capacity of the assignee and provided that all conditions and obligations in the Agreement are guaranteed by the execution of a new Agreement with the County.

b. The Agreement with the new owner or lessee shall not exceed the termination date of the Agreement with the original applicant.

c. No assignment or transfer shall be approved if the parties to an existing Agreement, the new owner, or the new lessee are liable to Waller County or any affected jurisdiction for outstanding taxes or other obligations.

d. Approval shall not be unreasonably withheld.

SUNSET PROVISION - Section IX

a. These Guidelines and Criteria are effective upon the date of their adoption and will remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners' Court of Waller County as so provided for in the Tax Code, at which time all reinvestment zones and incentive Agreements, created pursuant to these provisions will be reviewed by the County to determine whether the goals have been achieved. Based on that review, the Guidelines and Criteria may be modified, renewed, or eliminated.

b. This policy is mutually exclusive of existing Industrial District Contracts and owners of real property in areas deserving of special attention as agreed by the affected jurisdictions.

c. This policy is effective this 19th day of July, 2017 and supersedes any previous policy on abatements and incentives. It will remain in effect until changed by court order.