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**STATE OF TEXAS** §
§
**COUNTY OF CHAMBERS** §

# ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("**Agreement**") is entered into this 23rd day of January, 2024, by and between Chambers County Logistics Terminal, LP, a Texas limited partnership ("**CCLT**"), and Chambers County, Texas ("**County**") (CCLT and the County are sometimes referred to herein together as the "parties" and individually as a "party").

**WITNESSETH:**

**WHEREAS**, in accordance with Article III, Section 52-a of the Texas Constitution and Chapter 381 of the Texas Local Government Code ("**Chapter 381**"), the County Commissioners Court of Chambers County, Texas ("**County Commissioners Court**") is authorized to develop and administer a program for entering into a tax abatement agreement with an owner or lessee of a property interest subject to ad valorem taxation, provided the execution, duration, and other terms of the agreement are governed, to the extent practicable, by the provisions of Sections 312.204, 312.205, and 312.211 of Chapter 312 of the Texas Tax Code ("**Chapter 312**"), as if the County Commissioners Court were a governing body of a municipality; and

**WHEREAS**, on the 26th day of March 2019, the County Commissioners Court adopted a Chapter 381 Economic Development Policy ("**Chapter 381 Policy**"), setting forth policies, guidelines, and criteria for economic development incentives provided by the County under Chapter 381, a copy of which is attached as **Exhibit "A"**; and

**WHEREAS**, on the 26th day of April 2022, the County Commissioners Court adopted an Economic Development Policy (**"Chapter 312 Policy"**), renewing and setting forth policy, guidelines, and criteria for economic development incentives provided by the County under Chapter 312, a copy of which is attached as **Exhibit "A-1"**; and

**WHEREAS**, on the 13th day of August 2019 the County Commissioners Court passed an Order renewing the Chambers County Logistics Terminal, LP 2014 Reinvestment Zone ("**Zone**"), in accordance with Chapter 312, after complying with all the relevant notice requirements under Chapter 312. A copy of the Order is attached as **Exhibit "B"**; and

**WHEREAS,** on the 12th day of May 2020, the County and CCLT entered into that certain First Amendment to the Chapter 381 Economic Development Agreement executed on July 2, 2014 ("**Amendment**"). The Amendment is incorporated herein as if written word for word; and

**WHEREAS,** the Amendment included Phases 1 - 5, as defined, and should have included a Phase 6; and

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**WHEREAS**, on the 27th day of September 2022, CCLT submitted a proposal application for tax abatement under Chapter 381 (the "**Chapter 381 Proposal**", a copy of which is attached as **Exhibit "C"**), in accordance with the Chapter 381 Policy; and

**WHEREAS**, the County and CCLT now desire to enter into a Chapter 381 Economic Development Program Agreement to grant tax abatement for Phase 6 and provide for enhanced public safety in accordance with Chapter 381 and the Chapter 381 Policy; and

**WHEREAS**, the abatement of County Property Tax is contingent on execution and compliance with that certain Agreement for Law Enforcement Services ("**Law Enforcement Services Agreement"**) between the County and CCLT, over the term of this Agreement. A copy of the Law Enforcement Services Agreement is attached as **Exhibit "D"**; and

**WHEREAS**, the abatement of County Property Tax is contingent on compliance, to the extent practicable, with that certain Memorandum of Understanding ("**MOU**") between the County and the CCLT over the term of this Agreement. A copy of the MOU is attached as **Exhibit "E"**; and

**WHEREAS**, CCLT owns the Premises, as defined, and CCLT expects to fully complete the development of Phase 6 (among other possible improvements) on the Premises, as described in the CCLT Chapter 381 Proposal, the development and use of which is expected to significantly enhance the County's economic and employment base, are feasible and practical, and would benefit the County after expiration of this Agreement; and

**WHEREAS**, the Premises are located entirely within the County and the Zone; and

**WHEREAS**, the County finds that the terms of this Agreement and the complete development of Phase 6 satisfy requirements of the Chapter 381 Policy adopted by the County; and

**NOW, THEREFORE**, the County, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the expansion of primary employment, the continued attraction of major investment in the County, increased payroll that contributes to the economic development of the County and enhancement of public and private infrastructure and the County tax base, public safety, and certain Chapter 381 Payments as defined below, and CCLT, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Section 381.004 of Chapter 381, hereby contract, covenant, and agree as follows:

## Section 1. Definitions

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them:

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"**Affiliate**" shall mean any Person directly or indirectly controlling, controlled by, or under common control with CCLT. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

**"CCLT Client Situs Inventory"** shall mean the assessed value of personal property and inventory not owned by CCLT that is located on the property subject to taxation.

**"County Property Tax Grant"** shall mean for calendar year 2023, a reimbursement payment from County to CCLT equal to sixty percent (60%) of the County Property Tax paid by CCLT pursuant to this Agreement.

"**Eligible Property Value**" shall mean, with respect to each calendar year, the value of the buildings, structures, qualifying fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of Phase 6 on the tax rolls of the Chambers County Appraisal District.

"**Financing Party**" shall mean the lenders, security holders, investors, equity providers, and others providing financing or refinancing to or on behalf of CCLT, for the development, construction, ownership, operation, or maintenance of Phase 6 or any portion thereof, or any trustee or agent acting on behalf of any of the foregoing.

"**Force Majeure**" shall mean, without limitation, Acts of God or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of CCLT (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

"**Ineligible Property Value**" shall mean, with respect to each calendar year, the value of land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; watercraft; aircraft; housing; deferred maintenance investments; 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 an economic life of less than 15 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; as listed on the tax rolls of the Chambers County Appraisal District as of such calendar year.

**"Law Enforcement Services Agreement"** shall mean the Agreement for Law Enforcement Services made and entered into by and between the County and CCLT.

**"Memorandum of Understanding"** shall mean the MOU entered into on February 28, 2022, by and between the County and CCLT ("Parties"), for the purpose of

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reflecting the Parties intentions with respect to establishing and achieving various goals and objectives relating to the funding and construction of improvements to Kilgore Parkway, and the use of Kilgore Parkway by CCLT.

"**Payment Deadline**" shall mean, with respect to each Chapter 381 Payment, January 31st of the year immediately following the calendar year in which an abatement under Section 4 of this Agreement is granted.

**"Permanent Employee"** shall mean a person whose employment is both permanent and full-time as reflected in the applicable payroll system of CCLT, or an entity controlled by or under common control with CCLT who is expected or scheduled to work at least 1,800 hours in a twelve-month period as an employee at the Phase 6 Facilities.

"**Person**" shall mean an individual or a corporation, partnership, trust, estate, unincorporated organization, association, or other entity.

**"Phase 6"** shall mean CCLT Building 9 ("**CCLT B9**") and CCLT Building 3 ("**CCLT B3**") and the SME located in each building.

"**Premises**" shall mean all that parcel of land and improvements owned by CCLT as hereinafter described in Exhibit B attached hereto.

**"Specialized Machinery & Equipment"** shall mean the packaging and conveyor system located in each Phase 6 Building, the value of which is aggregated under CCAD Account A036-001278-000010. (**"SME"**).

**"Undocumented Worker"** means an individual who, at the time of employment by CCLT, is not: (i) lawfully admitted for permanent residence to the United States, or (ii) authorized under law to be employed in that manner in the United States.

## Section 2. General Provisions

**A. County Authorization**. This Agreement was authorized by the County Commissioners Court and was approved by the affirmative vote of a majority of the County Commissioners Court at its regularly scheduled County Commissioners Court meeting on the 23rd day of January 2024, authorizing the County Judge to execute this Agreement on behalf of the County.

**B. CCLT Authorization**. The undersigned officer of CCLT has authority to execute this Agreement on behalf of the CCLT.

**C. Compliance**. The parties intend for this Agreement to comply with Chapter 381 and, to the extent practicable, Sections 312.204, 312.205, and 312.211 of Chapter 312, as if the County Commissioners Court were a governing body of a municipality. The County has determined that this Agreement satisfies all requirements for tax abatement set forth in the Chapter 381 Policy. To the

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extent that this Agreement deviates from a requirement of the Chapter 381 Policy, the County hereby grants CCLT a variance from such deviation.

D. **Ownership of Premises**. The Premises will be owned by CCLT or a CCLT Affiliate, and in no event shall be owned by any member of the County Commissioners Court.

**Section 3. Permitting**

The County shall use its best efforts to expedite processing of any permits, re-zoning requests, licenses, or other approvals associated with development of Phase 6.

**Section 4. Terms of Tax Abatement**

The County hereby grants CCLT a tax abatement with respect to Phase 6, as defined. The tax abatement for CCLT B3 shall begin on January 1, 2024, and shall continue for 6 years. In each year of this six-year period, the tax abatement shall equal 100 percent (100%) of County Property Tax (including all general, I&S and road and bridge ad valorem taxes of the County) imposed on the Eligible Property Value.

In each year of this six-year period, the tax abatement shall equal 100 percent (100%) of the property taxes imposed on the Eligible Property Value by the Chambers County School Equalization District.

The tax abatement for CCLT B9 shall begin on January 1, 2024, provided that CCLT provides written notice to the County that it has substantially completed development of CCLT B9 pursuant to Section 6.A, and shall continue for ten years. In each year of this 10-year period, the tax abatement shall equal 100 percent (100%) of County Property Tax (including all general, I&S and road and bridge ad valorem taxes of the County) imposed on the Eligible Property Value.

In each year of this 10-year period, the tax abatement shall equal 100 percent (100%) of the property taxes imposed on the Eligible Property Value by the Chambers County School Equalization District.

**Section 5. CCLT's Payments to County**

For each year in which CCLT receives abatement under Section 4, CCLT agrees to tender to County, on or prior to the Payment Deadline, all payments due under this Agreement by check or other mechanism acceptable to County. Such payments shall include the following:

A. **Chapter 381 PILOT Payments.** For CCLT B3 shall mean for calendar years 2024, 2025, 2026, 2027, 2028, and 2029, a payment from CCLT to County equal to forty percent (40%) of the County Property Tax abated pursuant to this Agreement.

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For CCLT B9, shall mean for calendar years 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, and 2033, a payment from CCLT to County equal to fifty percent (50%) of the County Property Tax abated pursuant to this Agreement. For a schedule of the Chapter 381 Payments, see **Exhibit "F"** attached hereto.

B. **Chapter 381 Community Impact Program Contribution (CIPC).** The CPIC shall equal 3.00% of the tax savings derived from the County Tax abated each year pursuant to this Agreement. The CIPC is intended to foster public-private investment in comprehensive literacy programs, promotion of the arts, public health, and an array of targeted civic infrastructure which supports economic and community development. This contribution is provided for in Sections 381.004(b) and 381.004(c) of the Texas Local Government Code.

C. **Chapter 381 Administration Fee.** The Administration Fee shall equal 0.625% of the Chapter 381 PILOT Payment for each calendar year cited in Section 5.A. This fee is considered payment for Chapter 381 administrative services as provided for in Section 381.004(c) of the Texas Local Government Code.

D. **Chambers County School Equalization District Payment in Lieu of Tax (CCSED PILOT).** The CCSED PILOT Payment shall equal one hundred percent (100%) of the CCSED Tax abated each year pursuant to this Agreement. For a schedule of the CCSED PILOT Payments, see **Exhibit "F"** attached hereto.

**Section 5.1. County Payments to CCLT**

**County Property Tax Grant.** For calendar year 2023, a reimbursement payment from County to CCLT equal to sixty percent (60%) of the County Property Tax paid by CCLT pursuant to this Agreement.

**Section 6. Covenants**

A. **Taxes Due.** CCLT covenants to pay taxes due for Tax Years 2020, 2021, and 2022 for CCLT B3 and associated SME.

B. **Construction Covenants.** CCLT or a CCLT Affiliate covenant to substantially complete, or cause to be substantially completed, CCLT B9 on or before January 1, 2024, provided that CCLT or a CCLT Affiliate shall have such additional time as may be required by the effects of Force Majeure.

C. **Operation Covenant.** CCLT or a CCLT Affiliate shall operate the Phase 6 Facilities in accordance with prudent industry standards and applicable law (unless prevented by Force Majeure) and in a manner that is consistent with the general purpose of encouraging development within the Zone.

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D. **CCLT Client Situs Inventory Covenant.** The County and CCLT agree that CCLT will provide an accounting of the CCLT Client Situs Inventory value on the January 1st valuation date each year for Years 2024 – 2033.

E. **Property Tax Covenant.** Throughout the term of this Agreement, CCLT shall pay all property taxes imposed by the County on Ineligible Property Value.

F. **Best Efforts to Increase Local Employment Covenant.** CCLT represents and agrees that the agreed development and operation of Phase 6 will stimulate employment and the local economy. To this end, CCLT represents and agree that:

a. CCLT represents and agrees that commencing at the time the Phase 6 Facilities are fully operational, reasonably expected by January 1, 2024, at least fifty (50) Permanent Employee positions will be created and maintained throughout the Abatement Term.

b. CCLT represents and agrees to use commercially reasonable good faith efforts to fill these jobs directly or indirectly with residents of Chambers County, with the goal that approximately twenty-five percent (25%) of the Permanent Employee positions referenced above will be offered to or filled by residents of Chambers County.

c. CCLT represents and agrees that these will be truly "new jobs" for Chambers County and does not expect that Phase 6 will solely or primarily have the effect of transferring employment from one part of Chambers County to another.

d. CCLT agrees to make every commercially reasonable effort to use local resources in employees, goods, and services at the facility, so long as the local goods and services are comparable in quality, specifications, and price (including, for example, standards for bonding capacity, financial and staffing capacity, expertise and experience, integrity, and reliability, etc.).

e. In compliance with Texas Government Code, Section 2264.001 *et seq*., CCLT hereby certifies that it does not and shall not knowingly employ an Undocumented Worker for any purpose related to this Agreement. If, after receiving the benefits of this Agreement, CCLT (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), CCLT shall repay all taxes previously abated by virtue of this Agreement with interest at the rate of three percent (3%) *per annum*, not later than the 120th day after the date on which the County notifies CCLT and CCLT of a violation of this Section 6, (g). In addition, CCLT hereby verifies in accordance with the requirements of Chapters 2271, 2274, and 2274 of the Government Code and subject to applicable law that CCLT will not Boycott Israel, does not and will not Boycott Energy Companies, and does not and will not Discriminate Against Firearm Entities or Firearm Trade

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Associations, as such capitalized terms are defined in such chapters of the Government Code and subject to the provisions of such chapters of the Government Code.

G. **Good Neighbor Covenant.** CCLT or a CCLT Affiliate represent and agree that the planned use of Phase 6 and related Premises will not constitute a hazard to public safety, health, or morals and provide for adequate buffer zones to holistically protect the quality of life of Chambers County residents.

**Section 7. Records and Audits**

A. **Annual Certification**. Not later than January 31 of each year during the term of the tax abatement, CCLT shall submit to the County a certification from CCLT as to the conditions and covenants set forth in Section 6, provided that once the Construction Covenant is met, no further certification shall be required with respect to the Construction Covenant.

B. **County Access to Premises**. For the sole purpose of verifying CCLT 's annual certification, County employees or representatives shall have reasonable access to the Premises during the term of this Agreement. The County shall give prior notice to CCLT whose employees shall have the right to accompany County employees. While on the Premises, County employees shall follow CCLT safety policies and not interfere with CCLT operations. The County shall keep all information obtained while on the Premises confidential and shall execute a commercially reasonable form of confidentiality agreement drafted by CCLT before entering the premises.

**Section 8. Default and Termination**

A. **Default**. In the event that CCLT either fails to ensure that Covenants A. through F. set forth in Section 6 are achieved, or breaches the terms or conditions of this Agreement, CCLT shall be in default of this Agreement.

B. **Cure**. In the event CCLT defaults in its performance of the Agreement, the County shall give CCLT written notice of such default. CCLT shall have sixty (60) days after said written notice to cure the default. If the default is not reasonably susceptible to cure within such sixty (60) day period and CCLT has commenced and is pursuing cure of same, then, after first advising the County of CCLT 's efforts to cure same, CCLT may utilize an additional ninety (90) days for such purposes. The County may authorize additional time to cure defaults, which authorization shall not be unreasonably withheld.

C. **Remedy for Uncured Default**. The County's sole and exclusive remedy against any Person for breach of this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that the County may, at its option, terminate the Agreement and all future tax abatements under this Agreement shall be void. Notwithstanding the foregoing, if CCLT fails to meet the Construction Covenant, CCLT shall repay

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to the County, without penalty or interest, all tax abatements received under this Agreement. If CCLT breaches a covenant in Section 6, other than the Construction Covenant, for any year, the County shall not be entitled to terminate this Agreement, but may, at its option, rescind the tax abatement pertaining to such year.

D. **CCLT 's Remedies**. The CCLT may institute proceedings as may be necessary or desirable in its opinion to defend against (i) improper assertions of default or (ii) improper attempts to terminate this Agreement, to withhold or obtain payments prescribed by this Agreement, or to seek repayment of amounts paid under the Agreement. Such proceedings may include, but are not limited to, seeking specific performance and/or injunctive relief, or enforcement by mandamus, or such other remedy as may be available at law, in equity, or otherwise. Such rights and remedies are not exclusive and are in addition to any other rights or remedies the CCLT may have at law, in equity, or otherwise.

E. **Mutual Termination**. The parties may terminate this Agreement by mutual agreement at any time.

**Section 9. Effect of Sale, Assignment or Lease of Property**

This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed; provided that CCLT may assign this Agreement and all of its rights hereunder to any CCLT Affiliate without the County's consent. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party. Any assignment in violation of this Section 9 shall not affect any tax abatements with respect to which CCLT or a CCLT Affiliate is already entitled.

**Section 10. Notice**

All notices called for by this Agreement shall be addressed to the following, or such other party or address as either party designates in writing, by certified mail, postage prepaid or by hand delivery:

**CCLT:**

Chambers County Logistics Terminal, LP
P.O. Box 1356
La Porte, TX 77572

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**County:**

County Judge
County of Chambers, Texas
P.O. Box 939
Anahuac, Texas 77514

With Copy To:

Baytown West Chambers County
Economic Development Foundation
1300 Rollingbrook Drive, Ste. 505
Baytown, TX 77523

**Section 11. Indemnification**

A. **INDEMNITY**. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, CCLT SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE COUNTY, ITS COMMISSIONERS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS, OR AGENTS (HEREINAFTER "**COUNTY'S INDEMNIFIED PARTY**") FOR, FROM AND AGAINST ANY AND ALL LOSSES, LIENS, CAUSES OF ACTION, SUITS, JUDGMENTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, COURT COSTS, REASONABLE ATTORNEY'S FEES AND COSTS OF INVESTIGATION, REMOVAL AND REMEDIATION, AND GOVERNMENTAL OVERSIGHT COSTS), ENVIRONMENTAL OR OTHERWISE, OF ANY NATURE, KIND OR DESCRIPTION, OF ANY PERSON OR ENTITY RESULTING FROM CCLT 'S CONSTRUCTION AND OPERATION OF THE DISTRIBUTION FACILITY.

B. **Notice of Indemnified Loss**. The County's Indemnified Party shall promptly notify CCLT of any indemnified Losses or Claim for indemnified Losses in respect of which the County's Indemnified Party may be entitled to indemnification under Section 11. Such notice shall be given as soon as reasonably practicable after the County's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. **Defense of Third-Party Claims**. In the event any action or proceeding shall be brought against the County's Indemnified Party by reason of any matter for which the County's Indemnified Party is indemnified hereunder, CCLT shall, upon notice from the County's Indemnified Party or its authorized agents or representatives, at CCLT 's sole cost and expense, resist and defend the same with legal counsel selected by CCLT ; provided, however, that CCLT shall not admit liability in any such matter on behalf of the County's Indemnified Party without the County's express written consent. Nothing herein shall be deemed to prevent the County's Indemnified Party at its election and at its own expense from cooperating with CCLT and participating in the defense of any litigation by their own counsel. If CCLT fails to retain

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defense counsel within ten (10) business days after receipt of County's Indemnified Party written notice that the County's Indemnified Party is invoking its right to indemnification under this Agreement, the County's Indemnified Party shall have the right to retain defense counsel on their own behalf, and CCLT shall be liable for all usual and customary defense costs incurred by the County's Indemnified Party.

D. **Limitation on Indemnity**. The amount owing to a County Indemnified Party will be the amount of the County Indemnified Party's losses net of any insurance proceeds received by the County Indemnified Party following a reasonable effort by the County Indemnified Party to obtain such insurance proceeds.

**Section 12. Miscellaneous**

A. **Severability**. The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court having competent jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision. Furthermore, in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in its terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

B. **Venue; Governing Law**. Exclusive venue for any action, cause of action, lawsuit, or other proceeding under or in connection with this Agreement shall be and lie in Chambers County, Texas, and the parties hereby submit themselves to the jurisdiction thereof; and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.

C. **Binding Nature of Agreement**. This Agreement shall be binding on and inure to the benefit of the parties, their respective successors, and assigns.

D. **No Third-Party Rights or Benefits**. This Agreement is solely for the benefit of the parties hereto and do not create rights, contractual or otherwise, in other Persons.

E. **Interpretation**. This Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for or against any party. Section, subsection, and other headings are for convenience only and shall not be used to interpret this Agreement.

F. **Survival of Terms; Rights and Remedies Cumulative; No Waiver**. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination or expiration of this Agreement. The rights and remedies provided by this Agreement are cumulative and the use of any one right or

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remedy by either party shall not preclude or waive its right to use any or all other remedies. Said rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise. The failure by either party to exercise any right, power, or option given to it by this Agreement, or to insist upon strict compliance with the terms of this Agreement, shall not constitute a waiver of the terms and conditions of this Agreement with respect to any other or subsequent breach thereof, nor a waiver by such party of its rights at any time thereafter to require exact and strict compliance with all the terms hereof.

G. **Counterparts; Electronic Delivery**. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered (whether delivered in person, by mail, email, facsimile, or other electronic format) shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

H. **Estoppel Certificate**. Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of CCLT , shall include, but not necessarily be limited to, statements (to the actual knowledge of the party providing such) that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of tax abatement in effect, and such other matters reasonably requested by the party(ies) to receive the certificate. The County Judge for the County shall provide any such certificate on behalf of the County.

I. **Entire Agreement**. This Agreement constitutes the entire Economic Development Program Agreement between the parties, supersedes any prior understanding or written or oral Economic Development Program Agreements or representations between the parties, and can be modified only by written instrument subscribed to by all parties. Notwithstanding the foregoing provision, this Agreement does not modify, alter, or amend any other agreement or instrument among the County and CCLT relating to matters other than the abatement of property taxes.

** * * Signature Page Follows * * **

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EXECUTED the _____day of _____, 2024.

CHAMBERS COUNTY, TEXAS

By: DocuSigned by: Jimmy Sylvia 1492536299FA478...

Jimmy Sylvia, County Judge

ATTEST: DocuSigned by: Heather H. Hawthorne 03933AF26BE5410...

Heather Hawthorne, County Clerk

CHAMBERS COUNTY LOGISTICS TERMINAL, LP

By: DocuSigned by: Frank Vingerhoets DBDAB61B5AB0453...

Name: Frank Vingerhoets

Title: President

ATTEST:

_____

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# EXHIBIT A
# Chapter 381 Policy

DRAFT

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# CHAPTER 381 ECONOMIC DEVELOPMENT POLICY
# CHAMBERS COUNTY, TEXAS

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes Chambers County to develop and administer projects for local economic development, and to encourage commercial activity in the County, and

WHEREAS, Chambers County desires to provide financial incentives to select private businesses that contribute to economic development, and

WHEREAS, Chambers County desires to provide such incentives to projects whose properties are subject to Chambers County *ad valorem* taxes, and

WHEREAS, Chapter 381 can be used in conjunction with tax abatement provided for under Chapter 312 of the Texas Local Government Code or separately as a Chapter 381 Economic Development Agreement, and

WHEREAS, this policy shall not be construed to obligate Chambers County to provide an incentive under Chapter 381 to any applicant; and all applications, requests and/or projects shall be considered on a case-by-case basis;

NOW, THEREFORE, Chambers County Commissioners' Court does adopt this policy to define the Chapter 381 incentives and establish guidelines and criteria by which they will be implemented.

## GENERAL CRITERIA

Chambers County may provide Chapter 381 economic development incentives for a business or commercial development project ("Project") if that project:

1. Will enhance the economic vitality of Chambers County;
2. Will result in a net increase or retention of jobs in the County or add to the tax base or will otherwise improve or enhance the economic welfare of the residents or businesses of the County; or
3. Demonstrates the potential to generate revenues to the County which outweigh costs associated with incentives.

In addition, the following criteria must be satisfied:

The Project MUST:

1. Show a clear demonstration of economic benefit through advancement of the County's economic goals which include expanding the tax base, creating quality jobs, increasing private capital investment in the community, spurring development in targeted county locations; or encouraging development of targeted businesses or clusters desirable to enhance the county's economy;

2. Provide evidence that demonstrates the business' financial stability and capacity to complete the project; and

3. Be in compliance with all local, state and federal laws.

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In order to receive any Chapter 381 incentives from Chambers County, credible information must be made available by the applicant, including but not limited to capital investment and employment projections, to enable Chambers County to conduct an appropriate analysis of the proposed project at initiation and throughout the life cycle of the Chapter 381 Agreement.

The decision to provide any Chapter 381 economic development incentives will be considered on a case-by case basis, in accordance with the criteria set forth in this policy, and at the discretion of the Chambers County Commissioners Court.

## QUALIFICATION CRITERIA (NON-RESIDENTIAL PROJECTS)

In order to be eligible for Chapter 381 incentives, a Project must meet the following qualifying criteria:

1. Locate within the boundaries of Chambers County.
2. Create or retain a minimum of 10 jobs
3. Project investment must meet or exceed $1,000,000.
4. Must maintain ownership of all property for which an incentive is received through the duration of the agreement.
5. Must make sincere efforts to hire local employees, contractors and purchase items used in construction from vendors within Chambers County.

Projects qualifying under these General and Qualifying Criteria will be eligible for Chapter 381 economic development incentives, the percentages and terms for which will be at the sole discretion of the Chambers County Commissioners Court.

### Opportunity Zone Residential and Targeted Development Projects

The Opportunity Zones program was established by Congress in the Tax Cut and Jobs Act as an innovative approach to spurring long-term private sector investments in targeted urban and rural communities nationwide. The program is based on the bipartisan Investing in Opportunity Act.

The program establishes a mechanism that enables investors with capital gains tax liabilities across the country to receive favorable tax treatment for investing in Opportunity Funds that are certified by the U.S. Treasury Department. The Opportunity Funds use the capital invested to make equity investments in businesses and real estate in Opportunity Zones designated by each state.

Three census tracts have been designated as Qualified Opportunity Zones (QOZ): 7103, 7104.01, and 7105. Consideration of Ch. 381 economic development proposals for residential developments and certain other targeted value-add projects will be limited to these designated QOZ census tracts. Residential developments in a QOZ are encouraged to include product options that qualify for financing under the USDA Rural Development Single Family Housing Guaranteed Loan Program. Additional information is available at:

https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions
https://www.rd.usda.gov/programs-services/single-family-housing-guaranteed-loan-program

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## APPLICATION / PROPOSAL PROCESS

Applicants seeking a Chapter 381 Economic Development Agreement with Chambers County may do so by submitting a written proposal to the County Judge of Chambers County.

The written proposal shall consist of a project description, general improvements to be undertaken; a general descriptive list of the improvements for which an incentive is requested; a list of the kind, number and location of all proposed improvements of the property; a map and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements.

In the case of modernization, 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 proposal. The proposal may require such financial and other information as the participating municipality or County deems appropriate for evaluating the financial capacity and other factors related to the applicant.

Chambers County, not later than 90 days after receipt of the proposal, shall by Commissioners Court order either approve or deny the request at a regularly scheduled meeting.

## CHAPTER 381 AGREEMENTS

A complete review of the Project and proposal will be conducted by Chambers County and/or its representatives. Depending on the nature of the Project, the form of incentive provided via Chapter 381 Agreement will be determined.

After approval, Chambers County shall formally pass a Commissioners court order and execute an agreement with the owner of the Project, which shall include the following:

- Project Description
- Percent of Value to Discount
- Community Impact Program Contribution
- Terms of Agreement
- Project Milestones and Deadlines
- Assignment Provisions
- Recapture Provisions
- Compliance Requirements

An agreement shall be effective on the January 1st valuation date immediately following the execution of the Chapter 381 Agreement or as stipulated and will be conditioned on the completion of specific improvements to real property, job creation and any other factors deemed appropriate by the County.

Approved and adopted this the 26th day of March, 2019.

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## Resolution and Order

On March 26, 2019, the Commissioners Court of Chambers County, Texas, met at the County Courthouse with the following members present:

| | |
|---|---|
| Jimmy Sylvia | County Judge, Presiding, |
| Jimmy Gore | Commissioner, Precinct One |
| Mark Tice | Commissioner, Precinct Two |
| Gary R. Nelson | Commissioner, Precinct Three |
| Billy Combs | Commissioner, Precinct Four |

when among other matters, came for consideration and action the following Resolution and Order:

***Whereas,*** the Commissioners Court of Chambers County, Texas, duly convened, and acting in its capacity as the governing body of Chambers County, ORDERED that the policy attached and appended hereto, entitled **"CHAPTER 381 ECONOMIC DEVELOPMENT POLICY, CHAMBERS COUNTY, TEXAS"** is made a part of this Order; and

***Whereas,*** all officials and employees of Chambers County having duties under said policy are ordered and directed to perform such duties as required of them under said regulations.;

***Therefore, be it Resolved,*** that Commissioners Court adopts the attached document as the **"CHAPTER 381 ECONOMIC DEVELOPMENT POLICY, CHAMBERS COUNTY, TEXAS"** and **orders** that it be in effect on and after this day; and

***Further Resolved,*** that County Judge Jimmy Sylvia is authorized to sign this Resolution and Order as the act of Commissioners Court.

The Resolution and Order was moved by Commissioner Combs, seconded by Commissioner Gore, and adopted by the Commissioners Court on a vote of 4 members for and 0 opposed.

Jimmy Sylvia, Chambers County Judge

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# EXHIBIT A-1
# Chapter 312 P1olicy

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A RESOLUTION OF THE CHAMBERS COUNTY COMMISSIONERS COURT OF ANAHUAC, TEXAS, ELECTING TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT PURSUANT TO THE TEXAS PROPERTY REDEVELOPMENT AND TAX ABATEMENT ACT, CHAPTER 312; ADOPTING GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN A REINVESTMENT ZONE CREATED IN CHAMBERS COUNTY; ADOPTING SUCH GUIDELINES AND CRITERIA; AND PROVIDING FOR THE EFFECTIVE DATE THEREOF.

**********

WHEREAS, the creation and retention of job opportunities that bring new wealth is the highest civic priority; and

WHEREAS, new jobs and investment will benefit the area economy, provide needed opportunities, strengthen the real estate market, and generate tax revenue to support local services; and

WHEREAS, Chambers County must compete with other national and international localities currently offering tax inducements to attract jobs and investments; and

WHEREAS, any Incentives offered in Chambers County would be strictly limited in application to those new and existing industries that bring new capital investment to the community; and

WHEREAS, tax Incentives should not be used to attract those industries that have demonstrated a lack of commitment to protecting the environment, but should be used to encourage projects designed to protect the environment, provide adequate buffer zones, and holistically protect the safety and quality of life of Chambers County residents; and

WHEREAS, the Abatement of property taxes, when offered to attract primary jobs in industries which bring in money from outside a community instead of merely recirculating dollars within a community, has been shown to be an effective method of enhancing and diversifying an area's economy; and

WHEREAS, the Chambers County Commissioners Court contracts with the Baytown West Chambers County Economic Development Foundation ("EDF") and considers the EDF to be the designated entity for the provision of professional services for qualifying Applicants seeking County assistance in this regard; and

WHEREAS, effective September 1, 1987, Texas law, pursuant to Chapter 312 of the Texas Tax Code, as amended, 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 andcriteria to be

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unchanged for a two-year period unless amended by a three-quarters (3/4) vote of Commissioners Court; and

WHEREAS, to assure a common, coordinated effort to promote our communities' economic development, any such guidelines and criteria should be adopted only through the cooperation of affected municipalities, taxing jurisdictions, and Chambers County;

WHEREAS, these guidelines and criteria do not: (1) limit the discretion of Chambers County to decide whether to enter into a specific tax Abatement or Incentives agreement; (2) limit the discretion of Chambers County to delegate to its employees or to the EDF 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.

WHEREAS, the attached guidelines, last amended and approved by the Commissioners Court on November 23, 2021, have been reviewed by the Commissioners Court, and it has been determined that progress towards the goals herein stated has been made; NOW THEREFORE

BE IT RESOLVED BY THE CHAMBERS COUNTY COMMISSIONERS COURT OF CHAMBERS COUNTY, TEXAS:

Section 1: That the findings of the Chambers County Commissioners Court contained in the recitals of this resolution are hereby approved and adopted.

Section 2: That the Chambers County Commissioners Court elects to remain eligible to participate in tax abatement pursuant to the Texas Property Redevelopment and Tax Abatement Act, Chapter 312.

Section 3: That the Chambers County Commissioners Court hereby adopts the Guidelines and Criteria for granting tax abatements in a reinvestment zone, which are attached hereto and incorporated herein for all intents and purposes.

Section 4: This resolution shall take effect immediately from and after its passage by the Chambers County Commissioners Court of the Chambers County, Texas.

INTRODUCED, READ, and PASSED, by the affirmative vote of the Chambers County Commissioners Court of Chambers County, Texas this the 26th day of April 2022.

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JIMMY SYLVIA, Judge

ATTEST:

HEATHER HAWTHORNE, County Clerk

04/26/22

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# GUIDELINES AND CRITERIA FOR TAX ABATEMENT IN CHAMBERS COUNTY

## ADMONITORY PROVISIONS

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

Tax Abatement and Incentives provided by the County are subject to an economic impact analysis to be conducted by the EDF. 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 Chambers County and that conform to Chambers County's overall economic development objectives.

Applicants applying for tax Abatement with Chambers County are advised that any Agreement with Chambers County applies only to taxes assessed by Chambers 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 CCAD for recognition and implementation of their Abatement Agreement. To keep the Abatement active, the applicant must file all appropriate forms with CCAD. The Abatement will terminate if the applicant fails to provide the appropriate forms annually to the CCAD.

## SECTION 1
## DEFINITIONS

a.) **"Abatement"** means the full or partial exemption from ad valorem taxes of the increase in value of certain real property in a reinvestment zone designated for economic development purposes.

b.) **"Agreement"** means a contractual Agreement between a property owner and an Eligible Jurisdiction for the purposes of tax Abatement or Incentives.

c.) **"Applicant"** means the entity applying for Abatement or Incentives and, if successful, will be party to an Incentive or Abatement Agreement.

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.) **"Community Impact Program"** means the economic development program intended to foster public-private investment in comprehensive literacy programs, promotion of the arts, public health, and an array of targeted civic infrastructure which supports economic and community development.

f.) **"Community Impact Program Contribution"** means for certain tax Abatement or Incentives Agreements and those entered into in conjunction with and executed concurrently with a Chapter 381 Economic Development Agreement, an amount equal to 1.50% of derived tax savings for each tax year as set forth in the tax Abatement Agreement.

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

h.) **"Deferred Maintenance"** means improvements necessary for continued operations, which do not improve productivity or alter the process technology.

i.) **"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.

j.) **"Economic Life"** means the number of years a property improvement is expected to be in service in a facility.

k.) **"Eligible Jurisdiction"** means Chambers County and any municipality, school district, college district, or special purpose district that levies ad valorem taxes upon property located within the proposed or existing reinvestment zone.

l.) **"Expansion"** means the addition of buildings, structures, or fixed machinery or equipment for purposes of increasing production capacity.

m.) **"Facility"** means property improvements completed or in the process of construction which together comprise an integral whole.

n.) **"Incentive"** means a payment or concession to stimulate greater taxable value, capital investment, and economic impact.

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

p.) **"Modernization"** means the replacement and upgrading of existing facilities, which increases the productive input or output, updates the technology, or substantially lowers the unit cost of the operation. Modernization may result from the construction, alteration or installation of buildings, structures, of fixed machinery or equipment. It shall not be for the purpose of reconditioning, refurbishing, or repairing.

q.) **"New Facility"** means a property previously undeveloped, which is placed into service, by means other than or in conjunction with expansion or modernization.

r.) **"Other Basic Industry"** means buildings and structures including fixed machinery and equipment not elsewhere described, used or to be used for the production or products or services and which result in the creation of new permanent jobs and bring in new wealth.

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s.) **"Personal Property"** means personal property, as designated by the CCAD, 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.

t.) **"Productive Life"** means the number of years a property improvement is expected to be in service in a Facility.

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

v.) **"Regional Entertainment and Recreation Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to provide entertainment through the admission of the general public.

w.) **"Research Facility"** means building structures, including fixed 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 of such goods or materials.

x.) **"Service Facility"** means buildings and structures, including fixed machinery and equipment, used or to be used to service goods.

y.) **"Situs Inventory"** means the assessed value of personal property and inventory not owned by the lessor that is located on the property subject to taxation.

z.) **"Spec Building"** means a 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.

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## SECTION 2
## ABATEMENT AUTHORIZED

a.) **Authorized Facility.** A facility may be eligible for Abatement or Incentives if it is one of the qualifying business types specified in Section 1 – Definitions.

b.) **Creation of New Value.** Abatement may only be granted for the additional value over the base year value resulting from eligible property improvements made subsequent to and listed in tax Abatement Agreement between the Eligible Jurisdiction and the property owner subject to such limitations as the Eligible Jurisdiction may require.

c.) **New and Existing Facilities.** Abatement 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 one (1) year or until occupied or sold, whichever occurs first.

d.) **Eligible Property.** Abatement may be extended to the value of buildings, structures, fixed machinery and equipment, site improvements plus that office space and related fixed improvements necessary to the operation and administration of the facility.

e.) **Ineligible Property.** The following types of property shall be fully taxable and ineligible for tax Abatement : land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; watercraft; aircraft; housing; deferred maintenance investments; 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 an economic 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.

f.) **Owned/Leased Facilities.** In order for a facility to qualify for tax Abatement, the land and eligible property must be owned and operated by the same individual or company or be leased to a facility operator whose lease term is at least 10 years. If a leased Facility is granted Abatement or Incentives, the Agreement may be executed with the lessor and/or 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 Chambers County. The value of new eligible properties shall be abated according to the approved Agreement between applicant and Chambers County. Chambers 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.

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The Abatement or Incentives may be extended through an initial Agreement and a subsequent Agreement amendment as may be required to comply with state law and county policies.

1. **Offer** – During the initial negotiations with a prospect, a tentative offer for Incentives may be made on behalf of Chambers 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 approved by Chambers County Commissioners Court, the Agreement must be executed within 15 days, unless otherwise agreed by Chambers County.

h.) **Community Impact Program.** For certain Abatement Agreements and those associated with Chapter 381 Economic Development Agreements, the Community Impact Program and Community Impact Program Contributions will apply.

i.) **Economic Qualification.** In order to be eligible for designation as a reinvestment zone and receive tax Abatement, the proposed improvement:

(1) Must be reasonably expected to increase the value of property in the amount of $750,000 or more after the period of Abatement has expired;

(2) 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 elemental participation to that of a city or town from that district or entity when considering any Incentives, particularly with respect to stipulated values.

(3) In the case of Distribution Centers, warehouse operations, and Spec Buildings managing Situs Inventory, minimum annual inventory estimates over term will be considered an essential stipulation in tax Abatement Agreements.

(4) Must be reasonably expected to prevent the loss of employment and to directly create or prevent the loss of permanent full-time employment for at least five (5) people and the owner must agree to exercise its best efforts to ensure those new employees are residents of Chambers County.

(5) Must not be expected to have the effect of transferring employment solely or primarily from one part of Chambers County to another; and

(6) If a new facility must be necessary because capacity cannot be provided efficiently utilizing existing improved property when reasonable allowance is made for necessary improvements.

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Further, If the applicant receives Incentives or tax Abatement, and all things being equal, preferential treatment shall be given to hiring operators and construction workers residing in Chambers County, not only in the construction phase, but also during operations thereafter. When possible, the applicant agrees to hire Chambers County citizens first in positions for which a citizen may be qualified.

j.) **Taxability.** For tax years beginning on or after the execution of the tax Abatement Agreement to the end of the Agreement period, taxes shall be payable as follows;

(1) the value of ineligible property as provided in Section 2(e) shall be fully taxable;

(2) the base year value of existing eligible property shall be fully taxable; and

(3) the value of eligible property shall be taxable in the manner described in Section 2(g).

**SECTION 3**
**APPLICATION**

a.) **Filing of Application.** Working through the EDF, any present or potential owner of taxable property in Chambers County may request the creation of a reinvestment zone and tax Abatement by filing a written request with the County Judge of Chambers County if the property is located outside of the taxing jurisdiction of a municipality. A non-refundable application fee of $500.00, made payable to Chambers County, must be provided with the application.

b.) **Content of Application.** The application shall consist of a completed application form accompanied by: a general description of the new improvements to be undertaken; a general descriptive list of the improvements for which an Abatement is requested; a list of the kind, number and location of all proposed improvements of the property; a map and/or aerial and location of all proposed improvements of the property; a map and property description; and a time schedule for undertaking and completing the proposed improvements. In the case of modernization, 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 municipality or County deems appropriate for evaluating the financial capacity and other factors of the applicant.

c.) **Notice to Eligible Jurisdiction.** Upon receipt and approval of an application, Chambers County shall notify in writing the presiding officer of the governing body of each Eligible Jurisdiction.

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d.) **Abatement Inapplicable to Prior Projects.** Chambers County shall not establish a reinvestment zone or enter into an Abatement Agreement if it finds that the request for the Abatement was approved by Commissioner's Court after the construction, discernable alteration, or installation of improvements began as related to a proposed modernization, expansion, or new facility.

e.) **Variance.** Requests for variance from the provisions of Subsections (a), (e) and (g) of Section 2 must be made in written form. Such request shall include a complete description of the circumstances explaining why the applicant should be granted a variance.

**SECTION 4**
**PUBLIC HEARING AND APPROVAL**

a.) **Public Hearing for Designation of Reinvestment Zone.** A resolution designating a reinvestment zone may not be adopted until the Commissioners Court has held a public hearing at which interested persons are entitled to speak and present evidence for or against the designation. Notice of the hearing shall be published at least seven (7) days prior to the hearing on the County website and in a newspaper having general circulation in the Eligible Jurisdiction. The presiding officers of other Eligible Jurisdictions shall be notified in writing at least (7) days prior to the hearing.

b.) **Findings Required for Agreement.** In order to enter into a tax Abatement or Incentives Agreement, the Eligible Jurisdiction must find that the terms of the proposed Agreement, the subject property, and Reinvestment Zone meet these guidelines and criteria consistent with Section 312.202 of the Tax Code and that:

(1) there will be no substantial adverse effect on the provision of the jurisdiction's service or tax base; and

(2) the planned use of the property will not constitute a hazard to public safety, health, or morals and provide for adequate buffer zones to holistically protect the quality of life of Chambers County residents.

**SECTION 5**
**AGREEMENT**

a.) **Contents of Agreement.** The Eligible Jurisdiction shall formally approve and execute an Agreement with the owner, lessor and/or lessee of the facility upon meeting the requirements set forth in Section 312.207, Chapter 312, of the Texas Property Redevelopment and Tax Abatement Act. The Agreement shall include, at minimum, the:

(1) estimated value to be abated and the base year value;

(2) percent of value to be abated each year as provided in Section 2(g);

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(3) commencement date and the termination date of Abatement;

(4) proposed use of the facility; nature of construction, time schedule, map, property description and improvement list as provided in Section 3(b);

(5) contractual obligations in the event of default, violation of terms or conditions, delinquent taxes, recapture, administration, and assignment as provided in Sections 2(a), 2(f), 2(g), 6, 7, 8, and 9, or other provisions that may be required for uniformity or by state law; and

(6) amount of investment and average number of jobs involved.

Such Agreement shall normally be executed within 90 days after the applicant has forwarded all necessary information and documentation to the County. Upon execution of this Agreement, it becomes the responsibility of the applicant to file with the County the necessary reports annually certifying employment and investment level as stated in the executed contract.

**SECTION 6**
**RECAPTURE**

The tax Abatement or Incentives Agreement shall contain provisions for recapture of taxes abated in the event that 1) the improvements for which Abatement was granted are not completed in accordance with Agreement, 2) the owner and/or lessee allows ad valorem taxes owed the Eligible Jurisdictions granting Abatement to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes, 3) the owner and/or lessee discontinues operating or using the property as required by the Agreement, or 4) the owner and/or lessee breaches any of the terms or conditions of the Agreement.

**SECTION 7**
**ADMINISTRATION**

a.) **Appraisal and Assessment.** The Chief Appraiser of the County shall annually determine an appraisal of the real and personal property comprising the reinvestment zone. Each year, the company or individual receiving Abatement shall furnish the assessor with such information as may be necessary for the Abatement. Once value has been established, the Chief Appraiser shall notify the affected jurisdictions, which levy taxes of the amount of the assessment.

b.) **Access to Property.** The Agreement shall stipulate that employees and/or designated representatives of the contracting Eligible Jurisdiction shall have access to the subject property during the term of the Abatement to inspect the facility to determine if the terms and conditions of the Agreement are being met. All inspections will be made only upon twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the facility.

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**c.) Annual Evaluations.** Upon completion of construction, the jurisdiction creating the reinvestment zone shall annually evaluate each facility receiving Abatement to ensure compliance with the Agreement and report possible violations of the Agreement to the Eligible Jurisdictions.

**SECTION 8**
**ASSIGNMENT**

A tax Abatement or Incentive Agreement may not be assigned unless written consent is first granted by the Eligible Jurisdiction that has entered into the Agreement, which consent shall be at the sole discretion of such Eligible Jurisdiction. 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 the Agreement. Any assignment of a tax Abatement Agreement shall be to an entity that contemplates the same improvements to, and operation of the property as the assignor, except to the extent such improvements have been completed. No assignment shall be approved by an Eligible Jurisdiction if the assignor or the assignee is indebted to the Eligible Jurisdiction for ad valorem taxes or other obligations.

**SECTION 9**
**SUNSET PROVISIONS**

a.) These guidelines and criteria are effective upon the date of their adoption and will remain in force for two years, at which time all reinvestment zones and tax Abatement and Incentives Agreements created pursuant to its provisions will be reviewed by the County or its designated representative, the EDF, to determine whether the goals have been achieved. Based on that review, the guidelines and criteria will be modified, renewed, or eliminated.

b.) This policy applies only to tax Abatement under the provisions of Chapter 312 Property Redevelopment and Tax Abatement Act, Texas Tax Code and is effective upon the date of adoption and will remain in force for two (2) years, unless amended by three-quarters (3/4) vote of the Commissioners Court of Chambers County as so provided for in the Tax Code.

c.) This policy is effective this 26th day of April 2022 and supersedes any previous tax Abatement policy. It will remain in effect until changed by court order.

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# EXHIBIT B
# Tax Abatement Proposal

DRAFT

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Chambers County Logistics Terminal, LP

PO Box 1356
La Porte, TX 77572

September 6, 2022

Chambers County Judge Jimmy Sylvia
404 Washington Avenue
P.O. Box 939
Anahuac, Texas 77514

Re: Proposal from Chambers County Logistics Terminal, LP to Chambers County for a Chapter 381 Economic Development Agreement

Dear Judge Sylvia:

Chambers County Logistics Terminal, LP proposes to invest in the construction of a logistics & distribution facility with a contemplated location in Chambers County. The proposed new facility would support new logistics operations and employment of over 50 new, permanent, full-time jobs with above-average wages. The construction phase of the project would also create an estimated 100 construction jobs. Chambers County Logistics Terminal, LP estimates a total investment of approximately $41.9 million for new improvements, infrastructure, and equipment.

Chambers County Logistics Terminal, LP respectfully requests Chambers County consideration of this proposal for an economic development agreement under Chapter 381 of the Texas Local Government Code that would effectively abate 60% of county property taxes on the project for 10 years. In support of this application, Chambers County Logistics Terminal, LP submits the following information about the proposed investment:

Exhibit A: Detailed description of the proposed project including a list of major components for which Chambers County Logistics Terminal, LP seeks to be covered by an incentive agreement with Chambers County

Exhibit B: Maps depicting location within Chambers County of the contemplated facility and proposed improvements

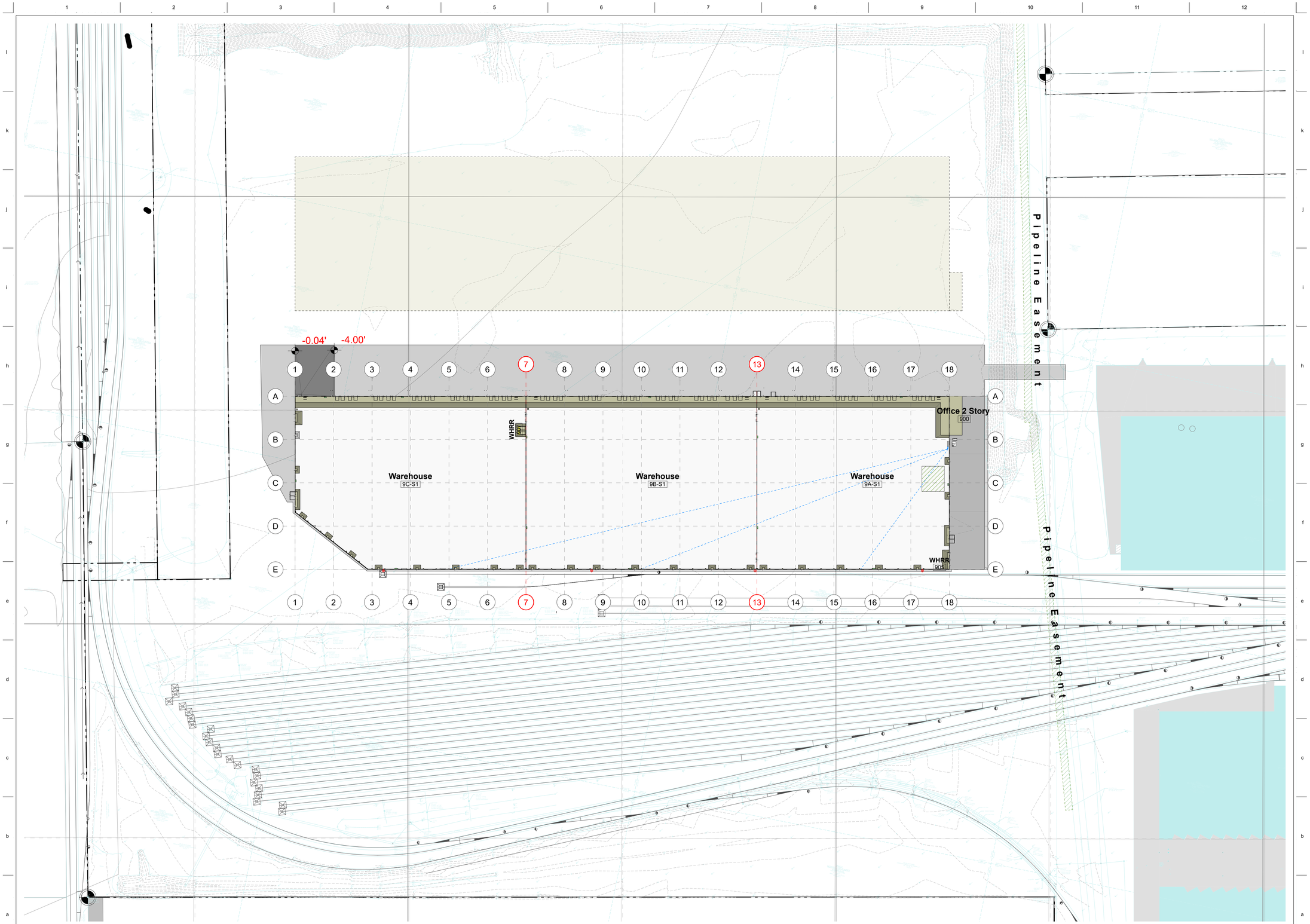
The proposed manufacturing facility contemplated in this application would promote economic growth for Chambers County and allow Chambers County Logistics Terminal, LP the opportunity to expand its investment in the prosperity and welfare of the community. We look forward to discussing this proposal in more detail with you and the Chambers County Commissioners Court. If you have any questions or need further information, please contact Katleen Bracquene by phone +32 465002750 or by e-mail at katleen.bracquene@fekanv.be.

Regards,

Katleen Bracquené
Partner

MAILING ADDRESS
P.O. BOX 959
LAPORTE, TEXAS 77572-0959

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a1 Site Plan
1" = 120'

N

| Rev | Date | Description |
|---|---|---|
| 00.2 | 3/20/22 | Response To RFIs |
| 00.3 | 7/8/22 | Pricing- KTN changes |
| 01 | 8/10/22 | Issue For Permit |

Drawings and notes indicate general scope of the project and must be viewed in their entirety. Carefully review ALL drawings and notes and compare to the site, and consultants drawings, applicable codes and requirements for proper timely warrantable work. Report any errors, inconsistency or omissions to the Architect immediately before starting any work. Do not scale from drawings. Written dimensions and notes take precedence over drawings. The information in these documents remain the property of KEGroup, inc.. No duplication of any content shall be permitted without prior written permission of KEGroup, inc.

REGISTERED ARCHITECT
DOUGLAS LEONARD ENGEL
18371
STATE OF TEXAS

10 Aug 2022

**Permit**

KEGroup, inc.
ARCHITECTURE
1717 Turning Basin Rd
Houston • TX • 77029
713-868-5151

Consultant Engineer

Owner Logo

NEP - BUILDING 9 - PE-3864

**Chambers County Logistics Terminal, L.P.**
1919 South FM 565
Baytown, TX 77523

**Architectural Site Plan**

# A101

Job # 12-0009 Print Date 8/11/22
Permit 08 MAY 2020

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9.00 Building - BIMcloud: BIM-25.local - BIMcloud Basic for ARCHICAD 25/NEP-9/9.00 Building - [Thursday, August 11, 2022]

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KATOEN NATIE

OUR PEOPLE MAKE THE DIFFERENCE

# PROJECT: CLT9 - Building & Infrastructure

# LOCATION: Neptunus (Baytown, TX, USA)

# Project No.: PE-3864 CLT9 - Building & Infrastructure

# PE-4082 CLT9 Rail Phase II

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## 1.0 Executive Summary

Katoen Natie Engineering is expanding the Chambers County Logistics Terminal storage capacity (owned by CCLT, LP) with the construction of CLT 9 warehouse to meet the increase potential in business volumes for the upcoming future.

## 2.0 Project Overview

- 607,372 sq. ft. of warehouse.
- 254,331 sq. ft. of surrounding paving areas. Starting point being the connection to existing west driveway of CLT 8.
- Warehouse bay sizes of 101.25' x 90'.
- Office building located at East elevation of Warehouse (2 floors of 2,700 sq. ft. each). Only the ground floor to be built out fully with this Project. Second floor to be partially built out with IT room, lockers, showers, and restrooms. An IT room was considered scope & budget wise as part of original layout. **A budget re-review for the requested showers & lockers & RRs will be required (to be approved by BU manager Specialty Chemicals).**
- All necessary underground & overhead utilities.
- Crow's nest office atop production rest room at compartment 9C, not considered in scope at this time, but will prepare structurally to house one in future.
- Depressed containment slab throughout Warehouse at all compartments for liquid / lube storing.
- Underground feeders (piping only) to pick up future equipment lines at 9A & 9B along South elevation.
- Bldg. structural steel & roof decking & siding designed for 130 mph wind speeds (Vasd).

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- Current floor design as per CLT 3 (1250 PSF & FF/FL 50/33).
- Signalization, building numbers + logos, not included in this package / budget.
- Warehouse floor striping is not included in this budget. Engineering will oversee the execution; Operations will provide layout and absorb cost.
- No maintenance building is anticipated.
- No packaging & foundations & Silo structures considered at any compartments.
- Operational track to run full length of compartments 9A & 9B & 9C, plus additional tail track at compartment 9C (as per lay out in Exhibit).
- Pellet Skimmer included in base line budget to pick up surrounding ground drainage and drainage from future CLT11.

## 3.0 Project Scope Description

### 3.1 Warehouse (PE-3864)

- Building footprint, 607,372 sq. ft.
- Firewall at two locations to divide warehouse in three compartments (9A, 9B, 9C) as shown on attached dwg. A200.
- 405 ft. wide warehouse & 1,530 ft. in length.
- Building roof height at ridge vent is 48’ & 42.5’ out at the eaves. Roof slope has a 2.75% fall.
- Inside Warehouse clear height at underside of steel rafters is 42’-2” at ridge location and 36’-8” out at edges of building. The clear height bumps up to 38’-5” at the inside building edges within 10’ off the interior faces.
- Finish Floor of Warehouse is elev. 27 along inside face of dock run & between WH to Office building. Depressed containment slab portion of WH runs 6” below at elev. 26.50 at all compartments. Includes 30 mil

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containment barrier at underside of slab along with dry sump pits at each compartment for pumping purposes.

- Perpendicular loading docks (Same concept as CLT 8): 61 dock doors & levelers in total plus forklift ramp & sectional door located between compartments 9A & 9B.
  - 20 loading docks at CLT 9C.
  - 22 loading docks at CLT 9B.
  - 19 loading docks at CLT 9A.
- Total of 11 overhead doors @ warehouse end & fire walls and along South elevation of 9C & at North elevation of 9A.
  - 5 – 16' x 20' fire rated coiling doors. (1 to be motorized at West end wall).
  - 2 – 16' x 20' coiling doors. (Both to be motorized & for East end wall).
  - 3 – 16' x 12' sectional doors for Box Car offloading Operation.
  - 1 – 9' x 10' forklift ramp door to be motorized.
  - Mobile Loading ramps for box cars not included in scope (Operational cost).
- Three production restrooms in all + One trucker's restroom at dock face.
- Firewater hose reels included at North & South elevations of warehouse, all compartments. Typical of other CLT buildings.
- Lighting configuration for high bays at inside of Warehouse & wall packs at exterior face to match that of CLT 3.
- Charging station located at Northeast corner of warehouse, adjacent to Office building. (50% capacity connected to emergency back up generator). **As per discussions with Specialty Chemicals, a budget re review will be further discussed on the high price tag for the charging station.**
- Warehouse overhead utilities includes:

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- Gas lines
- Domestic water lines
- Fire protection lines
- Lighting & power distributions

### 3.2 Rail Package/Operational Tracks (PE-4082)

Rail scope includes 1,530 Track Feet in all. Operational track is 9.5' off the South elevation & will run along Compartments 9A, 9B, & 9C, including a second tail track 39.5' South of 9B & 9C. There will be one #9 turnout as part of the above package.

Metal ties will be M10s & bedding for track will be in #4 Granite Ballast.

### 3.3 Office Building

- First floor – 2,700 sq. ft.
  - 1 Breakroom/eating area
  - 1 Coffee station areas
  - 1 Coffee station / PPE area
  - 1 Janitorial room
  - 2 Cafeteria restrooms
  - 2 Office restrooms
  - 2 Conference rooms
  - 1 General office/seating area
  - 1 Lobby / vestibule area
- Second Floor – 2,700 sq. ft.
  - Lockers / Showers / Restrooms **(Subject to budget re-review)**
  - 1 IT Room.

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### 3.4 Site Infrastructure Package

- 254,331 sq. ft. of new paving areas. Design of paving will consist of 8" lime-treatment to worktable and 7" of concrete (4000 psi).
- Employee parking planned along East elevation of building.
- Paving to run 80' wide & just under Finish Floor level of Warehouse along West elevation to allow for track installation for future transloading & equipment lines. This is as per design discussions / agreements with Specialty Chemicals.
- West end wall of Warehouse to be a firewall to allow for pallet storage / flammable items to be stored along outside elevation.

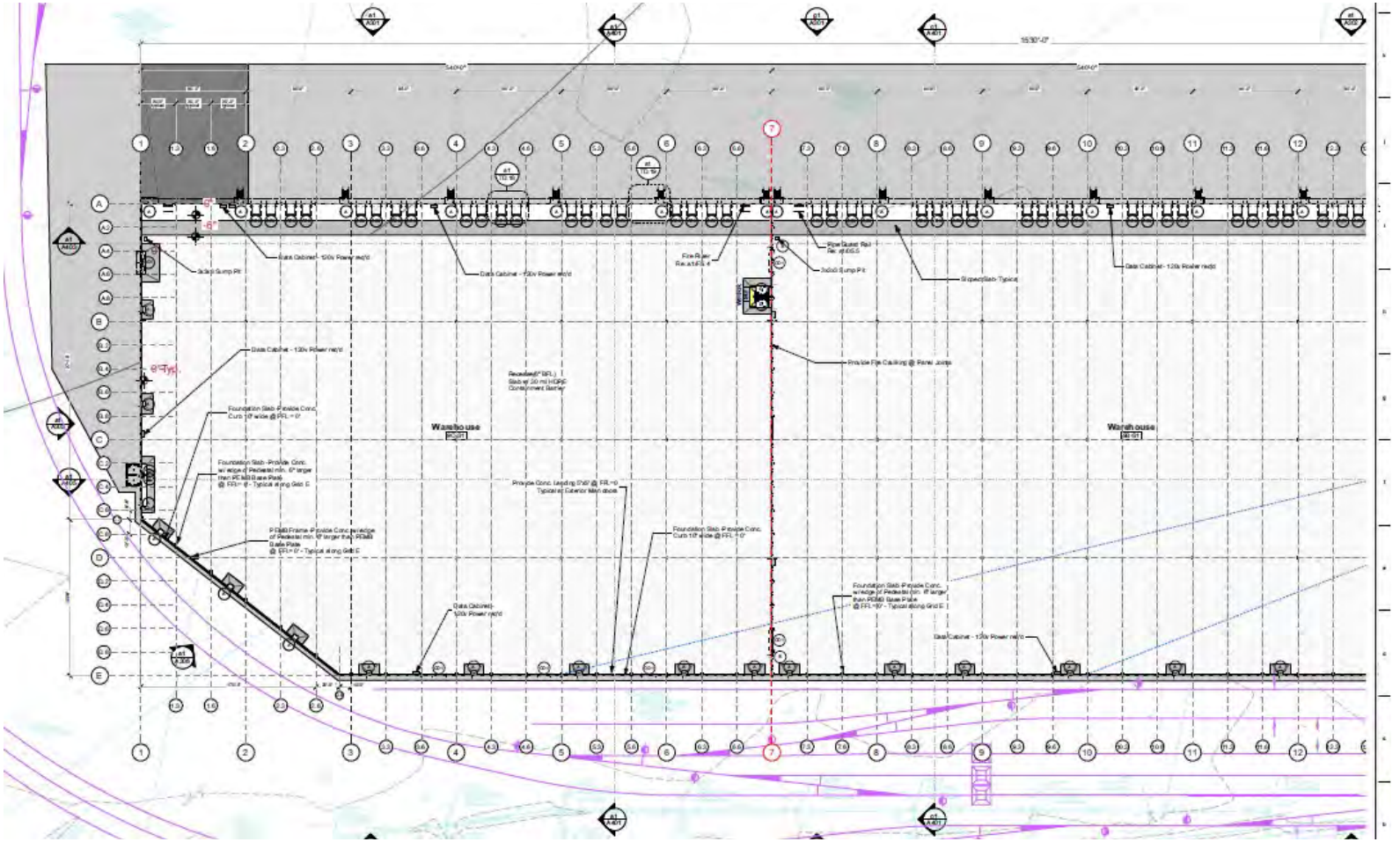
### 3.5 UG Utilities & Drainage

- New gas lines, city water lines, fire water line, sanitary lines, and electrical power poles & terminal pole & primary power UG duct bank will be installed.
- Two drainage lines to be installed segregating clean water being the roof drainage and dirty water being the rail & paving areas.
- One pellet skimmer to be installed at North outfall picking up all paving areas for CLT 9 & future CLT 11. For transloading and rail car unloading areas, future pellet skimmers to be installed.
- Exterior hose reel cabinets with accessories included at hydrant locations outside paving areas.
- Pond expansion considered in this scope to generate additional detention capacity for new infrastructure /volume: 21,000 acre ft.
- Liquid shut off valves not included in scope. To be evaluated if needed against commercial proposal. Anticipate locations where these can be included in the future. This would be operational change order.

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## A200 Overall Floor Plan



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# EXHIBIT C
# Reinvestment Zone

DRAFT

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19-08-312

5.2

**ORDER RENEWING**
**THE CHAMBERS COUNTY LOGISTICS TERMINAL, LP 2014 REINVESTMENT ZONE**

On August 13, 2019, at a regular, public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("the Court"), the Court conducted a hearing on the application of CHAMBERS COUNTY LOGISTICS TERMINAL, LP ("CCLT") for renewal of the CHAMBERS COUNTY LOGISTICS TERMINAL, LP 2014 REINVESTMENT ZONE ('the Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement and economic development agreements in accordance with the Texas Tax Code ("the Code").

2. On July 2, 2014, the Court designated the Zone by Order to affect tax abatement on qualified investments. In accordance with Chapter 312.203 of the Code, the designation of a reinvestment zone for tax abatement expires five (5) years after the date of designation.

3. The Zone expired on July 1, 2019. Chapter 312.203 of the Code allows for a reinvestment zone to be renewed for a period of 5 years.

4. The request for renewal/re-designation of the Zone was timely submitted by CCLT and received by the Court.

5. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the renewal of the Zone. Specifically, notice of today's hearing was published in the manner required by law and notice was timely given to the presiding officer of other taxing units of government as required by law.

6. The renewal of the Zone will contribute to the retention or expansion of primary employment and will attract major investment in the Zone that will be a benefit to the property to be included in the Zone and will contribute to the economic development of the County and surrounding area.

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7. The improvements sought to be made are feasible and practical and will be a benefit to the land to be included in the Zone.

8. The area requested to be renewed as a reinvestment zone meets the criteria for designation as such in one of more ways as specifically provided by law.

9. The Zone shall take effect upon the effective date of this Order and expire five (5) years thereafter. The Zone may be renewed by the Court for one or more subsequent terms of five (5) years or less.

Therefore, upon motion made by Commissioner Combs seconded by Commissioner Tice and affirmatively passed, be it RESOLVED and ORDERED by the Court that the 575.8-acre tract of land, more or less, described in the attached Exhibit "ZONE DESCRIPTION" is hereby renewed and re-designated as the CHAMBERS COUNTY LOGISTICS TERMINAL, LP 2014 REINVESTMENT ZONE and is eligible for manufacturing / industrial tax abatement.

PASSED and ADOPTED August 13, 2019.

CHAMBERS COUNTY, TEXAS

By: _____

JUDGE ~~JIMMY SYLVIA~~, Gary Nelson
Chambers County Judge, Pro-tem

ATTEST:

HEATHER H. HAWTHORNE, County Clerk

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**CHAMBERS COUNTY LOGISTICS TERMINAL, LP**
**2014 PROPERTY DESCRIPTION**

A tract of land containing 575.8 acres being comprised of a called 81.6883 acre tract of land described in deed of record in Volume 1318, Page 349, Chambers County Deed Records, a called 56.3919 acre tract of land described in deed of record in Volume 936, Page 731, Chambers County Deed Records, a called 443.65 acre tract of land described in deed of record in Volume 1291, Page 256, of the Deed Records of Chambers County, Texas and a 50.40 acre tract of land out of a called 444.7717 acre tract of land, aforesaid 444.7717 acre tract of land described in deed of record in Volume 38, Page 529, of the Deed Records of Chambers County, Texas lying and being situated in the B.B.B. & C. R.R. Company Survey, Abstract No. 61, Chambers County, Texas.

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# EXHIBIT D
## Agreement for Law Enforcement Services

DRAFT

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# AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN CHAMBERS COUNTY, TEXAS AND CHAMBERS COUNTY LOGISTICS TERMINAL, L.P.

This Agreement for Law Enforcement Services ("Agreement") is made and entered into by and between Chambers County, Texas ("County"), a political subdivision of the State of Texas, acting through its Commissioners Court, and Chambers County Logistics Terminal, L.P. ("CCLT"), acting through its General Partner, Chambers County Associates, Inc. CCLT and County are the parties to this Agreement (collectively, the "Parties").

## RECITALS

**WHEREAS**, Section 351.061 of the Texas Local Government Code authorizes the County to contract with a nongovernmental association, such as CCLT for the provision of law enforcement services on a fee basis in the geographical area represented by the association; and

**WHEREAS**, CCLT desires to have the County's Sheriff's Office hire and assign five (5) full-time Sheriff Deputies to providing law enforcement services in and around CCLT's industrial and geographical area, including the neighboring Beach City (the "Area"); and

**WHEREAS**, County and the Cedar Port Navigation District (formerly Chambers County Improvement District No. 1) ("CPNID") entered into a similar agreement for law enforcement services near the Area, and County and Chambers County Improvement District No. 2 (CCID2) entered into a similar agreement for law enforcement services near the Area (County, CPNID, CCID2 and CCLT (collectively, the "Participants").

**WHEREAS**, The Participants collectively seek to have the County's Sheriff's Office hire and assign five (5) full-time Sheriff Deputies to providing law enforcement services in and around their respective industrial and geographical areas, including the neighboring Beach City ("Participant Area");

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**WHEREAS**, CCLT is willing to pay the County an amount of money sufficient to compensate the Sheriff Deputies for their Working Time in the Area, including salary, benefits, and all such other expenses that the County may incur, as provided in this Agreement, subject to the County's Sheriff temporary re-assignment of the Sheriff Deputies for emergency or Sheriff Deputy safety purposes; and

**WHEREAS**, the County will contract with CCLT under this Agreement, and the County has already reached and executed a similar agreement with CPNID and CCID2, and the Participants each sharing the total cost of such services on a pro rata basis on the basis on net taxable value of improvements in their respective geographical areas during the term of this Agreement, as renewed.

**WHEREAS**, the Parties also desire to provide patrol vehicles for the assigned Sheriff Deputies patrolling the Area, which vehicles are either owned by the County, or will be owned by the County, with certain costs of operation, fuel maintenance and routine repairs to be shared by the Participants, as provided in this Agreement.

## AGREEMENT

**NOW THEREFORE**, in consideration of mutual covenants and agreements of the Parties, the Parties contract and agree as follows:

## TERM

1. The Parties agree that the term of this Agreement shall commence on October 1, 2023 (the "Commencement Date") and continue to remain in full force and effect for a period of three (3) full and complete County budget years (the "Initial Term"); provided however, the Initial Term of this Agreement shall automatically extend without further action of the Parties for additional terms of one year unless otherwise terminated pursuant to the terms herein.

## SERVICES

2. The County agrees to authorize the Sheriff to appoint and assign five (5) full-time Sheriff Deputies to providing law enforcement services in and around the Area, commencing on the Commencement Date, subject to the County Sheriff's temporary re-assignment for emergency or deputy safety situations. These services will be provided by assigning one Sheriff Deputy per shift, four Sheriff Deputies to cover all four (4) shifts, plus a fifth Sheriff Deputy to cover relief, as applicable, for sick

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leave, vacation, etc. In total, five (5) Sheriff Deputies will be needed for the services offered under this Agreement, and based on this Agreement, County will move forward with the hiring and budgeting for such positions in reliance on CCLT's promised financial contribution set forth under this Agreement. With all five (5) Sheriff Deputies, the services offered hereunder are meant to provide 24-hour service coverage to the Area, and the Participant Area, subject to temporary re-assignment for emergency or deputy safety situations. In the event that one or more Sheriff Deputies assigned to patrol the Area or Participant Area are reassigned to a different area within the County, or if one or more of the Sheriff Deputies resigns from the County, or otherwise become unavailable to patrol the Area or the Participant Area, the County agrees to authorize the Sheriff to appoint one or more replacement full-time Sheriff Deputies to patrol the Area or Participant Area to provide the services set forth under this Agreement as soon as reasonably practical. The Parties understand and acknowledge that the Sheriff has the ultimate discretion to assign, re-assign, and place his Sheriff Deputies on patrol in certain areas within the County based on the total law enforcement needs of the County, particularly under emergency and exigent circumstances, or when deputy safety concerns require it. Subject to these limitations, County and Sheriff fully intend to hire and assign the Sheriff Deputies providing services under this Agreement to the Area or Participant Area.

3. All Sheriff Deputies assigned to the Area or Participant Area pursuant to this Agreement shall be certified and licensed law enforcement officers as required by law.

4. County shall provide dispatching services for all law enforcement services rendered pursuant to this Agreement.

5. "Working Time" is defined as follows: the usual or normal actual working hours that the Sheriff Deputies are assigned to work in any calendar month, including any overtime. Working Time shall not include vacation or sick leave. Working Time devoted to providing law enforcement services in the Area or Participant Area shall include, but not be limited to the following:

A. The time the Sheriff Deputies spend enforcing the laws of the State of Texas, and all ordinances, rules and regulations of applicable political subdivisions thereof, while physically located in the Area or Participant Area;

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B. The time the Sheriff Deputies spend stationed in the high visibility positions along the roadways, parkways and rights-of-ways along in the Area or Participant Area, particularly during peak traffic times;

C. The time the Sheriff Deputies spend routinely patrolling park areas, recreational facilities, industrial parks and residential areas in the Area or Participant Area;

D. The time the Sheriff Deputies spend routinely patrolling CCLT owned properties, including but not limited to logistics terminal, related railroad tracks, and other CCLT owned properties;

E. The time the Sheriff Deputies spend in court in connection with cases arising out of events occurring in the Area or Participant Area;

F. The time the Sheriff Deputies spend transporting persons arrested in the Area or Participant Area to jail;

G. The time the Sheriff Deputies spend responding to emergency calls inside the Area or Participant Area;

H. The time the Sheriff Deputies spend responding to emergency calls inside the Area or Participant Area, including vehicular accidents;

I. The time Sheriff Deputies spend preparing reports and documents pertaining to events occurring in the Area or Participant Area, including any monthly written reports to CCLT;

J. The time Sheriff Deputies spend attending any CCLT Board Meetings, or similar Participant meetings, as requested;

K. The time the Sheriff Deputies spend attending regularly scheduled homeowner's association meetings in the Area or Participant Area;

L. The time Sheriff Deputies spend attending major community public functions in the Area or Participant Area, as requested by CCLT; and

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M. The time Sheriff Deputies spend attending public community events in the Area or Participant Area.

6. Discretion as to law enforcement practices and the method of delivering law enforcement services pursuant to this Agreement lies solely within the Sheriff's discretion. To this end, CCLT shall refrain from giving or attempting to give any direction or instruction about law enforcement practices and methods of delivering law enforcement services directly to any Sheriff Deputy assigned by the Sheriff hereunder or to clerical personnel working in the Sheriff's office.

7. The Parties understand and agree that the Sheriff shall retain control and supervision of the Sheriff Deputies performing law enforcement services pursuant to this Agreement to the same extent as other Sheriff Deputies.

8. If CCLT is dissatisfied in any way with the performance of the County, the Sheriff or the Sheriff Deputies under this Agreement, CCLT should provide written notice to the County and Sheriff. After receiving notice, the Parties should meet and confer and attempt to resolve the dispute. If the Parties are unable to resolve the dispute, CCLT's sole remedy is to terminate the Agreement in accordance with the termination provisions in this Agreement at the then current term.

## CONSIDERATION FOR SERVICES

9. CCLT agrees to pay the County a sum of money stated in paragraphs 11 and 12 of this Agreement, which will include its pro-rata share of the salary, overtime, and benefits, including paying for Working Time, vacation, personal time, and sick leave of the five (5) full-time Sheriff Deputies employed pursuant to this Agreement (the "Salary and Compensation Cost"). The Salary and Compensation Cost shall be consistent with County adopted rates for other Sheriff Deputies throughout the Initial Term and any renewal term of this Agreement and shall include the following:

A. The base salary of the five (5) Sheriff Deputies, including any salary required by any applicable collective bargaining agreement ("CBA"), plus any overtime paid to the Sheriff Deputies for law enforcement services in the Area or Participant Area, plus any County approved educational certification incentive compensation for the Sheriff Deputies;

B. FICA at the applicable rate for the five (5) Sheriff Deputies (currently 7.65% of each County employee's gross salary);

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C. Any applicable retirement benefits for the five (5) Sheriff Deputies, which shall be recalculated annually by the County;

D. Medical Insurance and Workers' Compensation insurance premiums for the five (5) Sheriff Deputies, which shall be recalculated annually by the County.

E. Any other benefits provided to the five (5) Sheriff Deputies which are adopted later by the County; and

F. An administrative and contingency fee of five percent (5%) of all the items listed above.

10. CCLT shall pay the County for its pro-rata share of all costs of equipment for each deputy, including but not limited to uniforms, radios, and all tools or items necessary to perform their job effectively.

11. The Parties estimate that the annual cost to fund the five (5) Sheriff Deputies for the entirety of year 1 will be approximately $825,000, and approximately $675,000 annually for years 2 and 3 of this Agreement. The estimated costs for year 2 and year 3 are less because there are anticipated costs the County and Sheriff will incur in year 1 that will not be required in years 2 and 3. It is further estimated that these numbers will need to be adjusted to account for inflation for any renewal periods after the Initial Term. These are estimates only. CCLT agrees to fully fund its pro-rata share of these estimated amounts at the beginning of the County's budget year, in advance, prior to the time costs are incurred by County, and CCLT represents and warrants that it is committed during the Initial Term and any renewal term to do so. CCLT will fund and pay for the estimated annual pro-rated totals no later than the first day of the beginning of the County's budget year for year 1, 2 and 3 of the Initial Term, and the same for every renewal period. The County will account for and maintain records for the actual costs of the services provided hereunder, and upon ninety (90) days advanced written notice, CCLT may request an accounting showing the type and actual costs incurred by County and Sheriff for the expenses and services provided under this Agreement. If the estimated costs are different than the actual costs, the County reserves the right to adjust the next year's annual

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payment accordingly to reconcile any deficit, and apply a credit for the next year's annual payment if the County determines that CCLT made an overpayment. Put simply, after year 1 of this Agreement, the Parties agree that the annual payment by CCLT may be adjusted to reflect more accurately the actual costs pro-rated incurred by County and Sheriff, and afford the County an opportunity to true up any deficit or overpayment for the preceding year. All payments shall be made to "Chambers County, Texas" and be mailed to: Chambers County Auditor, P.O. Box 910, Anahuac, Texas 77514. If this Agreement is terminated by agreement of both Parties at any time other than at the end of the Initial Term or subsequent renewal term, amounts charged shall be properly prorated and reconciled accordingly. The Parties acknowledge that the County does not currently have five available Sheriff Deputies to provide law enforcement services pursuant to this Agreement for year 1 and agree that CCLT will not be responsible for payment for services which cannot be provided. CCLT will be responsible only for its pro-rata share of law enforcement expenses which are actually incurred in the provision of service to the Area or Participant Area pursuant to this Agreement. The County shall invoice CCLT only for such pro-rated portion of the $825,000 in projected expenses which it actually expects to incur when accounting for time necessary to hire Sheriff Deputies to provide law enforcement services and to obtain necessary equipment as provided herein. The County shall provide CCLT with an accounting of expenses incurred pursuant to this Agreement at the end of Year 1 without further request by CCLT and shall provide a credit to CCLT on the Year 2 invoice for any overpayment.

## PRO RATION OF EXPENSES AMONG THE PARTICIPANTS

12. Each of the Participants shall be responsible for a share of the total costs associated with providing the law enforcement services to the Area and the Participant Area, which shall be pro-rated among the Participants in accordance with the certified taxable value of the improvements located in each entity's geographical area. For example, and subject to further adjustment and reconciliation agreed to by the Parties, the proration shall be calculated as follows:

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| Entity | | Net Taxable Value | Share | 2023 | 2024 |
|---|---|---|---|---|---|
| CPNID | $ | 1,724,511,064 | 66.02% | $ 544,669.31 | $ 445,638.53 |
| CCID 2 | $ | 650,842,662 | 24.92% | $ 205,562.05 | $ 168,187.13 |
| KTN/CCLT | $ | 236,729,592 | 9.06% | $ 74,768.64 | $ 61,174.34 |
| | $ | 2,612,083,318 | | $ 825,000.00 | $ 675,000.00 |
| Estimated Cost to fund a full-time patrol | | | | $ 825,000.00 | $ 675,000.00 |

The County shall provide CCLT with the calculations in the same manner as shown above with the annual invoice for services. If the Participants do not fund their pro rata share of the Expenses pursuant to the Agreement, the Parties agree and acknowledge that the County will have to make up the difference with its own funding, or the County will have to terminate the Agreement or find funding from some other source. If this Agreement is terminated due to lack of funding by the Participants, the amounts paid by CCLT shall be properly prorated and reconciled/reimbursed accordingly.

## PATROL VEHICLES

13. The Parties agree that the Sheriff Deputies appointed and assigned by the Sheriff to patrol the Area and Participant Area shall use the County-owned vehicles purchased pursuant to the terms of this Agreement, and equipped with funds provided by CCLT (the "Patrol Vehicles"), and such Sheriff Deputies shall not receive an auto allowance while patrolling the Area and Participant Area. The Patrol Vehicles shall be appropriately marked to designate that law enforcement services are being performed under the authority of the Sheriff and the Sheriff shall ensure that the Patrol Vehicles are operated and maintained in the manner customary for vehicles used by law enforcement agencies. The Parties agree that the Patrol Vehicles shall be owned and operated by County and stationed at and dispatched from the Chambers County Sheriff's Office in Anahuac, Texas.

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14. CCLT agrees to pay the County for its pro-rata share of the County's costs of operating, fueling, maintaining, and repairing the Patrol Vehicles. The estimated costs of these expenses is included in the estimated annual costs referenced in paragraphs 11 and 12 above, and shall be payable by CCLT to County no later than the first day of the County's budget year for each applicable term of this Agreement. The County will account for and maintain records for the actual costs of the expenses, and the County reserves the right to reconcile the estimated cost payments with the actual costs as set forth in paragraph 11. If this Agreement is terminated by County because of a default by CCLT, or by agreement of both parties at any time other than at the end of the Initial Term or subsequent renewal term, amounts charged shall be properly prorated and reconciled accordingly.

## TERMINATION AND DEFAULT

15. If CCLT defaults in the payment of any obligation under this Agreement, the County's sole remedy shall be to immediately terminate this Agreement, upon written notice. If County defaults, CCLT's sole remedy shall be to immediately terminate this Agreement upon written notice; and to have the amounts charged by the County for the then current budget year, properly prorated and reconciled/reimbursed to CCLT accordingly.

16. Intentionally omitted.

17. Either Party may terminate this Agreement at the end of the Initial Term, or at the end of any renewal term, by providing the other Party at least 180 days of advance written notice of their intent to terminate this Agreement. Otherwise, this Agreement will automatically renew for a renewal term equal to a year and renewed automatically year after year until terminated by one of the Parties pursuant to the termination procedures set forth under this Agreement.

18. The Parties agree that should the County fail to enter into Agreements with any of the other Participants for the 1) provision of the law enforcement services described herein and 2) payment by the Participants to the County of their pro rata share of the costs associated with the provision of such services as described herein

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on or before January 1, 2024, that the County or CCLT may terminate this Agreement upon provision of ninety (90) days written notice. The County and CCLT agree to negotiate in good faith a subsequent agreement for the provision of law enforcement services in the event of such termination.

## NOTICE

19. Any notice required to be given under the provisions of this Agreement shall be delivered to the County at the Office of the County Judge, P.O. Box 939, Anahuac, Texas 77514, and to CCLT, at 10925 Highway 225 La Porte, TX 77571. Required notices hereunder shall be hand-delivered or sent by certified mail, return receipt requested. Notice shall be duly served when it is received by the appropriate party. Either Party may designate a different address by giving the other party ten (10) days' written notice.

## MISCELLANEOUS

20. The Parties agree that this Agreement contains all the terms and conditions of the understanding of the Parties relating to the subject matter hereof. This Agreement may not be altered, changed, or amended, except by written instrument executed by both Parties. If any provision of this Agreement shall be deemed void or invalid, such provision shall be severed from the remainder of the Agreement, which shall remain in full force and effect.

21. This Agreement may be executed in multiple counterparts, each having equal force and effect of the original.

[SIGNATURE PAGE TO FOLLOW]

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This Agreement is agreed to by the Parties and made effective as of October 1, 2023.

**Chambers County Logistics Terminal, L.P.**

**By Its General Partner, Chambers County Associates, Inc.**

By: _____

Print Name: KATLEEN BRACQUENÉ

Date: 09/29/2023

**Chambers County, Texas**

DocuSigned by:

By: Jimmy Sylvia
1492536299EA478

Print Name: Jimmy Sylvia

Date: 09/27/2023 | 10:54:43 CDT

ATTEST:

DocuSigned by:

Heather H. Hawthorne
03933AF268E5410...

County Clerk

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# EXHIBIT E
# MOU

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# MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU), is entered into on February 28, 2022, by and between Chambers County, Texas (the "County") and Chambers County Logistic Terminal, LP ("CCLT") and collectively known as the "Parties" for the purpose of reflecting the Parties' intentions with respect to establishing and achieving various goals and objectives relating to the funding and construction of improvements to Kilgore Parkway, and the use of Kilgore Parkway by CCLT.

**WHEREAS,** the Parties understand that this MOU is not intended to be enforceable against either party as a formal agreement, but is merely a recognition of the Parties desires and intentions with respect to the goals and objectives set forth herein;

**WHEREAS**, the Parties are desirous of an understanding setting out all necessary working arrangements that both Parties agree shall be necessary to complete this MOU;

**WHEREAS,** this MOU has been established with the following intended mission in mind:

County's desire to obtain funding through a donation from CCLT for a west bound left turn lane to be constructed in parallel with the boulevard expansion of Kilgore Parkway and to delineate CCLT's future use of Kilgore Parkway in order to ensure traffic safety in the areas along Kilgore Parkway.

**WHEREAS,** the Parties intend for this MOU to outline the general intentions between Chambers County and CCLT related to the development of Kilgore Parkway in Chambers County.

**WHEREAS,** the Parties intend to endeavor to work together to promote and sustain the quality of life and safety of Chambers County residents and others using Kilgore Parkway.

**NOW THEREFORE, IN CONSIDERATION OF THE MUTUAL INTENTIONS EXPRESSED HEREIN, THE PARTIES HEREBY EXPRESS AND MEMORIALIZE THEIR CURRENT INTENTIONS AS FOLLOW.**

It is the desire and the wish of the aforementioned Parties to this MOU that this document should not and thus shall not establish nor create any form or manner of a formal agreement, but rather an expression of intentions between the Parties to work together in such a manner that would promote a genuine atmosphere of collaboration and alliance in the support of an effective and efficient partnership and leadership meant to maintain, safeguard and sustain sound and optimal managerial, financial and administrative commitment with regards to all matters related to the Kilgore Parkway expansion.

## AMENDMENT OR CANCELLATION OF THIS MEMORANDUM

This MOU may be amended or modified at any time in writing by mutual consent of both parties.

In addition, the MOU may be cancelled by either party with sixty (60) days advance written notice.

## GENERAL PROVISIONS

The Parties acknowledge and understand that they intend to fulfill their stated intentions expressed in this MOU in accordance with the provisions of the law and regulations that govern their activities.

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Nothing in this MOU is intended to negate or otherwise render ineffective any such provisions or operating procedures. The parties assume full responsibility for their expressed intentions under the terms of this MOU.

**NOTICE**

Any notice or communication required or permitted under this MOU shall be sufficiently given if delivered in person or by certified mail, return receipt requested, to the address set forth in the opening paragraph or to such address as one may have furnished to the other in writing.

**GOVERNING LAW**

This MOU shall be governed by and construed in accordance with the laws of the State of Texas. It is expressly understood by the Parties that this MOU is not intended to be a binding and enforceable agreement upon either party, but is instead simply intended to outline the goals and intentions of the Parties.

**ASSIGNMENT**

Neither party to this MOU may assign or transfer the intentions expressed herein without the prior written consent of the non-assigning party, which approval shall not be unreasonably withheld.

**ENTIRE UNDERSTANDING**

The MOU constitutes the entire expressed intent of the Parties pertaining to all matters contemplated hereunder at this time. The Parties signing this MOU desire or intend that any implementing contract, license, or other agreement entered into between the Parties subsequent hereto shall supersede and preempt any conflicting provision of this MOU whether written or oral.

**MEMORANDUM OF UNDERSTANDING SUMMARY**

***FURTHERMORE***, the Parties to this MOU express their intentions as follows:

1. CCLT intends to donate to Chambers County up to $117,000.00 in order to fund in whole or in part the construction cost of a west bound left turn lane to be constructed in parallel with the boulevard expansion of Kilgore Parkway, as per recommendations in the Traffic Impact Analysis submitted to Chambers County on December 3, 2020 (the "TIA"), and as may be required by Chambers County's guidelines or rules. Considering CCLT's generous donation to the project, and Chamber's County's determination of the safety of same, Chambers County does not intend to require additional funding from CCLT to construct an east bound acceleration lane on Kilgore Parkway at the location of CCLT's driveway intersection of Kilgore Parkway prior to opening of the driveway. Chambers County reserves its right in the future to make additional roadway and drainage modifications to Kilgore Parkway as may be necessary to protect the health, safety of welfare of the public, consistent with the findings and recommendations of the TIA, or in the reasonable discretion of Chambers County.

2. CCLT and its freight carriers intend to utilize SH 99 for all truck and freight movement entering and existing CCLT's facilities exiting on Kilgore Parkway once the overweight restrictions on SH 99 are completely removed without limitations or exceptions. However, it is possible that certain conditions may be imposed by TXDOT (including the

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prohibition of overweight use of SH 99 during certain hours). In such case, CCLT intends to comply with those TXDOT conditions, which, in turn, would allow CCLT to use other routes, including Kilgore Parkway and HW 146, without any current limitations or restrictions. The intent is for CCLT to use SH 99 when laws change to permit full use on SH 99 and as soon as construction on SH 99 is fully completed. In the meantime, CCLT intends to use Kilgore Parkway and Highway 146. Thereafter, CCLT intends and the County expects CCLT to divert freight traffic onto SH 99 as soon as it is legally and practically possible to do so.

3. For the safety of the residents of Chambers County, CCLT intends to minimize freight traffic on Kilgore Parkway and SH 146, including the new west bound left turn lane along the Kilgore Parkway to the fullest extent possible, and CCLT's failure to act consistent with its expressed intentions in this MOU may cause Chambers County to adopt and enforce traffic regulations to prohibit freight traffic along Kilgore Parkway and SH 146, and to this end, Chambers County expressly reserves its legal right, duty and authority to adopt and enforce such traffic regulations in the future to address any safety or public concerns for its citizens using roads within Chambers County.

**AUTHORIZATION AND EXECUTION**

The signing of this MOU does not constitute a formal undertaking, and as such it simply intends that the signatories shall strive to reach, to the best of their abilities, the goals and objectives stated in this MOU.

This MOU shall be signed by the County and CCLT and shall be effective as of the date first written above.

Chambers County Logistic Terminal, LP
By its General Partner Chambers County Associates Inc

By: _____ 9/29/2022
(Date)

Chambers County, Texas

By: _____ 10.7.22
(Date)

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# EXHIBIT F

## CHAPTER 381 PAYMENT SCHEDULE: Phase 6 – CCLT B3

| Tax Year | Ch. 381 PILOT Payment | CCSED PILOT | Payment Date |
|---|---|---|---|
| 2024 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2025 |
| 2025 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2026 |
| 2026 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2027 |
| 2027 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2028 |
| 2028 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2029 |
| 2029 | 40% of CPT Abated | 100% of CCSED Tax | 1/31/2030 |

## CHAPTER 381 PAYMENT SCHEDULE: Phase 6 – CCLT B9

| Tax Year | Ch. 381 PILOT Payment | CCSED PILOT | Payment Date |
|---|---|---|---|
| 2024 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2025 |
| 2025 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2026 |
| 2026 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2027 |
| 2027 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2028 |
| 2028 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2029 |
| 2029 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2030 |
| 2030 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2031 |
| 2031 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2032 |
| 2032 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2033 |
| 2033 | 50% of CPT Abated | 100% of CCSED Tax | 1/31/2034 |

For purposes of this Agreement, the County Property Tax (CPT) will consist of the following categories:

- Road & Bridge – SPL
- County – General
- Interest & Sinking
- Road & Bridge – FMFC

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