DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

STATE OF TEXAS §
§
COUNTY OF CHAMBERS §

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("**Agreement**") is entered into this 27th day of February, 2024, by and between TGSCP 6363 LLC, a Texas limited corporation ("**TGS 63**"), Home Depot U.S.A., Inc., a Delaware corporation ("**TGS 63 Tenant**") and Chambers County, Texas ("**County**") (TGS 63, TGS 63 Tenant, 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 23rd day of November 2021, the County Commissioners Court adopted an Economic Development Policy ("**Chapter 312 Policy**"), setting forth policies, guidelines, and criteria for economic development incentives provided by the County under Chapter 312; and

WHEREAS, on the 26th day of April 2022, the County Commissioners Court updated adopted an Economic Development Policy ("**Chapter 312 Policy**"), setting forth policies, 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 10th day of August 2021, the County accepted and approved tax abatement and reinvestment zone applications from TGS 63 related to the development of a Wholesale Distribution Facility ("**Distribution Facility**") in Cedar Port and agreed to execute a tax abatement agreement with TGS 63 related to same; and

WHEREAS, on the 24th day of August 2021, the County Commissioners Court passed an Order establishing the TGSCP 6363 LLC 2021 Reinvestment Zone ("**Zone**") under

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 October 2021 and the 23rd day of November 2021, the County approved requests by TGS 63 to table approval of a tax abatement agreement to allow TGS 63 to finalize tenant negotiations; and

WHEREAS, on the 16th day of September 2022, TGS 63 presented a request to approve and amend a tax abatement agreement in order to effectuate a lease agreement with a tenant, a facet of which requires significant public thoroughfare improvements. A copy of the amendment request is attached as **Exhibit "C"**; and

WHEREAS, the County and TGS 63 now desire to enter into a Chapter 381 Economic Development Agreement to execute certain Public Improvements, grant tax abatement, and provide for enhanced public safety in accordance with Chapter 381 and the Chapter 381 Policy; and

WHEREAS, the abatement of the County Property Tax is contingent on the funding and execution of the Public Improvements, as defined, in accordance with the performance measures set forth herein; and

WHEREAS, the abatement of County Property Tax is contingent on full execution and compliance with that certain Interlocal Agreement for Law Enforcement Services between the County and the Cedar Port Navigation and Improvement District (**"CPNID"**). A copy of the Interlocal Agreement is attached as **Exhibit "D"**; and

WHEREAS, TGS 63 owns the Premises, as defined, and TGS 63 expects to complete the development of the Distribution Facility (among other possible improvements) on the Premises, as described in the TGS 63 Tax Abatement Application, 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 development of the Distribution Facility 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 and PILOT Payments as defined in this Agreement, and TGS 63, 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:

"**Affiliate**" shall mean any Person directly or indirectly controlling, controlled by, or under common control with TGS 63. 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.

"County Property Tax" shall mean all general, I&S, and road and bridge ad valorem taxes of the County imposed on the Eligible Property Value.

"County Property Tax Grant" shall mean for calendar year 2023, a payment from County to TGS 63 equal to sixty percent (60%) of the County Property Tax paid by TGS 63 pursuant to this Agreement.

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

"**Financing Party**" shall mean the lenders, security holders, investors, equity providers, and others providing financing or refinancing to or on behalf of TGS 63, for the development, construction, ownership, operation, or maintenance of the Distribution Facility 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, slowdowns or work stoppages, and epidemic, pandemic, or other widespread disease, or any other extraordinary event beyond the control of TGS 63 (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.

"Interlocal Agreement" shall mean the Interlocal Agreement for Law Enforcement Services made and entered into by and between the County, acting through its County Commissioners Court, and CPNID, acting through its Board of Directors.

"**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 TGS 63 Tenant, or an entity controlled by or under common control with TGS 63 Tenant who is expected or scheduled to work at least 1,800 hours in a twelve-month period as an employee in the County.

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

"**Premises**" shall mean all that parcel of land and improvements owned by TGS 63 as hereinafter described in Exhibit B attached hereto.

"Public Improvements" shall mean the expansion of FM 1405 north of SH 99 approximately 2,700' to 4 lanes, including the incorporation of acceleration and deceleration lanes for increased truck and automobile traffic.

"TGS 63 Tenant Situs Inventory" shall mean the assessed value of personal property and inventory not owned by TGS 63 that is located on the property subject to taxation.

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 27th day of February, 2024, authorizing the County Judge to execute this Agreement on behalf of the County.

B. **TGS 63 Authorization**. The undersigned officer of TGS 63 has authority to execute this Agreement on behalf of the TGS 63.

C. **TGS 63 Tenant Authorization**. The undersigned officer of TGS 63 Tenant has authority to execute this Agreement on behalf of the TGS 63 Tenant.

D. **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. The County has determined that this Agreement satisfies all requirements for tax abatement set forth in the Chapter 381 Policy. To the extent that this Agreement deviates from a requirement of the Chapter 381 Policy, the County hereby grants TGS 63 a variance from such deviation.

E. **Ownership of Premises**. The Premises will be owned by TGS 63 or a TGS 63 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 the development of the Premises, Distribution Facility, and Public Improvements.

Section 4. Tax Abatement

The County hereby grants to TGS 63 a tax abatement with respect to the Distribution Facility. The tax abatement shall begin on January 1, 2024, and shall continue for nine years, 2024 - 2032. TGS 63 hereby assigns all its beneficial interest in the tax abatements under this Agreement to the TGS 63 Tenant, and TGS 63 Tenant hereby accepts such assignment. Any beneficial interest in the tax abatement shall be the sole property of the TGS 63 Tenant.

In each year of this nine-year period, the tax abatement shall equal one hundred percent (100%) of the 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 nine-year period, the tax abatement shall equal one hundred percent (100%) of the property taxes imposed on the Eligible Property Value by the Chambers County School Equalization District (CCSED). The CCSED tax for the calendar year 2023 will be paid by TGS 63 Tenant.

Section 5. TGS 63 Payments to County

For each year in which TGS 63 receives tax abatement under Section 4, TGS 63 agrees to tender to the 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 Payments.** Chapter 381 Payments shall mean for calendar years 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, and 2032, a payment from TGS 63 to County equal to forty percent (40%) of the County Property Tax abated pursuant to this Agreement. For a schedule of the Chapter 381 Payments, see **Exhibit "E"** attached hereto.

B. **Chapter 381 Community Impact Program Contribution (CIPC).** The CIPC shall equal 3.00% of the tax savings derived from the County Property Tax abated or discounted each year pursuant to this Agreement (2023 – 2032). 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 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 Payment, see **Exhibit "E"** attached hereto.

Section 6. 2023 County Payment to TGS 63

County Property Tax Grant. TGS 63 will pay the County Property Tax due for calendar year 2023. County will make a County Property Tax Grant to TGS 63 equal to sixty percent (60%) of the County Property Tax paid by TGS 63 for calendar year 2023 pursuant to this Agreement.

Section 7. Covenants

A. **Construction Covenants.** TGS 63 or a TGS 63 Affiliate covenant to substantially complete, or cause to be substantially completed, the Distribution Facility on or before March 1, 2023 and the Public Improvements within 18 months of TXDOT approval of plans and bid documents, provided that TGS 63 or a TGS 63 Affiliate shall have such additional time as may be required by the effects of Force Majeure.

B. **Operation Covenant.** TGS 63 or a TGS 63 Affiliate and TGS 63 Tenant shall operate the Distribution Facility 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.

C. **Inventory Covenant.** The County, TGS 63, and TGS 63 Tenant agree and expect that TGS 63 Tenant shall report the assessed taxable value of TGS 63 Tenant Situs Inventory in the Distribution Facility, and the aggregate assessed taxable value of TGS 63 Tenant Situs Inventory in the County on the January 1st valuation date each year for the Years 2023—2032.

D. **Property Tax Covenant.** Throughout the term of this Agreement, TGS 63 shall timely pay all property taxes imposed by the County on Ineligible Property Value.

E. **Best Efforts to Increase Local Employment Covenant.** TGS 63 and TGS 63 Tenant represent and agree that the agreed development and operation of the Distribution Facility will stimulate employment and the local economy. To this end, TGS 63 & TGS 63 Tenant represent and agree that:

a. TGS 63 and TGS 63 Tenant represent and agree that at least one hundred (100) Permanent Employee positions will be maintained in the County throughout the abatement term.

b. TGS 63 and TGS 63 Tenant represent and agree it is a goal of the County to foster employment for Chamber County residents and each will use commercially reasonable good faith efforts to fill these jobs with residents of Chambers County. Any offers of employment shall be at TGS 63 Tenant's sole discretion and nothing in this paragraph shall require TGS 63 Tenant to offer employment to individuals who are not otherwise qualified for such employment.

c. In compliance with Texas Government Code, Section 2264.001 *et seq.*, TGS 63 Tenant 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, TGS 63 Tenant (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), TGS 63 and TGS 63 Tenant shall repay all taxes previously abated by virtue of this Agreement with interest at the rate of four percent (4%) *per annum*, not later than the 120th day after the date on which the County notifies TGS 63 and TGS 63 Tenant of a violation of this Section 6, (g).

In addition, TGS 63 Tenant hereby verifies in accordance with the requirements of Chapters 2271, 2274, and 2274 of the Government Code and subject to applicable law that TGS 63 Tenant 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 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.

Section 8. Records and Audits

A. **Annual Certification**. Not later than January 31 of each year during the term of the tax abatement, TGS 63 shall submit to the County a certification from TGS 63 as to the conditions and covenants set forth in Section 7, provided that once the Construction Covenants are met, no further certification shall be required with respect to the Construction Covenants.

B. **County Access to Premises**. For the sole purpose of verifying TGS 63's and TGS 63 Tenant's annual certification, County employees or representatives shall have reasonable access to the Premises during the term of this Agreement. The County shall give forty-eight (48) hours prior notice to TGS 63 and TGS 63 Tenant whose employees shall have the right to accompany County employees. While on the Premises, County employees shall follow TGS 63 Tenant safety policies and not interfere with TGS 63 Tenant 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 TGS 63 Tenant before entering the premises.

Section 9. Default and Termination

A. **Default**. In the event that TGS 63 or TGS 63 Tenant either fails to ensure that Covenants B. through E. set forth in Section 7 are achieved, or breaches the terms or conditions of this Agreement, TGS 63 shall be in default of this Agreement.

B. **Cure**. In the event TGS 63 or TGS 63 Tenant defaults in its performance of the Agreement, the County shall give TGS 63 or TGS 63 Tenant written notice of such default. TGS 63 or TGS 63 Tenant shall have sixty (60) days after said written notice to cure the default; provided, if the default is not reasonably susceptible to cure within such sixty (60) day period and TGS 63 or TGS 63 Tenant has commenced and is diligently pursuing cure of same, then, after first advising the County of TGS 63's or TGS 63 Tenant's efforts to cure same, it shall not constitute a breach of such party.

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. If TGS 63 or TGS 63 Tenant breaches a covenant in Section 7, 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. **TGS 63's Remedies**. TGS 63 or TGS 63 Tenant 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 TGS 63 or TGS 63 Tenant may have at law, in equity, or otherwise.

E. **Mutual Termination**. The parties may terminate this Agreement by mutual agreement at any time. Except to the extent provided herein, upon termination of this Agreement, the parties shall have no further liabilities or obligations under this Agreement.

Section 10. 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 TGS 63 may assign this Agreement and all of its rights hereunder to any TGS 63 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 10 shall not affect any tax abatements with respect to which TGS 63 or a TGS 63 Affiliate is already entitled.

Section 11. 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:

TGS 63:

TGSCP 6363 LLC
7500 FM 1405
Baytown, TX 77523
Attention: Brian Bommer

TGS 63 Tenant:

Home Depot U.S.A., Inc.
2455 Paces Ferry Road
Atlanta, Georgia 30339-4024
Attention: Nick Harper, Senior Corporate Counsel

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 12. Indemnification

A. **INDEMNITY**. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, TGS 63 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 TGS 63'S CONSTRUCTION OF THE DISTRIBUTION FACILITY.

IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, TGS 63 AND TGS 63 TENANT SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS 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, RELATED TO NEGLIGENCE, WILLFUL MISCONDUCT OR CRIMINAL CONDUCT IN TGS 63 AND/OR TGS 63 TENANT'S OPERATION OF THE DISTRIBUTION FACILITY.

INDEMNIFICATION PROVIDED HEREIN SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE COUNTY'S OR ANY OTHER PERSON OR ENTITY'S OWN NEGLIGENCE, WILLFUL MISCONDUCT, CRIMINAL CONDUCT, OR ERRORS OR OMISSIONS.

THIS SECTION SHALL SURVIVE THE TERMINATION AND OR EXPIRATION OF THIS AGREEMENT.

B. **Notice of Indemnified Loss**. The County's Indemnified Party shall promptly notify TGS 63 or TGS 63 Tenant of any indemnified Losses or Claim for indemnified Losses in respect of which the County's Indemnified Party may be entitled to indemnification under this Section 12. 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, TGS 63 or TGS 63 Tenant shall, upon notice from the County's Indemnified Party or its authorized agents or representatives, at TGS 63's or TGS 63 Tenant sole cost and expense, resist and defend the same with legal counsel selected by TGS 63 or TGS 63 Tenant; provided, however, that TGS 63 or TGS 63 Tenant 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 TGS 63 or TGS 63 Tenant and participating in the defense of any litigation by their own counsel. If TGS 63 or TGS 63 Tenant fails to retain 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 TGS 63 or TGS 63 Tenant 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. No party shall be liable for consequential damages.

Section 13. 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 nor 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 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 TGS 63, 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 TGS 63 relating to matters other than the abatement of property taxes.

** * * Signature Page Follows * * **

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXECUTED the _____ day of _____, 2024.

CHAMBERS COUNTY, TEXAS

By: DocuSigned by: Jimmy Sylvia 14925362996A478
Jimmy Sylvia, County Judge

ATTEST: DocuSigned by: Heather H. Hawthorne 03933AF26BE5410...
Heather Hawthorne, County Clerk

TGSCP 6363 LLC

By: James Scott
Name: James Scott
Title: President

ATTEST:
Katelyn Maxwell

HOME DEPOT U.S.A, INC.

By: _____
Name: John Chescavage
Title: Senior Corporate Counsel

ATTEST:
Celeste H. Burr

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT A
Chapter 381 Policy

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT A-1
Chapter 312 Policy

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

JIMMY SYLVIA, Judge

ATTEST:

HEATHER HAWTHORNE, County Clerk

04/26/22

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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);

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

(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.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

EXHIBIT B
TGSCP 6363 LLC 2021 Reinvestment Zone

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

21-08-218

5.8

ORDER DESIGNATING/CREATING
THE
TGSCP 6363 LLC 2021 REINVESTMENT ZONE

On August 24, 2021, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS (the "Court"), the Court conducted a hearing on the application of TGSCP 6363 LLC ("TGS 63") for the creation of the TGSCP 6363 LLC 2021 REINVESTMENT ZONE (the "Reinvestment 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.

2. TGS 63 has applied, in a timely and adequate fashion, for tax abatement on a proposed project to be developed within the Reinvestment Zone.

3. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the creation of the Reinvestment 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.

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

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

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

Therefore, upon motion made by Commissioner Tice, seconded by Commissioner Hammond and affirmatively passed, be it RESOLVED and ORDERED by the Court that the 73-acre tract of land described in the attached Exhibit is hereby designated as the TGSCP 6363 LLC 2021 REINVESTMENT ZONE and is eligible for commercial / industrial tax abatement.

PASSED and ADOPTED August 24, 2021.

CHAMBERS COUNTY, TEXAS

By: _____
JUDGE JIMMY SYLVIA,
Chambers County Judge

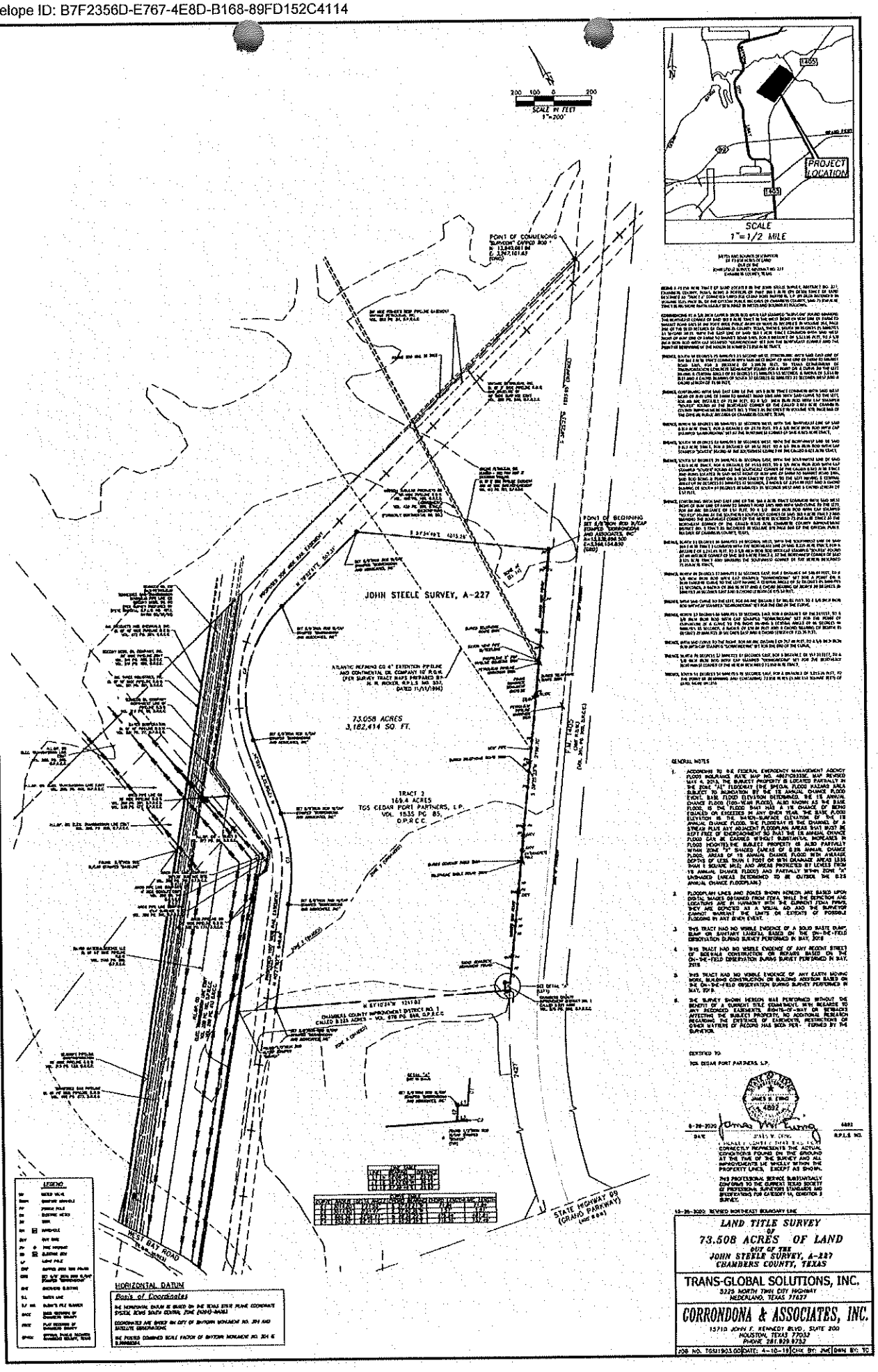
ATTEST:
Heather H. Hawthorne
HEATHER H. HAWTHORNE, County Clerk

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

TGSCP 6363 LLC
PROPERTY DESCRIPTION
73-ACRE TRACT

BEING 73.058 ACRES OF LAND, MORE OR LESS, SITUATED IN THE JOHN STEELE SURVEY, ABSTRACT NO. 227, CHAMBERS COUNTY, TEXAS. BEING OUT OF THE 169.4 ACRE (BY DEED) TRACT 2 DEEDED TO TGS CEDAR PORT PARTNERS, L.P., AS RECORDED IN VOLUME 1535, PAGE 85 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114



DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT C
Amendment Request

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

September 16, 2022

The Honorable Jimmy Silvia
Chambers County Judge
4040 Washington Avenue
P.O. Box 939
Anahuac, TX 77514

Regarding: TGSCP 6363, LLC ("TGS 63") request to amend the TGS 63 Tax Abatement Agreement for TGS Cedar Port DC 1 ("CPDC1") located at 6363 FM 1405, Baytown, TX 77523.

Dear Judge Silvia,

Please accept this letter as a formal request to amend the Tax Abatement Agreement between Chambers County, Texas and TGSCP 6363 LLC for its development of CPDC1 located at 6363 FM 1405, Baytown, TX 77523.

We are pleased to report that upon completion of CPDC1, we have entered into a fully executed lease agreement with a Fortune 100 tenant to lease all of CPDC1. The TGS 63 Tax Abatement Agreement is a major economic driver for the tenant and a condition precedent for the tenant executing the lease.

The prospective tenant is a well-known and industry-leading national retailer that estimates it will bring the following job growth and taxable assets to the County:

- Job Creation – Retain and/or backfill at least 10+ FT jobs
- Inventory – average of $12M+
- Leasehold Improvements – approx. $6M
- Additional Equipment - $30M (material handling equipment, racking, systems)

As part of this project, we will be funding improvements on roughly one mile of FM 1405 north of Highway 99.

The prospective tenant has a significant presence in Chambers County and is one of the larger taxpayers in the County. While an expansion of its existing facilities in the County is preferred, the tenant evaluated other locations inside and outside the State of Texas, and we want to provide

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

as much incentive as possible to solidify a Chambers County occupancy for this requirement. As such, we request a 60% 10-year abatement.

We greatly appreciate the Commissioners Court's consideration of the amendment and execution of the TGS 63 Tax Abatement Agreement. We would be happy to answer any questions that you might have regarding the project.

If you have any questions, please feel free to contact me.

Sincerely,

James Scott

James Scott
TGS Cedar Port Partner, LP
Office: (409) 727-4801
Cell: (409) 658-7959
jscott@tgsgroup.com

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

TAX ABATEMENT AGREEMENT BETWEEN CHAMBERS COUNTY, TEXAS, AND TGSCP 6363, LLC FOR PROPERTY LOCATED IN THE TGSCP 6363, LLC 2021 REINVESTMENT ZONE

This Tax Abatement Agreement (hereinafter referred to as the "Agreement") is made, entered, and executed between **CHAMBERS COUNTY, TEXAS** acting through its **Commissioners Court** (hereinafter referred to as "**COUNTY**"), and **TGSCP 6363, LLC** (hereinafter referred to as **"TGS 63"**), the owner of taxable property in Chambers County, Texas, located in the **TGSCP 6363, LLC 2021 REINVESTMENT ZONE** ("Reinvestment Zone").

I. AUTHORIZATION

This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Tax Code, Chapter 312, as amended, and by authorization of the **COUNTY** following the designation of the Reinvestment Zone. The guidelines and criteria for granting tax abatements in a reinvestment zone created in Chambers County, Texas, which were adopted by the **COUNTY**, are incorporated herein by reference, together with any applicable amendments. All definitions set forth therein are applicable to this Agreement.

II. DEFINITIONS

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

a. "Improvements" means the buildings or portions thereof and other improvements, including fixed machinery, site improvements, equipment and process units used or to be used for commercial or industrial purposes on the Site that are acquired and/or constructed by **TGS 63** on the property after January 1, 2021, and subject to *ad valorem* taxes.

b. "Construction Phase" means a material and substantial improvement of the property which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when the Improvements are substantially completed and consistent with Article VI entitled "Contemplated Improvements" expected by August 31, 2022.

c. "Abatement" means the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated for economic development purposes.

d. "Base Year Value" means the Certified Appraised Value of all Eligible Abatement Property as valued on January 1 of the year of the date of execution of this Agreement. The Base Year Value does not include the value of the land or other Ineligible Property located on the Site as of the valuation date.

e. "Eligible Abatement Property" means the buildings, structures, fixed machinery, equipment, certain business personal property, and improvements subject to ad valorem taxes necessary to the operation and administration of the Improvements.

f. "New Eligible Abatement Property" means Eligible Abatement Property, the construction and installation of which commences after the date of execution of this Agreement. A list of the New Eligible Abatement Property is set forth in the **TGS 63 Application for Tax Abatement** in **CHAMBERS COUNTY, TEXAS ("TGS 63 Application")**, which is attached hereto as **Exhibit B** and incorporated herein by reference and made a part hereof. During the Construction Phase of the New Eligible Abatement Property, **TGS 63** may make such change orders to the New Eligible Abatement Property as are reasonably necessary to accomplish its intended use.

g. "Ineligible Property" means land, inventories, supplies, tools, furnishings, and other forms of movable business personal property, including but not limited to, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any Improvements including those to produce, store, or distribute natural gas, fluids or gases, which are not necessary to the operation of the expansion of the existing facility, and property that has an economic life of less than fifteen (15) years.

h. "TGS 63 Tenant Situs Inventory" means the assessed value of personal property and inventory not owned by TGS 63 that is located on the property subject to taxation.

i. "TGS 63 Tenant" means Company X – TBD.

j. "Undocumented Worker" means an individual who, at the time of employment by **TGS 63** or **TGS 63 Tenant**, 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.

k. "Permanent Employee" means a person whose employment is both permanent and full-time as reflected in the applicable payroll system of **TGS 63 Tenant**, or an entity controlled by or under common control with **TGS 63 Tenant** who is expected or scheduled to work at least [1,800] hours in a twelve-month period as an employee at the New Facility.

l. "Term" means the term of this Agreement for Tax Years 2023 – 2027 as set forth in Section IV.

III. SUBJECT PROPERTY

3.01 The Reinvestment Zone is an area within Chambers County, Texas, comprising approximately 73.058 acres generally described in **Exhibit A** attached hereto and incorporated herein (the "**Site**"). The 2021 Certified Appraised Value of the Site is:

Land Only	$1,250,000
Improvements	$ 0
TOTAL:	$1,250,000

3.02 The Certified Appraised Values shall be determined by the Chambers County Appraisal District ("**CCAD**"), subject to **TGS 63's** rights under the Texas Tax Code to protest and appeal such value or component thereof. Subject to such rights, the Base Year Value is $ 0.00.

IV. VALUE AND TERM OF AGREEMENT

4.01 The abatement shall commence no later than the January 1, 2023, valuation date as authorized by Sec. 312.007 of the Tax Code, provided, however, that the abatement period shall not exceed ten years (the "**Abatement Period**"). In the event that **TGS 63** secures a lease with a tenant, the Agreement and Value and Term of the Agreement will be modified in a manner consistent with the Tax Code and County policy.

In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below. The appraised value, as defined in the Texas Tax Code, of the New Eligible Abatement Property shall be abated in accordance with the following schedule in consideration for the payment of the agreed to PILOT Payments in **Exhibit C** attached hereto:

Year Abated	Percentage of Value Abated
2023	**100%**
2024	**100%**
2025	**100%**
2026	**100%**
2027	**100%**

4.02 During the Abatement, in lieu of the property taxes abated pursuant to the terms of this Agreement, **TGS 63** shall pay to the **COUNTY** an amount, per tax year, set forth on **Exhibit C** on or before the PILOT Payment Date set forth on **Exhibit C**. Neither **TGS 63** or its successors and assigns shall claim, demand, sue for or otherwise seek to recover any amounts paid to the **COUNTY** pursuant to this Agreement, provided the foregoing shall in no event prevent **TGS 63** from exercising all of its rights and remedies as provided for under the Texas Tax Code.

4.03 For each year during the Abatement Period, the tax abatement shall not apply to the Base Year Value, which shall be fully taxable, if applicable. The New Eligible Abatement Property value shall be determined by CCAD, subject to **TGS 63's** rights under the Texas Tax Code to protest and appeal such value or component thereof.

V. TAXABILITY

During the period that this Agreement is effective:

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

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

VI. CONTEMPLATED IMPROVEMENTS

6.01 As set forth in the **TGS 63 Application,** which is incorporated herein for all purposes, **TGS 63** represents that it will construct a Spec Distribution Facility ("New Facility") with an approximate improvement cost and added value of **$60,000,000**. During the Construction Phase, **TGS 63** may make such change orders to the project as are reasonably necessary. All New Facility Improvements shall be completed in accordance with the **TGS 63 Application** and all applicable laws, ordinances, rules, or regulations.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

6.02 **TGS 63** represents and agrees that the agreed to construction and operation of the New Facility will stimulate employment and the local economy. To this end, **TGS 63** represents and agrees that it reasonably expects a quarterly average of fifty (50) new construction jobs to be generated at the Site during the Construction Phase for the New Facility.

6.03 Upon **TGS 63** leasing the New Facility to **TGS 63 TENANT, TGS 63 TENANT** represents and agrees to use its reasonably good faith effort to cause directly or indirectly to be filled _____ (XX) Permanent Employee positions. **TGS 63 TENANT** represents that these will be truly "new jobs" for Chambers County. **TGS 63 TENANT** represents and agrees it will use commercially reasonable efforts to prioritize hiring criteria and exercise commercially reasonable efforts to ensure that the new employment opportunities referenced above will be filled by residents of Chambers County, and that a minimum of _____ (XX) of the new Permanent Employee positions will be filled with residents of Chambers County. **TGS 63 TENANT** also represents and agrees to use commercially reasonable efforts to prioritize efforts to use local resources in goods and services at the New Facility.

- Failure of **TGS 63 TENANT** to provide the required Permanent Employees at any applicable anniversary of the commencement of the Term shall not be considered an Event of Default unless the number of Permanent Employees actually provided is less than 70% of the required number, provided that the **TGS 63 TENANT** shall be provided reasonable allowance as may be required by the effects of Force Majeure.

6.04 The **COUNTY**, **TGS 63,** and the **TGS 63 TENANT** agree and expect that the taxable value of **TGS 63 TENANT Situs Inventory** will have an annual minimum base value of $_____ on the January 1st valuation date for Tax Years _____ - _____ (Term).

- Failure of **TGS 63 TENANT** to provide the required **TGS 63 TENANT Situs Inventory** at any applicable anniversary of the commencement of the Term shall not be considered an Event of Default unless **TGS 63 TENANT Situs Inventory** actually assessed is less than 70% of the required annual minimum base value,

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

provided that the **TGS 63 TENANT** shall be provided reasonable allowance as may be required by the effects of Force Majeure.

6.05 In compliance with Texas Government Code, Section 2264.001 *et seq.*, **TGS 63 TENANT** 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, **TGS 63 TENANT** (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), **TGS 63 TENANT** 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 **TGS 63 TENANT** of a violation of this Section 6.05.

VII. EVENTS OF DEFAULT

7.01 During the abatement period covered by this Agreement, the **COUNTY** may declare a default hereunder by **TGS 63** if **TGS 63** (i) fails to commence construction of the New Facility within one (1) year from the date this Agreement is executed or (ii) fails to construct the New Facility or (iii) if **TGS 63** and **TGS 63 TENANT** fails to comply with any of the respectively applicable material terms of this Agreement, or (iv) if any representation made by **TGS 63** and **TGS 63 TENANT** in this Agreement is false or misleading in any material respect.

7.02 If the **COUNTY** declares that **TGS 63** is in default of this Agreement, the **COUNTY** shall notify **TGS 63** in writing. If such default is not cured within sixty (60) days from the date of such notice ("**Cure Period**"), then this Agreement may be terminated. In the case of a default for causes beyond **TGS 63**'s reasonable control which cannot with due diligence be cured within the Cure Period, the Cure Period shall be deemed extended if **TGS 63** (i) shall notify the **COUNTY** of **TGS 63's** intention to institute steps reasonably necessary to cure such default, (ii) shall proceed to cure such default, and (iii) shall submit a proposed schedule for the completion of the Improvements, including the estimated date for completion of the Improvements, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements that is completed as of the date of such notice.

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

7.03 In the event **TGS 63** (i) allows its *ad valorem* taxes on the Improvements to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the ad valorem taxes on the Improvements or (ii) defaults under this Agreement and fails to cure, this Agreement may then be terminated. In the event of termination of this Agreement pursuant to the provisions of this paragraph, all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination, together with penalties and interest as required by the Texas Property Tax Code.

7.04 In the event the Improvements are completed and begin producing product or services as contemplated, but subsequently discontinue producing product or services or shall fail to cure any representation regarding employment for any reason excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate, for a period of one (1) year during the Abatement Period, then this Agreement shall terminate. In the event of termination pursuant to the provisions of this paragraph, the abatement of the taxes for the calendar year during which the facility Improvements no longer produce shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement. The taxes otherwise abated shall be paid to the **COUNTY** prior to the delinquency date for such year. In no event shall **TGS 63** be required to pay such taxes within less than sixty (60) days of the termination.

VIII. ADMINISTRATION

8.01 This Agreement shall be administered on behalf of the **COUNTY** by the **BAYTOWN-WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION (EDF)**. Upon completion of the facility Improvements, the **COUNTY,** or its representative, the **EDF**, shall annually evaluate the facility Improvements to ensure compliance with this Agreement. 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 New Facility.

8.02 The Chief Appraiser of the Chambers County Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and business personal property comprising this Reinvestment Zone and (ii) the full taxable value without abatement of

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

the real and business personal property comprising this Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year **TGS 63** shall furnish the Chief Appraiser with the information required by Chapter 22 or Chapter 312.005 of the Tax Code. Such information shall also be provided to the **COUNTY** in preparation of its annual evaluation for compliance with this Agreement.

8.03 If after notice of default and failure to cure, the **COUNTY** terminates this Agreement, it shall provide **TGS 63** and **TGS 63 TENANT** written notice of such termination. In the event of termination, **TGS 63** may file suit in the Chambers County District Court appealing termination within ninety (90) days after receipt from the **COUNTY** of written notice of termination. If an appeal is filed, **TGS 63** shall remit to the **COUNTY** within sixty (60) days after receipt of the notice of termination, any recaptured taxes as may be payable during the pendency of the litigation under Section 42.08, Tax Code. If the final determination of the appeal increases **TGS 63** tax liability, **TGS 63** shall pay the additional tax to the **COUNTY** pursuant to Section 42.42, Tax Code. If the final determination of the appeal decreases **TGS 63** tax liability, the **COUNTY** shall refund to **TGS 63** the difference between the amount of tax paid and the amount of tax for which **TGS 63** is liable together with interest pursuant to Section 42.43, Tax Code.

IX. ASSIGNMENT

TGS 63 may assign this Agreement with the written consent of the **COUNTY**, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. No assignment shall be approved if **TGS 63** or the assignee is delinquent in ad valorem taxes due the **COUNTY**.

X. NOTICE

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States

Post Office, addressed to the **COUNTY**, **TGS 63**, or **TGS 63 TENANT.** If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To **TGS 63 – ATTN: Brian Bommer**

TGS 6375 SUTTON ROAD, LLC
7500 FM 1405
BAYTOWN, TX 77523

To **TGS 63 TENANT – ATTN:**

_____
_____
_____

To the **COUNTY:**

CHAMBERS COUNTY
HONORABLE COUNTY JUDGE JIMMY SYLVIA
404 WASHINGTON AVENUE
P.O. BOX 939
ANAHUAC, TX 77514

WITH A COPY TO:

BAYTOWN ECONOMIC DEVELOPMENT FOUNDATION
1300 ROLLINGBROOK DRIVE, STE. 505
BAYTOWN, TX 77521

Either party may designate a different address by giving the other party ten (10) days written notice.

XI. AUTHORITY

Each of the parties hereto represents and warrants to the other party that (i) it has all requisite power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each party of the transactions contemplated by this Agreement have been duly authorized by all requisite corporate authority on the part of **TGS 63** and **TGS 63 TENANT** and by all

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

requisite governmental authority on the part of the **COUNTY** and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such party.

XII. DATE

This Agreement may be executed in counterparts and the effective date of the Agreement shall be the date the **COUNTY** executes this Agreement by and through its **Commissioners Court**, so authorizing, on the date of the countersignature hereto by the **CHAMBERS COUNTY JUDGE** on this ____ day of _____, 2021.

XIII. MISCELLANEOUS

13.01 In the event any section, subsection, paragraph, sentence, phrase, or word herein is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties always intended to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

13.02 The **COUNTY** agrees to record a certified copy of this Agreement in the Deed Records of Chambers County, Texas.

13.03 This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Chambers County, Texas.

13.04 This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the **COUNTY** and **TGS 63**.

13.05 This complete Agreement has been executed by the parties in multiple originals, each having full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

By: **TGSCP 6363. LLC**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

By: **TGSCP 6363. LLC**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

By: **TGS 63 TENANT**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

By: **TGS 63 TENANT**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

DRAFT

By: **CHAMBERS COUNTY**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

By: **CHAMBERS COUNTY**

By: _____
(Signature)

_____
(Printed Name and Title)

_____
(Date)

ATTEST:

_____
(Signature)

_____
(Printed Name and Title)

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT A

TGSCP 6363 LLC 2021 REINVESTMENT ZONE

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT B

TGS 63 APPLICATION

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT C

PILOT PAYMENT SCHEDULE

Tax Year	County Tax PILOT	School Equalization Tax (SET) PILOT	PILOT Payment Date
2023	0% of County Tax Abated	100% of SET	1/31/2024
2024	0% of County Tax Abated	100% of SET	1/31/2025
2025	25% of County Tax Abated	100% of SET	1/31/2026
2026	40% of County Tax Abated	100% of SET	1/31/2027
2027	50% of County Tax Abated	100% of SET	1/31/2028

The aggregate County Tax Rate consists of the following categories:

- Road & Bridge Special
- County – General
- Interest & Sinking
- Road & Bridge FMFC
- Chambers County School Equalization Fund Tax (SET)

For purposes of this Agreement, the County Tax will consist of the following categories:

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

DRAFT

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

EXHIBIT D
Interlocal Agreement for Law Enforcement Services

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

INTERLOCAL AGREEMENT FOR LAW ENFORCEMENT SERVICES BETWEEN CHAMBERS COUNTY, TEXAS AND CEDAR PORT NAVIGATION & IMPROVEMENT DISTRICT

This Interlocal 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 Cedar Port Navigation & Improvement District ("Cedar Port"), acting through its Board of Directors ("Board"). Cedar Port and County are the parties to this Agreement ("Parties").

RECITALS

WHEREAS, Texas Special District Local Laws Code §§3854.155, 3872.109, and Texas Water Code §49.216, as amended, authorizes the Parties to contract for or employ peace officers with the power to make arrests when necessary to prevent or abate the commission of any offense against the laws of the State of Texas; and

WHEREAS, Chapter 791, Texas Government Code, as amended, authorizes contracts between counties and Improvement Districts for the performance of governmental functions and service; and

WHEREAS, Cedar Port 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 Cedar Port's industrial and geographical area, including the neighboring Beach City (the "Area"); and

WHEREAS, Chambers County, Improvement District No. 2 and Katoen Natie ("Participants") also desire 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");

WHEREAS, Cedar Port 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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

WHEREAS, the County will contract with Cedar Port under this Agreement, and the County intends to reach similar agreements with each of the Participants to provide the law enforcement services described herein, resulting in Cedar Port 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 Cedar Port, 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 March 28, 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 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 Cedar Port'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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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;

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;

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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 Cedar Port owned properties, including but not limited to water plants, wastewater treatment plants, and other Cedar Port 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 Cedar Port;

J. The time Sheriff Deputies spend attending any Cedar Port 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 Cedar Port; and

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, Cedar Port shall refrain from giving or attempting to give

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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 Cedar Port is dissatisfied in any way with the performance of the County, the Sheriff or the Sheriff Deputies under this Agreement, Cedar Port 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, Cedar Port'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. Cedar Port 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);

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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. Cedar Port 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. Cedar Port 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 Cedar Port represents and warrants that it is committed during the Initial Term and any renewal term to do so. Cedar Port 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, Cedar Port 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 payment accordingly to reconcile any deficit, and apply a credit for the next year's annual payment if the County determines that Cedar Port made an overpayment. Put simply, after year 1 of this Agreement, the Parties agree that the annual payment by Cedar Port may be adjusted to reflect more accurately

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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 Cedar Port will not be responsible for payment for services which cannot be provided. Cedar Port 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 Cedar Port 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 Cedar Port with an accounting of expenses incurred pursuant to this Agreement at the end of Year 1 without further request by Cedar Port and shall provide a credit to Cedar Port on the Year 2 invoice for any overpayment.

PRO RATION OF EXPENSES AMONG CEDAR PORT AND PARTICIPANTS

12. Cedar Port and the Participants shall each 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 Cedar Port and 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:

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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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 Cedar Port 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.

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, as amended, and equipped with funds provided by Cedar Port (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.

14. Cedar Port 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 herein and payable by Cedar Port 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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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 Cedar Port, 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 Cedar Port defaults in the payment of any obligation under this Agreement, the County is authorized, at its sole option, to immediately terminate this Agreement, upon written notice. If County defaults, Cedar Port's sole remedy is to terminate this Agreement by providing no less than ninety (90) days advance written termination notice in accordance with this Agreement.

16. If Cedar Port defaults in the payment of any obligation hereunder, Cedar Port is liable for all expenses incurred by the County as a result of such default, including but not limited to, attorney's fees, costs, and interest at the rate of ten percent (10%) per annum on all past due amounts. The amount of expense incurred, and interest accrued, if any, is deemed to be in addition to any monies due for law enforcement services rendered or expenses incurred hereunder. Interest on all past due amounts shall not exceed the maximum amount of non-usurious interest that may be contracted for, taken, charged, or received under law. Any interest in excess of that maximum amount shall be refunded to Cedar Port, as applicable.

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 the 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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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

It is the intent of the Parties that the County will receive funding from the Participants to make up for the shortfall in the pro rata share funding from Cedar Port and the total expense of the law enforcement services provided under this Agreement. If the Participants do not fund that shortfall, 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. The Parties agree to work together in good faith to ensure that the law enforcement services provided under this Agreement for at least the Initial Term is one hundred percent funded fairly and equitably among Cedar Port and the Participants.

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 Cedar Port at C/o Smith, Murdaugh, Little & Bonham, L.L.P., 2727 Allen Parkway, Suite 1100, Houston, Texas 77019, Attention: James D. Bonham. 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

DocuSign Envelope ID: B7F2356D-E767-4E8D-B168-89FD152C4114

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.

This Agreement is agreed to by the Parties and made effective as of March 28, 2023.

Cedar Port Navigation & Improvement District

By: _____

Print Name: William F. Scott

Date: 4-04-23

Chambers County, Texas

By: _____

Print Name: Jimmy Sylvia

Date: 4-6-23

ATTEST:

_____

County Clerk

EXHIBIT E

CHAPTER 381 PAYMENT SCHEDULE

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
2030	40% of CPT Abated	100% of CCSED Tax	1/31/2031
2031	40% of CPT Abated	100% of CCSED Tax	1/31/2032
2032	40% of CPT Abated	100% of CCSED Tax	1/31/2033

The aggregate County Property Tax (CPT) Rate consists of the following categories:

- Road & Bridge – Special
- County – General
- Interest & Sinking
- Road & Bridge FMFC
- Chambers County School Equalization District Tax (CCSED)

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

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

DocuSign

Certificate Of Completion

Envelope Id: B7F2356DE7674E8DB16889FD152C4114
Status: Completed
Subject: Complete with DocuSign: TGSCP 6363LLC and THD Ch. 381 Agreement FINAL w Exhibits 022724.pdf
Source Envelope:
Document Pages: 69
Signatures: 2
Certificate Pages: 5
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-06:00) Central Time (US & Canada)

Envelope Originator:
Lauren Van Deventer
404 Washington Ave
Anahuac, TX 77514-009
lvandeventer@chamberstx.gov
IP Address: 173.185.172.174

Record Tracking

Status: Original
3/4/2024 8:45:40 AM
Holder: Lauren Van Deventer
lvandeventer@chamberstx.gov
Location: DocuSign

Signer Events	Signature	Timestamp
Heather H. Hawthorne hhawthorne@chamberstx.gov Chambers County Clerk Security Level: Email, Account Authentication (None)	DocuSigned by: Heather H. Hawthorne 03933AF26BE5410... Signature Adoption: Pre-selected Style Using IP Address: 76.31.194.116 Signed using mobile	Sent: 3/4/2024 8:48:35 AM Viewed: 3/4/2024 9:10:34 AM Signed: 3/4/2024 9:11:21 AM
Electronic Record and Signature Disclosure: Accepted: 3/4/2024 9:10:34 AM ID: 67bd003b-dee7-4a20-b6c3-5e9592977ed7		
Jimmy Sylvia jsylvia@chamberstx.gov County Judge Security Level: Email, Account Authentication (None)	DocuSigned by: Jimmy Sylvia 1492536299FA478... Signature Adoption: Pre-selected Style Using IP Address: 173.185.172.174	Sent: 3/4/2024 8:48:35 AM Viewed: 3/4/2024 1:29:55 PM Signed: 3/4/2024 1:30:02 PM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
BJ Simon bjsimon@baytownedf.org President / CEO Security Level: Email, Account Authentication (None)	COPIED	Sent: 3/4/2024 8:48:36 AM Viewed: 3/4/2024 9:06:38 AM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Carbon Copy Events	Status	Timestamp
Danni Wilber dwilber@chamberstx.gov Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via DocuSign	COPIED	Sent: 3/4/2024 8:48:36 AM Viewed: 3/5/2024 9:37:32 AM

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	3/4/2024 8:48:36 AM
Certified Delivered	Security Checked	3/4/2024 1:29:55 PM
Signing Complete	Security Checked	3/4/2024 1:30:02 PM
Completed	Security Checked	3/4/2024 1:30:02 PM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Carahsoft OBO Chambers County (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a $0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Carahsoft OBO Chambers County:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:
To contact us by email send messages to: dparish@chamberstx.gov

To advise Carahsoft OBO Chambers County of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at dparish@chamberstx.gov and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Carahsoft OBO Chambers County

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to dparish@chamberstx.gov and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Carahsoft OBO Chambers County

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;

ii. send us an email to dparish@chamberstx.gov and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Carahsoft OBO Chambers County as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Carahsoft OBO Chambers County during the course of your relationship with Carahsoft OBO Chambers County.