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STATE OF TEXAS §
§
COUNTY OF CHAMBERS §

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("**Agreement**") is entered into this 27th day of June, 2023, by and between P9/Kilgore Grand Parkway PropCo, LP, a Texas limited partnership ("**P9K**"), and Chambers County, Texas ("**County**") (P9K and the County are sometimes referred to herein together as the "parties" and individually as a "party").

WITNESSETH:

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

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

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

WHEREAS, on the 24th day of January 2023, the County Commissioners Court approved a proposal for tax abatement submitted by PK9 (the **"Tax Abatement Proposal",** a copy of which is attached as **Exhibit "B"),** in accordance with County policy; and

WHEREAS, on the 14th day of February 2023, the County Commissioners Court passed an Order establishing the P9/Kilgore Grand Parkway PropCo Reinvestment Zone #1 ("**Zone**"), in accordance with Chapter 312, after complying with all the relevant notice requirements under Chapter 312. A copy of the Order is attached as **Exhibit "C"**; and

WHEREAS, P9K owns the Premises, as hereinafter defined, and P9K expects to develop and construct thereon a Spec Building to be leased or sold and operated as a warehouse and distribution facility with all necessary and auxiliary improvements for the storage and distribution of goods (the **"Distribution Facility**"), as described in the Tax Abatement Proposal; and

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WHEREAS, the Premises and Distribution Facility 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 Premises and proposed Distribution Facility promote economic development in the County and, as such, satisfies requirements of the Chapter 381 Policy; and

WHEREAS, the County also finds that the improvements sought are feasible and practical and would benefit the County after expiration of this Agreement; and

WHEREAS, the abatement of taxes is contingent on full execution and compliance with that certain Development Agreement by and between the County and P9K over the term of this Agreement. A copy of the Development Agreement is attached as **Exhibit "D"**; 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 attraction of major investment in the County, increased payroll that contributes to the economic development of the County, enhancement of the tax base in the County and certain Chapter 381 PILOT Payments as defined in this Agreement; and P9K, 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 P9K. 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.

"Construction Phase" means a material and substantial improvement of the Premises which represents a separate and distinct construction operation undertaken for the purpose of constructing the Distribution Facility. The period of Construction Phase ends when the Distribution Facility is substantially completed and consistent with Section 6.

"Development Agreement" shall mean the Agreement entered into on April 11, 2023, by and between the County and P9K (**"Parties"**), for the purpose of reflecting the Parties intentions with respect to effectuating certain Road Infrastructure improvements to Needlepoint Road.

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"**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 P9K, 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, or any other extraordinary event beyond the control of P9K (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.

"**Payment Deadline**" shall mean, with respect to each Chapter 381 PILOT Payment and Chambers County School Equalization District PILOT 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 P9K Tenant, or an entity controlled by or under common control with P9K who is expected or scheduled to work at least [1,800] hours in a twelve-month period as an employee at the Distribution Facility.

"**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 P9K as hereinafter described in Exhibit B attached hereto.

"Spec Building" shall mean a new building constructed to create an enclosed area of a commercial facility, which would be used by a business that would normally qualify

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for tax abatement, built without an occupying tenant at the time the construction has started or is complete.

"Undocumented Worker" means an individual who, at the time of employment by P9K, is not: (i) lawfully admitted for permanent residence to the United States, or (ii) authorized under law to be employed in that manner in the United States.

Section 2. General Provisions

A. **County Authorization**. This Agreement was authorized by the County Commissioners Court and was approved by the affirmative vote of a majority of the County Commissioners Court at its regularly scheduled County Commissioners Court meeting on the 27th day of June, 2023, authorizing the County Judge to execute this Agreement on behalf of the County.

B. **P9K Authorization**. The undersigned officer of P9K has authority to execute this Agreement on behalf of the P9K.

C. **Compliance**. The parties intend for this Agreement to comply with Chapter 381 and, to the extent practicable, Sections 312.204, 312.205, and 312.211 of Chapter 312, as if the County Commissioners Court were a governing body of a municipality. The County has determined that this Agreement satisfies all requirements for tax abatement set forth in the Chapter 381 Policy. To the extent that this Agreement deviates from a requirement of the Chapter 381 Policy, the County hereby grants P9K a variance from such deviation.

D. **Ownership of Premises**. The Premises will be owned by P9K or a P9K 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 the processing of any permits, re-zoning requests, licenses, or other approvals associated with the development of The Distribution Facility.

Section 4. Tax Abatement

The County hereby grants P9K a tax abatement with respect to the Distribution Facility. The tax abatement shall begin on January 1, 2025 and shall continue for five years.

In each year of this 5-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.

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In each year of this 5-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.

Upon P9K's acquisition of a tenant, the Court will consider amending the Tax Abatement and the Agreement.

Section 5. P9K's Payments to County

For each year in which the P9K receives abatement under Section 4, P9K agrees to tender to County, on or prior to the Payment Deadline, all payments due under this Agreement by check or other mechanism acceptable to County. Such payments shall include the following:

A. **Chapter 381 PILOT Payments.** Chapter 381 PILOT Payments shall mean for calendar years 2026, 2027, 2028, and 2029, a payment from P9K to County equal to fifty percent (50%) of the County Property Tax abated pursuant to this Agreement.

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

C. **Chapter 381 Administration Fee.** The Administration Fee shall equal 0.625% of the Chapter 381 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.

Section 6. Covenants

A. **Construction Covenant**. P9K or a P9K Affiliate covenant to substantially complete, or cause to be substantially completed, construction of the Distribution Facility on or before January 1, 2025 and the Road Infrastructure improvements to Needlepoint Road as required by the Development Agreement ("**Construction Covenants**"), provided that P9K or a P9K Affiliate shall have such additional time as may be required by the effects of Force Majeure.

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B. **Operation Covenant**. P9K or a P9K Affiliate ensure that P9K 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. **Property Tax Covenant.** Throughout the term of this Agreement, P9K shall timely pay all property taxes imposed by the County on Ineligible Property Value; provided that P9K shall have the right to contest in good faith the validity or application of any such property tax assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion.

D. **Best Efforts to Increase Local Employment Covenant.** P9K represents and agrees that the agreed to development and operation of the Distribution Facility will stimulate employment and the local economy. To this end, P9K represents and agree that:

a. It reasonably expects a quarterly average of fifty (50) new construction jobs to be generated at the Premises during the Construction Phase for the Distribution Facility.

b. It represents and agrees it will use commercially reasonable good faith efforts to fill these construction jobs directly or indirectly with residents of Chambers County.

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

d. In compliance with Texas Government Code, Section 2264.001 *et seq*., Company 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, Company (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), Company 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 Company of a violation of this Section 6, (d).

E. **Good Neighbor Covenant.** P9K or a P9K Affiliate represent and agree that the planned use of the Distribution Facility and Premises will not constitute a hazard to public safety, health, or morals and provide for adequate buffer zones to holistically protect the quality of life of Chambers County residents.

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Section 7. Records and Audits

A. **Annual Certification**. Not later than January 31 of each year during the term of the tax abatement, P9K shall submit to the County a certification from P9K as to the conditions and covenants set forth in Section 6, 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 P9K's annual certification, County employees or representatives shall have reasonable access to the Premises during the term of this Agreement. The County shall give prior notice to P9K whose employees shall have the right to accompany County employees. While on the Premises, County employees shall follow P9K safety policies and not interfere with P9K 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 P9K before entering the premises.

Section 8. Default and Termination

A. **Default**. In the event that P9K either fails to ensure that Covenants A. through F. set forth in Section 6 are achieved, or breaches the terms or conditions of this Agreement, P9K shall be in default of this Agreement.

B. **Cure**. In the event P9K defaults in its performance of the Agreement, the County shall give P9K written notice of such default. P9K shall have sixty (60) days after said written notice to cure the default. If the default is not reasonably susceptible to cure within such sixty (60) day period and P9K has commenced and is pursuing cure of same, then, after first advising the County of P9K's efforts to cure same, P9K may utilize an additional ninety (90) days for such purposes. The County may authorize additional time to cure defaults, which authorization shall not be unreasonably withheld.

C. **Remedy for Uncured Default**. The County's sole and exclusive remedy against any Person for breach of this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that the County may, at its option, terminate the Agreement and all future tax abatements under this Agreement shall be void. Notwithstanding the foregoing, if P9K fails to meet the Construction Covenants, P9K shall repay to the County, without penalty or interest, all tax abatements received under this Agreement. If P9K breaches a covenant in Section 6, other than the Construction Covenant, for any year, the County shall not be entitled to terminate this Agreement, but may, at its option, rescind the tax abatement pertaining to such year.

D. **P9K 's Remedies**. The P9K 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

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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 P9K may have at law, in equity, or otherwise.

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

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

This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns. Neither Party may assign its rights and duties hereunder, in whole or in part, without prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned, or delayed; provided that P9K may assign this Agreement and all of its rights hereunder to any P9K Affiliate without the County's consent. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party. Any assignment in violation of this Section 9 shall not affect any tax abatements with respect to which P9K or a P9K Affiliate is already entitled.

Section 10. Notice

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

P9K:

P9/Kilgore Grand Parkway PropCo, LP
7880 San Felipe, Suite 250
Houston, TX 77063

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

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Section 11. Indemnification

A. **INDEMNITY**. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, P9K 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 P9K 'S CONSTRUCTION AND OPERATION OF THE DISTRIBUTION FACILITY.

B. **Notice of Indemnified Loss**. The County's Indemnified Party shall promptly notify P9K 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 11. Such notice shall be given as soon as reasonably practicable after the County's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. **Defense of Third-Party Claims**. In the event any action or proceeding shall be brought against the County's Indemnified Party by reason of any matter for which the County's Indemnified Party is indemnified hereunder, P9K shall, upon notice from the County's Indemnified Party or its authorized agents or representatives, at P9K 's sole cost and expense, resist and defend the same with legal counsel selected by P9K ; provided, however, that P9K 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 P9K and participating in the defense of any litigation by their own counsel. If P9K 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 P9K 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.

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Section 12. Miscellaneous

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

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

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

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

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

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

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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 P9K , 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 P9K relating to matters other than the abatement of property taxes.

** * * Signature Page Follows * * **

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EXECUTED the 08/24/2023 | 16:33:34 CDT day of _____, 2023.

CHAMBERS COUNTY, TEXAS

DocuSigned by:
By: Jimmy Sylvia
1492536299FA478...
Jimmy Sylvia, County Judge

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

P9/KILGORE GRAND PARKWAY PROPCO, LP

By: _____
Name: Rick Kight
Title: Authorized Signatory

ATTEST:

_____
J. Christopher Couch

EXHIBIT A
Chapter 381 Policy

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.

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

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.

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

EXHIBIT A-1
Chapter 312 Policy

22.04.133

5.3

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

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.

JIMMY SYLVIA, Judge

ATTEST:

HEATHER HAWTHORNE, County Clerk

04/26/22

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.

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.

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.

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.

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.

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.

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);

(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.

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

Tax Abatement Proposal

October 27, 2022

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

Re: Avera Companies – P9/Kilgore Grand Parkway PropCo, LP Application for Tax Abatement

Dear Judge Sylvia,

The Avera Companies are pleased to submit the enclosed Application for Tax Abatement for the proposed Kilgore Grand Parkway ("KGP"). Our organization is extremely enthusiastic about the opportunity to expand its presence and experience in Chambers County.

KGP has been designed to meet current market needs and is consistent with Avera's two-decade history of developing high-quality industrial facilities. With an estimated delivery of Q1 2024, the project will employ high quality construction design, practices, and materials to deliver a state-of-the-art distribution facility with the following features:

- 484,242 SF Class A Distribution Center
- 33.92 Acres
- +/- 10,000 SF of Office
- Cross Dock suitable for 1 to 4 tenants
- 40' Clear Height
- ESFR Sprinkler System
- Needlepoint Road Improvement south of Kilgore
- CCID#3 Sanitary Extension to the west side of SH 99

Over the past few years, Avera has developed, leased, operated, and sold over 4,000,000 SF of industrial space in the greater Houston area. Avera has a proven track record of developing successful industrial space that is driven by expert market knowledge gleaned through decades of experience.

KGP will bring value in excess of $30,000,000 to Chambers County, and our activity will bring additional momentum to development along the Grand Parkway. We are confident that the project will soon be leased to a high-quality tenant whose operations will bring significant value to the County. A beneficial tax abatement agreement will greatly facilitate our ability to secure strong tenants. Combined with the high quality of our facilities and the jobs that construction and operations will provide, we expect this project to create immediate and ongoing positive economic impacts to the area.

We appreciate your and the Commissioners' Court consideration of our application for tax abatement for KGP and would be pleased to have the opportunity to answer any questions that you may have about the project.

Sincerely,
P9/Kilgore Grand Parkway PropCo, LP
By:



Rick I Kight
Executive Vice President – Development
AVERA Companies

APPLICATION FOR TAX ABATEMENT IN CHAMBERS COUNTY, TX

This application should be filed at least 90 days prior to the proposed date for beginning of construction or the installation of fixed machinery and equipment. **Projects that have begun construction (including earthwork) prior to County approval of final contracts are ineligible.** The filing of this document acknowledges familiarity and conformance with Guidelines and Criteria for Tax Abatement in Chambers County (attached). This application will become part of the agreement and any knowingly false representations will be grounds to void the agreement. Original copy of this request should be submitted to the County Judge Jimmy Sylvia, 404 Washington Avenue, P. O. Box 939, Anahuac, Texas 77514 if the property is located outside the corporate limits of a municipality. If the property is within the corporate limits of a municipality, the application should be submitted to the city manager of the municipality or city administrator. Note: Approval of this application is only 1 step in securing tax abatement. The applicant must provide other legal documents.

Upon approval, the applicant must maintain membership in the Baytown-West Chambers County Economic Development Foundation, commencing the date of agreement and extending for the term of this agreement, at the standard rate for similar size companies as established by the Foundation.

APPLICANT INFORMATION **Date: October 28, 2022**

Company Name: P9/Kilgore Grand Parkway PropCo, LP
Address: 7880 San Felipe, Suite 250
City: Houston State: TX Zip-Code: 77063

APPLICANT MUST SUBMIT ANNUAL REPORT. (See instructions).
AVERA Companies
Number of Employees: 13
Annual Sales: +$100,000,000
Corporation: ☐ Partnership: ☒ Proprietorship: ☐

PROJECT INFORMATION

Type of Facility
See Instructions

- ☐ Manufacturing Facility
- ☒ Wholesale Distribution Facility
- ☐ Research Facility
- ☐ Service Facility
- ☐ Entertainment & Recreation Facility
- ☐ Other Basic Industry

Proposed Project Location Address and Legal Description: 3300 Kilgore Parkway
Attach map and/or aerial showing proposed site

Jurisdictions:

School District Barbers Hill ISD
College District
City or Town Baytown Special Limited Annexation

Describe Product or Service

Project Description:

Attach narrative(s) fully explaining the project, describe existing site and proposed improvements and provide list of improvements and fixed machinery and equipment for which abatement is requested.

☒ NEW PLANT ☐ EXPANSION ☐MODERNIZATION

ECONOMIC INFORMATION

Construction Estimates:

Start Month/Year 12/2022 Construction Man Years 1.2
Completion Date 02/2024 Peak Construction Jobs 50

If Modernization:

Estimated Economic Life of Existing Plant _____Years
Added Economic Life from Modernization _____Years

Permanent Employment Estimates (PEE'S)

Current Plant Employment N/A
Number of Plant Jobs ☐ Retained or ☒ Created
At start/opening +5 in year 2024
5 years into operation +5 in year 2028

Estimated Appraised Value on Site

	Personal	**Improvements**	**Land**
Value January 1 Preceding Abatement Agreement:	N/A	N/A	$3,392,000
Est. Value of Improvements:	_____	$27,000,000	_____
Est. Value of Abated Properties After Abatement Expires:	_____	$30,000,000	$4,500,000
Value upon Completion of Project – Personal Property and Project Improvements Not Subject To Abatement:	TBD	TBD	TBD

VARIANCE

Is the applicant seeking a variance under Section 2 of the guidelines? ☒ YES ☐ NO
If "YES," attach required supplementary information.
*****we respectfully request more than 1 year of abatement for the spec/empty building*****

OTHER ABATEMENTS. Has the company made application for abatement for this project to other taxing jurisdictions or nearby counties? ☐YES ☒NO. If "YES" please provide dates of application, hearing dates if held or scheduled, name of jurisdictions and contacts, and letter of intent.

COMPANY REPRESENTATIVE TO BE CONTACTED:

NAME: Rick Kight

Signature of Company Official

TITLE: Authorized Signatory

Name & Title of Company Official

ADDRESS: 7880 San Felipe, Suite 250
CITY: Houston STATE: TX ZIP-CODE: 77063
TELEPHONE: 713-800-9647

INSTRUCTIONS

Applicant and projects must meet the requirements established in the Guidelines and Criteria (attached) in order to receive positive consideration. Section 2 of the Guidelines, for example, sets out improvements, terms, and economic qualifications. Conformance with all sections, however, is required for eligibility.

APPLICANT INFORMATION

The taxing unit may consider applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned businesses of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established; business references (name, contact and telephone number of principal bank, accountant, and attorney) and may be required to submit an audited financial statement and business plan.

PROJECT INFORMATION

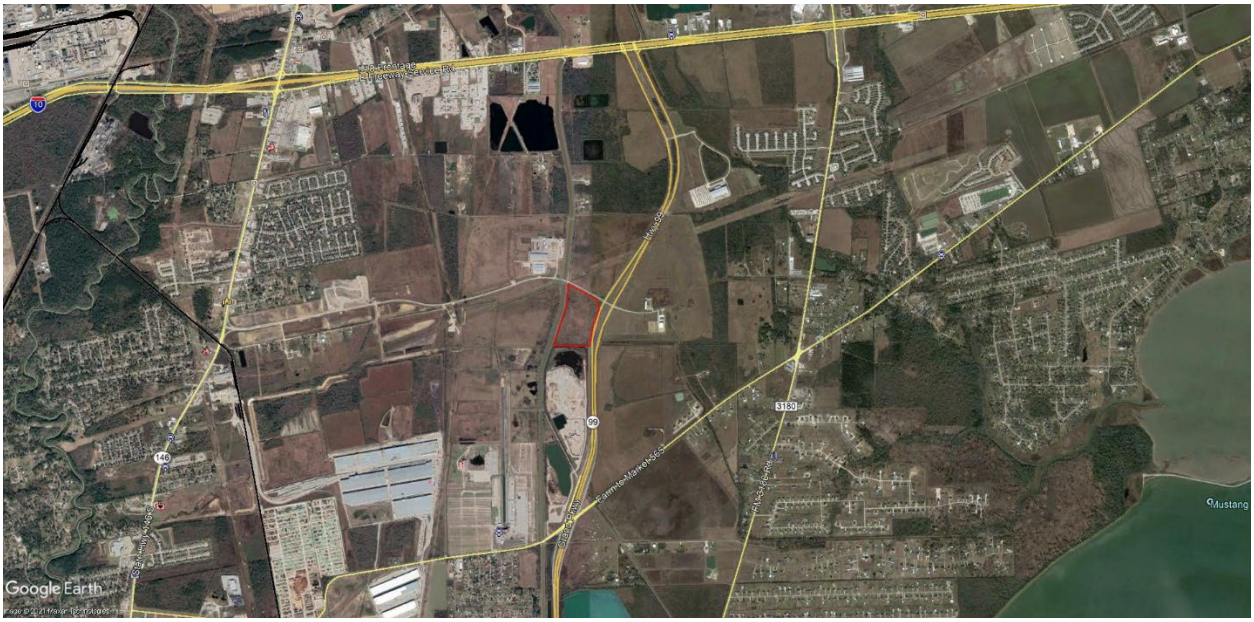
Only facilities listed in Section 2(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2(a)to confirm project qualification.

ECONOMIC INFORMATION

Permanent Employment Estimates – In estimating the permanent employment, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

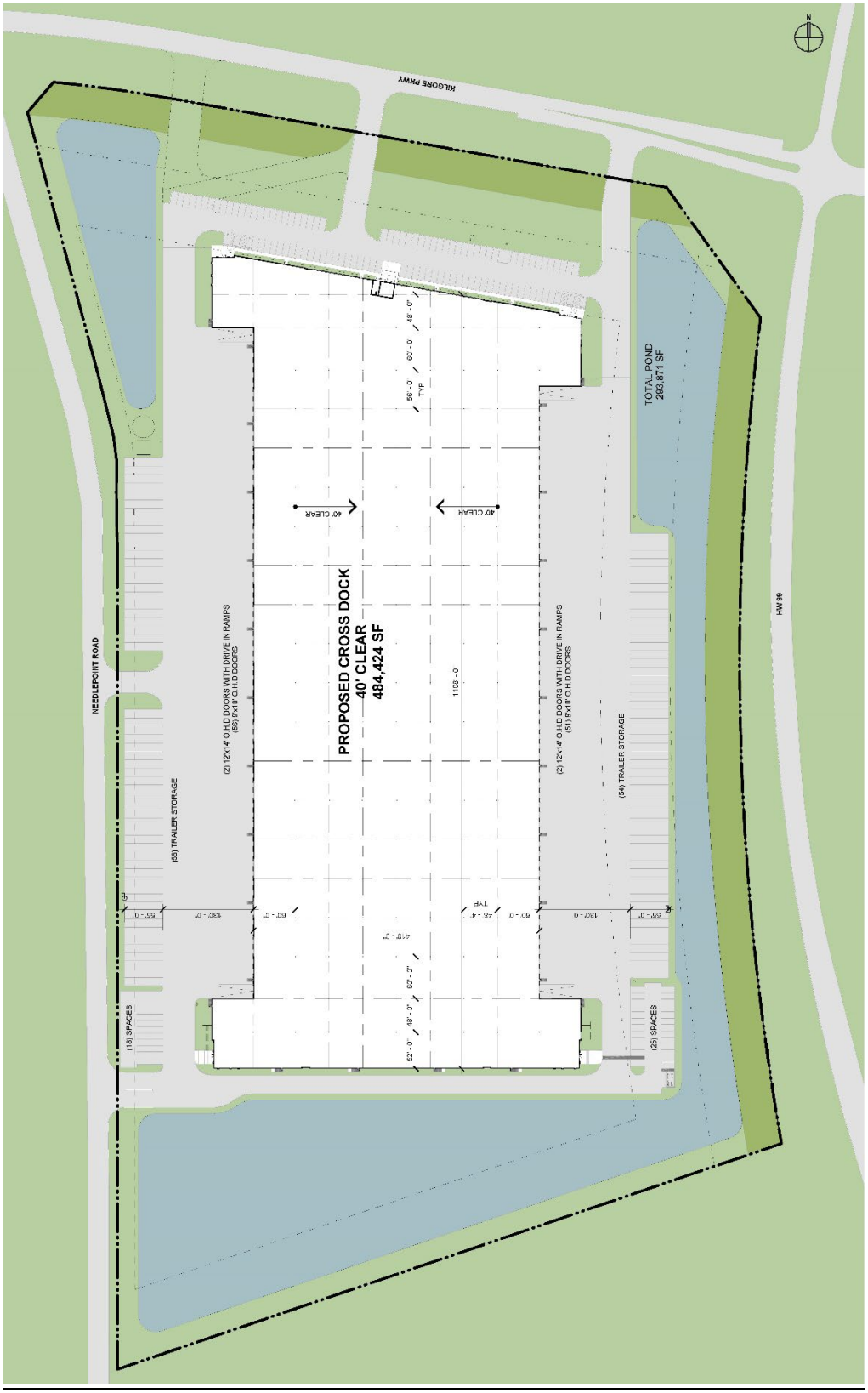
Estimated Appraised Value on Site – The value January 1st preceding abatement should be the value established by the Chambers County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least seven hundred fifty thousand dollars ($750,000.00) after the period of abatement expires. Projections of value should be a "best estimate" based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plant administration, housing, etc.

Aerial Image of Location
3300 Kilgore Parkway
Baytown, Texas 77523





Site Plan


KILGORE PKWY
NEEDLEPOINT ROAD
HWY 59
PROPOSED CROSS DOCK
40' CLEAR
484,424 SF
TOTAL POND
283,871 SF
40' CLEAR
40' CLEAR
(2) 12'x14' O.H.D DOORS WITH DRIVE IN RAMPS
(56) 9'x10' O.H.D DOORS
(2) 12'x14' O.H.D DOORS WITH DRIVE IN RAMPS
(51) 9'x10' O.H.D DOORS
(66) TRAILER STORAGE
(54) TRAILER STORAGE
(18) SPACES
(25) SPACES
1100' - 0"
410' - 0"
130' - 0"
130' - 0"
60' - 0"
60' - 0"
55' - 0"
55' - 0"
48' - 0"
48' - 4"
TYP
52' - 0"
48' - 0"
60' - 0"
TYP
55' - 0"
TYP
48' - 0"
N

Rendering



Chambers County Appraisal District
2022 Appraised Value

Mitch McCullough, RPA
CHAMBERS CO APPRAISAL DISTRICT
PO Box 1520
Anahuac, Texas 77514
Phone: 409-267-3795
Fax: 409-267-6192

NCWD1V12010218010101

10218 0.4600 AB 0.461 32 1 296
P9/KILGORE GRAND PARKWAY PROPCO
7880 SAN FELIPE ST STE 250
HOUSTON, TX 77063-1693

NOTICE OF APPRAISED VALUE

This is NOT a Tax Statement - Do NOT Pay From This Notice.

Appraisal Year - 2022

Location of ARB Hearings:
Chambers CAD
1222 S. Ross Sterling
Anahuac, TX 77514
409-267-3795

Protest Deadline: **05/16/2022**
ARB Hearings to Begin: **6/6/2022 9:00:00AM**
Owner ID: **72666**

Website: WWW.CHAMBERSCAD.ORG Email Address: arb@chamberscad.org

Postmark Date: 04/05/2022

Dear Property Owner:
We have appraised the property listed below for the 2022 tax year. The appraisal is for the following property:

Beginning August 7th, visit **Texas.gov/PropertyTaxes** to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information regarding the amount of taxes that each entity that taxes your property will impose if the entity adopts its proposed tax rate. Your local property tax database will be updated regularly during August and September as local elected officials propose and adopt the property tax rates that will determine how much you pay in property taxes.

Percent difference from 2017 is a 83,860.00% increase.

APPRAISAL INFORMATION	LAST YEAR	PROPOSED THIS YEAR	PROPOSED 2022 TAXABLE VALUE
Total Market Value	610,560	3,392,000	
Non HS Land Market Value	0	3,392,000	
Non HS Structures(Buildings) Value	0	0	
Total Non HS Value	0	3,392,000	3,392,000
Land Market Value	610,560	0	
Agricultural/Timber Value	4,070	0	0
Total Proposed Taxable Value	4,070		3,392,000

ACCOUNT NUMBER / PROPERTY DESCRIPTION

ACCT #: 00025-00100-00100-210170 **PARCEL:** 53684
ADDR:
BAYTOWN, TX 77523
ABST/Block/Lot:
LEGAL: 25 TR 1-1-1-7 J TOWNESEND

PERM. WAIVED AG 1286/484
ACRES: 33.920 **INTEREST:** 1.000000
CATEGORY: E

Taxing Units	Exemption Type for Last Year	Exemption Amount for Last Year	Exemption Type for Current Year	Exemption Amount for Current Year	Exemption Amount Cancelled or Reduced from Last Year	Last Year Taxable Value (less exemptions)	Current Year Taxable Value (less exemptions)	Estimated Tax Rate	Proposed Tax Estimate
COUNTY ROAD		0		0	0	4,070	3,392,000	0.08027500	$2,722.93
CHAMBERS CO		0		0	0	4,070	3,392,000	0.43292100	$14,684.68
CHAM CO SCHOOL		0		0	0	4,070	3,392,000	0.02629400	$891.89
BARB HLL ISD IS		0		0	0	4,070	3,392,000	0.26980000	$9,151.62
BARB HLL ISD		0		0	0	4,070	3,392,000	0.88470000	$30,009.02
CHAM CO IMP #3		0		0	0	4,070	3,392,000	1.00000000	$33,920.00
ESTIMATE OF PROPERTY'S TOTAL TAXES:		****(THIS IS NOT A TAX BILL, DO NOT PAY)****							**$91,380.14**

The Texas Legislature does not set the amount of your local taxes. Your property tax burden is decided by your locally elected officials, and all inquiries concerning your taxes should be directed to those officials.

If you qualified your home for an **age 65 or older or disabled person homestead exemption** for school taxes, the school taxes on that property cannot increase as long as you own and live in that home. The tax ceiling is the amount you pay in that year that you qualified for the age 65 or older or disabled person exemption. The school taxes on your home may not go above the amount of the ceiling, unless you improve the home (other than normal repairs or maintenance).

Enclosed are copies of the following documents published by the Texas Comptroller of Public Accounts: (1) Property Taxpayer Remedies; and (2) notice of protest. **The Appraisal Review Board will begin hearing protests on 6/6/2022 9:00:00AM**. To file a protest, complete the notice of protest form by following the instructions included on the form and, no later than **05/16/2022**, mail or deliver the form to the appraisal review board at the following address: PO Box 1520, Anahuac, Texas 77514.

Property owners who file a notice of protest with the appraisal review board (ARB) may request an informal conference with the appraisal district to attempt to resolve a dispute prior to a formal ARB hearing. In counties with populations of 1 million or more, property owners may request an ARB special panel for certain property protests. Contact your appraisal district for further information.

Sincerely,
Mitch McCullough, RPA, Chief Appraiser - CHAMBERS CO APPRAISAL DISTRICT

If you currently receive a residence homestead exemption, the exemption amounts shown on this notice are those provided by law as of the date of this notice. If Texas voters approve the proposed constitutional amendment to increase the general residence homestead exemption for school taxes from $25,000 to $40,000, your exemption amount will automatically increase, and school districts will compute your taxes using the greater exemption amount.

EXHIBIT C
Premises / Reinvestment Zone

DocuSign Envelope ID: FA7E008B-4451-4684-A3D7-572BD65A1198

ORDER DESIGNATING/CREATING THE P9/KILGORE GRAND PARKWAY PROPCO REINVESTMENT ZONE #1

On February 14, 2023, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("Court"), the Court conducted a hearing on the application of P9/KILGORE GRAND PARKWAY PROPCO, LP ("P9K") for the creation of the P9/KILGORE GRAND PARKWAY PROPCO REINVESTMENT ZONE #1 (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. P9K 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 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: FA7E008B-4451-4684-A3D7-572BD65A1198

Therefore, upon motion made by Commissioner Dagley, seconded by Commissioner Tice and affirmatively passed, be it RESOLVED and ORDERED by the Court that the 33.92-acre tract of land described in the attached Exhibit is hereby designated as the P9/KILGORE GRAND PARKWAY PROPCO REINVESTMENT ZONE #1 and is eligible for commercial / industrial tax abatement.

PASSED and ADOPTED February 14, 2023.

CHAMBERS COUNTY, TEXAS

By: DocuSigned by: Jimmy Sylvia 1492536299FA478...
JUDGE JIMMY SYLVIA,
Chambers County Judge

ATTEST:

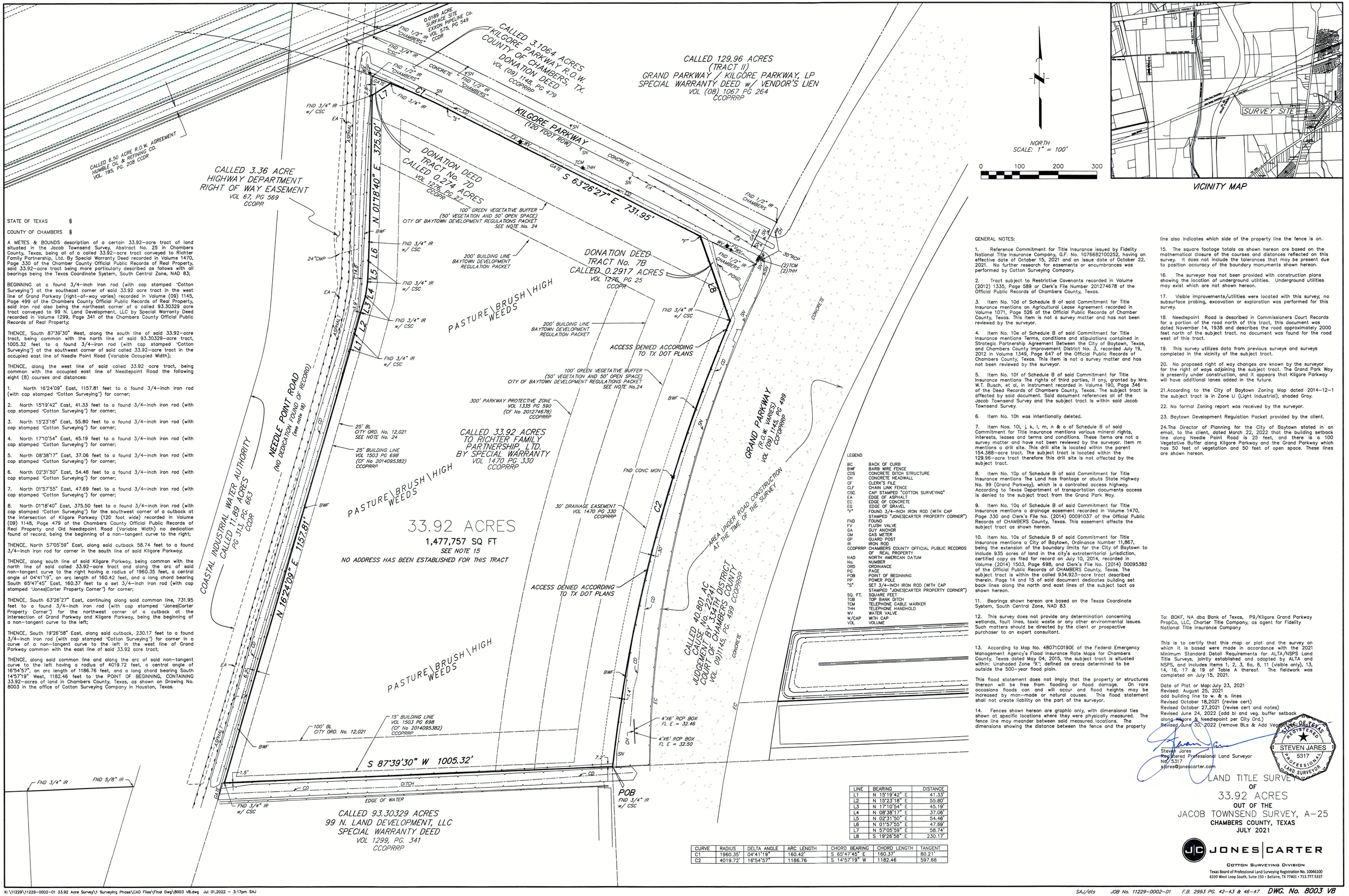
DocuSigned by: Heather H. Hawthorne 03933AF26BE5410...
HEATHER H. HAWTHORNE, County Clerk

DocuSign Envelope ID: FA7E008B-4451-4684-A3D7-572BD65A1198

P9/KILGORE GRAND PARKWAY PROPCO REINVESTMENT ZONE #1
PROPERTY DESCRIPTION
33.92-ACRE TRACT

BEING 33.92 ACRES OF LAND, MORE OR LESS, SITUATED IN THE JACOB TOWNSEND SURVEY, ABSTRACT NO. 25 IN CHAMBERS COUNTY, TEXAS. BEING ALL OF A CALLED 33.92-ACRE TRACT CONVEYED TO RICHTER FAMILY PARTNERSHIP, LTD. BY SPECIAL WARRANTY DEED RECORDED IN VOLUME 1470, PAGE 330 OF THE CHAMBERS COUNTY OFFICIAL PUBLIC RECORDS OF REAL PROPERTY.

DocuSign Envelope ID: FA7E008B-4451-4684-A3D7-572BD65A1198



VICINITY MAP

NORTH
SCALE: 1" = 100'

0 100 200 300

LEGEND

BC	BACK OF CURB
BWF	BARB WIRE FENCE
CDS	CONCRETE DITCH STRUCTURE
CH	CONCRETE HEADWALL
CF	CLERK'S FILE
CLF	CHAIN LINK FENCE
CSC	CAP STAMPED "COTTON SURVEYING"
EA	EDGE OF ASPHALT
EC	EDGE OF CONCRETE
EG	EDGE OF GRAVEL
"F"	FOUND 3/4-INCH IRON ROD (WITH CAP STAMPED "JONES|CARTER PROPERTY CORNER")
FND	FOUND
FV	FLUSH VALVE
GA	GUY ANCHOR
GM	GAS METER
GP	GUARD POST
IR	IRON ROD
CCOPRRP	CHAMBERS COUNTY OFFICIAL PUBLIC RECORDS OF REAL PROPERTY
NAD	NORTH AMERICAN DATUM
No.	NUMBER
ORD	ORDINANCE
PG	PAGE
POB	POINT OF BEGINNING
PP	POWER POLE
"S"	SET 3/4-INCH IRON ROD (WITH CAP STAMPED "JONES|CARTER PROPERTY CORNER")
SQ. FT.	SQUARE FEET
TOB	TOP BANK DITCH
TCM	TELEPHONE CABLE MARKER
THH	TELEPHONE HANDHOLD
WV	WATER VALVE
W/CAP	WITH CAP
VOL	VOLUME

LINE	BEARING	DISTANCE
L1	N 15°19'42" E	41.33'
L2	N 15°23'18" E	55.80'
L3	N 17°10'54" E	45.19'
L4	N 08°38'17" E	37.06'
L5	N 02°31'50" E	54.46'
L6	N 01°57'55" E	47.69'
L7	N 57°05'59" E	58.74'
L8	S 19°26'58" E	230.17'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH	TANGENT
C1	1960.35'	04°41'19"	160.42'	S 65°47'45" E	160.37'	80.21'
C2	4019.72'	16°54'57"	1186.76	S 14°57'19" W	1182.46	597.66

GENERAL NOTES:

1. Reference Commitment for Title Insurance issued by Fidelity National Title Insurance Company, G.F. No. 1076682100252, having an effective date of October 15, 2021 and an issue date of October 22, 2021. No further research for easements or encumbrances was performed by Cotton Surveying Company.

2. Tract subject to Restrictive Covenants recorded in Volume (2012) 1335, Page 589 or Clerk's File Number 2012746781 of the Official Public Records of Chambers County, Texas.

3. Item No. 10d of Schedule B of said Commitment for Title Insurance mentions an Agricultural Lease Agreement recorded in Volume 1071, Page 526 of the Official Public Records of Chamber County, Texas. This item is not a survey matter and has not been reviewed by the surveyor.

4. Item No. 10e of Schedule B of said Commitment for Title Insurance mentions Terms, conditions and stipulations contained in Strategic Partnership Agreement Between the City of Baytown, Texas, and Chambers County Improvement District No. 3, recorded July 19, 2012 in Volume 1349, Page 647 of the Official Public Records of Chambers County, Texas. This item is not a survey matter and has not been reviewed by the surveyor.

5. Item No. 10f of Schedule B of said Commitment for Title Insurance mentions The rights of third parties, if any, granted by Mrs. W.T. Busch, et al, in instrument recorded in Volume 190, Page 346 of the Deed Records of Chambers County, Texas. The subject tract is affected by said document. Said document references all of the Jacob Townsend Survey and the subject tract is within said Jacob Townsend Survey.

6. Item No. 10h was intentionally deleted.

7. Item Nos. 10i, j, k, l, m, n & o of Schedule B of said Commitment for Title Insurance mentions various mineral rights, interests, leases and terms and conditions. These items are not a survey matter and have not been reviewed by the surveyor. Item m mentions a drill site. This drill site is located within the parent 154.388-acre tract. The subject tract is located within the 129.96-acre tract therefore this drill site is not affected by the subject tract.

8. Item No. 10p of Schedule B of said Commitment for Title Insurance mentions The Land has frontage or abuts State Highway No. 99 (Grand Parkway), which is a controlled access highway. According to Texas Department of transportation documents access is denied to the subject tract from the Grand Park Way.

9. Item No. 10q of Schedule B of said Commitment for Title Insurance mentions a drainage easement recorded in Volume 1470, Page 330 and Clerk's File No. (2014) 00091037 of the Official Public Records of CHAMBERS County, Texas. This easement affects the subject tract as shown hereon.

10. Item No. 10s of Schedule B of said Commitment for Title Insurance mentions a City of Baytown, Ordinance Number 11,867, being the extension of the boundary limits for the City of Baytown to include 935 acres of land in the city's extraterritorial jurisdiction, certified copy as filed for record on July 10, 2014, recorded in Volume (2014) 1503, Page 698, and Clerk's File No. (2014) 00095382 of the Official Public Records of CHAMBERS County, Texas. The subject tract is within the called 934.923-acre tract described therein. Page 14 and 15 of said document dedicates building set back lines along the north and east lines of the subject tract as shown hereon.

11. Bearings shown hereon are based on the Texas Coordinate System, South Central Zone, NAD 83

12. This survey does not provide any determination concerning wetlands, fault lines, toxic waste or any other environmental issues. Such matters should be directed by the client or prospective purchaser to an expert consultant.

13. According to Map No. 48071C0190E of the Federal Emergency Management Agency's Flood Insurance Rate Maps for Chambers County, Texas dated May 04, 2015, the subject tract is situated within: Unshaded Zone "X"; defined as areas determined to be outside the 500-year flood plain.

This flood statement does not imply that the property or structures thereon will be free from flooding or flood damage. On rare occasions floods can and will occur and flood heights may be increased by man-made or natural causes. This flood statement shall not create liability on the part of the surveyor.

14. Fences shown hereon are graphic only, with dimensional ties shown at specific locations where they were physically measured. The fence line may meander between said measured locations. The dimensions showing the distance between the fence and the property line also indicates which side of the property line the fence is on.

15. The square footage totals as shown hereon are based on the mathematical closure of the courses and distances reflected on this survey. It does not include the tolerances that may be present due to position accuracy of the boundary monuments shown hereon.

16. The surveyor has not been provided with construction plans showing the location of underground utilities. Underground utilities may exist which are not shown hereon.

17. Visible improvements/utilities were located with this survey, no subsurface probing, excavation or exploration was performed for this survey.

18. Needlepoint Road is described in Commissioners Court Records for a portion of the road north of this tract, this document was dated November 14, 1938 and describes the road approximately 2000 feet north of the subject tract. no document was found for the road west of this tract.

19. This survey utilizes data from previous surveys and surveys completed in the vicinity of the subject tract.

20. No proposed right of way changes are known by the surveyor for the right of ways adjoining the subject tract. The Grand Park Way is presently under construction, and it appears that Kilgore Parkway will have additional lanes added in the future.

21.According to the City of Baytown Zoning Map dated 2014-12-1 the subject tract is in Zone LI (Light Industrial), shaded Gray.

22. No formal Zoning report was received by the surveyor.

23. Baytown Development Regulation Packet provided by the client.

24.The Director of Planning for the City of Baytown stated in an email, to the client, dated March 22, 2022 that the building setback line along Needle Point Road is 25 feet, and there is a 100 Vegetative Buffer along Kilgore Parkway and the Grand Parkway which has 50 feet of vegetation and 50 feet of open space. These lines are shown hereon.

STATE OF TEXAS §

COUNTY OF CHAMBERS §

A METES & BOUNDS description of a certain 33.92-acre tract of land situated in the Jacob Townsend Survey, Abstract No. 25 in Chambers County, Texas, being all of a called 33.92-acre tract conveyed to Richter Family Partnership, Ltd. By Special Warranty Deed recorded in Volume 1470, Page 330 of the Chamber County Official Public Records of Real Property, said 33.92-acre tract being more particularly described as follows with all bearings being the Texas Coordinate System, South Central Zone, NAD 83;

BEGINNING at a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") at the southeast corner of said 33.92 acre tract in the west line of Grand Parkway (right-of-way varies) recorded in Volume (09) 1145, Page 499 of the Chambers County Official Public Records of Real Property, said iron rod also being the northeast corner of a called 93.30329 acre tract conveyed to 99 N. Land Development, LLC by Special Warranty Deed recorded in Volume 1299, Page 341 of the Chambers County Official Public Records of Real Property;

THENCE, South 87°39'30" West, along the south line of said 33.92-acre tract, being common with the north line of said 93.30329-acre tract, 1005.32 feet to a found 3/4-iron rod (with cap stamped "Cotton Surveying") at the southwest corner of said called 33.92-acre tract in the occupied east line of Needle Point Road (Variable Occupied Width);

THENCE, along the west line of said called 33.92 acre tract, being common with the occupied east line of Needlepoint Road the following eight (8) courses and distances:

1. North 16°24'09" East, 1157.81 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

2. North 15°19'42" East, 41.33 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

3. North 15°23'18" East, 55.80 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

4. North 17°10'54" East, 45.19 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

5. North 08°38'17" East, 37.06 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

6. North 02°31'50" East, 54.46 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

7. North 01°57'55" East, 47.69 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner;

8. North 01°18'40" East, 375.50 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for the southwest corner of a cutback at the intersection of Kilgore Parkway (120 foot wide) recorded in Volume (09) 1148, Page 479 of the Chambers County Official Public Records of Real Property and Old Needlepoint Road (Variable Width) no dedication found of record, being the beginning of a non-tangent curve to the right;

THENCE, North 57°05'59" East, along said cutback 58.74 feet to a found 3/4-inch iron rod for corner in the south line of said Kilgore Parkway;

THENCE, along south line of said Kilgore Parkway, being common with the north line of said called 33.92-acre tract and along the arc of said non-tangent curve to the right having a radius of 1960.35 feet, a central angle of 04°41'19", an arc length of 160.42 feet, and a long chord bearing South 65°47'45" East, 160.37 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") for corner;

THENCE, South 63°26'27" East, continuing along said common line, 731.95 feet to a found 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") for the northwest corner of a cutback at the intersection of Grand Parkway and Kilgore Parkway, being the beginning of a non-tangent curve to the left;

THENCE, South 19°26'58" East, along said cutback, 230.17 feet to a found 3/4-inch iron rod (with cap stamped "Cotton Surveying") for corner in a curve of a non-tangent curve to the left in the west line of Grand Parkway common with the east line of said 33.92 acre tract;

THENCE, along said common line and along the arc of said non-tangent curve to the left having a radius of 4019.72 feet, a central angle of 16°54'57", an arc length of 1186.76 feet, and a long chord bearing South 14°57'19" West, 1182.46 feet to the POINT OF BEGINNING, CONTAINING 33.92-acres of land in Chambers County, Texas, as shown on Drawing No. 8003 in the office of Cotton Surveying Company in Houston, Texas.

To: BOKF, NA dba Bank of Texas, P9/Kilgore Grand Parkway PropCo, LLC, Charter Title Company, as agent for Fidelity National Title Insurance Company

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 6a, 8, 11 (visible only), 13, 14, 16, 17 & 19 of Table A thereof. The fieldwork was completed on July 15, 2021.

Date of Plat or Map: July 23, 2021
Revised: August 25, 2021
add building line to w. & s. lines
Revised October 18,2021 (revise cert)
Revised October 27,2021 (revise cert and notes)
Revised June 24, 2022 (add bl and veg. buffer setback along Kilgore & Needlepoint per City Ord.)
Revised June 30, 2022 (remove BLs & Add Vegetative Buffer)

Steven Jares
Registered Professional Land Surveyor
No. 5317
sjares@jonescarter.com

STATE OF TEXAS
STEVEN JARES
5317
REGISTERED
PROFESSIONAL
LAND SURVEYOR

LAND TITLE SURVEY
OF
33.92 ACRES
OUT OF THE
JACOB TOWNSEND SURVEY, A-25
CHAMBERS COUNTY, TEXAS
JULY 2021

JONES|CARTER
COTTON SURVEYING DIVISION
Texas Board of Professional Land Surveying Registration No. 10046100
6330 West Loop South, Suite 150 • Bellaire, TX 77401 • 713.777.5337

K:\11229\11229-0002-01 33.92 Acre Survey\1 Surveying Phase\CAD Files\Final Dwg\8003 VB.dwg Jul 01,2022 - 3:17pm SAJ

SAJ/dts JOB No. 11229-0002-01 F.B. 2993 PG. 42-43 & 46-47 DWG. No. 8003 VB

EXHIBIT D
Development Agreement

DocuSign Envelope ID: 418009B8-313C-4CA7-9506-1E12A5A6D2BC

DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between CHAMBERS COUNTY, Texas, a political subdivision of the State of Texas (hereinafter referred to as "COUNTY"), by and through its County Judge, Jimmy Sylvia, and P9/KILGORE GRAND PARKWAY PROPCO, LP (hereinafter referred to as "DEVELOPER").

WHEREAS, DEVELOPER owns a 33.92 acre tract of land within the COUNTY and Chambers County Improvement District No. 3 (the "District"), as more specifically described on the plat for Kilgore Grand Parkway attached hereto as **Exhibit "A"** and incorporated by reference as though fully set forth herein, that DEVELOPER desires to develop for commercial and/or industrial purposes (the "Development");

WHEREAS, COUNTY and DEVELOPER desire to facilitate and expedite economic expansion and development within the geographic boundaries of COUNTY on the one hand, and on the other hand, COUNTY and DEVELOPER seek to ensure that the portion of Needlepoint Road adjacent to the Development, as further depicted by the shaded area on Needlepoint Road on the aerial map shown on **Exhibit "B"** attached hereto and incorporated by reference as though fully set forth herein, and the drainage improvements necessary to serve same (the "Road Infrastructure") meets the needs of the COUNTY as a whole and are designed and constructed in accordance with the County Requirements as hereinafter defined;

WHEREAS, COUNTY does not typically approve developments before design drawings are complete and submitted on the Road Infrastructure in accordance with all of the County Requirements;

WHEREAS, COUNTY has agreed to grant an exception to its typical practices and approval processes based on additional assurances, promises and covenants provided by DEVELOPER expressed herein, including a potentially refundable payment in escrow of $100,000

DocuSign Envelope ID: 418009B8-313C-4CA7-9506-1E12A5A6D2BC

for COUNTY's favor and benefit to secure DEVELOPER's obligation to fund construction of the Road Infrastructure, as contained in this Agreement and that the Road Infrastructure will be completed and performed in accordance with the COUNTY Requirements on a timely basis;

WHEREAS, DEVELOPER is in the process of developing a commercial or industrial facility on its property located in Chambers County, and such Road Infrastructure is subject to COUNTY Requirements;

WHEREAS, DEVELOPER agrees to pay for the design, and the associated review, of all supervision, inspection, and testing fees, and agrees to be solely responsible for the costs associated with all engineering, construction, and the completion and maintenance of the Road Infrastructure in strict conformance with all COUNTY Requirements, until such time as COUNTY approves and accepts same in writing, and DEVELOPER further agrees to place in escrow in COUNTY's favor and name a deposit for the improvements and construction of County Road, Needlepoint Road, and further, DEVELOPER agrees to obtain a performance bond in favor of COUNTY written by the Surety to insure performance of the DEVELOPER'S covenants and promises contained in this Agreement to the satisfaction of COUNTY; and

WHEREAS, DEVELOPER agrees to pay for the design of the Road Infrastructure in strict conformance with COUNTY's design criteria; and

WHEREAS, the COUNTY and DEVELOPER agree and desire to memorialize their agreements by entering into this Agreement.

NOW, THEREFORE, the COUNTY and DEVELOPER agree as follows:

I.

GENERAL PROVISIONS

A. DEVELOPER agrees to pay for the design, engineering, construction, and all costs associated with the completion of the Road Infrastructure, including all costs associated with the review of all plans and designs, all supervision, inspections, and testing fees related to the Road

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Infrastructure and agrees to be solely responsible for the costs associated with all engineering, construction, and otherwise agrees to be solely responsible for the completion of the Road Infrastructure.

B. COUNTY agrees to construct, at DEVELOPER's sole cost, the Road Infrastructure in accordance with the approved plans and specifications. DEVELOPER agrees that DEVELOPER will pay to have completed the work on the Road Infrastructure in a manner that will meet or exceed all the then current County Requirements, and following completion of such work, DEVELOPER shall pay to have submitted to COUNTY an engineer's certificate from a certified, licensed and qualified engineer that the Road Infrastructure was completed and constructed in accordance with the COUNTY'S approved plans and specifications in a form acceptable to COUNTY.

C. DEVELOPER additionally agrees that, contemporaneous with the execution of this Agreement, it will deposit in escrow $100,000 in favor of and in the name of and for the benefit of COUNTY in order to secure DEVELOPER's payment obligations hereunder. In the event DEVELOPER fails to pay any amount owed for the Road Infrastructure under this Agreement within 30 days after receiving a written invoice for same from COUNTY, COUNTY may draw funds from escrow in an amount equal to the lesser of the unpaid invoice or the total balance in escrow, and DEVELOPER will continue to be responsible for any deficiency still owed to COUNTY under this Agreement. In order to draw funds as such, COUNTY shall provide five (5) days prior written notice to escrow agent, with a written carbon copy to DEVELOPER, certifying (i) that DEVEOLOPER has failed to pay an amount owed for the Road Infrastructure under this Agreement within 30 days after receiving written notice of same from COUNTY; and (ii) the amount unpaid by DEVELOPER. The escrow agent shall release to COUNTY the lesser of the amount certified by COUNTY as unpaid or the escrow balance within ten (10) days from receiving such. If any amount of the escrow is depleted, DEVELOPER shall restore the depleted amount

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within five (5) days. In addition, DEVELOPER further agrees that all work to be performed under this Agreement shall be secured by an appropriate performance or payment bond issued in favor of Chambers County as Obligee to guarantee and ensure that DEVELOPER will pay for all the costs associated with the design, engineering, construction, maintenance and repair of the Road Infrastructure, and that such work will be completed in accordance with the terms of this Agreement and in accordance with the County Requirements, and in the amount necessary to cover the cost of all work contemplated to be performed under this Agreement (the "Bond"). The form and amount of the Bond will be subject to the review and certification by COUNTY. Upon COUNTY approval of the Bond, which will not be unreasonably withheld, DEVELOPER agrees that it will keep the Bond required under this Agreement in effect until COUNTY consents in writing to the Bond being released. The amount of the Bond shall be in an amount sufficient to cover DEVELOPER's obligations, promises and covenants included in this Agreement, and shall not be in an amount less than 115% of all remaining roads, drainage, and other improvements to be constructed. COUNTY shall be named as the Obligee of such bonds and this Agreement shall be specifically mentioned and incorporated by reference into the Bond. The DEVELOPER shall be named and listed on the bond as principal. DEVELOPER shall furnish the Bond at the time this Agreement is executed by DEVELOPER, or at COUNTY'S sole discretion, within thirty (30) days after the effective date of this Agreement.

D. Alternatively, in lieu of securing performance or payment bonds under this Agreement with the Bond, subject to approval of County, such approval not to be unreasonably withheld, DEVELOPER may secure performance and payment under this Agreement by depositing, in addition to the $100,000 in escrow obligation expressed herein, a cash bond in the amount of one hundred fifteen percent (115%) of the contractor's sealed bid the County selects for the Road Infrastructure, and if more than one contractor is selected, DEVELOPER agrees to post a cash bond in the amount of one hundred fifteen percent (115%) of the cumulative contractor bids the

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County selects for Road Infrastructure. DEVELOPER agrees to post this cash bond ("Cash Bond"). In the event a change order is issued and approved by County, DEVELOPER agrees to post an additional cash bond for each issued and approved change order in an amount equal to one hundred fifteen percent (115%) of each change order within thirty (30) days of the County approving the respective change order ("Additional Cash Bond").

E. In exchange for and in reliance on DEVELOPER's promises, covenants and representations contained herein, COUNTY agrees to approve a limited permit for DEVELOPER to begin DEVELOPER's construction on improvements to DEVELOPER'S property, granting DEVELOPER the right to proceed with site work and construction planning while Needlepoint Road improvements are designed and while Needlepoint Road engineering plans and specifications are reviewed, completed and approved by COUNTY. DEVELOPER agrees that it will not go "vertical" with its construction until after the Needlepoint Roadway improvements are designed and approved by COUNTY in accordance with all applicable County Requirements. DEVELOPER agrees that a breach of this provision will result in the permit being immediately revoked and made null and void until DEVELOPER obtains COUNTY approval, and that COUNTY may, at its sole option, enforce this provision by injunction with a district court in Chambers County, Texas.

F. From time to time and until COUNTY has officially accepted the Improvements, the COUNTY may notify DEVELOPER of deficiencies, or needed completion, maintenance or repair of the Road Infrastructure, and DEVELOPER agrees that it will pay for all such repairs within thirty (30) days of the request.

G. To the extent COUNTY performs any required work to complete the Road Infrastructure as required by COUNTY in accordance with the County's Requirements, including any work for maintenance and repair of the Road Infrastructure, after notice to DEVELOPER and a reasonable opportunity for DEVELOPER to pay for such repairs, the COUNTY has the right to make such

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repairs and thereafter, has the right to send an invoice to DEVELOPER for work performed and expenses actually incurred. DEVELOPER will pay such invoices within thirty (30) days of receipt of the invoice. If DEVELOPER does not pay for the required work or maintenance and repair, or alternatively, does not pay the invoice within the 30 day pay period, then it is agreed and understood that COUNTY will present a claim to the Surety on the Bond or, if applicable, recover and make claim on the Cash Bond or Additional Cash Bond, and thereafter, the Surety will pay the invoice immediately upon presentation or a deduction will be made on the Cash Bond or Additional Cash Bond. If a Cash Bond is posted in lieu of a performance or payment bond, DEVELOPER and COUNTY agree that the cash bond may be used to compensate or reimburse COUNTY for such work. DEVELOPER agrees to fully and promptly cooperate with COUNTY to enable COUNTY to perform such work, or make such repairs to the Road Infrastructure as requested by COUNTY.

H. DEVELOPER acknowledges and agrees that the Road Infrastructure improvements are required to be improved and accepted by COUNTY in order for DEVELOPER to use its property for commercial or industrial purposes, to allow for proper trucking of weighted traffic and cargo. As part of its intended development, DEVELOPER acknowledges and agrees that, upon completion, it is the intent of the Parties for the DEVELOPER to pay one hundred percent (100%) of the necessary and required improvements to Needlepoint Road, as part of the Road Infrastructure, to properly and legally allow for truck and cargo traffic, roll off trucks of all sizes and over weighted vehicles in accordance with the approved plans and specifications submitted by DEVELOPER to COUNTY at DEVELOPER's sole expense. Upon inspection and following completion of the construction of the Road Infrastructure, County fully intends and agrees to "accept" the Road Improvements, including the new and improved Needlepoint Road into the County Road Maintenance program in accordance with the then current procedures set forth in the County Requirements. Upon acceptance, all funds previously deposited by DEVELOPER as an

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escrow payment, Cash Bond or Additional Cash Bond under this Agreement and not used for the Road Infrastructure or its maintenance or repair will be returned to DEVELOPER within thirty (30) days.

II.

COUNTY REQUIREMENTS

"County Requirements" as used in this Agreement shall include and collectively mean all of the items mentioned below:

1. Drainage Criteria Manual for Chambers County;
2. Chambers County's Subdivision Manual;
3. Infrastructure Design Manual; and
4. COUNTY'S written policies, procedures and practices used for developments and subdivisions in the COUNTY.

The County Requirements, as hereinafter amended from time to time by COUNTY, are hereby incorporated by reference in this Agreement and shall apply to Developer and DEVELOPER's Sureties. Written copies of the County Requirements are available for inspection and copying at the COUNTY'S Engineer's Office located at 201 Airport Road, Anahuac, Texas 77514.

III.

DEVELOPER RESPONSIBILITIES

A. DEVELOPER is responsible to COUNTY to pay, or have a responsible party pay, for all costs associated with the construction of the Road Infrastructure in accordance with the County Requirements, including the improvement of Needlepoint Drive, necessary to improve the road to serve adjacent industrial and commercial facilities for heavy trucking and cargo, and if the construction, maintenance and funded by DEVELOPER, the COUNTY has the right, but not the obligation to fund or perform such construction, maintenance and repair and thereafter send an invoice to DEVELOPER for all work performed. DEVELOPER shall pay such invoice within thirty (30) days of receipt.

B. **Engineer Certificates Required**. DEVELOPER agrees that upon completion of the Road Infrastructure DEVELOPER shall pay for an engineer's certification certifying that all Road

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Infrastructure has been completed in accordance with the COUNTY Requirements. The engineer's certificate shall be in a form acceptable to County.

B. **Timeline**. Without limiting anything contained in this Agreement, DEVELOPER and COUNTY specifically agree to complete the following tasks related to the Road Infrastructure within the time intervals provided below:

Within ninety (90) days of DEVELOPER signing this Agreement, DEVELOPER agrees to provide a complete draft set of construction plans and specifications, it being understood and acknowledged by DEVELOPER that concept drawings are inadequate and insufficient to meet its obligations and deadlines under this Agreement; and

Within thirty (30) days of the COUNTY accepting the lowest and best bid from a contractor to build and improve Needlepoint Road, using a competitive bid process or other legally acceptable bidding process with COUNTY, DEVELOPER agrees to fund and pay COUNTY fully for all costs associated with the design, review/inspection/testing fees, engineering and construction of such work on Needlepoint Road, and such payment shall be sufficient to cover all such costs incurred by COUNTY as documented or otherwise estimated by COUNTY, and DEVELOPER further agrees that it will fund and pay for any and all the Road Infrastructure, including any approved change orders for such construction and improvements of the work performed on Needlepoint Road until the work and improvements are completed and approved by the COUNTY.

C. **No Permanent Power will be Provided**. DEVELOPER acknowledges and agrees that it will not seek nor will it be granted a permit or approval from COUNTY for occupancy or permanent utilities and electricity on its property made the subject of this Agreement until Needlepoint Road is fully constructed and improved, to COUNTY'S complete satisfaction and approval, and DEVELOPER acknowledges and agrees that it will not seek nor will it be granted such permit or approval until DEVELOPER has fully paid to COUNTY the costs to construct and improve Needlepoint Road.

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D. **Tax Abatement**. DEVELOPER acknowledges and agrees that it has applied for and seeks approval of a tax abatement with COUNTY, and approval of such application and the continuing granting of any and all tax abatements to DEVELOPER by COUNTY is made subject to, and contingent on, at all relevant times, DEVELOPER being in compliance with County Requirements, including without limitation greenbelt and green space requirements, DEVELOPER fully paying COUNTY for the construction and improvements of Needlepoint Road, DEVELOPER fully paying for the Road Infrastructure, and such work on Needlepoint Road being accepted and approved by COUNTY, such acceptance and approval not to be unreasonably withheld, and DEVELOPER's failure, if any, to fully pay for the construction and improvements of Needlepoint Road with the acceptance and approval of COUNTY, in accordance with County Requirements and County's approval under then County standards, is a legal basis and justification for COUNTY to rescind and void any and all such tax abatements granted to DEVELOPER, and at such time, DEVELOPER agrees that it will be immediately liable and responsible to COUNTY for any and all prior and future tax abatements granted by COUNTY on DEVELOPER's property, and DEVELOPER agrees to make payment for such past tax abatements to COUNTY within thirty (30) days of receiving written notice from COUNTY, and further, DEVELOPER acknowledges and agrees to pay all future tax payments to COUNTY as those tax payments become due as though no tax abatements were ever granted to DEVELOPER by COUNTY.

E. DEVELOPER acknowledges and agrees that it will be responsible for and shall pay for all costs associated with the design, review, engineering, inspection and testing services, surveying, appraisals, title research and commitments and legal fees associated with the improvements and costs associated with the work on Needlepoint Road Infrastructure, and such payment shall be made to COUNTY within thirty (30) days of any invoicing for same.

IV.

GENERAL PROVISIONS

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A. **General Administration:** General administration of this Agreement shall be by the Chambers County Judge, or his representative (or successor in office). Administering this Agreement and the contact person and representative for DEVELOPER is DEVELOPER or DEVELOPER'S engineer, or DEVELOPER'S representative. Specific COUNTY engineering requirements will be administered through the County Engineer's Office.

B. **Alteration, Amendment or Modification:** This Agreement may not be altered, amended, or modified except in writing signed by all parties to this Agreement. No official, agent, employee, or representative of the COUNTY has the authority to alter, amend, or modify the terms of this Agreement except in accordance with express authority as may be granted by the Chambers County Commissioners Court.

C. **Notice**: All notices sent pursuant to this Agreement shall be in writing and must be sent by registered or certified mail, postage prepaid, return receipt requested.

i. Notices sent pursuant to this Agreement shall be sent to the Chambers County Judge's Office at the following address:

County Judge Jimmy Sylvia (or his successors in office)
Chambers County Judge's Office
PO Box 939
Anahuac, Texas 77514

ii. Notices sent pursuant to this Agreement shall be delivered to DEVELOPER at the following addresses:

Chris Couch
The Avera Companies
7880 San Felipe Street, Suite 250
Houston, Texas 77063

iii. To be effective, a copy of any notices sent to the COUNTY shall be sent to the Chambers County Attorney's Office at the following address:

Honorable Ashley Land (or her successor in office)
Chambers County Courthouse
404 Washington Avenue

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PO Box 1200
Anahuac, Texas 77514

Nathan M. Brandimarte
The Brandimarte Law Firm, PLLC
6265 Gladys Avenue
Beaumont, Texas 77706

When notices sent pursuant to this Agreement are mailed by registered or certified mail, notice shall be deemed effective three (3) days after deposit in a U.S. mailbox or at a U.S. post office.

D. **Severability:** If any provision of this Agreement is found to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining provisions of this Agreement.

E. **Breach:** The failure of either party to comply with the terms and conditions of this Agreement shall constitute a breach of this Agreement.

F. **Non-Waiver:** The waiver by either party of a breach of this Agreement shall not constitute a continuing waiver of such breach or of a subsequent breach of the same or a different provision.

G. **Entire Agreement:** This Agreement constitutes the entire agreement between COUNTY and DEVELOPER on the subject matter contained herein. No other agreement, statement, or promise relating to the subject matter of this Agreement, and which is not contained in this Agreement or incorporated by reference in this Agreement shall be valid or binding.

H. **Terms used in Document**: As used in this document, the terms "Agreement," and "Contract" are synonymous.

I. **Non-Defined Terms**: If not specifically defined in this contract, words and phrases used in this Agreement shall have their ordinary meaning as defined by common usage.

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Compliance with Rules and Regulations: DEVELOPER will comply with all rules and regulations which apply to construction, equipment, materials and machinery contracts that fall under this Agreement, including any applicable public bidding requirements.

J. In the event that COUNTY elects for any reason not to proceed with construction of the Road Infrastructure, the County agrees to return the Cash Bond to DEVELOPER. If the cause of the COUNTY not proceeding with the construction of the Road Infrastructure is a result of DEVELOPER breaching this Agreement, fulfilling its obligations under this Agreement, or not otherwise proceeding with its planned development along Needlepoint Road, then the COUNTY and DEVELOPER agree that the Cash Bond will be returned to DEVELOPER but only after all of COUNTY's expenses relating to this Agreement and the Road Infrastructure have been deducted and paid to COUNTY. In this event, COUNTY and DEVELOPER agree that COUNTY has a right to offset its expenses with the Cash Bond before returning the Cash Bond to DEVELOPER.

This Agreement is agreed to and shall be signed by the COUNTY and DEVELOPER below and shall be effective as of April 11, 2023.

DEVELOPER:

P9/Kilgore Grand Parkway PropCo, LP

Its General Partner, P9/KGP PROPCO GP, LLC

By: H.T. Odom III
Authorized ~~Member or Manager~~ Signatory

April 11, 2023
Date

Printed Name of Authorized ~~Manager~~ Signatory: H. T. Odom, III

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COUNTY:

Chambers County, Texas

DocuSigned by:

By: Jimmy Sylvia 04/13/2023 | 15:17:45 CDT

1492536299FA478...

Jimmy Sylvia, County Judge Date

ATTEST:

DocuSigned by:

Heather H. Hawthorne 04/13/2023 | 15:19:18 CDT

03933AF26BE5410...

County Clerk Date

DocuSign Envelope ID: 418009B8-313C-4CA7-9506-1E12A5A6D2BC

EXHIBIT A

DocuSign Envelope ID: 418009B8-313C-4CA7-9506-1E12A5A6D2BC

STATE OF TEXAS §
COUNTY OF CHAMBERS COUNTY §

We, PS/Kilgore Grand Parkway Project, LP, a Delaware limited partnership, owner of the 33.92 acre tract described in the above and foregoing map of Kilgore Grand Parkway Minor Plat, A. Scott Survey, A-68, Harris County, Texas do hereby dedicate to public use as such the streets, alleys, parks and easements shown hereon forever, and do hereby waive any claims for damages occasioned by the survey of any portion of streets or alleys, to conform to such grades, and do hereby bind ourselves, our heirs, successors and assigns to warrant and forever defend the title of the land so dedicated.

There is also dedicated for utilities that are above ground, overhead utility line only, an unobstructed aerial easement five (5) feet wide from a plane twenty (20) feet above the ground upward located adjacent to all utility easements.

We do further dedicate to the public an easements and public utilities therein, and we hereby covenant and restrict the land shown hereon this plat to the uses as shown on the plat, and no use of such land, differing from that shown on the recorded plat shall be made unless and until an ordinance requirements of the City of Baytown and the laws of the State of Texas applicable to such proposed uses shall have first complied with.

Upon approval of this plat by the Planning and Zoning Commission, the undersigned owner, our successors and assigns, will forever keep and permit to be kept open to the public and maintained, the area therein shown as easements unless the City of Baytown, Texas shall thereafter permit and authorize the closing thereof.

IN TESTIMONY WHEREOF, PS/Kilgore Grand Parkway PropCo, LP, a Delaware limited partnership has caused these presents to be signed by its Authorized Signatory, Richard L. Kight, thereunto authorized, this 19th day of December 2022.

PS/Kilgore Grand Parkway PropCo, LP, a Delaware limited partnership

By: _____
Richard L. Kight
Authorized Signatory

STATE OF TEXAS §
COUNTY OF Harris §
BEFORE ME, the undersigned Authority, on this day personally appeared Richard L. Kight, Authorized Signatory, of PS/Kilgore Grand Parkway PropCo, LP, a Delaware limited partnership known by me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and considerations therein expressed and herein stated, and as the act and deed of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 19th day of December 2022.

_____
Notary Public in and for the State of Texas

My Commission expires September 19, 2024

This is to certify that the City of Baytown, Texas, has approved this plat and subdivision of Kilgore Grand Parkway Minor Plat in accordance with the laws of the State of Texas and the ordinances of the City of Baytown, as shown hereon, and authorized the recording of this plat this 29th day of December, 2022.

By: _____
Martin Sprister, Secretary of the Commission

This is to certify that I, Steven A. Jones, a Registered Professional Land Surveyor, in the State of Texas have platted the above subdivision from an actual survey made under my supervision on the ground on or during 2020; that all monuments, block corners, angle points and points of curve are, or will be properly marked with iron rods a minimum of 1/2" inch in diameter and 24 inches in length with cap stamped JonesCarter.

_____
Steven A. Jones
Registered Professional Land Surveyor
Texas Registration No. 5317

STATE OF TEXAS §
COUNTY OF CHAMBERS §

A METES & BOUNDS description of a certain 33.92-acre tract of land situated in the Jacob Townsend Survey, Abstract No. 25 in Chambers County, Texas, being all of a called 33.92-acre tract conveyed to Kichler Family Partnership, Ltd. by Special Warranty Deed recorded in Volume 1470, Page 330 of the Chambers County Official Public Records of Real Property, said 33.92-acre tract being more particularly described as follows with all bearings being the Texas Coordinate System, South Central Zone, NAD 83:

BEGINNING at a found 3/4-inch iron rod (with cap stamped "Colton Surveying") at the southeast corner of said 33.92 acre tract in the west line of Grand Parkway (right-of-way varies) recorded in Volume 1098, Page 695 of the Chambers County Official Public Records of Real Property, said iron rod also being the northeast corner of a called 97.92766 acre tract conveyed to 98 N. Land Development, LLC by Special Warranty Deed recorded in Volume 1298, Page 347 of the Chambers County Official Public Records of Real Property;

THENCE, South 87°39'30" West, along the south line of said 33.92-acre tract, being common with the north line of said 93.50178-acre tract, 1,103.42 feet to a found 3/4-inch rod (with cap stamped "Colton Surveying") at the southwest corner of said called 33.92-acre tract in the occupied east line of Needle Point Road (Variable Occupied Width);

THENCE, along the west line of said 33.92 acre tract, being common with the occupied east line of said Needle Point Road the following eight (8) courses and distances:

1 North 16°24'09" East, 1157.93 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

2 North 15°18'42" East, 41.34 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

3 North 15°23'18" East, 55.80 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

4 North 17°10'54" East, 45.20 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

5 North 08°38'17" East, 37.08 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

6 North 02°31'50" East, 54.47 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

7 North 01°57'55" East, 47.59 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner;

8 North 01°18'42" East, 376.44 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for the southeast corner of a cutback at the intersection of Kilgore Parkway (120 foot wide) recorded in Volume 1098, Page 678 of the Chambers County Official Public Records of Real Property and Old Needlepoint Road (Variable Width) no dedication found of record, being the beginning of a non-tangent curve to the right;

THENCE, North 47°09'49" East, along said cutback 57.04 feet to a found 3/4-inch iron rod for corner in the south line of said Kilgore Parkway;

THENCE, along south line of said Kilgore Parkway, being common with the north line of said called 33.92-acre tract and along the arc of said non-tangent curve to the right having a radius of 1960.55 feet, a central angle of 06°47'02", an arc length of 190.36 feet, and a long chord bearing South 83°47'38" East, 190.28 feet to a set 3/4-inch iron rod (with cap stamped "JonesCarter Property Corner") for corner;

THENCE, South 87°28'37" East, continuing along said common line, 731.58 feet to a found 3/4-inch iron rod (with cap stamped "JonesCarter Property Corner") for the northwest corner of a cutback at the intersection of Grand Parkway and Kilgore Parkway, being the beginning of a non-tangent curve to the left;

THENCE, South 19°28'58" East, along said cutback, 230.42 feet to a found 3/4-inch iron rod (with cap stamped "Colton Surveying") for corner in a curve of a non-tangent curve to the left in the west line of Grand Parkway common with the east line of said 33.92 acre tract;

THENCE, along said common line and along the arc of said non-tangent curve to the left having a radius of 4020.12 feet, a central angle of 16°54'50", an arc length of 1188.75 feet, and a long chord bearing South 14°57'14" West, 1182.43 feet to the POINT OF BEGINNING CONTAINING 33.92-acres of land in Chambers County, Texas.

County Engineer's Certification

I, Robert L. Hall, III, Professional Engineer, do hereby certify that the plat of this subdivision complies with the Subdivision Regulations of Chambers County, Texas and Design Standards applicable thereto, this 12th day of January, 2023.

_____
Signature Of County Engineer
Robert L. Hall, III
Chambers County Engineer

County Judge Approval Certification

I, Jimmy Sims, Chambers County Judge, upon approval and recommendation by the County Engineer and in accordance with the Chambers County Subdivision Regulations, do hereby certify that this subdivision plat complies with the aforementioned regulations as such and order was given that it be recorded in the office of the County Clerk of Chambers County, Texas this.

17 day of JAN 23

_____
County Judge
Jimmy Sims

Commissioner's Court Approval Certification

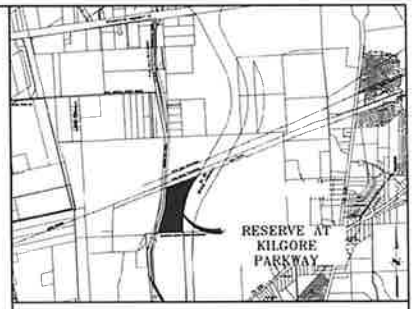
This is to certify that the Commissioner's Court of Chambers County, Texas at motion made, seconded, and adopted, has approved the Plat and Subdivision of Bay Ten Track 6 Final Plat as shown hereon, and ordered said plat Plat of record in the office of the County Clerk of Chambers County, Texas this 17 day of JAN 2023.

_____
County Judge

Environmental Health Certification

I, Dana Branch, Environmental Health Officer for Chambers County Texas, do hereby certify that the plat of this subdivision complies with the On Site Sewage Disposal Regulations of Chambers County, Texas and design standards applicable thereto, this 11th day of January, 2023.

_____
County Environmental Health Officer
Dana Branch



VICINITY MAP
NTS

CLERK'S FILE NO. _____

FILED FOR RECORD IN:
Chambers County
On: 1/26/2023 10:42 AM
Instrument Number: 2023-189806
Number of Pages: 2
Amount: 140.00
Order#: 20230125000035
By: CW

Heather H. Hawthorne County Clerk
Recorded: Dana Tisdale

STATE OF TEXAS
COUNTY OF CHAMBERS

I, HEATHER H. HAWTHORNE, hereby certify that the instrument was filed on the date and at the time stamped hereon by me, and was duly recorded in the Volume and Page of the named RECORDS of Chambers County, Texas as stamped hereon by me on

Jan. 26, 2023

COUNTY CLERK
CHAMBERS COUNTY, TEXAS

KILGORE GRAND PARKWAY

MINOR PLAT

A SUBDIVISION OF 33.92 ACRES OF LAND OUT OF THE JACOB TOWNSEND SURVEY, A-25, CHAMBERS COUNTY, TEXAS

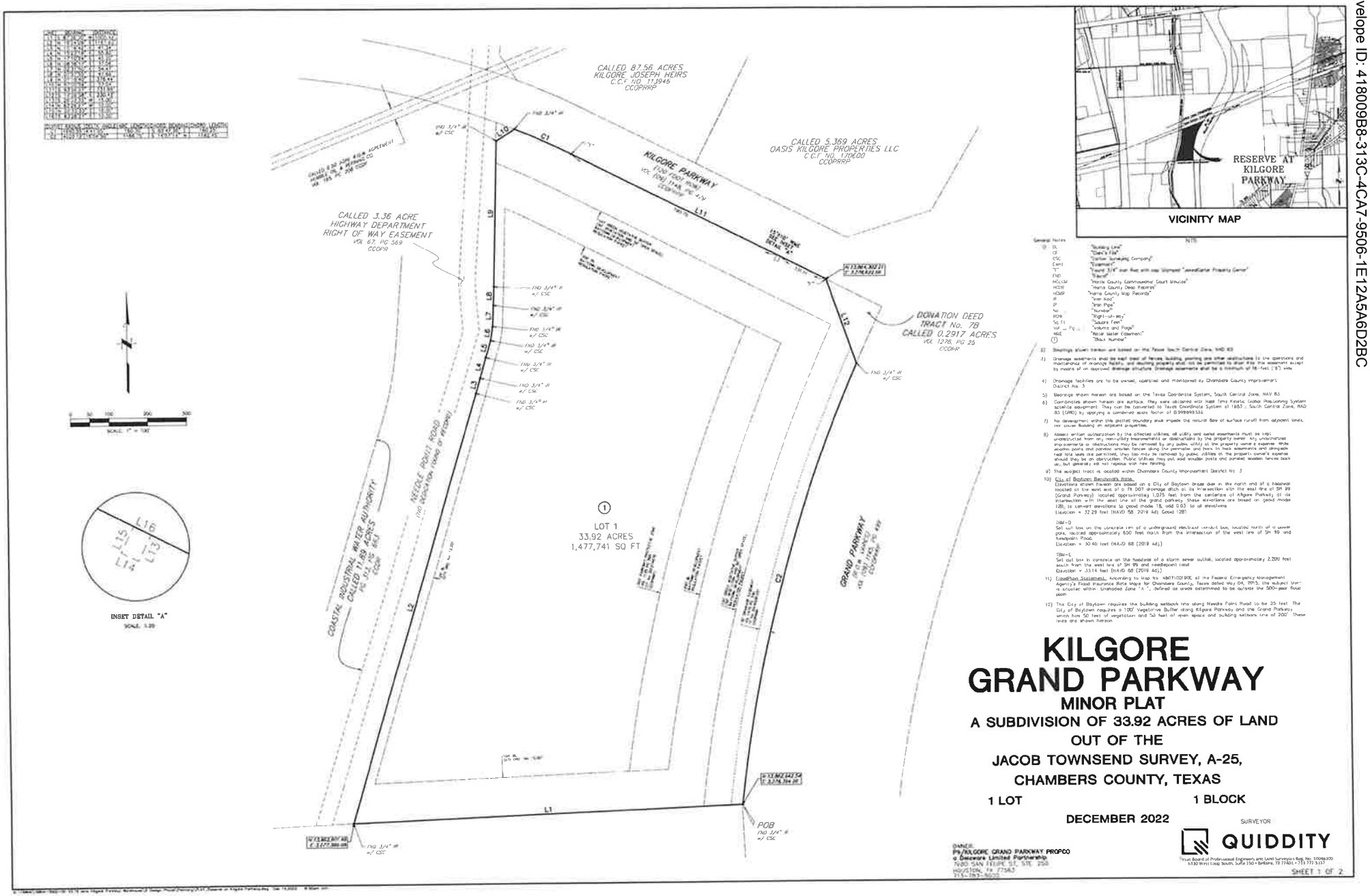
1 LOT 1 BLOCK

DECEMBER 2022

OWNER:
PS/KILGORE GRAND PARKWAY PROPCO, LP
a Delaware limited partnership
1360 POST OAK BLVD., STE. 2500
HOUSTON, TX 77056
713-783-9500

SURVEYOR
QUIDDITY
Texas Board of Professional Engineers and Land Surveyors Reg. No. 10046100
6510 West Loop South, Suite 150 • Bellaire, TX 77401 • 713 777 5337

SHEET 2 OF 2



General Notes

BL	"Building Line"
CF	"Clerk's File"
CSC	"Clarton Surveying Company"
Esmt	"Easement"
"I"	"Found 3/4" iron Rod with cap Stamped "JonesClarton Property Corner"
FND	"Found"
MCCM	"Harris County Commissioner Court Minutes"
HCCR	"Harris County Deed Records"
HCMR	"Harris County Map Records"
IR	"Iron Rod"
IP	"Iron Pipe"
No	"Number"
ROW	"Right-of-way"
Sq Ft	"Square Feet"
Vol _ Pg _	"Volume and Page"
WLE	"Water Meter Easement"
(1)	"Block Number"

1) Bearings shown hereon are based on the Texas South Central Zone, NAD 83

3) Drainage easements shall be kept clear of fences, building, planting and other obstructions to the operations and maintenance of drainage facility, and abutting property shall not be permitted to drain into this easement except by means of an approved drainage structure. Drainage easements shall be a minimum of 15-feet (15') wide.

4) Drainage facilities are to be owned, operated and maintained by Chambers County Improvement District No. 3

5) Bearings shown hereon are based on the Texas Coordinate System, South Central Zone, NAD 83.

6) Coordinates shown hereon are surface. They were obtained with Kept Tens Kinetic Global Positioning System satellite equipment. They can be converted to Texas CoordSmate System of 1983, South Central Zone, NAD 83 (GRID) by applying a combined scale factor of 0.999899333.

7) No development within this platted boundary shall impede the natural flow of surface runoff from adjacent lands, nor cause flooding on adjacent properties.

8) Absent written authorization by the affected utilities, all utility and aerial easements must be kept unobstructed from any non-utility improvements or obstructions by the property owner. Any unauthorized improvements or obstructions may be removed by any public utility at the property owner's expense. While wooden posts and panelled wooden fences along the perimeter and rears in back easements and alongside road lots were permitted, they too may be removed by public utilities at the property owner's expense should they be an obstruction. Public Utilities may put said wooden posts and panelled wooden fences back up, but generally will not replace with new fencing.

9) The subject tract is located within Chambers County Improvement District No. 3

10) City of Baytown Benchmark Note.
Elevations shown hereon are based on a City of Baytown brass due in the north end of a headwall located at the west side of a TX DOT drainage ditch at its intersection with the east line of SH 99 (Grand Parkway) located approximately 1,075 feet from the centerline of Alfgare Parkway at its intersection with the east line of the grand parkway. These elevations are based on geoid model 12B, to convert elevations to geoid model 18, add 0.03 to all elevations.
Elevation = 32.29 feet (NAVD 88 2019 adj Geoid 12B)

TBM-D
Set cut box in concrete on the headwall of a storm sewer outfall, located approximately 2,200 feet south from the west lane of SH 99 and Needlepoint Road
Elevation = 33.14 feet (NAVD 88 (2019 adj.)

TBM-E
Set cut box in concrete on the headwall of a storm sewer outfall, located approximately 2,200 feet south from the west lane of SH 99 and Needlepoint Road
Elevation = 33.14 feet (NAVD 88 (2019 adj.)

11) FloodPlain Statement. According to Map No. 48071C0190E, of the Federal Emergency Management Agency's Flood Insurance Rate Maps for Chambers County, Texas dated May 04, 2015, the subject tract is situated within Unshaded Zone "X", defined as areas determined to be outside the 500-year flood plain

12) The City of Baytown requires the building setback line along Needle Point Road to be 25 feet. The City of Baytown requires a 100' Vegetative Buffer along Alfgare Parkway and the Grand Parkway, which has 50 feet of vegetation and 50 feet of open space and building setbacks line of 200'. These lines are shown hereon

KILGORE GRAND PARKWAY

MINOR PLAT

A SUBDIVISION OF 33.92 ACRES OF LAND
OUT OF THE
JACOB TOWNSEND SURVEY, A-25,
CHAMBERS COUNTY, TEXAS

1 LOT **1 BLOCK**

DECEMBER 2022

OWNER:
PS/KILGORE GRAND PARKWAY PROPCO
a Delaware Limited Partnership
7600 SAN FELIPE ST, STE 250
HOUSTON, TX 77063
713-787-5600

SURVEYOR
QUIDDITY
Texas Board of Professional Engineers and Land Surveyors Reg. No. 10086300
6330 West Loop South, Suite 150 • Bellaire, TX 77401 • 713.777.5337

SHEET 1 OF 2

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EXHIBIT B

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EXHIBIT E

PILOT PAYMENT SCHEDULE

Tax Year	Ch. 381 PILOT	CCSED PILOT	PILOT Payment Deadline
2025	0% of County Tax Abated	100% of CCSED Tax	1/31/2026
2026	50% of County Tax Abated	100% of CCSED Tax	1/31/2027
2027	50% of County Tax Abated	100% of CCSED Tax	1/31/2028
2028	50% of County Tax Abated	100% of CCSED Tax	1/31/2029
2029	50% of County Tax Abated	100% of CCSED Tax	1/31/2030

The aggregate County Tax Rate consists of the following categories:

- Road & Bridge Special
- County – General
- Interest & Sinking
- Road & Bridge FMFC
- Chambers County School Equalization District

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

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