STATE OF TEXAS §
§
COUNTY OF CHAMBERS §

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("**Agreement")** is entered into this _____day of _____, 2025, by and between Targa Downstream, LLC, ("**TARGA**"), and Chambers County, Texas, a Texas political subdivision ("**County**") (TARGA and County collectively referred to herein as the "parties" and each 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**") has the authority 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 23rd day of April 2024, the County Commissioners Court adopted a Chapter 381 Economic Development Program Policy ("**Chapter 381 Policy**"), renewed as per usual, setting forth policies, guidelines, and criteria for economic development incentives provided by the County under Chapter 381, a copy of which is attached as **Exhibit A**; and

WHEREAS, on the 23rd day of April 2024, the County Commissioners Court adopted an Economic Development Policy (**"Chapter 312 Policy"**), renewed as per usual, 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 10th day October 2023, the County Commissioners Court approved a proposal for tax abatement submitted by TARGA, (the "**Tax Abatement Proposal**", a copy of which is attached as **Exhibit B**), in accordance with County policy and approved this Agreement on the 12th day of December 2023; and

WHEREAS, TARGA plans to construct substantial improvements to real property within the City of Mont Belvieu TARGA Reinvestment Zone (**"Reinvestment Zone"**) designated by Resolution by the City of Mont Belvieu City Council, Ordinance No. 2023- 026, a copy of which is attached as **Exhibit C**. TARGA's project will constitute a major economic investment in the County and the surrounding community and will encourage the development of primary employment within the County and is hereinafter referred to as **Fractionation Facility 10**; and

WHEREAS, the County recognizes the positive economic impact Fractionation Facility 10 will have on the community and desires to offer economic development incentives to TARGA to develop the project in the form of a tax abatement of *ad valorem* property taxes; and

WHEREAS, the County finds that the terms of this Agreement and the development of Fractionation Facility 10 promote economic development in the County and, as such, satisfies requirements of the Chapter 381 and Chapter 312 Policies, is feasible and practical and would benefit the County after expiration of this Agreement; and

WHEREAS, TARGA recognizes the significance of its development and construction of substantial improvements to real property within the County and its potential impact and effect on the County's public infrastructure and transportation for which the County must consider in connection with this Agreement; and

WHEREAS, TARGA desires to make a monetary contribution of financial resources to the County to be applied toward capital expenditures for infrastructure projects of community-wide impact and significance in an effort to offset or otherwise mitigate the impact of Fractionation Facility 10 on the County's infrastructure and local transportation system and to encourage the continued development and expansion of amenities within the County that directly serves the local taxpayer and benefits the surrounding community at large; and

WHEREAS, the abatement of County Property Tax is contingent on compliance, to the extent practicable, with that certain Memorandum of Understanding ("**MOU**") between the County and TARGA over the term of this Agreement. A copy of the MOU 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 and retention of major investment in the County, increased payroll that contributes to the economic development of the County and enhancement of the tax base in the County, and certain Chapter 381 Payments, PILOT Payments, and Infrastructure Payments as defined in this Agreement, and TARGA , 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

For purposes of this Agreement, when not inconsistent with context, words used in the present tense include the future tense, words in the plural include the singular, and words in the singular include the plural. The words "shall" and "will" are mandatory and the word "may" is permissive. Words not defined in this Agreement shall be given their common and ordinary meaning. 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 TARGA. 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 Fractionation Facility 10. The period of Construction Phase ends when Fractionation Facility 10 is substantially completed and consistent with Section 6 of this Agreement.

"**Eligible Property Value**" shall mean, with respect to each calendar year, the fair market value of Fractionation Facility 10 including all buildings, structures, fixed machinery and equipment, site improvements, office space, and related fixed improvements 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 TARGA, for the development, construction, ownership, operation, or maintenance of Fractionation Facility 10 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, pandemic, or any other extraordinary event beyond the control of TARGA or an Affiliate (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

"**Ineligible Property Value**" shall mean, for each calendar year, the value as listed on the tax rolls of the Chambers County Appraisal District of the following: land; inventories; supplies; tools; furnishings and other forms of movable personal property; vehicles; watercraft; aircraft; housing; deferred maintenance investments; any improvements 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.

“Infrastructure Payment” shall mean one or more payments totaling in the aggregate an amount equal to ONE MILLION DOLLARS and NO/100 ($1,000,000.00) made by TARGA to the County as a monetary contribution of financial resources to the County to be applied toward capital expenditures for an Infrastructure Project as contemplated by this Agreement.

“Infrastructure Payment Dates” shall mean March 1st of 2025 and 2026.

“Infrastructure Project” shall mean or otherwise include one or more of the following projects:

a. County Park Improvements, Various Community Amenities; and / or

b. Industrial Intermodal Support Infrastructure.

"**Payment Deadline**" shall mean, with respect to each Chapter 381 Payment and Chambers County School Equalization Fund 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 TARGA, or an entity controlled by or under common control with TARGA who is expected or scheduled to work at least 1,800 hours in a twelve-month period as an employee at the Fractionation Facility 10.

"**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 to be owned by TARGA as hereinafter described in Exhibit C attached hereto.

"**Undocumented Worker**" means an individual who, at the time of employment by TARGA, 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 12th day of December 2023 and reapproved on the 28th day of January 2024, authorizing the County Judge to execute this Agreement on behalf of the County. The County’s execution of this Agreement is authorized by Chapter 381 and constitutes a valid and binding obligation of the County.

B. **TARGA Authorization**. The undersigned officers of TARGA have authority to execute this Agreement on behalf of the TARGA.

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. 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 TARGA a variance from such deviation.

D. **Tax Increment Financing**. The County represents that the abatements provided by this Agreement will not be diminished or otherwise jeopardized by tax increment financing arrangements in the County, if any.

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

Section 3. Permitting

The County shall use its best efforts to expedite processing of any permits, re-zoning requests, licenses, or other approvals associated with the construction and development of Fractionation Facility 10.

Section 4. Tax Abatement

The County hereby grants TARGA a tax abatement with respect to Fractionation Facility 10. The tax abatement shall begin on January 1, 2026, and shall continue for ten years.

In each year of this ten-year period, the tax abatement shall equal one hundred percent (100%) of the County Property Tax (including all general, I&S and road and bridge ad valorem taxes of the County) imposed on the Eligible Property Value.

In each year of this ten-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 Fund.

Section 5. TARGA Payments to County

For each year in which TARGA receives tax abatement under Section 4, TARGA agrees to tender to the County, on or prior to the Payment Deadline or otherwise stipulated, all payments due under this Agreement by check or other mechanism acceptable to County. Such payments shall include the following (Per **Exhibit E**):

A. **Chapter 381 PILOT Payments.** Chapter 381 Payments shall mean: (1) for calendar year 2026, a payment from TARGA to County equal to twenty-four percent (24%) of the County Property Tax abated pursuant to this Agreement; and (2) for calendar years 2027 and 2028, a payment from TARGA to County equal to forty percent (40%) of the County Property Tax abated pursuant to this Agreement; and (3) for calendar years 2029, 2030, 2031, 2032, 2033, 2034, and 2035 a payment from TARGA 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 CIPC shall equal 5.00% of the tax savings derived from the County Property 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 and transportation 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. Payment of the CIPC, as mutually calculated, will be submitted to the County 30 days after the execution of the Agreement.

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 Fund Payment in Lieu of Tax (CCSEF PILOT).** The CCSEF PILOT Payment shall equal one hundred percent (100%) of the CCSEF Tax abated each year pursuant to this Agreement.

E. **Infrastructure Payment.** Upon the execution of this Agreement, TARGA agrees to tender Infrastructure Payments to the County no later than the specified Infrastructure Payment Dates. TARGA shall have the right to prepay at any time and in any amount all or any part of the Infrastructure Payment without penalty. In furtherance of the development and administration of the Economic Development Program, the County shall apply the Infrastructure Payments (i) directly to the costs associated with any Infrastructure Project, or (ii) toward the reduction of debt service associated with bonds issued for any Infrastructure Project as that term is defined herein.

Section 6. Covenants

A. **Construction Covenant**. TARGA or a TARGA Affiliate covenant to substantially complete, or cause to be substantially completed, construction of Fractionation Facility 10 on or before December 30, 2025 ("**Construction Covenant**"), provided that TARGA or a TARGA Affiliate shall have such additional time as may be required by the effects of Force Majeure.

B. **Operation Covenant**. TARGA or a TARGA Affiliate shall operate Fractionation Facility 10 in accordance with prudent industry standards and applicable law (unless impacted by Force Majeure) and in a manner that is consistent with the general purpose of encouraging development within the Reinvestment Zone.

C. **Property Tax Covenant.** Throughout the term of this Agreement, TARGA shall timely pay all property taxes imposed by the County on Ineligible Property Value; provided that TARGA 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. **Management Change Notice Covenant**. During the term of this Agreement, TARGA shall notify the County in writing of any change of the Fractionation Facility 10 Operations Manager within thirty (30) days of such change.

E. **Best Efforts to Increase Local Employment Covenant.** TARGA represents and agrees that the agreed to construction and operation of Fractionation Facility 10 will stimulate employment and the local economy. To this end, TARGA represents and agrees that:

a. TARGA represents and agrees that commencing at the time the Fractionation Facility 10 is fully operational, reasonably expected by December 30, 2025, at least twelve (12) Permanent Employee positions will be created at Fractionation Facility 10 and maintained throughout the abatement term.

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

c. TARGA represents and agrees that these will be truly "new jobs" for Chambers County and does not expect that Fractionation Facility 10 will solely or primarily have the effect of transferring employment from one part of Chambers County to another.

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

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

f. In addition, TARGA hereby verifies in accordance with the requirements of Chapters 2271, 2274, and 2274 of the Government Code and subject to applicable law that TARGA will not Boycott Israel, does not and will not Boycott Energy Companies, and does not and will not Discriminate Against Firearm Entities or Firearm Trade Associations, as such capitalized terms are defined in such chapters of the Government Code and subject to the provisions of such chapters of the Government Code.

F. **Good Neighbor Covenant.** TARGA or TARGA Affiliate represent and agree that the planned use of the Fractionation Facility 10 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.

Section 7. Records and Audits

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

B. **County Access to Premises**. For the sole purpose of verifying TARGA '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 TARGA and TARGA employees shall have the right to accompany County employees. While on the Premises, County employees shall follow TARGA safety policies and not interfere with TARGA 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 TARGA before entering the Premises.

C. **Confidentiality**. Because of the highly competitive nature of the industry in which TARGA does business, the County agrees that the reports which TARGA is required to submit may contain information which TARGA considers to be valuable proprietary information. As such, the County agrees to keep any and all reports provided by TARGA and any records reflecting information obtained while on the Premises as confidential information to the extent the documents are not public information under the Public Information Act, Chapter 552 of Texas Government Code, as amended.

Section 8. Default and Termination

A. **Default**. In the event that TARGA either fails to meet the Construction Covenant or breaches the terms or conditions of this Agreement, TARGA shall be in default of this Agreement.

B. **Cure**. In the event TARGA defaults in its performance of the Agreement, the County shall give TARGA written notice of such default. TARGA 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 TARGA has commenced and is pursuing cure of same, then, after first advising the County of TARGA 's efforts to cure same, TARGA 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, conditioned, or delayed.

C. **Remedy for Uncured Default**. The County's sole and exclusive remedy against any Person for breach of this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that the County may, at its option, terminate the Agreement and all future tax abatements under this Agreement shall be void. If TARGA 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. **TARGA's Remedies**. TARGA may institute proceedings as may be necessary or desirable in its opinion to defend against (i) improper assertions of default or (ii) improper attempts to terminate this Agreement, to withhold or obtain payments prescribed by this Agreement, or to seek repayment of amounts paid under the Agreement. Such proceedings may include, but are not limited to, seeking specific performance and/or injunctive relief, or enforcement by mandamus, or such other remedy as may be available at law, in equity, or otherwise. Such rights and remedies are not exclusive and are in addition to any other rights or remedies TARGA 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 TARGA may assign this Agreement and all of its rights hereunder to any Affiliate and any subsequent fee owner of the Premises, 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 TARGA or a TARGA 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:

TARGA:

Targa Downstream, LLC
C/O: KE Andrews
2424 Ridge Road
Rockwall, TX 75032

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

With an additional copy to:

Baytown Economic Development Foundation
1300 Rollingbrook Drive, Ste. 505
Baytown, TX 77521

Section 11. Indemnification

A. **INDEMNITY**. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, EXCEPT WHEN CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COUNTY'S INDEMNIFIED PARTY (AS DEFINED BELOW), TARGA 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 TARGA 'S CONSTRUCTION AND OPERATION OF THE FRACTIONATION FACILITY 10 .

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

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

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

Section 12. Miscellaneous

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

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

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

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

E. **Interpretation**. This Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably, and neither more strongly for nor against any party. Section, subsection, and other headings are for convenience only and shall not be used to interpret this Agreement.

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

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

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

H. **Estoppel Certificate**. Any party hereto may request an estoppel certificate from another party hereto so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which will upon request be addressed to a subsequent purchaser or assignee of TARGA, 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 TARGA relating to matters other than the abatement of property taxes.

** * * Signature Page Follows **

EXECUTED the ____day of _____2025.

CHAMBERS COUNTY, TEXAS

By: _____
Jimmy Sylvia, County Judge

ATTEST:

_____
Heather Hawthorne, County Clerk

TARGA DOWNSTREAM, LLC

By: _____

Name: _____

Title: _____

ATTEST:

_____

EXHIBIT A
CHAPTER 381 POLICY

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CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM 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 of the Texas Local Government Code authorizes counties to establish and administer one or more economic development programs to make loans and grants of public monies and provide property tax abatement to businesses that promote economic growth and create jobs; and

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes the County 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, as if the Commissioners Court were a governing body of a municipality; and

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

WHEREAS, Chapter 381 of the Texas Local Government Code authorizes the commissioners court of a county to administer or otherwise engage in community and economic development projects authorized under Title I of the Housing and Community Development Act of 1974 or under any other federal law creating community and economic development programs and incentives; 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, proposals, and/or projects shall be considered on a case-by-case basis;

NOW, THEREFORE BE IT ORDERED that pursuant to Chapter 381 of the Texas Local Government Code, the Chambers County Commissioners Court does adopt this policy to define potential incentives and establish guidelines and criteria by which they will be afforded and implemented under the County's Chapter 381 Economic Development Program.

PURPOSE

The County's governing body, the Commissioners Court, seeks to implement and maintain an Economic Development Program to create opportunities for job creation, provide economic incentives for industries that will broaden, diversify, and benefit the businesses within the County, and encourage new industries to participate on community efforts.

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GENERAL CRITERIA

Chambers County may provide Chapter 381 Economic Development Program 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 development goals which include expanding the tax base; creating and/or retaining quality jobs; increasing private capital investment in the community; spurring development in targeted 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 Economic Development Program 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 Economic Development Program Agreement.

The decision to provide any Chapter 381 Economic Development Program 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 Economic Development Program 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 a Chapter 381 Economic Development Program agreement.
5. Must make demonstrable efforts to hire local employees, contractors and purchase items used in construction from vendors within Chambers County.

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

QUALIFICATION CRITERIA (OPPORTUNITY ZONE RESIDENTIAL 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 Chapter 381 Economic Development Program proposals for residential developments and other targeted value-add projects will be limited to these designated QOZ census tracts. Residential developments in a QOZ are encouraged to include 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

INFLATION REDUCTION ACT, CHIPS ACT, AND TEXAS CHIPS ACT PROJECTS

Chambers County encourages business, commercial, manufacturing, and industrial concerns to locate, remain, and expand in the County. Consistent with this sentiment, recent concurrent efforts by the federal and state government have resulted in several programs focused on addressing severe supply chain constraints, broadening and diversifying energy sources, and reshoring or co-shoring manufacturing, all of which enhance the County's ability to meet its stated goals.

To that end, proposals for projects that promote the expansion, retention, and diversification of the County's economic base and qualify for certain incentives under the following state and federal programs will be considered by the Court:

- **Inflation Reduction Act**
  https://www.irs.gov/credits-and-deductions-under-the-inflation-reduction-act-of-2022

- **CHIPS Act**
  https://www.congress.gov/bill/117th-congress/house-bill/4346

- **Texas Semiconductor Innovation Fund**
  https://gov.texas.gov/business/page/tsif

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APPLICATION / PROPOSAL PROCESS

Applicants seeking a Chapter 381 Economic Development Program 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 and 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 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 action either approve or deny the request at a regularly scheduled meeting.

CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM AGREEMENTS

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

After approval, the 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 (CIPC)
- Terms of Agreement
- Project Milestones and Deadlines
- Assignment Provisions
- Recapture Provisions
- Compliance Requirements

The Community Impact Program is intended to foster public-private investment in infrastructure, comprehensive literacy programs, promotion of the arts, public health, and an array of targeted civic elements which supports economic and community development. The Community Impact Program Contribution ("CIPC") is an amount equal to 5% of the derived tax savings for each tax year over the term of an Economic Development Program Agreement. This contribution is provided for in Sections 381.004(b) and 381.004(c) of the Texas Local Government Code.

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An agreement shall be effective on the January 1st valuation date immediately following the execution of the Chapter 381 Economic Development Program 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 23rd day of April, 2024.

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Resolution and Order

On April 23, 2024, 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
Tommy Hammond	Commissioner, Precinct Three
Ryan Dagley	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 PROGRAM POLICY, CHAMBERS COUNTY, TEXAS"** is made a part of this Order; and

Whereas, all officials, employees, and representatives 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 of Chambers County adopts the attached document as the **"CHAPTER 381 ECONOMIC DEVELOPMENT PROGRAM 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 Hammond, seconded by Commissioner Tice, and adopted by the Commissioners Court on a vote of _____ members for and _____opposed.

DocuSigned by:
Jimmy Sylvia
1492536299EA478...

Jimmy Sylvia, Chambers County Judge

EXHIBIT A-1
CHAPTER 312 POLICY

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

****

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

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

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

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

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

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

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

WHEREAS, effective September 1, 1987, Texas law, pursuant to Chapter 312 of the Texas Tax Code, as amended, requires any eligible taxing jurisdiction to establish guidelines and criteria as to eligibility for tax Abatement Agreements prior to granting of any future tax Abatement, said guidelines and criteria to be

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

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

WHEREAS, these guidelines and criteria do not: (1) limit the discretion of Chambers County to decide whether to enter into a specific 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 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 April 26, 2022, 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 23rd day of April 2024.

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DocuSigned by:
Jimmy Sylvia
1492536299FA478...

JIMMY SYLVIA, County Judge

ATTEST:

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

HEATHER HAWTHORNE, County Clerk

GUIDELINES AND CRITERIA FOR TAX ABATEMENT IN CHAMBERS COUNTY, TX

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 is given to projects that are located within areas of economic interest to Chambers County and that conform to Chambers County's overall Economic Development Program 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 infrastructure, comprehensive literacy programs, promotion of the arts, public health, and an array of targeted civic elements which supports economic and community development.

f.) **"Community Impact Program Contribution"** means for Economic Development Program Abatement or Incentives Agreements effectuated under Chapter 312 of the Texas Tax Code and Chapter 381 of the Local Government Code, an amount equal to 5.0% of the derived tax savings for each tax year as set forth in the 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 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 or any other facility or real property not excluded by Section 2-(e).

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 specified in an Abatement Agreement between Chambers County and the property owner subject to such limitations as the County 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 one (1) year.

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 to 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 Incentive. 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.

Special Terms and Conditions Regarding Industries With Significant Investment: For large investment industries, in the event that Commissioners Court finds that a project (i) is significantly impactful to the County, and (ii) has the potential to exceed an aggregate investment of $1 billion, the Commissioners Court may deviate from certain requirements of these guidelines and criteria, so long as the deviations uphold the spirit and intent of the guidelines and the goals of County's Economic Development Program.

1. **Offer** – During the initial negotiations with a prospect, a tentative offer for Abatement or 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 fully executed within 90 days, unless otherwise agreed to by Chambers County.

h.) **Community Impact Program and Contribution.** For Abatement and Incentives Agreements and all applicable Economic Development Program Agreements that result in ad valorem tax savings, the Community Impact Program and Community Impact Program Contribution ("CIPC") will apply. The CIPC, as mutually calculated, will be submitted to the County 30 days after the execution of the Agreement.

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 taxable ad valorem value of property in the amount of at least $1,000,000 or more based on the CCAD appraisal 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 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 Abatement or 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 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 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 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 associated 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 $1,000.00, 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 requests 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.** An Order 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 an Abatement or Incentives Agreement, the Eligible Jurisdiction must find that the terms of the proposed Agreement and the subject property meet these guidelines and criteria 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.

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 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 a 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

An 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 an 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 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 to 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 on this **23rd day of April 2024** and supersedes any previous Abatement policy. It will remain in effect until changed by court order.

EXHIBIT B
TAX ABATEMENT PROPOSAL

KEANDREWS
VALUATION•TAX•SOLUTIONS

K.E. Andrews & Co.
2424 Ridge Rd.
Rockwall, Texas 75087

October 3, 2023

The Honorable Judge Jimmy Sylvia
404 Washington Street
P.O. Box 939
Anahuac, Texas 77514

RE: Targa Downstream, LLC—Chapter 381 Tax Abatement Application

Dear Judge Sylvia:

Targa Downstream, LLC has approved and intends to construct its 10th fractionation facility in Chambers County, Texas. This facility will allow Targa Downstream, LLC the ability to process raw natural gas liquids into useable products. The estimated investment for this project is $295,000,000.

The facility will have a capacity of 120,000 bbl/day of natural gas liquids. Construction is anticipated to commence in Q1 2024, and the facility will be fully operational by Q2 2025. During the construction phase, the facility will create approximately 500 jobs. Upon completion of construction, there will be at minimum 12, full-time salaried positions in Mont Belvieu for the maintenance and operation of the facility.

On behalf of Targa Downstream, LLC we are respectfully requesting the consideration of a Chapter 381 Economic Development Agreement with Chambers County, giving effect to ten (10) year tax abatement agreements, the terms of which are to be negotiated consistent with the County's Chapter 381 Economic Development Policy. Attached is our application for the property tax abatement.

We look forward to discussing a potential Chapter 381 Economic Development Agreement with you and the Commissioners Court. We appreciate your time and consideration and would like to express our gratitude for allowing Targa Downstream, LLC the opportunity to have continued growth in the City of Mont Belvieu and Chambers County.

If you have any questions, feel free to contact me by either phone or email at 469-298-1594 or mfry@keatax.com .

Sincerely,

Mike Fry

Mike Fry
Senior Director—Energy Services

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 3, 2023**

Company Name: Targa Downstream, LLC
Address: 811 Louisiana Suite 2100
City: Houston State: TX Zip-Code: 77002

APPLICANT MUST SUBMIT ANNUAL REPORT. (See instructions).

Number of Employees: 12
Annual Sales: N/A
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: 10119 TX-146, Mont Belvieu, TX 77580
Attach map and/or aerial showing proposed site.

Jurisdictions:

School District Barbers Hill ISD
College District N/A

City or Town Mont Belvieu

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 Q1/ 2024 Construction Man Years 500
Completion Date Q2/ 2025 Peak Construction Jobs 500

If Modernization:

Estimated Economic Life of Existing Plant N/A Years
Added Economic Life from Modernization N/A Years

Permanent Employment Estimates (PEE'S)

Current Plant Employment 0
Number of Plant Jobs ☐ Retained or ☒ Created
At start/opening 12 in year 2024.
5 years into operation 12 in year 2029

Estimated Appraised Value on Site

	Personal	Improvements	Land
Value January 1 Preceding Abatement Agreement:	$0	$0	$495,390
Est. Value of Improvements:	$0	$295,000,000	$495,390
Est. Value of Abated Properties After Abatement Expires:	$0	$236,000,000	$495,390
Value upon Completion of Project – Personal Property and Project Improvements Not Subject To Abatement:	$0	0	0

VARIANCE

Is the applicant seeking a variance under Section 4 (e) of the guidelines? ☐ YES ☒ NO
If "YES", attach required supplementary information.

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.
City of Mont Belvieu; Application Date: TBD; Hearing Date: TBD; Jurisdiction: City of Mont

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COMPANY REPRESENTATIVE TO BE CONTACTED:

NAME: Mike Fry

X _____
Signature of Company Official

TITLE: Senior Director-Energy Services

Aric C. Mann - VP Tax
Name & Title of Company Official

ADDRESS: 2424 Ridge Rd
CITY: Rockwall STATE: TX ZIP-CODE: 75087
TELEPHONE: 469-298-1594

INSTRUCTIONS

Applicant and projects must meet the requirements established in the Guidelines and Criteria (attached) in order to receive positive consideration. Section 3 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 3(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2 to confirm project qualification.

Only facilities listed in Section 3(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2 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 five hundred thousand dollars ($500,000.00) 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.

KEANDREWS
VALUATION•TAX•SOLUTIONS

Detailed ProjectDescription
Application for Tax Abatement
Chambers County, Texas

Proposed Project Description

Targa Resources, LLC proposed to build a new 120,000 bbl/day NGL Fractionator (Train 10) in Mont Belvieu, Texas.
Targa Resources, LLC requests that this application includes but is not limited to the following components of this project:

NGL Fractionation

- Pre-treatment Systems
- De-Ethanizer Unit
- De-Propanizer Unit
- De-Butanizer Unit
- Associated Towers
- Additional Storage Facilities for Y-grade liquids and other components
- All Appurtenant Components
- Heat Medium
- Gasoline Treater
- Compression Equipment
- Butane Splitter

The manufacturing process consists of first pre-treating the incoming NGL's with feed filter coalescers and amine contactors to remove any impurities such as particulates, sulfides and carbon dioxide. Any residual moisture is removed from the treated NGL's by dehydrators. The NGL's are then heated under pressure and fed into the De-Ethanizer Unit where it is separated into an overhead gas phase and an NGL phase. Ethane in the overhead gas phase is further purified and sent to product storage. The remaining NGL's are then heated under pressure and fed into an overhead gas phase and an NGL phase. Ethane in the overhead gas phase is further purified and sent to product storage. The remaining NGL's are then heated under pressure and fed into the De-Propanizer Unit where it is separated into an overhead gas phase and an NGL phase. Propane in the overhead gas phase is further purified and sent to product storage.
The manufacturing process consists of first pre-treating the incoming NGL's with feed filters, coalescers and amine contactors to remove any impurities such as particulates, sulfides and carbon dioxide. Any residual moisture is removed from the treated NGL's by dehydrators. The NGL's are then heated under pressure and fed into the De-Ethanizer Unit where it is separated into an overhead gas phase and an NGL phase. Ethane in the overhead gas phase is further purified and sent to product storage. The remaining NGL's are then heated under pressure and fed into the De-Propanizer Unit where it is separated into an overhead gas phase and an NGL phase. Propane in the overhead gas phase is further purified and sent to product storage.

2424 Ridge Road
Rockwall, TX 75087
469.298.1594
www.keatax.com

The remaining NGL's are then heated under pressure and fed into the De-Butanizer Unit where it is separated into an overhead gas phase of mixed Butanes and natural gasolines. The mixed Butane in the overhead gas phase is sent to the Butane Splitter (De-IsoButanizer) where it is separated into n-Butane and Iso-Butane. Natural gasoline are then sent off for purchase via pipeline.

The fractionation process is accomplished by applying heat and pressure to the mixture of raw NGL hydrocarbons and separating each discrete product at the different boiling points for each NGL component of the mixture. The raw NGL mixture is passed through a specific series of distillation towers: deethanizer, depropanizer, debutanizer, and deisobutanizer. The name of each of these towers corresponds to the NGL component that is separated in that tower. The raw NGL mixture first passes through the deethanizer, where its temperature is increased to the point where ethane (the lightest component) boils off the top of the tower as a gas and is condensed into a purity liquid that is routed to storage. The heavier components in the mixture at the bottom of the tower (i.e., propane, butane, iso-butane, and natural gasoline) are routed to the second tower (depropanizer), where the process is repeated and the net lightest component (propane) is separated. This process is repeated until the mixture of liquids has been separated into its purity components. This facility will also be built with the necessary equipment to produce International Grade Propane.

Demand for NGLs

Sources of U.S. NGL demand include petrochemical consumption, gasoline blending, heating and fuel, and exports. Demand is driven primarily by the petrochemical industry, which accounts for 40-50% of total consumption. The U.S. petrochemical industry uses NGL products as feedstock (i.e. raw material) to produce ethylene, propylene, and butadiene (also known as olefins).

The following factors influence demand for each individual NGL component:

- **Ethane.** Essentially all of the ethane extracted from natural gas is consumed by the petrochemical industry as a feedstock for ethylene production. (Ethylene is a building block for polyethylene, which is the most popular plastic in the world.)
- **Propane.** Approximately 25-30% of propane is used as a feedstock by the petrochemical industry to produce ethylene and propylene. (Like ethylene, propylene is an important building block used in the manufacturing of plastics.) The bulk of the remaining demand for propane is primarily as a heating fuel in the residential and commercial markets.
- **Normal Butane.** Normal butane is used as a petrochemical feedstock for the production of ethylene and butadiene (used to make synthetic rubber), as a blendstock for motor gasoline, and as a feedstock to create isobutene.
- **Isobutane.** Isobutane has the same molecular formula as a normal butane, but a different structural formula (i.e., atoms are rearranged). Isobutane is used in refinery alkylation to enhance the octane content of motor gasoline.
- **Natural Gasoline.** Natural gasoline is used primarily as a blendstock.

Tax Abatements as a Determining Factor:

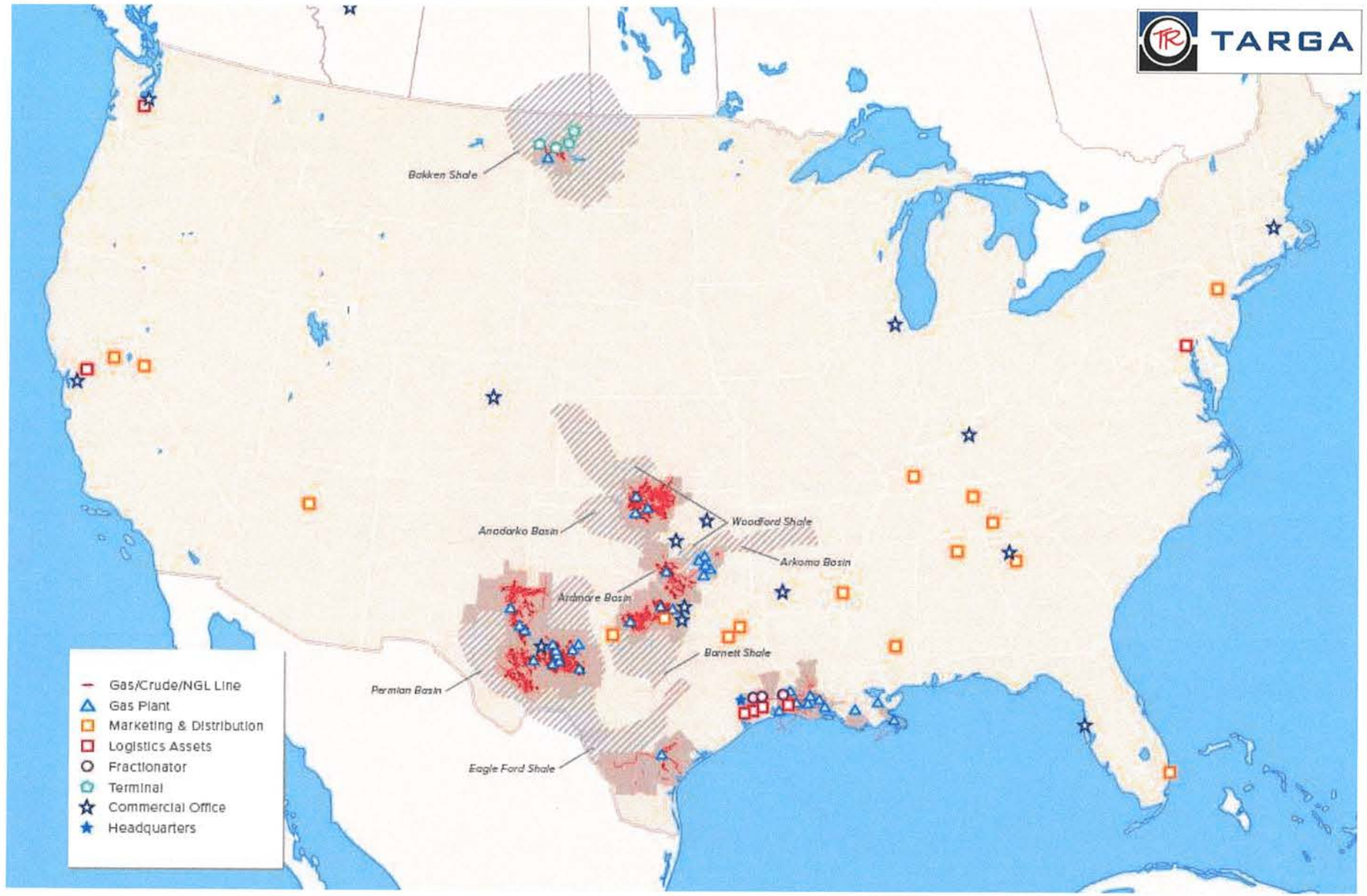
Targa Resources, LLC (or "the Company") is a leading midstream energy company whose primary activities include:

- Gathering, treating, processing, and transporting natural gas and natural gas liquids to a variety of markets and states
- Storing, fractionating, treating, transporting, and selling NGL's and NGL products, including services to LPG exporters
- Gathering, storing, and terminaling crude oil
- Storing, terminaling, and selling refined petroleum products

Targa currently operates over 27,000 miles of pipeline, 40 gas processing plants, 4 G&P crude terminals, 2 fractionation locations, 1 hydrotreater facility, 1 gas treating facility, 18 NGL terminals, 3 petroleum logistics facilities, and 2 storage facilities. There are also transportation assets, including 700 railcars, 90 tractors, and 20 barges. Locations for these operations included Arizona, Florida, Kansas, Louisiana, Maryland, Mississippi, North Dakota, New Mexico, Oklahoma, Texas, and Washington.

Targa's pipeline footprint provides substantial flexibility in where future facilities or investments may be located. Effectively, there will always be infrastructure available to pipe product in and out of anywhere a facility of this type is chosen to sit, regardless of state. Further, the amount of capital allotted to each project the applicant undertakes is heavily dependent on the economic return said project will generate. With the property tax burden in Texas as high as it is operating profit is particularly sensitive to the existence of tax incentives. What this means, is that if the property taxes are too great a burden for a project to carry and still meet its targeted return, the capital that would have been allotted to that project will be re-allocated to another project outside of Texas, and with a lesser burden. (Ex. Oklahoma Manufacturing Exemption, Kansas & North Dakota-No Personal Property Tax, Louisiana Industrial Tax Exemption)

Economic value is almost entirely dependent on cash flows, and property taxes are often in the top three of the largest expenses that projects will encounter. As mentioned previously and illustrated on the following map Targa has an incredible level of flexibility in choosing sites for its facilities, with potential pipeline systems and tie-ins so abundant that logistics are almost not even considered when evaluating sites. This leaves the economic return as the sole determinant of the future of the project. With so many other states offering incentives, the economic return of this fractionator will not be able to compete for capital without tax incentives.


TARGA
Bakken Shale
Anadarko Basin
Woodford Shale
Arkoma Basin
Ardmore Basin
Barnett Shale
Permian Basin
Eagle Ford Shale
Gas/Crude/NGL Line
Gas Plant
Marketing & Distribution
Logistics Assets
Fractionator
Terminal
Commercial Office
Headquarters

KEANDREWS
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Legal Descriptions of Parcels

2424 Ridge Road
Rockwall, TX 75087
469.298.1594
www.keatax.com

Chambers CAD PID's
5345
15132
16887
5344

2016 BK VOL PG
110795 OR 1635 440

OFFICIAL PUBLIC RECORDS
CHAMBERS COUNTY, TEXAS
Heather H. Hawthorne, County Clerk

GENERAL WARRANTY DEED

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED OF RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

THE STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF CHAMBERS §

SAK INVESTMENTS, LLC, a Texas limited liability company ("**Grantor**"), for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration in hand paid by **TARGA DOWNSTREAM LLC**, a Delaware limited liability company ("**Grantee**"), the receipt and sufficiency of which is hereby acknowledged has GRANTED, SOLD and CONVEYED and by these presents does GRANT, SELL and CONVEY unto the said Grantee, the following described property and all improvements located thereon, situated in Chambers County, Texas (collectively, the "**Property**"), to-wit:

> Three tracts of land comprising 32.5+/- acres of land located at 9615 Warren Road, Mont Belvieu, Texas 77580, as more particularly described in Exhibit A attached hereto, together with all improvements thereon and associated rights of way, permits, utilities and utility capacity (if any), and any and all interests of any type owned by Seller in such real property including, without limitation, any easements, adjacent streets, alleys, strips, gores, mineral interests of any type, royalty rights, water rights and other appurtenances to such land.

This conveyance is made and accepted subject to the restrictions, easements, conditions, reservations, exceptions, ordinances and encumbrances and other matters described in Exhibit B attached hereto and made a part hereof for all purposes (the "**Permitted Exceptions**").

TO HAVE AND TO HOLD subject as aforesaid, the Property and premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto said Grantee, its successors and assigns, forever, and Grantor does hereby bind Grantor and Grantor's successors and assigns, to Warrant and Forever Defend all and singular the above described Property and premises unto the said Grantee and its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part hereof subject, however to the Permitted Exceptions.

EXECUTED AND DELIVERED effective as of the 3 day of March, 2016.

"GRANTOR"
SAK INVESTMENTS, LLC

By: _____
Name: KEITH JAHNISE
Title: MBR

GRANTEE'S ADDRESS:
TARGA DOWNSTREAM LLC
1000 Louisiana, Suite 4300
Houston, TX 77002
Attn: Land and ROW Dept.

THE STATE OF TEXAS §
§
COUNTY OF ~~CHAMBERS~~ Harris §

On this 3 day of March, 2016, before me, personally appeared JANNISE Keith Joseph, known to me to be the Manager of SAK INVESTMENTS, LLC, a Texas limited liability company, and executed the foregoing instrument, and acknowledged that such representative executed the same on behalf of such limited liability company.

Notary Public in and for the State of Texas

(Seal)

ARLISA M MCGOWEN
Notary Public, State of Texas
Comm. Expires 05-11-2016
Notary ID 12651511-8

Printed Name
My Commission Expires: May 11, 2016

EXHIBIT A TO DEED
LEGAL DESCRIPTION LAND

**DESCRIPTION OF A 32.278-ACRE
(1,406,031 SQ. FT.) TRACT SITUATED
IN THE WILLIAM BLOODGOOD LEAGUE, A- 4
CHAMBERS COUNTY, TEXAS**

Being a 32.278-acre (1,406,031 square foot) tract of land situated in the William Bloodgood League, A-4, Chambers County, Texas and being all of the residue of a called 17.086-acre tract as conveyed to SAK Investments, L.L.C. by deed recorded under County Clerk's File No. 99 406 550 of the Official Public Records of Chambers County, Texas, all of a called 11.117-acre tract as conveyed to SAK Investments, L.L.C. by deed recorded under County Clerk's File No. 99 404 110 of the Official Public Records of Chambers County, Texas and all of a called 4.22-acre tract as conveyed to SAK Investments, L.L.C. by deed recorded under County Clerk's File No. 99 409 252 of the Official Public Records of Chambers County, Texas. Said 32.278-acre tract being more particularly described by metes and bounds as follows: (The Basis of Bearings are based on the Texas State Plane Coordinate System, South Central Zone 4204 (NAD 83). The coordinates stated hereon are grid.

BEGINNING at a 5/8-inch iron rod found (having coordinates of N = 13,872,040.98, E = 3,269,126.36) at the southeast corner of the residue of said called 17.086-acre tract, being the northeast corner of a called 7.00-acre tract conveyed to Barry Irwin Goldfarb by deed recorded under County Clerk's File No. 96 287 827 of the Official Public Records of Chambers County, Texas and being located in the west right-of-way line of State Highway 146 (120 feet wide);

THENCE South 77°56'05" West with the south line of the residue of said 17.086-acre tract, with the north line of said 7.00-acre tract and with the south line of said tract herein described, at a distance of 761.16 feet pass the northwest corner of said 7.00-acre tract and the northeast corner of a 31.456-acre tract conveyed to Targa Downstream LLC, by deed recorded under County Clerk's File No. 2012, Volume 1335, Page 532 of the Official Public Records of Chambers County, Texasp, passing a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for reference at a distance of 4,158.84 feet and continuing for a total distance of 4,258.84 feet to the southwest corner of said tract herein described, located at the centerline of Cedar Bayou;

THENCE North 54°50'00" West with the centerline of said Cedar Bayou and with the southwest line of said tract herein described, a distance of 57.09 feet to an angle point, located in the southeast line of the Southern Pacific Railroad Company right of way as conveyed by deed in Volume 233, Page 332 of the Deed Records of Chambers County, Texas;

THENCE North 15°54'46" East with the southeast railroad right of way line and with the northwest line of the residue of said 17.086 acres and with the northwest line of said tract herein described, passing a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for reference at a distance of 100.00 feet, at a distance of 164.92 feet pass the northwest corner of the residue of said 17.086 acres and the southwest corner of the called 11.117-acre tract and continuing for a total distance of 374.29 feet to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for the northwest corner of said tract herein described, located in the south line of a called 57.00-acre tract conveyed to Targa Downstream, L.L.C. (formerly Warren Petroleum Corporation) by deed recorded in Volume 437, Page 532 of the Deed Records of Chambers County, Texas, from which a 5/8 inch iron rod found bears South 77°57'47" West, a distance of 1.28 feet;

THENCE North 77°57'47" East with a north line of said called 11.117-acre tract and with the north line of said tract herein described, a distance of 3,334.59 feet to a 2-inch iron pipe found for an angle point, located in the south right of way line of Warren Road, being the northeast corner of said 11.117-acre tract and the northwest corner of said 4.22-acre tract;

THENCE North 77°52'30" East with a north line of said called 4.22-acre tract, with the south right of way line of said Warren Road and with a north line of said tract herein described, a distance of 243.19 feet (called 243.48 feet) to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for a northeast corner of said tract herein described, being the northwest corner of a called 1.476-acre tract conveyed to Regency of Texas, Inc. by deed recorded under County Clerk's File No. 00 476 732 of the Official Public Records of Chambers County, Texas;

THENCE South 02°35'22" East with an east line of said 4.22-acre tract, with the east line of said 1.476-acre tract and with an east line of said tract herein described, a distance of 187.84 feet to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for the southwest corner of said 1.476-acre tract and the northwest corner of a called 1.492-acre tract conveyed to Regency of Texas, Inc. by deed recorded under County Clerk's File No. 00 476 728 of the Official Public Records of Chambers County, Texas;

THENCE South 02°33'10" East with an east line of the residue of said 17.086-acre tract, with the east line of said 1.492-acre tract and with an east line of said tract herein described, a distance of 119.38 feet to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for the southwest corner of said 1.492-acre tract and an interior corner of said tract herein described;

THENCE North 77°09'39" East with a north line of the residue of said 17.086-acre tract, with a south line of said 1.492-acre tract and with a north line of said tract herein described, a distance of 312.61 feet to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for a southeast corner of said 1.492-acre tract and an interior corner of said tract herein described;

THENCE North 06°39'28" East with a west line of the residue of said 17.086-acre tract, with an east line of said 1.492-acre tract and with an east line of said tract herein described, a distance of 28.70 feet to a 5/8-inch iron rod with a cap stamped "WEISSER ENG HOUSTON, TX" set for an interior corner of said 1.492-acre tract and a northwest corner of said tract herein described;

THENCE North 77°57'47" East with a north line of the residue of said 17.086-acre tract, with a south line of said 1.492-acre tract and with a north line of said tract herein described, a distance of 319.69 feet to a 1/2-inch iron rod found for the southeast corner of said 1.492-acre tract and the northeast corner of said tract herein described, located in the west right of way line of said State Highway 146;

THENCE South 13°04'27" West with an east line of the residue of said 17.086-acre tract, with the west right of way line of said State Highway 146 and with an east line of said tract herein described, a distance of 109.66 feet to the **POINT OF BEGINNING** and containing 32.278 acres (1,140,031 square feet) of land.

This description is accompanied by a plat of even survey date.

Compiled by:

Weisser Engineering Company
19500 Park Row
Houston, Texas 77084
TBPLS Reg. No. 100518-00
TBPE Reg. No.: F-68
Job No. CU061 (2076-061)
Date: 06/11/2015



EXHIBIT B TO DEED
PERMITTED ENCUMBRANCES

a. Right of way dated July 24, 1947, recorded in Volume 104, Page 424 of the Deed Records of Chambers County, Texas, from O. Z. Smith, et al to Diamond Alkail Company.

b. Easement dated November 22, 1950, recorded in Volume 133, Page 212 of the Deed Records of Chambers County, Texas, from J.W. Fowler, et ux to Chambers County.

c. Easement dated November 29, 1950, recorded in Volume 133, Page 224 of Deed Records of Chambers County, Texas, from Ora Bell Smith Collins to Chambers County.

d. Right of way dated February 5, 1956, recorded in Volume 174, Page 116 of the Deed Records of Chambers County, Texas, from Alice Smith to Warren Petroleum Corporation

e. Right of way dated February 5, 1956, recorded in Volume 174, Page 118 of the Deed of Records of Chambers County, Texas, from O.Z. Smith, et ux to Warren Petroleum Corporation.

f. Right of way dated February 5, 1956, recorded in Volume 174, Page 111 of the Deed Records of Chambers County, Texas, from Ora Bell Collins to Warren Petroleum Corporation.

g. Right of way dated February 14, 1956, recorded in Volume 174, Page 115 Deed of Records of Chambers County, Texas, from Audrey Smith Fowler to Warren Petroleum Corporation.

h. Right of way dated November 29, 1961, recorded in Volume 233, Page 633 of the Deed Records of Chambers County, Texas, from John E. Zlomke, et ux to Diamond Alkali Company.

i. Easement dated December 26, 1968, recorded in Volume 303, Page 602 of the Deed Records of Chambers County, Texas, from Audrey Smith Fowler, et vir to Houston Lighting and Power Company.

j. Easement dated January 6, 1969, recorded in Volume 303, Page 608 of the Deed Records of Chambers County, Texas, from Audrey Smith Fowler, et vir to Houston Lighting and Power Company.

k. Easement dated January 29, 1969, recorded in Volume 305, Page 356 of the Deed Records of Chambers County, Texas, from O.Z. Smith, et ux to Houston Lighting and Power Company.

l. Easement dated September 4, 1974, recorded in Volume 360, Page 485 of Deed Records of Chambers County, Texas, from O.Z.Smith, et ux to Chambers County.

m. Right of way dated January 27, 1982, recorded in Volume 493, Page 440 of the Deed Records of Chambers County, Texas, from Audrey Smith Fowler to United Texas Transmission Company.

n. Right of way dated January 27, 1982, recorded in Volume 493, Page 445 of the Deed Records of Chambers County, Texas, from Eva Dugat Smith, et al to United Texas Transmission Company.

o. Easement dated November 10, 1987, recorded in Volume 33, Page 377 of the Official Public Records of Chambers County, Texas, from Royce Smith, et al to Houston Lighting and Power Company.

p. Easement dated November 10, 1987, recorded in Volume 33, Page 565 of the Official Public Records of Chambers County, Texas, from Martha Fowler Harrington to Houston Lighting and Power Company.

q. Right of way dated October 27, 1997, recorded in Volume 355, Page 155 of the Official Public Records of Chambers County, Texas, from Royce Smith, et al to United Brine Pipeline Company.

r. Right of way dated November 10, 1997, recorded in Volume 355, Page 162 of the Official Public Records of Chambers County, Texas, from Martha Fowler Harrington to United Brine Pipeline Company.

s. Easement dated October 28, 1999, recorded in Volume 433, Page 448 of the Official Public Records of Chambers County, Texas, from SAK Investments, Inc. to Reliant Energy Entex, Inc.

t. Right of way dated July 22, 2014, recorded in Volume 1510, Page 686 of the Official Public Records of Chambers County, Texas, from SAK Investments, LLC to Dow Hydrocarbons and Resources, LLC.

u. Building lines as established by the City of Mont Belvieu, Texas, as set forth in Certified Copy of Ordinance recorded in Volume 242, Page 324 of the Official Public Records of Chambers County, Texas.

v. An undivided 1/16 royalty interest in and to all oil, gas and other minerals reserved and left undivided in Partition Deed dated April 3, 1950, recorded in Volume 120, Page 632 of the Deed Records of Chambers County, Texas, by and between O.Z. Smith, et al. Title to said interest has not been investigated subsequent to the date thereof.

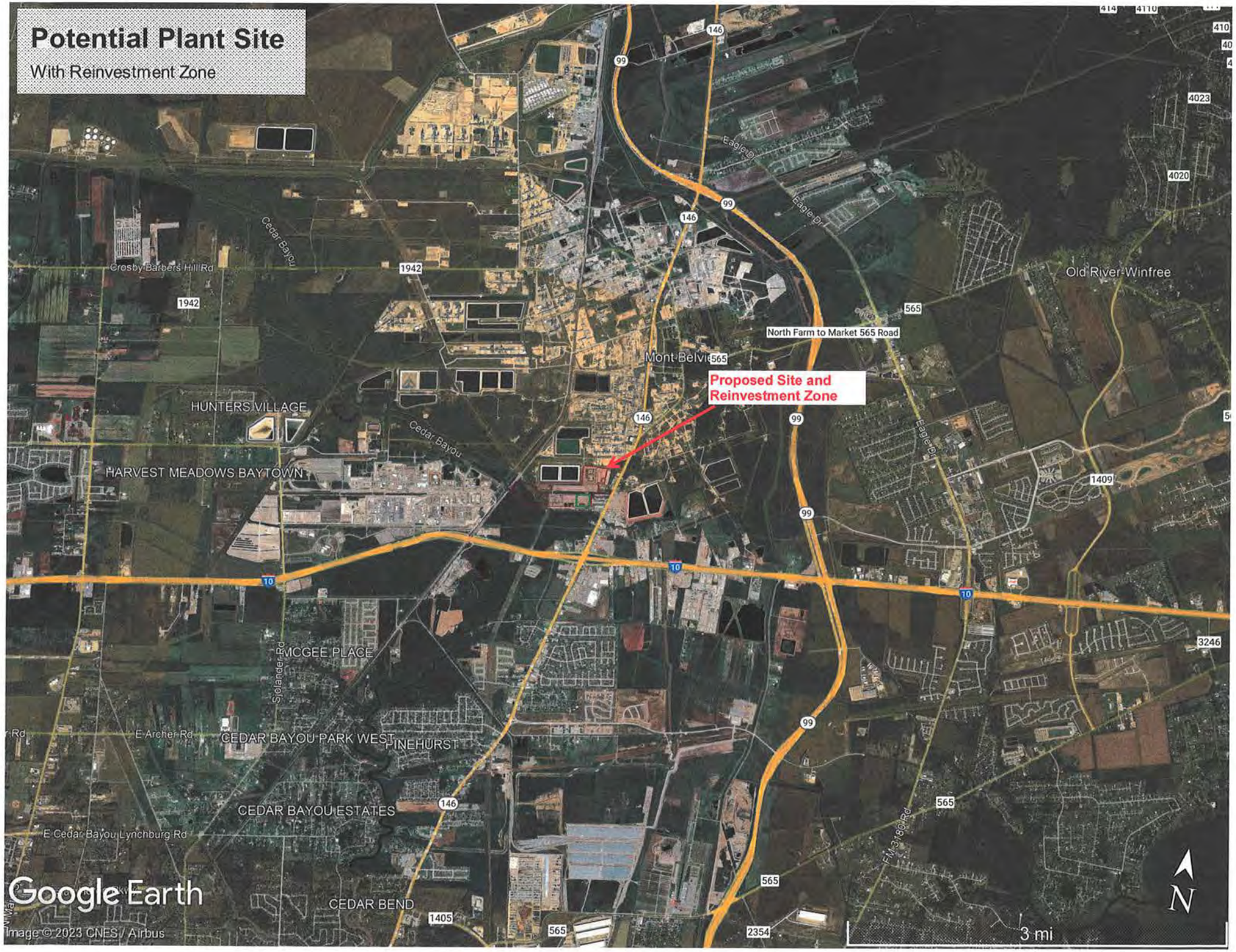
w. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases , grants, exceptions or reservations of mineral interest that are not listed.

x. Those matters as shown on survey prepared by Walter P. Sass, RPLS No. 4410, dated June 4, 2015, under Job No. CU061:
   a. Top of bank/edge of water of Cedar Bayou (sheet 1).
   b. Abandoned trailers and tanks (sheet 2).
   c. Building encroaches into 24' Drainage Easement (sheet 3).
   d. Concrete encroaches across Northern property line into Pablo Street and Warren Road (sheet 3).

FILED FOR RECORD IN:
Chambers County
ON: MAR 07, 2016 AT 01:10P
AS A(N) Public Records
Heather H. Hawthorne, COUNTY CLERK
CLERK NUMBER 110795 PAGES 8
AMOUNT: 54.00
RECEIPT NUMBER 16001948
BY JPITTS
STATE OF TEXAS Chambers County COUNTY, TEX
AS STAMPED HEREON BY ME. MAR 07, 2016
Heather H. Hawthorne, COUNTY CLERK
Recorded: Jill Pitts

8 - STEWART COMMERCIAL
8 - SEE ABOVE


Potential Plant Site
With Reinvestment Zone
Potential Plant Site
Batson
Hardin
Kenefick
Hull
Dalsetta
Sour Lake
Grayburg
Eastgate
Huffman
Humble
Atascocita
Dayton
Libetty
Ames
Raywood
Devers
Nome
Stilson
Mt Houston
Crosby
Sheldon
Barrett
Old River-Winfree
Mont Belvieu
Highlands
Channelview
Cove
Wallisville
Hankamer
Galena Park
Pasadena
Deer Park
Baytown
Beach City
Anahuac
Winnie
Stowell
South Houston
La Porte
Double Bayou
Trinity Bay
Seabrook
Kemah
Webster
Google Earth
Image Landsat / Copernicus
N
10 mi


Potential Plant Site
With Reinvestment Zone
Proposed Site and Reinvestment Zone
North Farm to Market 565 Road
Old River-Winfree
HUNTERS VILLAGE
HARVEST MEADOWS BAYTOWN
MCGEE PLACE
CEDAR BAYOU PARK WEST
PINEHURST
CEDAR BAYOU ESTATES
CEDAR BEND
Crosby Barbers Hill Rd
E Archer Rd
E Cedar Bayou Lynchburg Rd
Cedar Bayou
Eagle Dr
Siplander Rd
FM 3180 Rd
Google Earth
Image © 2023 CNES / Airbus
3 mi
N

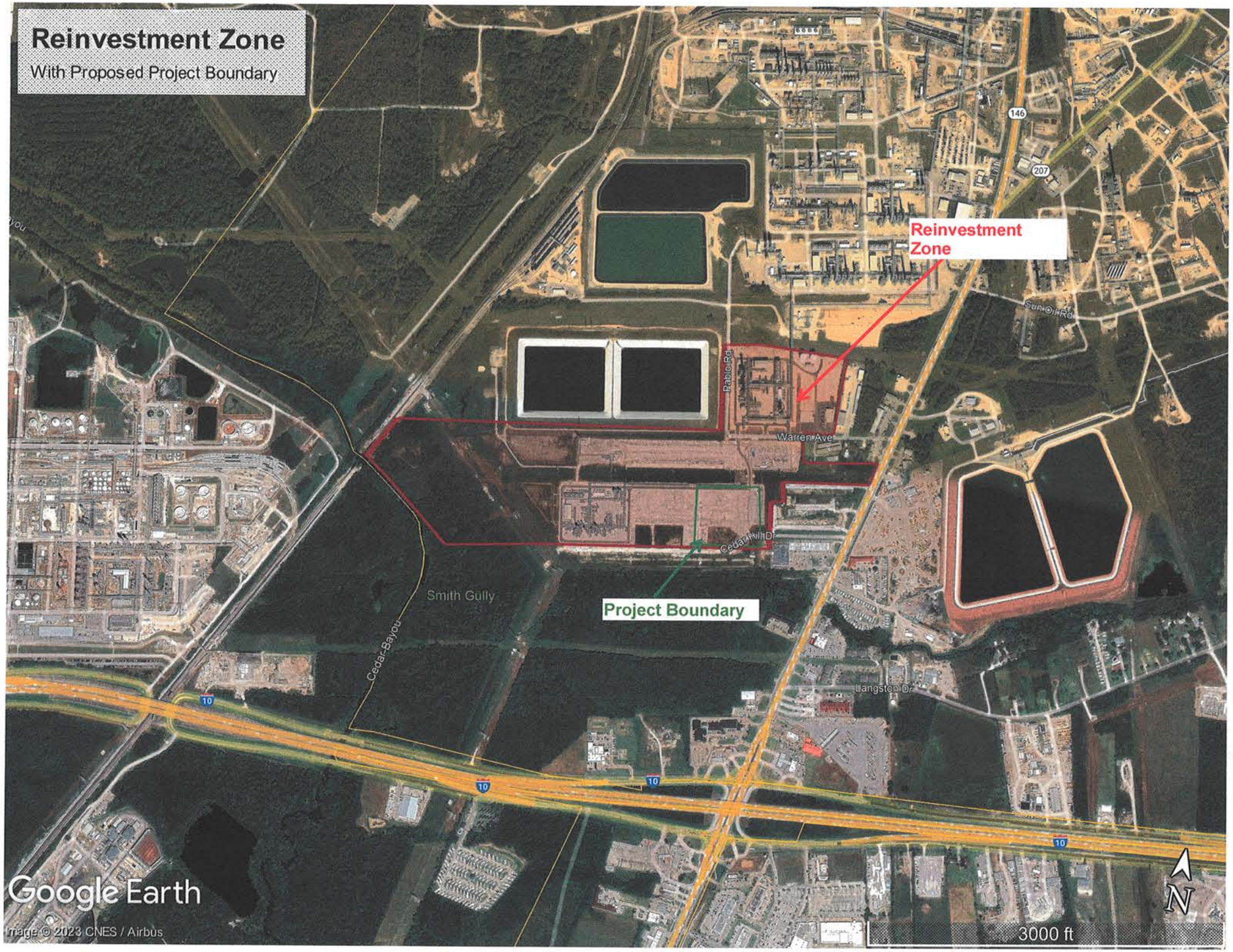

Reinvestment Zone
With Proposed Project Boundary
Reinvestment Zone
Project Boundary
Smith Gully
Cedar Bayou
Pablo Rd
Warren Ave
Cedar Wild Dr
Sun Oil Rd
Langsten Dr
146
207
10
Google Earth
Image © 2023 CNES / Airbus
N
3000 ft

EXHIBIT C
REINVESTMENT ZONE / PREMISES

ORDINANCE NO. 2023-026

AN ORDINANCE OF THE CITY OF MONT BELVIEU, TEXAS, DESIGNATING CERTAIN REAL PROPERTY AS A REINVESTMENT ZONE FOR PURPOSES OF COMMERCIAL AD VALOREM TAX ABATEMENT; ESTABLISHING THE BOUNDARIES THEREOF AND OTHER MATTERS RELATING THERETO; PROVIDING FOR SEVERABILITY; AND DECLARING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Mont Belvieu ("City") desires to promote the development of certain unimproved real property located within its corporate limits; and

WHEREAS, the City desires to make available potential tax abatement relief for commercial projects in the area designated by this Ordinance in order to (i) encourage the redevelopment of the real property located therein, (ii) increase primary employment, and (iii) attract major investment; and

WHEREAS, the City has elected to become eligible to participate in tax abatement relief under the provisions of the Property Redevelopment and Tax Abatement Act, Tex. Tax. Code Chapter 312, Subchapter B; and

WHEREAS, the City adopted guidelines and criteria governing commercial tax abatement agreements in Resolution 2021-007, dated May 10, 2021; and

WHEREAS, the City desires to create a reinvestment zone for commercial tax abatement relief as authorized by Section 312.201 of the Tex. Tax Code for the real property described on the attached **Exhibit A**; and

WHEREAS, the City properly complied with the public notice requirements pursuant to Section 312.201(d) of the Tex. Tax Code and conducted a public hearing held on Monday, August 28, 2023, regarding the designation of the real property described by metes and bounds in the attached **Exhibit A** as a reinvestment zone for commercial tax abatement to be designated as the "Targa Reinvestment Zone" for commercial tax abatement purposes; and

WHEREAS, the City Council finds that the potential improvements sought within the "Targa Reinvestment Zone" are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of any commercial tax abatement agreements executed pursuant to Section 312.204 of the Tex. Tax. Code; and

WHEREAS, the City Council finds that the designation of the zone is reasonably likely to contribute to the retention or expansion of primary employment or attract major investment to the zone;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF MONT BELVIEU, TEXAS:

Section 1. **Creation of Reinvestment Zone**. The City hereby establishes the "Targa Reinvestment Zone" for commercial ad valorem tax abatement purposes pursuant to Chapter 312 of the Texas Tax Code for the real property described by metes and bounds in the attached **Exhibit A**.

Section 2. **No Mandatory Obligations**. This Ordinance shall in no way obligate the City Council of the City of Mont Belvieu, Texas, to grant a commercial tax abatement upon receiving an application for same.

Section 3. **Severability**. In the event any clause, phrase, provision, sentence or part of this Ordinance or the application of the same to any person or circumstances shall for any reason be adjudged invalid or held unconstitutional by a court of competent jurisdiction, it shall not affect, impair or invalidate this Ordinance as a whole or any part or provision hereof other than the part declared to be invalid or unconstitutional; and the City Council of the City of Mont Belvieu, Texas, declares that it would have passed each and every part of the same notwithstanding the omission of any part thus declared to be invalid or unconstitutional, or whether there be one or more parts.

Section 4. **Effective Date**. This Ordinance shall be and become effective immediately upon and after its passage and publication as may be required by governing law.

PASSED, APPROVED, and ADOPTED this 28th day of August, 2023.

Joey McWilliams, Mayor

ATTEST:

Kori Schweinle, City Secretary

EXHIBIT A TO ORDINANCE NO. 2023-026

City of Mont Belvieu Targa Reinvestment Zone
Chambers County, Texas

Metes and Bounds Legal Description (Tract 1 – 1.264 acres)

Exhibit B

TRACT 2: Field notes of a 1.6245 acre tract of land, more or less, situated in the WILLIAM BLOODGOOD LEAGUE, Abstract No. 4, Chambers County, Texas, and being the residue of a 9.4 acre tract conveyed to Mills Bennett by two deeds in Volume 25, Page 113 and Volume 32, Page 10 of the Deed Records of Chambers County, Texas. Said 1.6245 acre tract, more or less, being more particularly described as follows:

COMMENCING at a Diamond Shamrock monument found at the Northeast corner of the said 9.4 acre tract and being the Northwest corner of a 4.5 acre tract conveyed to J. R. Oliver by Deed and recorded in Volume 356, Page 268 of the Deed Records of Chambers County, Texas;

THENCE South 09° 56' 59" East with the East line of the 9.4 acre tract and the West line of the 4.5 acre tract and the East line of a 1.2441 acre tract conveyed to Diamond Shamrock Corp. by Deed and recorded in Volume 403, Page 482 of the Deed Records of Chambers County, Texas, a distance of 170.20 feet to a Diamond Shamrock concrete monument for the POINT OF BEGINNING of this described tract;

THENCE South 79° 40' 38" West with the South line of the 1.2441 acre tract a distance of 318.76 feet to a Diamond Shamrock monument for the Northwest corner of this tract;

THENCE South 09° 22' 37" East with the West line of the 9.4 acre tract a distance of 187.61 feet to an iron rod in concrete found for the most Westerly Southwest corner of this tract and the Northwest corner of the Paul Williams 0.2733 acre tract as conveyed by Deed and recorded in Volume 322, Page 229 of the Deed Records of Chambers County, Texas;

THENCE North 79° 55' 46" East with the North line of the Williams 0.2733 acre tract a distance of 170.05 feet to a corner of this tract;

THENCE South 09° 22' 37" East with the East line of the 0.2733 acre tract a distance of 70.0 feet to the South line of this tract and the North line of the WARREN SUBDIVISION;

THENCE North 79° 55' 46" East with the South line of this tract and the North line of the WARREN SUBDIVISION at 20.89 feet pass a chain link fence at the West line of a Playground leased to the City of Mont Belvieu in all a total distance of 151.28 feet to an iron rod in concrete for the Southeast corner of this tract;

THENCE North 09° 56' 59" West with the East line of the 9.4 acre tract, the West line of the aforementioned 4.5 acre tract, and the East line of the playground lease at 200.05 feet pass the Northeast corner of the playground lease in all a total distance of 258.99 feet to the POINT OF BEGINNING and containing 1.6245 acres of land, more or less.

NOTE: THE COMPANY IS PROHIBITED FROM INSURING THE AREA OR THE QUANTITY OF THE LAND DESCRIBED HEREIN. ANY STATEMENT IN THE ABOVE LEGAL DESCRIPTION OF THE AREA OR QUANTITY OF LAND IS NOT A REPRESENTATION THAT SUCH AREA OR QUANTITY IS CORRECT, BUT IS MADE ONLY FOR INFORMATIONAL AND/OR IDENTIFICATION PURPOSES, AND DOES NOT OVERRIDE ITEM 2 OF SCHEDULE "B" HEREOF.

Exhibit B

EXHIBIT A TO ORDINANCE NO. 2023-026

City of Mont Belvieu Targa Reinvestment Zone
Chambers County, Texas

Metes and Bounds Legal Description (Tract 2 – 11.10 acres)

Exhibit "A"

FIELD NOTES of a 11.10 acre tract of land, more or less, situated in the William Bloodgood Augmentation Survey, Abstract No. 5, Chambers County, Texas, and being that same 2.902 acre tract of land and the residue of 10 acres conveyed to J. R. Cliver by Atlantic Richfield Company by deed dated November 20, 1979, and recorded in Volume 444 at Page 649 of the Deed Records of Chambers County, Texas. This 11.10 acre tract of land is more particularly described by metes and bounds as follows, to-wit:

NOTE: BEARINGS ARE BASED ON DEED BEARINGS AND FOUND MONUMENTS IN THE NORTH LINE OF SAID 2.902 ACRES. REFERENCE IS MADE TO PLAT OF EVEN DATE ACCOMPANYING THIS METES AND BOUNDS DESCRIPTION.

BEGINNING at a 2 inch iron pipe found for the Southwest corner of this tract of land, the Southwest corner of said residue of 10 acres, the Northwest corner of a 4.2359 acre tract of land conveyed to Occidental Chemical Corporation Diamond Shamrock Refining and Marketing Company by deed dated November 15, 2003, and recorded in Volume 673 at Page 251 of the Official Public Records of Chambers County, Texas, in the West line of said Bloodgood Survey, in the East line of this William Bloodgood League, Abstract No. 4, Chambers County, Texas, and in the East line of a 8.6352 acre tract of land conveyed to Accent Investments by Sun Exploration and Production Company by deed dated March 27, 1985, and recorded in Volume 584 at Page 427 of the Deed Records of Chambers County, Texas.

THENCE North 09°52'14" West with the West line of this tract of land, the West line of said residue of 10 acres, the West line of said Bloodgood Aug. Survey, the East line of said Bloodgood League, the East line of said 8.6352 acres, and the East line of a 17.53 acre tract of land conveyed to Humble Pipe Line Company by Houston Oil & Minerals Corporation by deed dated June 1, 1972, and recorded in Volume 335 at Page 54 of the Deed Records of Chambers County, Texas a distance of 722.08 feet to a 2 inch iron pipe found for an angle corner of this tract of land, the Northwest corner of said residue of 10 acres, and the Southwest corner of said 2.902 acres.

THENCE North 09°36'01" West with the West line of this tract of land, the West line of said 2.902 acres, the West line of said Bloodgood Aug. Survey, the East line of said Bloodgood League, and the East line of said 17.53 acres a distance of 151.09 feet to a ½ inch iron rod found for a Northwest corner of this tract of land, the Northwest corner of said 2.902 acres, the Northeast corner of said 17.53 acres, and in the South line of a 242.5057 acre tract called Tract 9 on the recorded plat of Warren Petroleum Corporation recorded in Volume "A" at Page 127 of the Map Records of Chambers County, Texas.

THENCE EAST with a North line of this tract of land, a North line of said 2.902 acres, and the South line of said 242.5057 acres, at a distance of 316.61 feet found a sucker rod on line, for the Southeast corner of said 242.5057 acres, and the Southwest corner of a 0.0468 of an acre area of excess, continuing along said line and the South line of said area of excess a total distance of 331.04 feet to a 2 inch iron pipe found for an interior corner of this tract of land, an interior corner of said 2.902 acres, and the Southeast corner of said area of excess.

THENCE North 00°04'01" East with a West line of this tract of land, a West line of said 2.902 acres, and the East line of said area of excess a distance of 131.09 feet to a 2 inch iron pipe found leaning for the most Northerly Northwest corner of this tract of land, the most Northerly Northwest corner of said 2.902 acres, the Northeast corner of said area of excess, and in a South line of said 242.5057 acres.

THENCE South 89°21'32" East with a North line of this tract of land, a North line of said 2.902 acres, a South line of said 242.5057 acres, and a South line of 0.3737 of an acre tract conveyed to Chambers County Land Company, Trustee, by Temple Phillips by deed dated December 17, 1986, and recorded in Volume 619 at Page 110 of the Deed Records of Chambers County, Texas, at a distance of 190.22 feet found a 1 ½ inch iron pipe found for a Southeast corner of

EXHIBIT A TO ORDINANCE NO. 2023-026

City of Mont Belvieu Targa Reinvestment Zone
Chambers County, Texas

Metes and Bounds Legal Description (Tract 2 – 11.10 acres)

said 242.5057 acres, and a Southwest corner of said 0.3737 of an acre, in all a total distance of 258.97 feet to a 5/8 inch iron rod found for a Northeast corner of this tract of land, the Northeast corner of said 2.902 acres, and an interior corner of said 0.3737 of an acre.

THENCE South 05°48'00" East with an East line of this tract of land, the East line of said 2.902 acres, the West line of said 0.3737 of an acre, and the West line of the residue of 1.552 acres conveyed to Chevron U.S.A., Inc., by H. E. Wilbanks, Trustee, by deed dated March 12, 1994, and recorded in Volume 233 at Page 689 of the Official Public Records of Chambers County, Texas, a distance of 284.18 feet to a ½ inch iron rod set for an interior corner of this tract of land, the Southeast corner of said 2.902 acres, in the North line of said residue of 10 acres, and the Southwest corner of said residue of 1.552 acres.

THENCE EAST with a North line of this tract of land, the North line of said residue of 10 acres, and the South line of said residue of 1.552 acres a distance of 161.49 feet to a ½ inch iron rod set for the most Southerly Northeast corner of this tract of land, the Northeast corner of said residue of 10 acres, the Southeast corner of said residue of 1.552 acres, and in a curve to the right in the West right of way line of State Highway No. 146, 120 foot wide right of way.

THENCE in a Southerly direction with an East line of this tract of land, the East line of said residue of 10 acres, the West right of way line of Highway No. 146, and said curve having a central angle of 01°06'42", a radius of 5669.58 feet, an arc length of 110.00 feet, and a chord bearing and distance of South 15°02'54" West 110.00 feet to a ½ inch iron rod set for the point of tangency of this tract of land.
PAGE NO. 3 – 11.10 ACRES

THENCE South 15°38'15" West with a East line of this tract of land, the East line of said residue of 10 acres, and the West right of way line of Highway No. 146 a distance of 318.50 feet to a 2 inch iron pipe found for the Southeast corner of this tract of land, the Southeast corner of said residue of 10 acres, and the Northeast corner of said 4.2359 acres.

THENCE South 60°31'13" West with the South line of this tract of land, the South line of said residue of 10 acres, and the North line of said 4.2359 acres a distance of 595.09 feet to the PLACE OF BEGINNING, containing within said boundaries 11.10 acres of land, more or less.
End of Exhibit "A"

EXHIBIT A TO ORDINANCE NO. 2023-026

City of Mont Belvieu Targa Reinvestment Zone
Chambers County, Texas

Metes and Bounds Legal Description (Tract 3 – 8.611 acres)

Description of 8.6352 acres of land out of a 31.1 acre tract of land in the William Bloodgood League, Abstract No. 4, of Chambers County, Texas, and more particularly described as follows:

Beginning at the Northeast corner of a 31.1 acre tract of land in the East line of the William Bloodgood League, Abstract No. 4 of Chambers County, Texas, said corner being the Northeast corner of the herein described 8.6352 acre tract of land;

Thence South 80° 30' 00" West, 962.19 feet along the North line of said 31.1 acre tract to the Northeast corner of a 3.8255 acre tract of land conveyed to Diamond Shamrock Corporation, the Northwest corner hereof;

Thence South 30° 16' 21" East, 385.66 feet along the line of said 3.8255 acre tract to a point for corner, the Southwest corner hereof;

Thence North 89° 31' 39" East, 834.67 feet with the line of said 3.8255 acre tract to the Southerly Northeast corner of said 3.8255 acre tract in the East line of said 31.1 acre tract and the East line of the William Bloodgood League, the Southeast corner hereof;

Thence North 9° 22' 25" West, 491.56 feet along the East line of said 31.1 acre tract and the East line of said William Bloodgood League to the Place of Beginning and containing 8.6352 acres more or less.

Targa Reinvestment Zone

9901 TX-146, Mont Belvieu



Ordinance No. 2023-026 – Designating certain real property as a reinvestment zone for purposes of commercial ad valorem tax abatement; establishing the boundaries thereof and other matters relating thereto; providing for severability; and declaring an effective date.

- Renews Targa Reinvestment Zone (RZ) previous approved in 2018 (Ordinance No. 2018-005) which expired on March 13, 2023
- Primary use of RZ – Targa Fractionator 9
- Encompasses ~32 acres (as outlined in red)
- Approval enables consideration of Economic Incentives (Ch. 312 Tax Abatement)

Mont Belvieu
TEXAS

EXHIBIT D
MOU

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Abandonment of Warren Road and Pablo Road Right of Way and Distribution of Proceeds to Affected Tenants Relocating within Chambers County

This Memorandum of Understanding (hereinafter referred to as "MOU") is entered into on this 23rd day of January 2024, (the "Effective Date") by and between Chambers County, a political subdivision of the State of TX, with its principal office located at 404 Washington Ave, Anahuac, TX 77514, hereinafter referred to as "County," and Targa Downstream LLC, its parents, subsidiaries and affiliates, with its principal office located at 811 Louisiana, Suite 2100, Houston, TX 77002, hereinafter referred to as "Targa."

WHEREAS, Targa has completed a survey and appraisal regarding the value of the right of way of Warren Road and Pablo Road, with the estimated value of said right of way being $207,000;

WHEREAS, Targa is significantly expanding its operations within Chambers County, particularly along State Highway 146, with planned investments in the amount of $590,000,000;

WHEREAS, as part of these expansion efforts, Targa Downstream has engaged in property acquisitions, and it, along with the County, have determined that certain roads within the County are no longer beneficial to the public and should be abandoned;

WHEREAS, some of these property acquisitions may have affected local businesses that are tenants of said properties, and Targa has worked closely with these tenants, at the direction of the County, to mitigate the impact of their displacement within the community;

WHEREAS, it is mutually beneficial for Targa and Chambers County to evenly divide, on a per tenant basis, the $207,000 among the 10 tenants occupying the property commonly known as the Mont Belvieu Shopping Plaza and located on State Highway 146(the "Property") at the time of Targa's acquisition of the property to further assist affected local businesses in finding new locations within Chambers County by offsetting the costs associated with such relocations, with each tenant receiving an equal share of $20,700.

WHEREAS, Chambers County believes that the highest and best use of the funds derived from the abandonment of Warren Road and Pablo Road right of way is to help the affected tenants in their transition to new locations within Chambers County;

NOW, THEREFORE, it is hereby agreed as follows:

1. Abandonment of Warren Road and Pablo Road Right of Way: Chambers County agrees to abandon the right of way for Warren Road and Pablo Road as per the legal and regulatory requirements, as determined by the appropriate authorities, in exchange for a total Targa payment of $207,000.
2. Distribution of Proceeds to Affected Tenants Relocating within Chambers County: Targa agrees to divide the $207,000 in funds that would otherwise be paid to the County resulting from the abandonment of Warren Road and Pablo Road right of way evenly among the 10 affected tenants that were tenants in the Property at the time of Targa's acquisition, provided that said tenants have or will relocate within Chambers County. Such intent must be substantiated by the presentation of a lease, property acquisition agreement, or other contractual obligation to relocate within Chambers County. These funds shall be used to assist the affected local

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businesses in finding new locations and/or offsetting the costs associated with such relocations within Chambers County.. If affected tenants cannot demonstrate their intent to relocate within Chambers County or choose not to do so, the funds that would have been allocated to that specific tenant will be paid by Targa to Chambers County (such amount not to exceed $207,000)

3. Timeframe: Targa shall have a period of six (6) months from the Effective Date to distribute the funds to the affected tenants meeting the relocation criteria in accordance with this agreement. Any funds remaining unpaid at the end of this period shall be remitted to Chambers County, along with a detailed accounting of the funds.
4. Compliance: Both parties shall comply with all applicable federal, state, and local laws, regulations, and ordinances in carrying out their respective obligations under this MOU.
5. Entire Agreement: This MOU contains the entire understanding between Chambers County and Targa regarding the abandonment of Warren Road and Pablo Road right of way and the distribution of proceeds to the affected tenants relocating within Chambers County, and supersedes all prior agreements, understandings, and representations, whether oral or written, regarding the subjects addressed herein.

Agreed to as of the 23rd day of January. 2024.

CHAMBERS COUNTY

DocuSigned by:

BY: Jimmy Sylvia
1492536299EA478

TITLE: County Judge

TARGA DOWNSTREAM LLC

BY: Shawn S. Watts

TITLE: VP - Land & Rov

EXHIBIT E

PILOT PAYMENT SCHEDULE

Tax Year	Ch. 381 PILOT	CCSEF PILOT	PILOT Payment Deadline
2026	24% of County Tax Abated	100% of CCSEF Tax	1/31/2027
2027	40% of County Tax Abated	100% of CCSEF Tax	1/31/2028
2028	40% of County Tax Abated	100% of CCSEF Tax	1/31/2029
2029	50% of County Tax Abated	100% of CCSEF Tax	1/31/2030
2030	50% of County Tax Abated	100% of CCSEF Tax	1/31/2031
2031	50% of County Tax Abated	100% of CCSEF Tax	1/31/2032
2032	50% of County Tax Abated	100% of CCSEF Tax	1/31/2033
2033	50% of County Tax Abated	100% of CCSEF Tax	1/31/2034
2034	50% of County Tax Abated	100% of CCSEF Tax	1/31/2035
2035	50% of County Tax Abated	100% of CCSEF Tax	1/31/2036

The aggregate County Tax Rate consists of the following categories:

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

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

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