STATE OF TEXAS §
§
COUNTY OF CHAMBERS §

ECONOMIC DEVELOPMENT PROGRAM AGREEMENT

This Economic Development Program Agreement ("**Agreement**") is entered into this 27th day of December, 2022, by and between Clay Partners – Cedar Port Distribution #5, L.P. (FKA Clay Partners – Cedar Port Phase III #2, L.P.), a Texas limited partnership ("**CPD5**"), and Chambers County, Texas ("**County**") (CPD5 and the County are sometimes referred to herein together as the "parties" and individually as a "party").

WITNESSETH:

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

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

WHEREAS, on the 26th day of February 2019, the County Commissioners Court passed an Order establishing the Clay Partners 2019 Reinvestment Zone ("**Zone**") under Chapter 312, after complying with all the relevant notice requirements under Chapter 312. A copy of the Order is attached as **Exhibit "B;"** and

WHEREAS, on March 20, 2019, the County and Company entered into a Ch. 312 Tax Abatement Agreement (**"Agreement"**), a copy of which is attached and labeled as **Exhibit "C",** for the purposes of promoting local economic development and stimulating business and commercial activity in the County; and

WHEREAS, on October 13, 2020, the County approved a request to amend and partially assign the Agreement labeled as **Exhibit "D"**; and

WHEREAS, on November 24, 2020, the County approved the Amendment to the Agreement; and

WHEREAS, on December 8, 2020, the County approved the Partial Assignment of the Agreement, per Section IX of the Agreement, a copy of which is attached and labeled as **Exhibit "E"**; and

WHEREAS, the Amendment and Partial Assignment, as originally contemplated, were intended to segment the Agreement into two (2) separate abatement agreements so as to assign the Clay Partners – Cedar Port Phase III #1, L.P. asset for sale to Exeter and allow the County and CPD5 to enter into a separate abatement agreement for Clay Partners – Cedar Port Phase III #2, L.P.; and

WHEREAS, in January 2022, CPD5 began construction of the Clay Partners – Cedar Port Phase III #2, L.P building on the remaining portion of the Zone; and

WHEREAS, CPD5 has requested that the abatement be reinstated as originally intended so as to allow for assignment of the abatement to M S International, Inc. ("MSI") pursuant to Section IX of the Agreement and the MSI tax abatement proposal, a copy of which is attached and labeled as **Exhibit "F"**; and

WHEREAS, the County and CPD5 now desire to enter into a Chapter 381 Economic Development Program Agreement to grant tax abatement and allow for assignment of same to MSI in accordance with Chapter 312, Chapter 381, and the Chapter 381 Policy; and

WHEREAS, CPD5 owns the Premises, as defined, and CPD5 expects to complete the development of a Distribution Facility (among other possible improvements) on the Premises, as described in the CPD5 Request, the development and use of which is expected to enhance the County's economic and employment base, are feasible and practical, and would benefit the County after expiration of this Agreement; and

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

WHEREAS, the County finds that the terms of this Agreement and the development of the Distribution Facility satisfy requirements of the Chapter 381 Policy adopted by the County: and

NOW, THEREFORE, the County, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the expansion of primary employment, the continued attraction of major investment in the County, increased payroll that contributes to the economic development of the County and enhancement of public and private infrastructure and the County tax base, public safety, and certain Chapter 381 Payments as defined below, and CPD5, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the tax abatement set forth herein below, as authorized by Section 381.004 of Chapter 381, hereby contract, covenant, and agree as follows:

Section 1. Definitions

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

"**Affiliate**" shall mean any Person directly or indirectly controlling, controlled by, or under common control with CPD5. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"County Property Tax Grant" shall mean for calendar year 2023, a reimbursement payment from County to CPD5 equal to sixty percent (60%) of the County Property Tax paid by CPD5 pursuant to this Agreement.

"**Chapter 381 Payment**" shall mean for calendar years 2024, 2025, 2026, and 2027, a payment from CPD5 to County equal to fifty percent (50%) of the County Property Tax abated pursuant to this Agreement.

"County Property Tax" shall mean all general, I&S, and road and bridge ad valorem taxes of the County imposed on the Eligible Property Value, except that this Agreement shall not abate property taxes imposed by the Chambers County School Equalization District.

"CPD5 Assignee" shall mean M S International ("MSI") or MSI affiliate.

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

"**Financing Party**" shall mean the lenders, security holders, investors, equity providers, and others providing financing or refinancing to or on behalf of CPD5, for the development, construction, ownership, operation, or maintenance of the Distribution Facility or any portion thereof, or any trustee or agent acting on behalf of any of the foregoing.

"**Force Majeure**" shall mean, without limitation, Acts of God or the public enemy, war, terrorism, criminal acts by unrelated third parties, riot, civil commotion, insurrection, governmental or de facto governmental action, fire, explosions, floods, strikes, adverse weather, or any other extraordinary event beyond the control of CPD5 (including, without limitation, broad based extraordinary economic events) that makes it reasonably impracticable to accomplish a desired objective.

"**Ineligible Property Value**" shall mean, with respect to each calendar year, the value of land; inventories; supplies; tools; furnishings and other forms of movable personal

property; vehicles; watercraft; aircraft; housing; deferred maintenance investments; any improvements, including those to produce, store or distribute natural gas, fluids or gases, which are not integral to the operation of the facility; property which has an economic life of less than 15 years; property owned or used by the State of Texas or its political subdivisions or by any organization owned, operated or directed by a political subdivision of the State of Texas; as listed on the tax rolls of the Chambers County Appraisal District as of such calendar year.

"**Payment Deadline**" shall mean, with respect to each Chapter 381 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 CPD5, or an entity controlled by or under common control with CPD5 who is expected or scheduled to work at least [1,800] hours in a twelve-month period as an employee at the New Facility.

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

"**Premises**" shall mean all that parcel of land and improvements owned by CPD5 as hereinafter described in Exhibit B attached hereto.

Section 2. General Provisions

A. **County Authorization**. This Agreement was authorized by the County Commissioners Court and was approved by the affirmative vote of a majority of the County Commissioners Court at its regularly scheduled County Commissioners Court meeting on the 27th day of December, 2022, authorizing the County Judge to execute this Agreement on behalf of the County.

B. **CPD5 Authorization**. The undersigned officer of CPD5 has authority to execute this Agreement on behalf of the CPD5.

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 CPD5 a variance from such deviation.

D. **Ownership of Premises**. The Premises will be owned by CPD5, a CPD5 Affiliate, or CPD5 Assignee 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 full development of the Premises and Distribution Facility.

Section 4. Terms of Tax Abatement

The County hereby grants to CPD5 a tax abatement with respect to the Distribution Facility. The tax abatement shall begin on January 1, 2024 and shall continue for four years. In each year of this four-year period, the tax abatement shall equal 100 percent (100%) of County Property Taxes imposed on the Eligible Property Value, except that this Agreement shall not abate property taxes imposed by the Chambers County School Equalization District.

Section 5. Terms of Chapter 381 Payments

CPD5 agrees to tender Chapter 381 Payments to County, on or prior to the Payment Deadline, for calendar years 2024 through 2027, inclusive. CPD5 will tender Chapter 381 Payments by check or other mechanism acceptable to County.

Section 6. Covenants

A. **Construction Covenant.** CPD5 or a CPD5 Affiliate covenant to substantially complete, or cause to be substantially completed, the Distribution Facility on or before January 1, 2023; provided that CPD5 or a CPD5 Affiliate shall have such additional time as may be required by the effects of Force Majeure.

B. **Operation Covenant.** CPD5, CPD5 Affiliate, or CPD5 Assignee shall operate the Distribution Facility in accordance with prudent industry standards and applicable law (unless prevented by Force Majeure) and in a manner that is consistent with the general purpose of encouraging development within the Zone.

C. **Property Tax Covenant.** Throughout the term of this Agreement, CPD5 CPD5 Assignee shall timely pay all property taxes imposed by the County on Ineligible Property Value.

D. **Inventory Covenant.** The County, CPD5, and CPD5 Assignee agree and expect that the taxable value of CPD5 Assignee Situs Inventory will have an annual minimum base value of $10,000,000 on the January 1st valuation date for Years 2024 – 2027.

E. **Employment Covenant.** CPD5 represents and agrees that the agreed to development and operation of the Distribution Facility will stimulate employment and the local economy. To this end, CPD5 and CPD5 Assignee represent and agree that:

a. CPD5 or CPD5 Assignee represent and agree that commencing at the time the Distribution Facility is fully operational, reasonably expected by January 1, 2024, at least twenty (20) Permanent Employee positions will be created at the Distribution Facility and maintained throughout the Abatement Term.

b. CPD5 or CPD5 Assignee represent and agree each 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. CPD5 or CPD5 Assignee represent and agree that these will be truly "new jobs" for Chambers County. Both entities do not expect that the Distribution Facility will solely or primarily have the effect of transferring employment from one part of Chambers County to another.

d. CPD5 or CPD5 Assignee agree 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.*, CPD5 or CPD5 Assignee 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, CPD5 or CPD5 Assignee (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), CPD5 or CPD5 Assignee shall repay all taxes previously abated by virtue of this Agreement with interest at the rate of three percent (3%) *per annum*, not later than the 120th day after the date on which the County notifies CPD5 or CPD5 Assignee of a violation of this Section 6, (g).

Section 7. Records and Audits

A. **Annual Certification**. Not later than January 31 of each year during the term of the tax abatement, CPD5 or CPD5 Assignee shall submit to the County a certification 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 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 CPD5 or CPD5 Assignee whose employees shall have the right to accompany County employees. While on the Premises, County

employees shall follow CPD5 or CPD5 Assignee safety policies and not interfere with CPD5 or CPD5 Assignee 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 CPD5 Tenant before entering the premises.

C. **Administration Fee.** Beginning on January 31, 2025, and on or before January 31 of each calendar year thereafter during the life of this Agreement, CPD5 shall pay to the County an administration fee of 0.625% of the Chapter 381 Payment for such tax year as set forth in Section 5 of this Agreement. This fee is considered payment for Chapter 381 administrative services as provided in Section 381.004(c) of the Texas Local Government Code. Remittance of this fee shall be separate and distinct from the remittance of the Chapter 381 Payments set forth in Section 5 of this Agreement.

Section 8. Default and Termination

A. **Default.** In the event that CPD5 and/or CPD5 Assignee either fails to ensure that Covenants A. through E. set forth in Section 6 are achieved, or breaches the terms or conditions of this Agreement, CPD5 or CPD5 Assignee shall be in default of this Agreement.

B. **Cure.** In the event CPD5 or CPD5 Assignee defaults in its performance of the Agreement, the County shall give CPD5 or CPD5 Assignee written notice of such default. CPD5 or CPD5 Assignee 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 CPD5 or CPD5 Assignee has commenced and is pursuing cure of same, then, after first advising the County of efforts to cure same, CPD5 or CPD5 Assignee may utilize an additional ninety (90) days for such purposes. The County may authorize additional time to cure defaults, which authorization shall not be unreasonably withheld.

C. **Remedy for Uncured Default.** The County's sole and exclusive remedy against any Person for breach of this Agreement, in the event of default after the expiration of the applicable notice and cure periods, shall be that the County may, at its option, terminate the Agreement and all future tax abatements under this Agreement shall be void. If CPD5 or CPD5 Assignee 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. **CPD5 or CPD5 Assignee Remedies.** CPD5 or CPD5 Assignee may institute proceedings as may be necessary or desirable in its opinion to defend against (i) improper assertions of default or (ii) improper attempts to terminate this Agreement, to withhold or obtain payments prescribed by this Agreement, or to seek repayment of amounts paid under the Agreement. Such proceedings may include, but are not limited to, seeking specific performance and/or

injunctive relief, or enforcement by mandamus, or such other remedy as may be available at law, in equity, or otherwise. Such rights and remedies are not exclusive and are in addition to any other rights or remedies the CPD5 or CPD5 Assignee 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 CPD5 may assign this Agreement and all its rights hereunder to any CPD5 Affiliate without the County's consent. In addition, this Agreement and all rights hereunder may be assigned for the benefit of any Financing Party. Any assignment in violation of this Section 9 shall not affect any tax abatements with respect to which CPD5 or a CPD5 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:

CPD5:

Clay Development & Construction, Inc.
1244 N. Post Oak Road, Suite 200
Houston, TX 77055
Attention: Louis B. Sullivan III, Vice President

County:

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

With Copy To:

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

Section 11. Indemnification

A. **INDEMNITY**. IN ADDITION TO THE OTHER REMEDIES AFFORDED TO THE COUNTY IN THIS AGREEMENT, CPD5 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 CPD5'S CONSTRUCTION AND OPERATION OF THE DISTRIBUTION FACILITY.

B. **Notice of Indemnified Loss**. The County's Indemnified Party shall promptly notify CPD5 of any indemnified Losses or Claim for indemnified Losses in respect of which the County's Indemnified Party may be entitled to indemnification under this Section 11. Such notice shall be given as soon as reasonably practicable after the County's Indemnified Party becomes aware of the Loss or Claim for Losses.

C. **Defense of Third-Party Claims**. In the event any action or proceeding shall be brought against the County's Indemnified Party by reason of any matter for which the County's Indemnified Party is indemnified hereunder, CPD5 shall, upon notice from the County's Indemnified Party or its authorized agents or representatives, at CPD5's sole cost and expense, resist and defend the same with legal counsel selected by CPD5; provided, however, that CPD5 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 CPD5 and participating in the defense of any litigation by their own counsel. If CPD5 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 CPD5 shall be liable for all usual and customary defense costs incurred by the County's Indemnified Party.

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

Section 12. Miscellaneous

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

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

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

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

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

F. **Survival of Terms; Rights and Remedies Cumulative; No Waiver**. All rights, duties, liabilities, and obligations accrued prior to termination shall survive termination or expiration of this Agreement. The rights and remedies provided by this Agreement are cumulative and the use of any one right or 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 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 CPD5, 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 CPD5 relating to matters other than the abatement of property taxes.

** * * Signature Page Follows * * **

EXECUTED the 30th day of December, 2022.

CHAMBERS COUNTY, TEXAS

By: _____
Jimmy Sylvia, County Judge

ATTEST:
Heather Hawthorne, County Clerk

CLAY PARTNERS
CEDAR PORT DISTRIBUTION #5, L.P.

By: _____

Name: _____

Title: _____

ATTEST:

_____

EXECUTED the _____ day of _____, 2022.

CHAMBERS COUNTY, TEXAS

By: _____
Jimmy Sylvia, County Judge

ATTEST:

_____
Heather Hawthorne, County Clerk

CLAY PARTNERS
CEDAR PORT DISTRIBUTION #5, L.P.

By: _____

Name: Louis B. Sullivan III

Title: Vice President of General Partner

ATTEST:

_____

EXHIBIT A
Chapter 381 Policy

CHAPTER 381 ECONOMIC DEVELOPMENT POLICY
CHAMBERS COUNTY, TEXAS

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

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

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

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

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

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

GENERAL CRITERIA

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

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

In addition, the following criteria must be satisfied:

The Project MUST:

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

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

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

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

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

QUALIFICATION CRITERIA (NON-RESIDENTIAL PROJECTS)

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

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

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

Opportunity Zone Residential and Targeted Development Projects

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

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

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

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

APPLICATION / PROPOSAL PROCESS

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

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

In the case of modernization, a statement of the assessed value of the facility separately stated for real and personal property shall be given for the tax year immediately preceding the proposal. The proposal may require such financial and other information as the participating municipality or County deems appropriate for evaluating the financial capacity and other factors related to the applicant.

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

CHAPTER 381 AGREEMENTS

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

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

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

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

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

Resolution and Order

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

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

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

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

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

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

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

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

Jimmy Sylvia, Chambers County Judge

EXHIBIT B
Clay Partners 2019 Reinvestment Zone

ORDER DESIGNATING/CREATING
CLAY PARTNERS 2019 REINVESTMENT ZONE

On February 26, 2019, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS ("the Court"), the Court conducted a hearing on the application of CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P. & CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P. ("CLAY PARTNERS") for the creation of the CLAY PARTNERS 2019 REINVESTMENT ZONE ("the Reinvestment Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement.

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

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

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

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

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

Therefore, upon motion made by Commissioner Combs seconded by Commissioner Tice and affirmatively passed, be it RESOLVED and ORDERED by the Court that the 49.0420-acre tract of land, more or less, described in the attached Exhibits (2 pages) is hereby designated as the CLAY PARTNERS 2019 REINVESTMENT ZONE and is eligible for commercial / industrial tax abatement.

PASSED and ADOPTED February 26, 2019.

CHAMBERS COUNTY, TEXAS

By: _____
JUDGE JIMMY SYLVIA,
Chambers County Judge

ATTEST:

Heather H. Hawthorne
HEATHER H. HAWTHORNE, County Clerk

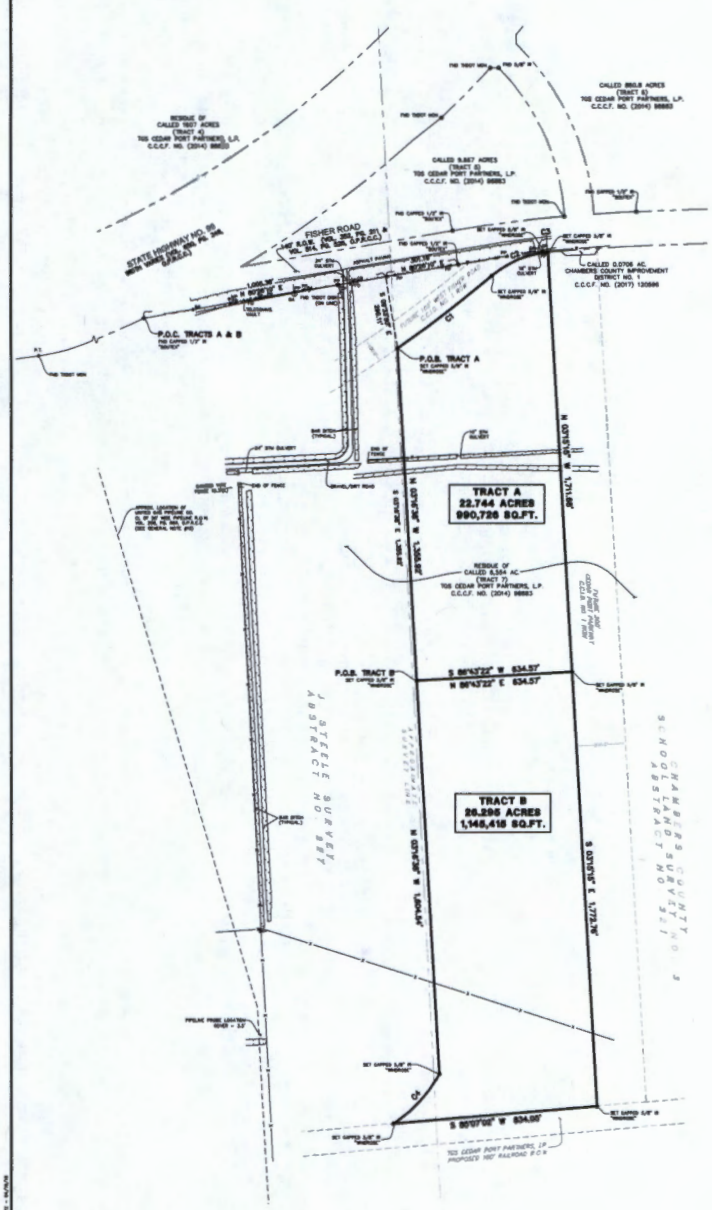
CLAY PARTNERS PROPERTY DESCRIPTION
49.0420-ACRE TRACT

A tract or parcel containing 49.0420 acres or 2,136,270 square feet of land (KNOWN AS TRACT 7) situated in the J. STEELE SURVEY, Abstract No. 227, Chambers County, Texas and being a portion of the residue of a called 6554-acre tract of land conveyed to TGS Cedar Port Partners as recorded under Chambers County Clerk's File (C.C.C.F.) No. (2014) 98883.





CURVE TABLE					
CURVE	RADIUS	DELTA	BEARING	CHORD	
C1	4,130.00'	3°23'29"	N 84°25'01" E	244.37'	
C2	4,130.00'	3°23'29"	N 84°25'01" E	244.37'	
C3	5,800.00'	0°05'08"	S 81°41'09" E	8.84'	
C4	5,792.00'	7°40'29"	S 78°19'04" E	775.56'	



SCHEDULE "B" NOTES

1. SUBJECT TO RESTRICTIVE COVENANTS AS DESCRIBED IN C.C.C.F. NO. 83445 (3005666340), BEING VOLUME 332 B16, PAGE 489, C.C.D.R. AND C.C.C.F. NO. 83455 (3005666345), BEING VOLUME 332 B12, PAGE 583, C.C.D.R.
2. A RAILROAD RIGHT-OF-WAY EASEMENT EIGHTY (80) FEET IN WIDTH, PLUS A TWENTY (20) FOOT SIDE WATER USE EASEMENT GRANTED TO SAN JACINTO NEW ORLEANS RAILROAD COMPANY, AS SET OUT IN INSTRUMENT DATED MARCH 2, 1903, RECORDED IN VOLUME 109, PAGE 189, DEED RECORDS OF CHAMBERS COUNTY, TEXAS, PLUS THE RIGHTS GRANTED TO U. S. DEMAG STEELS, INC., BY INSTRUMENT DATED NOVEMBER 4, 1997, RECORDED IN VOLUME 2977, PAGE 341 (CLERK'S NUMBER 73927, 6050-3) OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS. (NOT WITHIN SUBJECT TRACT)
3. PIPE LINE EASEMENT FIFTY (50) FEET IN WIDTH, TRAVERSING THROUGH THE SUBJECT PROPERTY, GRANTED TO MAGNOLIA GAS PIPE LINE COMPANY, AS SET OUT IN INSTRUMENT DATED MARCH 24, 1926, RECORDED IN VOLUME 215, PAGE 282, AND AMENDED IN VOLUME 215, PAGE 287, DEED RECORDS OF CHAMBERS COUNTY, TEXAS. ADDITIONAL GRANT BY INSTRUMENT DATED MARCH 4, 1966, RECORDED IN VOLUME 510, PAGE 50 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (NOT WITHIN SUBJECT TRACT.)

   RINGER MORGAN PIPE LINE MARKER ON SAID PIPELINE RIGHT-OF-WAY.
4. PIPE LINE EASEMENT, GRANTED TO AT&AMYSIC PIPE LINE COMPANY, AS SET OUT IN INSTRUMENT DATED MARCH 30, 1930, RECORDED IN VOLUME 32, PAGE 288 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (PIPELINE AGREEMENT, NO EASEMENT DESCRIPTION IN INSTRUMENT.)
5. PIPE LINE EASEMENT, GRANTED TO HUMBLE OIL & REFINING COMPANY, AS SET OUT IN INSTRUMENT(S) DATED JUNE 10, 1941, RECORDED IN VOLUME 73, PAGE 50 AND IN VOLUME 72, PAGE 47 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (PIPELINE AGREEMENT, NO EASEMENT DESCRIPTION IN INSTRUMENT.)
6. EASEMENT, GRANTED TO GENERAL TELEPHONE COMPANY OF THE SOUTHWEST, AS SET OUT IN INSTRUMENT DATED JUNE 20, 1957, RECORDED IN VOLUME 592, PAGE 437 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (PIPELINE AGREEMENT, NO EASEMENT DESCRIPTION IN INSTRUMENT.)
7. EASEMENT, GRANTED TO HOUSTON LIGHTING & COMPANY, AS SET OUT IN INSTRUMENT DATED MARCH 1, 1944, RECORDED IN VOLUME 556, PAGE 229 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (NOT WITHIN SUBJECT TRACT.)
8. EASEMENT, GRANTED TO HOUSTON LIGHTING & COMPANY, AS SET OUT IN INSTRUMENT DATED NOVEMBER 16, 1944, RECORDED IN VOLUME 556, PAGE 435 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. (NOT WITHIN SUBJECT TRACT.)
9. THE LAND HAS FRONTAGE ON ABUTS GRAND PARKWAY (STATE HIGHWAY 99), WHICH IS A CONTROLLED ACCESS HIGHWAY. THE POLICY DOES NOT INSURE AGAINST THE EXERCISE OF POWER BY COMPETENT GOVERNMENTAL AUTHORITY TO LIMIT CONTROL OF ACCESS TO AND FROM THE ABUTTING STREET, ROAD OR HIGHWAY, OR THAT ANY RIGHT WHICH SAME MAY HAVE HAD TO SUCH RIGHT OF ACCESS THAT HAS ARISEN HAS OR SHALL CONTINUE TO HAVE ACCESS, INGRESS OR EXRESS FROM SUCH PROPERTY TO AND FROM SAID HIGHWAY AND SERVICE ROAD. (SUBJECT TRACT DOES NOT ABUT STATE HIGHWAY 99.)
10. ANY PORTION OF THE PROPERTY DESCRIBED HEREIN WITHIN THE LIMITS OR BOUNDARIES OF ANY PUBLIC OR PRIVATE ROADWAY (OR ROADWAYS INCLUDED BUT NOT LIMITED TO, THAT PORTION OF THE SUBJECT PROPERTY LYING IN NORTHVILLE PARKWAY (A/K/A FISHER ROAD), AND/OR ROCK ROAD.

    THE RIGHTS GRANTED TO CHAMBERS COUNTY IMPROVEMENT DISTRICT NO. 1 PERTAINING TO THAT CERTAIN 0.0706 ACRE PARCEL LOCATED IN THE STATE HIGHWAY 99, ACCESS ROAD, BY DEED DATED MARCH 27, 2017, FILED FOR RECORD UNDER CLERK'S FILE NO. (2017) 130596 AS RECORDED IN VOLUME (2017) 1726, PAGE 53 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS OR CHAMBERS COUNTY CLERK'S FILE NO. 130596. (CODE NO. 1 TRACT NOT WITHIN SUBJECT TRACT, SHOWN HEREON.)
11. RIGHTS-OF-WAY GRANTED TO THE STATE OF TEXAS BY THE FOLLOWING INSTRUMENTS:

    VOLUME 181, PAGE 278, DEED RECORDS (DATED SEPTEMBER 17, 1940)
    VOLUME 183, PAGE 570, DEED RECORDS (DATED SEPTEMBER 24, 1958)
    VOLUME 183, PAGE 573, DEED RECORDS (DATED SEPTEMBER 12, 1958)
    VOLUME 183, PAGE 467, DEED RECORDS (DATED MAY 15, 1959)
    VOLUME 133, PAGE 466, DEED RECORDS (DATED OCTOBER 16, 1930)

    (ALL NOT WITHIN SUBJECT TRACT)
12. TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN AGREEMENT TO GRANT EASEMENTS DATED MAY 16, 2000, BY AND BETWEEN CEDAR CROSSING AND UDI CORPORATION RECORDED IN VOLUME 2000, PAGE 501, CLERK'S FILE NO. (2000) 03930-S OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS.

    TERMS, CONDITIONS AND STIPULATIONS OF THAT CERTAIN AGREEMENT (THE AGREEMENT) FOR THE PAYMENT OF ROAD EASEMENTS WHICH WILL CONTINUE TO EXIST FOR ONE AS AMENDMENT FOR CONSTRUCTION OF ACCESS PROPERTY TO BE CONVEYED THEREIN, AS STIPULATED IN THAT CERTAIN CERTIFICATE REGARDING AGREEMENT TO GRANT EASEMENTS DATED MAY 16, 2000, BY AND BETWEEN CEDAR CROSSING AND UDI CORPORATION RECORDED IN VOLUME (2000) 3993, PAGE 167, CLERK'S FILE NO. (2000) 14628 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS.
13. AN EASEMENT GRANTED TO THE STATE OF TEXAS, FOR THE SOLE PURPOSE OF OPENING, CONSTRUCTING AND MAINTAINING A PERMANENT DRAINAGE OR DRAINAGE EASEMENT ALONG GRAND PARKWAY (STATE HIGHWAY 99), VARIOUSLY DESTRACT NUMBERS 227 AND 3, ENDUTED BY CEDAR CROSSING, LTD. DATED JULY 31, 2002, RECORDED IN VOLUME (2002) 830, PAGE 401 AND UNDER CLERK'S FILE NO. (2002) 84916-S OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY, TEXAS. (NOT WITHIN SUBJECT TRACT.)
14. TERMS, CONDITIONS AND STIPULATIONS REGARDING GRANTEE'S RIGHTS TO TAP INTO A WATER LINE, SEWER LINE, GAS MAIN LINE AND POTABLE WATER AND DISPOSAL SYSTEMS AND EASEMENTS FOR PIPELINES REQUIRED FOR SAME, ALL AS RESERVED IN THE DEED DATED NOVEMBER 14, 1997 FROM UDI CORPORATION TO LIL DEMAG STEELS, INC., RECORDED IN VOLUME 248, PAGE 1, OF THE PUBLIC RECORDS, AND AS SET FORTH BY DEED MAY 16, 2000, FROM UDI CORPORATION TO CEDAR CROSSING, LTD., RECORDED IN VOLUME 2000, PAGE 501, OF THE OFFICIAL RECORDS OF CHAMBERS COUNTY, TEXAS, REFERENCE TO WHICH INSTRUMENT IS HERE MADE FOR PARTICULARS. (BLANKET IN NATURE.)
15. SUBJECT PROPERTY LIES WITHIN THE BOUNDARIES OF CHAMBERS COUNTY IMPROVEMENT DISTRICT NUMBER 1.

DESCRIPTION - TRACT A

A TRACT OR PARCEL CONTAINING 22.744 ACRES OR 990,726 SQUARE FEET OF LAND, SITUATED IN THE J. STEELE SURVEY, ABSTRACT NO. 237, CHAMBERS COUNTY, TEXAS, BEING PART OF AND OUT OF A CALLED 8.354 ACRE TRACT OF LAND (KNOWN AS TRACT 7) CONVEYED TO 705 CEDAR PORT PARTNERS, L.P. AS RECORDED UNDER CHAMBERS COUNTY CLERK'S FILE (C.C.F.) NO. (2014) 99883, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83);

COMMENCING AT A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING THE INTERSECTION OF THE CURVED SOUTHERLY RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 99 (NORTH VARIES) AS RECORDED UNDER VOL. 830, PAGE 348 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY (O.P.R.R.C.), AND THE SOUTH R.O.W. LINE OF FISHER ROAD (CALLED 140' WIDE) AS RECORDED UNDER VOL. 332, P.13, AND VOL. 514, PG. 508, (O.P.R.R.C.) AND A NORTH CORNER OF SAID 8.354 ACRE TRACT;

THENCE, NORTH 89 DEG. 58 MIN. 10 SEC. EAST, ALONG THE SOUTH R.O.W. LINE OF SAID FISHER ROAD, A DISTANCE OF 1,806.54 FEET TO A POINT, FROM WHICH A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING A POINT OF CURVATURE BEARS FOR REFERENCE, NORTH 89 DEG. 58 MIN. 10 SEC. EAST – 39.19 FEET;

THENCE, SOUTH 09 DEG. 33 MIN. 50 SEC. EAST, OVER AND ACROSS SAID 8.354 ACRE TRACT OF LAND, A DISTANCE OF 298.71 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHEAST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT, AND BEING ON A NON-TANGENT CURVE TO THE LEFT;

THENCE, OVER AND ACROSS SAID 8.354 ACRE TRACT, WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 5,792.00 FEET, A CENTRAL ANGLE OF 03 DEG. 33 MIN. 37 SEC., AN ARC LENGTH OF 484.76 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 82 DEG. 24 MIN. 21 SEC. EAST – 484.61 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING A POINT OF REVERSE CURVATURE;

THENCE, WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 440.00 FEET, A CENTRAL ANGLE OF 14 DEG. 24 MIN. 29 SEC., AN ARC LENGTH OF 111.42 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 75 DEG. 31 MIN. 36 SEC. EAST – 111.12 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE CURVED SOUTH R.O.W. LINE OF SAID FISHER ROAD AND MARKING A POINT OF COMPOUND CURVATURE;

THENCE, IN AN EASTERLY DIRECTION ALONG THE CURVED SOUTH R.O.W. LINE OF SAID FISHER ROAD, WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 4,130.00 FEET, A CENTRAL ANGLE OF 03 DEG. 23 MIN. 29 SEC., AN ARC LENGTH OF 244.42 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 84 DEG. 08 MIN. 31 SEC. EAST – 244.37 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, OVER AND ACROSS SAID 8.354 ACRE TRACT OF LAND THE FOLLOWING THREE (3) COURSES AND DISTANCES:

1. SOUTH 03 DEG. 15 MIN. 18 SEC. EAST A DISTANCE OF 1,771.98 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
2. SOUTH 89 DEG. 43 MIN. 22 SEC. WEST, A DISTANCE OF 534.57 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;
3. NORTH 01 DEG. 16 MIN. 34 SEC. WEST, A DISTANCE OF 1,209.82 FEET TO THE POINT OF BEGINNING, AND CONTAINING 22.744 ACRES OR 990,726 SQUARE FEET OF LAND.

DESCRIPTION - TRACT B

A TRACT OR PARCEL CONTAINING 26.295 ACRES OR 1,145,415 SQUARE FEET OF LAND, SITUATED IN THE J. STEELE SURVEY, ABSTRACT NO. 237, CHAMBERS COUNTY, TEXAS, BEING PART OF AND OUT OF A CALLED 8.354 ACRE TRACT OF LAND (KNOWN AS TRACT 7) CONVEYED TO 705 CEDAR PORT PARTNERS, L.P. AS RECORDED UNDER CHAMBERS COUNTY CLERK'S FILE (C.C.F.) NO. (2014) 99883, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83);

COMMENCING AT A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING THE INTERSECTION OF THE CURVED SOUTHERLY RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 99 (NORTH VARIES) AS RECORDED UNDER VOL. 830, PAGE 348 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY (O.P.R.R.C.), AND THE SOUTH R.O.W. LINE OF FISHER ROAD (CALLED 140' WIDE) AS RECORDED UNDER VOL. 332, P.13, AND VOL. 514, PG. 508, (O.P.R.R.C.) AND A NORTH CORNER OF SAID 8.354 ACRE TRACT;

THENCE, NORTH 89 DEG. 58 MIN. 10 SEC. EAST, ALONG THE SOUTH R.O.W. LINE OF SAID FISHER ROAD, A DISTANCE OF 39.19 FEET TO A POINT, FROM WHICH A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING A POINT OF CURVATURE BEARS FOR REFERENCE, NORTH 89 DEG. 58 MIN. 10 SEC. EAST – 1,806.54 FEET;

THENCE, SOUTH 09 DEG. 33 MIN. 50 SEC. EAST, OVER AND ACROSS SAID 8.354 ACRE TRACT OF LAND, A DISTANCE OF 298.71 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHEAST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE, OVER AND ACROSS SAID 8.354 ACRE TRACT OF LAND THE FOLLOWING FIVE (5) COURSES AND DISTANCES:

1. NORTH 89 DEG. 43 MIN. 22 SEC. EAST, A DISTANCE OF 534.57 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
2. SOUTH 03 DEG. 15 MIN. 18 SEC. EAST, A DISTANCE OF 1,772.76 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;
3. SOUTH 89 DEG. 07 MIN. 02 SEC. WEST A DISTANCE OF 534.55 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;
4. WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 578.80 FEET, A CENTRAL ANGLE OF 07 DEG. 40 MIN. 29 SEC., AN ARC LENGTH OF 774.97 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 43 DEG. 56 MIN. 09 SEC. EAST – 719.86 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE END OF SAID CURVE AND AN INTERIOR CORNER OF THE HEREIN DESCRIBED TRACT;
5. NORTH 03 DEG. 16 MIN. 34 SEC. WEST A DISTANCE OF 1,604.34 FEET TO THE POINT OF BEGINNING, AND CONTAINING 26.295 ACRES OR 1,145,415 SQUARE FEET OF LAND.

GENERAL NOTES

1. SURVEYOR DID NOT ABSTRACT SUBJECT PROPERTY. THIS SURVEY WAS PREPARED WITH INFORMATION CONTAINED IN GF NO. 1070-1800-1078 PROVIDED BY FIDELITY NATIONAL TITLE INSURANCE COMPANY, WITH AN EFFECTIVE DATE OF APRIL 3, 2018, ISSUED DATE OF APRIL 12, 2018, AND IS SUBJECT TO THE LIMITATIONS OF THAT COMMITMENT.
2. BEARINGS WERE BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD 83). ALL DISTANCES SHOWN HEREON ARE SURFACE DISTANCES WITH A SURFACE TO GRID FACTOR OF 1.00013, THE FOLLOWING FORMULA: GRID = 1.00013.
3. ACCORDING TO THE FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), FLOOD INSURANCE RATE MAP (FIRM) FOR CHAMBERS COUNTY, TEXAS, MAP NO. 48071C0335E REVISED/DATED MAY 4, 2015, THE SUBJECT TRACT APPEARS TO LIE WITHIN UNSHADED ZONE "X". THIS DETERMINATION WAS DONE BY GRAPHIC PLOTTING AND IS APPROXIMATE. FIELD VERIFICATION WAS NOT PERFORMED TO DETERMINE IF THIS PROPERTY DOES NOT SIT IN A FLOOD PRONE AREA. A PROFESSIONAL ENGINEER WILL BE HIRED FROM WHICH A LETTER OF MAP REVISION BASED ON FILL (LOMR-F) WILL BE FILED FROM AND FLOOD INSURANCE MAY BE AVOIDED BY OBTAINING A LOMR-F. CAUTION: THIS FLOOD STATEMENT SHALL NOT CREATE LIABILITY ON THE PART OF WINDROSE LAND SERVICES.
4. READILY VISIBLE IMPROVEMENTS AND UTILITIES WERE LOCATED WITH THIS SURVEY. NO SUBSURFACE FEATURES, EXCAVATION OR EXPLORATION WAS PERFORMED BY WINDROSE LAND SERVICES.
5. ENVIRONMENTAL AND DRAINAGE ISSUES ARE BEYOND THE SCOPE OF THIS SURVEY.
6. THE SQUARE FOOTAGE TOTALS SHOWN HEREON ARE BASED ON THE MATHEMATICAL CLOSURE OF THE COURSES AND DISTANCES SHOWN HEREON AND DO NOT INCLUDE THE TOLERANCE THAT MAY BE PRESENT DUE TO THE POSITIONAL ACCURACY OF THE BOUNDARY MONUMENTATION.
7. FENCES SHOWN HEREON WITH DIMENSIONAL TIES ARE SHOWN WHERE THEY ARE PHYSICALLY MEASURED. THE FENCE MAY MEANDER BETWEEN MEASURED LOCATIONS.
8. THE WORD "CERTIFY" OR "CERTIFICATE" AS SHOWN AND USED HEREON MEANS AN EXPRESSION OF PROFESSIONAL OPINION REGARDING THE FACTS OF THE SURVEY AND DOES NOT CONSTITUTE A WARRANTY OR GUARANTEE EXPRESSED OR IMPLIED.
9. OTHER IMPROVEMENTS MAY EXIST ON THE SUBJECT PROPERTY THAT ARE NOT SHOWN HEREON.

SURVEYOR'S CERTIFICATION

TO: CLAY DEVELOPMENT & CONSTRUCTION, INC., A TEXAS CORPORATION
FIDELITY NATIONAL TITLE INSURANCE COMPANY

I DO HEREBY CERTIFY TO THE ABOVE LISTED THAT THIS SURVEY WAS THIS DAY MADE ON THE GROUND, AND IS CORRECT, UNDER MY SUPERVISION, THAT THIS PLAT CORRECTLY REPRESENTS THE PROPERTY AS DETERMINED BY SAID SURVEY, THAT THERE ARE NO VISIBLE ENCROACHMENTS OR PROTRUSIONS, EXCEPT AS SHOWN HEREON, THAT THIS SURVEY SUBSTANTIALLY CONFORMS TO THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II SURVEY, TO THE BEST OF MY KNOWLEDGE.

PRELIMINARY

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

03-29-2018
DATE

ROBERT KNESS
Registered Professional Land Surveyor
Texas Registration No. 6488

LEGEND

* SOME OF THESE ELEMENTS MAY NOT BE USED ON THIS SURVEY

SD	= STORM DRAIN	UGE	= UNDERGROUND ELECTRIC
SS	= SANITARY SEWER	UGT	= UNDERGROUND TELEPHONE
GAS	= GAS METER	GAS	= GAS LINE
GV	= GAS VALVE	MW	= MONITORING WELL
WV	= WATER VALVE	TOC	= TOP OF CURB
WM	= WATER METER	BOC	= BACK OF CURB
FH	= FIRE HYDRANT	FL	= FLOW LINE
⊙	= SANITARY SEWER MANHOLE	TW	= TOP OF WALL
⊙	= STORM SEWER MANHOLE	BW	= BOTTOM OF WALL
⊙	= UNKNOWN MANHOLE	EW	= END OF WALL
⊙	= DRAINAGE MANHOLE	SW	= SIDEWALK
⊙	= TELEPHONE MANHOLE	DW	= DRIVEWAY
⊙	= ELECTRIC MANHOLE	⊙	= SANITARY SEWER CLEANOUT
⊙	= GAS MANHOLE	⊙	= STORM SEWER CLEANOUT
⊙	= UNKNOWN MANHOLE	EMP	= ELECTRIC METAL POLE
⊙	= ELECTRIC VAULT	EPP	= ELECTRIC PLASTIC POLE
⊙	= TELEPHONE PEDESTAL	ECP	= ELECTRIC CONCRETE POLE
⊙	= ELECTRIC VAULT	TSP	= TRAFFIC SIGNAL POLE
⊙	= TRAFFIC SIGNAL BOX	LP	= LIGHT POLE
⊙	= TRAFFIC LIGHT POLE	TEL	= TELEPHONE
⊙	= UNKNOWN UTILITY MANHOLE	TSB	= TELEPHONE SMALL PEDESTAL BOX
⊙	= UNKNOWN/SPOT LIGHT	WP	= WOOD POLE
⊙	= POWER POLE	UP	= UNKNOWN POLE
PPWT	= POWER POLE W/TRANSFORMER	PED	= PEDESTAL
PPWT	= POWER POLE W/UNIT	PPWU	= POWER POLE W/UNKNOWN UNIT
PPWT	= POWER POLE W/UNKNOWN	PPWU	= POWER POLE W/UNKNOWN
MP	= METER POLE	SPMH	= SPECIAL PURPOSE MANHOLE
SP	= SIGNPOST	SP	= SIGN POST
GP	= GUY ANCHOR	IP	= IRON PIPE
OHP	= OVERHEAD POWER LINE	IR	= IRON ROD
WF	= WOOD FENCE	ML	= MARKER
CF	= CHAINLINK FENCE	PK	= PK NAIL
BF	= BARB WIRE FENCE	CM	= CONCRETE MONUMENT
IF	= IRON FENCE	SQ. FT.	= SQUARE FEET
VF	= VINYL FENCE	VOL.	= VOLUME
WIRE	= WIRE FENCE	PG.	= PAGE
OHL	= OVERHEAD LINE	DR	= DRAINAGE LINE
⊙	= UTILITY EASEMENT	⊙	= UTILITY EASEMENT
⊙	= SIGN	○	= TREE/SHRUB

WINDROSE
LAND SURVEYING | PLATTING
3204 WILCREST, SUITE 330 | HOUSTON, TX 77042 | 713.464.3381
FIRM REGISTRATION NO. 101080500 | WINDROSESERVICES.COM

STANDARD LAND SURVEY OF
TRACT A - 22.744 AC. / 990,726 SQ. FT. &
TRACT B - 26.295 AC. / 1,145,415 SQ. FT.
SITUATED IN THE J. STEELE SURVEY, ABSTRACT NO. 237 & THE CHAMBERS COUNTY SCHOOL LAND SURVEY NO. 3, ABSTRACT NO. 321
CHAMBERS COUNTY, TEXAS

COPYRIGHT © WINDROSE LAND SERVICES. THE DOCUMENT IS COPYRIGHTED AND IS AN INSTRUMENT OF SERVICE FOR THE SPECIFIC PROJECT OR TRANSACTION FOR WHICH IT WAS PREPARED. REUSE, COPYING OR ALTERATION OF THE DOCUMENT WHETHER BY HARD COPY OR ELECTRONIC FORMAT OTHER THAN FOR THE SPECIFIC PURPOSE INTENDED WITHOUT PERMISSION FROM WINDROSE LAND SERVICES IS A VIOLATION OF FEDERAL COPYRIGHT LAW.

FIELDED BY:	JC	CHECKED BY:	KMR
DRAWN BY:	TM/CL	DATE:	MARCH 2018
JOB NO. 52571-163-PH3-parcels			
SHEET NO. 1 OF 1			

REVISIONS

DATE	REASON	BY

EXHIBIT C
Agreement

TAX ABATEMENT AGREEMENT BETWEEN CHAMBERS COUNTY, TEXAS, AND CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P. & CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P. FOR PROPERTY LOCATED IN THE CLAY PARTNERS 2019 REINVESTMENT ZONE

This Tax Abatement Agreement (hereinafter referred to as "the Agreement") is made, entered, and executed between **CHAMBERS COUNTY, TEXAS** acting through its **Commissioners Court** (hereinafter referred to as "the **COUNTY**"), and **CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P.**, a Texas limited partnership, and **CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P.**, a Texas limited partnership (hereinafter collectively referred to as "**CLAY**"), the owner of taxable property in Chambers County, Texas, located in the **CLAY PARTNERS 2019 REINVESTMENT ZONE** ("Reinvestment Zone").

I. AUTHORIZATION

This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Tax Code, Chapter 312, V.T.C.A., as amended, and by authorization of the **COUNTY** following the designation of the **CLAY PARTNERS 2019 REINVESTMENT ZONE**.

II. DEFINITIONS

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

a. The "2019 Certified Appraised Value" means the January 1, 2019 value of the property within the Reinvestment Zone as certified by the Chambers County Appraisal District as of that date.

b. "Improvements" means the buildings or portions thereof and other improvements, including fixed machinery, equipment and process units, and other business personal property used for commercial or industrial purposes that are acquired and/or constructed by **CLAY** on the property after January 1, 2019 and subject to *ad valorem* taxes.

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

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

e. "Eligible Property" means the buildings, structures, fixed machinery, equipment and process units, business personal property and other Improvements subject to *ad valorem* taxes necessary to the operation and administration of the Improvements and/or expansion to the existing facility.

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

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

2. The guidelines and criteria for granting tax abatements in a reinvestment zone created in Chambers County, Texas, which were adopted by the **COUNTY**, are incorporated herein by reference, together with any applicable amendments. All definitions set forth therein are applicable to this Agreement.

III. SUBJECT PROPERTY

3. The Reinvestment Zone is an area within Chambers County, Texas, comprising approximately **49.0420** acres more or less, generally described in Exhibit A attached hereto and incorporated herein.

The 2019 Certified Appraised Value on site is:

Land Only	$900,000
Improvements	$ 0
TOTAL:	$900,000

IV. VALUE AND TERM OF AGREEMENT

4. This tax abatement shall be effective on the January 1st valuation date immediately following the date of execution of this Agreement. In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below. The appraised value, as defined in the Property Tax Code, of New Eligible Properties shall be abated in accordance with the following schedule:

Year Abated	Percentage of Value Abated
2020	**100%**
2021	**100%**
2022	**75%**
2023	**60%**
2024	**50%**

V. TAXABILITY

5. During the period that this tax abatement is effective ("abatement period"):

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

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

VI. CONTEMPLATED IMPROVEMENTS

6. As set forth in the **CLAY** abatement application which is incorporated herein for all purposes, **CLAY** represents that it will construct at least two (2) separate warehouse and distribution facilities with an approximate improvement cost and added value of **$28,000,000**. During the Construction Phase, **CLAY** may make such change orders to the project as are reasonably necessary. All Improvements shall be completed in accordance with the **CLAY** abatement application and all applicable laws, ordinances, rules, or regulations.

VII. EVENTS OF DEFAULT

7. During the abatement period covered by this Agreement, the **COUNTY** may declare a default hereunder by **CLAY** if **CLAY** (i) fails to commence construction of the Improvements within one (1) year from the date this Agreement is executed or (ii) fails to complete construction of the Improvements, or (iii) fails to comply with any of the material terms of this Agreement, or (iv) if any representation made by **CLAY** in this Agreement is false or misleading in any material respect.

8. If the **COUNTY** declares that **CLAY** is in default of this Agreement, the **COUNTY** shall notify **CLAY** in writing. If such default is not cured within sixty (60) days from the date of such notice ("Cure Period"), then this Agreement may be terminated. In the case of a default for causes beyond **CLAY'S** reasonable control which cannot with due diligence be cured within the Cure Period, the Cure Period shall be deemed extended if **CLAY** (i) shall notify the **COUNTY** of **CLAY's** intention to institute steps

reasonably necessary to cure such default, (ii) shall proceed to cure such default, and (iii) shall submit a proposed schedule for the completion of the Improvements, including the estimated date for completion of the Improvements, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements that is completed as of the date of such notice.

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

10. In the event the Improvements are completed, but are subsequently removed for any reason excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate, for a period of one (1) year during the abatement period, then this Agreement shall terminate. In the event of termination pursuant to the provisions of this paragraph, the abatement of the taxes for the calendar year during which the facility improvements no longer produce shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement. The taxes otherwise abated shall be paid to the **COUNTY** prior to the delinquency date for such year. In no event shall **CLAY** be required to pay such taxes within less than sixty (60) days of the termination.

VIII. ADMINISTRATION

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

12. The Chief Appraiser of the Chambers County Appraisal District shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and business personal property comprising this Reinvestment Zone and (ii) the full taxable value without abatement of the real and business personal property comprising this Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year **CLAY** shall furnish the Chief Appraiser with the information required by Chapter 22, Tax Code, V.T.C.A. Such information shall also be provided to the **COUNTY** in preparation of its annual evaluation for compliance with this Agreement.

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

IX. ASSIGNMENT

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

X. NOTICE

15. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the **COUNTY** or **CLAY.** If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To **CLAY:**

ATTN: **Louis B. Sullivan III, Vice President**

CLAY DEVELOPMENT
5599 SAN FELIPE
SUITE 1440
HOUSTON, TX 77056

To the **COUNTY**:

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

WITH A COPY TO:

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

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

XI. AUTHORITY

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

XII. DATE

17. This Agreement may be executed in counterparts and the effective date of the Agreement shall be the date the **COUNTY** executes this Agreement by and through its **Commissioners Court**, so authorizing, on the date of the countersignature hereto by the **CHAMBERS COUNTY JUDGE** on this 20th day of March, 2019.

XIII. MISCELLANEOUS

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

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

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

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

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

By: **CLAY PARTNERS**
CEDAR PORT PHASE III #1, L.P.

By: Clay Partners
Cedar Port Phase III #1 GP, LLC, its general partner

By: _____
Albert W. Clay, III, President

4/15/19
(Date)

ATTEST:

_____
Louis B. Sullivan, III, Vice President

By: **CLAY PARTNERS**
CEDAR PORT PHASE III #2, L.P.

By: Clay Partners
Cedar Port Phase III #2 GP, LLC, its general partner

By: _____
Albert W. Clay, III, President

4/15/19
(Date)

ATTEST:

_____
Louis B. Sullivan, III, Vice President

CHAMBERS COUNTY

By: _____
(Signature)

Jimmy Sylvia, County Judge
(Printed Name and Title)

March 20, 2019
(Date)

ATTEST:

_____
(Signature)

Heather H. Hawthorne, County Clerk
(Printed Name and Title)

EXHIBIT D
Amendment and Assignment

JIMMY SYLVIA
COUNTY JUDGE

POST OFFICE BOX 939
ANAHUAC, TEXAS 77514
409-267-2440
FAX: 406-267-4453
www.co.chambers.tx.us

THE COUNTY OF CHAMBERS

October 15, 2020

Louis B. Sullivan III
Clay Development & Construction, Inc.
1244 N. Post Oak Road, Suite 200
Houston, TX 77055

Re: Tax Abatement Agreement (the "Agreement") between Chambers County, Texas (the "County") and Clay Partners – Cedar Port Phase III #1 L.P. and Clay Partners – Cedar Port Phase III #2 L.P., for Property Located in the Clay Partners 2019 Reinvestment Zone.

Dear Mr. Sullivan,

Pursuant to your request for consent by the County to assign the Agreement to Exeter 5335 Cedar Port, L.P. (Exeter), consistent with Section IX of the Agreement, be advised that the County Commissioners Court approved said request at its regularly scheduled meeting on October 13, 2020. Consent to assign is specific to the property and improvements known as Clay Partners – Cedar Port Phase III #1 L.P.

Please note that once the actual transfer to Exeter is affected, a formal assignment agreement citing the appropriate assignee and representing principals will be required. Timely notification of the transfer is expected. Thank you.

Sincerely,

Jimmy Sylvia
County Judge

Cc: Baytown-West Chambers County
Economic Development Foundation

CLAY
DEVELOPMENT & CONSTRUCTION INC.
COMMERCIAL DESIGN-BUILDERS

1244 N. Post Oak Road, Suite 200 • Houston, TX 77055 • 713.789.2529 • Fax 713.782.3755

September 23, 2020

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

Re: Tax Abatement Agreement (the "Agreement) between Chambers County, Texas and Clay Partners – Cedar Port Phase III #1, L.P. and Clay Partners – Cedar Port Phase III #2, L.P., for Property Located in the Clay Development 2019 Reinvestment Zone (the "Zone")

Dear Judge Sylvia,

Clay Partners currently has a portion of the above-referenced property, as described on Exhibit A, together with the improvements thereon under contract for sale to Exeter 5335 Cedar Port, L.P. ("Exeter"), and it is anticipated such sale will occur on or about October 20, 2020. Please allow this letter to serve as a request for consent by the County to a partial assignment of the Agreement to Exeter pursuant to Section IX of the Agreement. We would propose that the Abatement Agreement be split into two (2) separate abatement agreements so that the Agreement can remain in place in favor of Clay Partners – Cedar Port Phase III #2, L.P., with respect to the remaining land in the Zone and the future building to be built by us on that site.

I am happy to answer any questions you may have or to provide any additional information you may need.

Sincerely,

Louis B. Sullivan III

Cc: B.J. Simon
Associate Executive Director
Baytown-West Chambers County
Economic Development Foundation

Exhibit "A"

EXHIBIT A

LEGAL DESCRIPTION

A TRACT OR PARCEL CONTAINING 22.744 ACRES OR 990,726 SQUARE FEET OF LAND, SITUATED IN THE J. STEELE SURVEY, ABSTRACT NO. 227, CHAMBERS COUNTY, TEXAS, BEING PART OF AND OUT OF A CALLED 6,554 ACRE TRACT OF LAND (KNOWN AS TRACT 7) CONVEYED TO TGS CEDAR PORT PARTNERS, L.P. AS RECORDED UNDER CHAMBERS COUNTY CLERK'S FILE (C.C.C.F.) NO. (2014) 98883, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS, WITH ALL BEARINGS BASED ON THE TEXAS STATE PLANE COORDINATE SYSTEM, SOUTH CENTRAL ZONE (NAD83):

COMMENCING AT A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING THE INTERSECTION OF THE CURVED SOUTHERLY RIGHT-OF-WAY (R.O.W.) LINE OF STATE HIGHWAY NO. 99 (WIDTH VARIES) AS RECORDED UNDER VOL. 650, PAGE 348 OF THE OFFICIAL PUBLIC RECORDS OF CHAMBERS COUNTY (O.P.R.C.C.) AND THE SOUTH R.O.W. LINE OF FISHER ROAD (CALLED 140' WIDE) AS RECORDED UNDER VOL. 352, PG. 211 AND VOL. 514, PG. 528, O.P.R.C.C. AND A NORTH CORNER OF SAID 6,554 ACRE TRACT;

THENCE, NORTH 80 DEG. 26 MIN. 10 SEC. EAST, ALONG THE SOUTH R.O.W. LINE OF SAID FISHER ROAD, A DISTANCE OF 1005.38 FEET TO A POINT, FROM WHICH A CAPPED 1/2 INCH IRON ROD STAMPED "SOUTEX" FOUND MARKING A POINT OF CURVATURE BEARS FOR REFERENCE, NORTH 80 DEG. 26 MIN. 10 SEC. EAST - 301.19 FEET;

THENCE, SOUTH 09 DEG. 33 MIN. 50 SEC. EAST, OVER AND ACROSS SAID 6,554 ACRE TRACT OF LAND, A DISTANCE OF 296.11 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHWEST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT;

THENCE, OVER AND ACROSS SAID 6,554 ACRE TRACT, WITH SAID CURVE TO THE LEFT, HAVING A RADIUS OF 5,120.00 FEET, A CENTRAL ANGLE OF 05 DEG. 25 MIN. 29 SEC., AN ARC LENGTH OF 484.75 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 52 DEG. 24 MIN. 21 SEC. EAST - 484.57 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING A POINT OF REVERSE CURVATURE;

THENCE, WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 410.00 FEET, A CENTRAL ANGLE OF 34 DEG. 24 MIN. 49 SEC., AN ARC LENGTH OF 246.26 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 66 DEG. 54 MIN. 01 SEC. EAST - 242.57 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET ON THE CURVED SOUTH R.O.W. LINE OF SAID FISHER ROAD AND MARKING A POINT OF COMPOUND CURVATURE;

THENCE, IN AN EASTERLY DIRECTION ALONG THE CURVED SOUTH R.O.W. LINE OF SAID FISHER ROAD, WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 5,659.58 FEET, A CENTRAL ANGLE OF 00 DEG. 04 MIN. 09 SEC., AN ARC LENGTH OF 6.84 FEET, AND A CHORD BEARING AND DISTANCE OF NORTH 84 DEG. 08 MIN. 31 SEC. EAST - 6.84 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, OVER AND ACROSS SAID 6,554 ACRE TRACT OF LAND THE FOLLOWING THREE (3) COURSES AND DISTANCES:

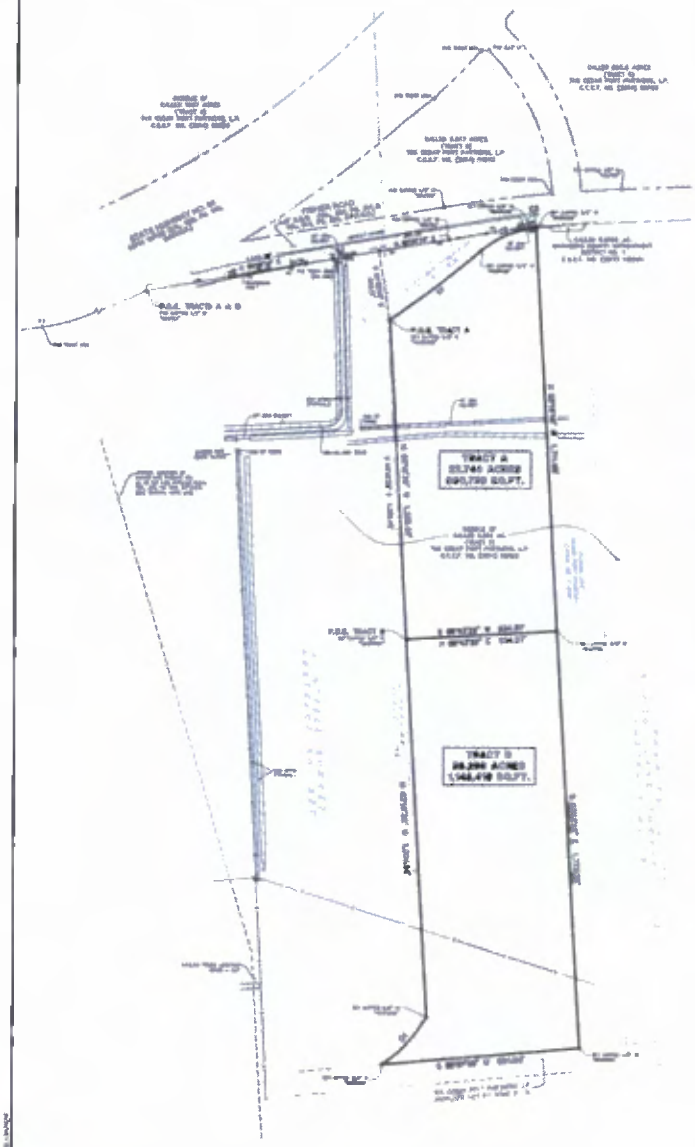
1. SOUTH 03 DEG. 15 MIN. 15 SEC. EAST A DISTANCE OF 1,711.68 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

2. SOUTH 86 DEG. 43 MIN. 22 SEC. WEST, A DISTANCE OF 634.57 FEET TO A CAPPED 5/8 INCH IRON ROD STAMPED "WINDROSE" SET MARKING THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

3. NORTH 03 DEG. 16 MIN. 38 SEC. WEST, A DISTANCE OF 1,355.92 FEET TO THE POINT OF BEGINNING, AND CONTAINING 22.744 ACRES OR 990,726 SQUARE FEET OF LAND.



NORTH



DESCRIPTION - TRACT A

DESCRIPTION - TRACT B

SCHEDULE "B" NOTES

GENERAL NOTES

PRELIMINARY

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

FLOOD INFORMATION





WINDROSE
LAND SURVEYING | PLATTING

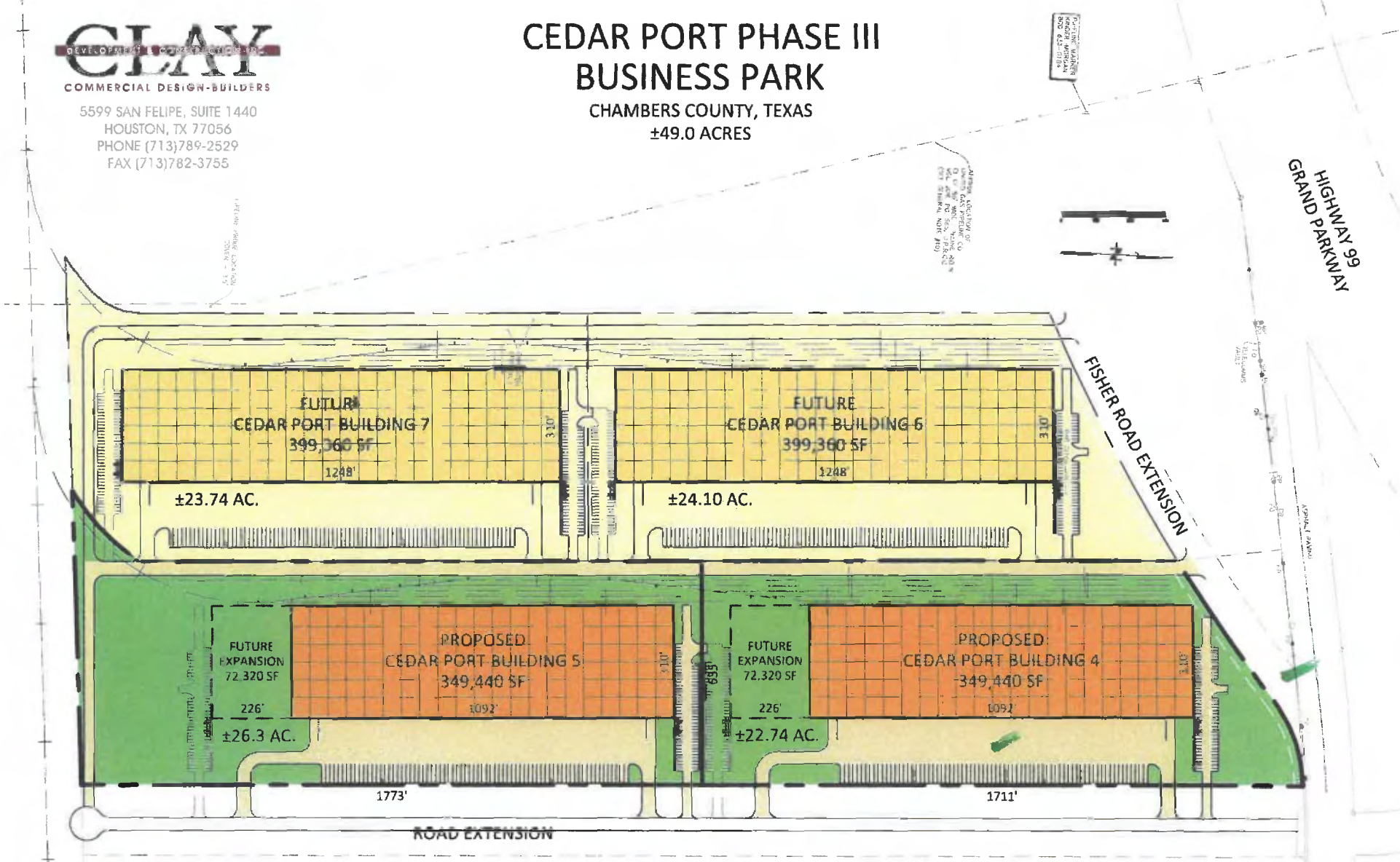
STANDARD LAND SURVEY OF
TRACT A - 22.744 AC. / 990,736 SQ. FT. &
TRACT B - 26.295 AC. /) 1,145,415 SQ. FT.
SITUATED IN THE J. STEELE SURVEY, ABSTRACT NO. 227 & THE CHAMBERS COUNTY SCHOOL LAND SURVEY NO. 3,
ABSTRACT NO. 321
CHAMBERS COUNTY, TEXAS

DRAWN BY: TRUE | CHECKED BY: KSK | JOB NO. 2021-155-001 | DATE: MARCH 2022 | SHEET NO. 1 OF 1

CLAY
DEVELOPMENT & CONSTRUCTION, INC.
COMMERCIAL DESIGN-BUILDERS
5599 SAN FELIPE, SUITE 1440
HOUSTON, TX 77056
PHONE (713)789-2529
FAX (713)782-3755

CEDAR PORT PHASE III BUSINESS PARK

CHAMBERS COUNTY, TEXAS
±49.0 ACRES



KEY

- LEASE SPACE AVAILABLE
- LAND AVAILABLE
- PROPOSED BUILDING / LAND AVAILABLE
- LEASED/SOLD BUILDING

NOTE: PROPOSED PARK SITE PLAN, SUBJECT TO CHANGE

LAND AVAILABLE FOR SALE OR LEASE
BUILD-TO-SUIT / DESIGN-BUILD



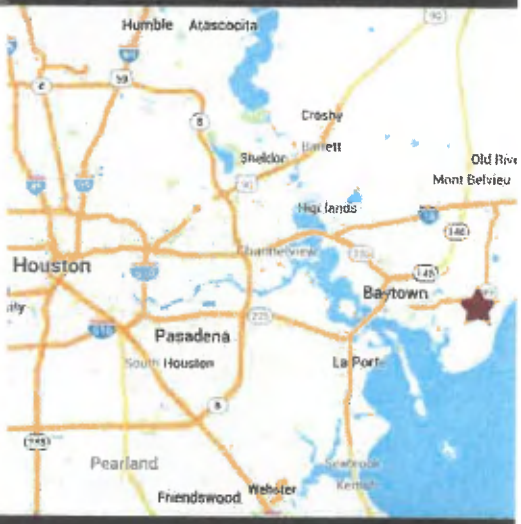
For further information please contact:

Charlie Christ / Robert Clay
P 713.789.2529
F 713.782.3755
cchrist@claydevelopment.com

CLAY DEVELOPMENT & CONSTRUCTION, INC.
COMMERCIAL DESIGN-BUILDERS

FEATURES

- Up to 97 acres available for design-build or build-to-suit rail served dock-high distribution buildings
- Approx. 25 acre sites
- Located on Fisher Rd and Hwy 99 just east of FM 1405 in Chambers County, TX
- Excellent access to Hwy 99, Hwy 146, I-10 and the Port of Houston
- Regional detention provided
- ESFR fire sprinkler system
- Deed restricted park with professional management



CEDAR PORT PHASE III BUSINESS PARK
CHAMBERS COUNTY, TEXAS

N

EXHIBIT E
Partial Assignment

FIRST AMENDMENT TO CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P.
and
CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P. TAX ABATEMENT AGREEMENT

This First Amendment is made this 24th Day of November, 2020, by and between the **COUNTY OF CHAMBERS, TEXAS** (the **"COUNTY")** and **CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P.**, a Texas limited partnership, and **CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P.**, a Texas limited partnership (the **"COMPANY").**

WHEREAS, on March 20, 2019, the **COUNTY** and **COMPANY** entered into a Tax Abatement Agreement (the **"AGREEMENT"),** a copy of which is attached and labeled as **Exhibit "A",** for the purposes of promoting local economic development and stimulating business and commercial activity in the **COUNTY**; and

WHEREAS, on October 13, 2020, the **COMPANY** requested an amendment to the **AGREEMENT** and subsequent assignment of the amended **AGREEMENT,** a copy of which is attached and labeled as **Exhibit "B"**; and

WHEREAS, the **COUNTY** and **COMPANY** now desire to amend the **AGREEMENT** as requested by the **COMPANY** and agreed to by the **COUNTY.**

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL COVENANTS AND AGREEMENTS, THE COUNTY AND COMPANY HEREBY MUTUALLY AGREE AS FOLLOWS:

1. Page 1, Paragraph 1, is hereby amended to read as follows:

   This Tax Abatement Agreement (hereinafter referred to as "the Agreement") is made, entered, and executed between **CHAMBERS COUNTY, TEXAS** acting through its **Commissioners Court** (hereinafter referred to as "the **COUNTY**"), and **CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P.**, a Texas limited partnership, (hereinafter referred to as "**CLAY**"), the owner of taxable property in Chambers County, Texas, located in the **CLAY PARTNERS 2019 REINVESTMENT ZONE** ("Reinvestment Zone").

2. Page 4, Section VI. Contemplated Improvements, is hereby amended to read as follows:

   VI. CONTEMPLATED IMPROVEMENTS

   6. As set forth in the **CLAY** abatement application, which is incorporated herein for all purposes, **CLAY** represents that it will construct a warehouse and distribution facility with an approximate improvement cost and added value of **$14,000,000**. During the Construction Phase, **CLAY** may make such change orders to the project as are reasonably necessary. All Improvements shall be completed in accordance with the **CLAY** abatement application and all applicable laws, ordinances, rules, or regulations.

3. Page 7 Section X, Notice, is hereby amended to read as follows:

X. NOTICE

15. Any notice required to be given under the provisions of this **AGREEMENT** shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the **COUNTY** or **CLAY.** If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To **CLAY:**

ATTN: **Louis B. Sullivan III, Vice President**

CLAY DEVELOPMENT & CONSTRUCTION, INC.
1244 N. Post Oak Road
SUITE 200
HOUSTON, TX 77055

Except as amended herein, the **AGREEMENT** between the **COUNTY** and **COMPANY** shall remain in full force and effect.

IN WITNESS WHEREOF, COUNTY and **COMPANY** have executed this First Amendment to the **AGREEMENT** effective as of the date first written above.

EXECUTED the 8th day of December,2020.

CHAMBERS COUNTY, TEXAS

By:_____
Jimmy Sylvia, County Judge

ATTEST:

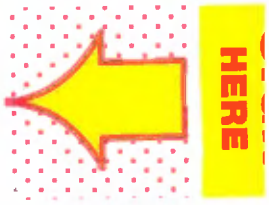
Heather Hawthorne, County Clerk

By: **CLAY PARTNERS**
CEDAR PORT PHASE III #1, L.P.

By: Clay Partners
Cedar Port Phase III #1 GP, LLC, its general partner

By: _____
Albert W. Clay, III, President

_____
(Date)



ATTEST:

_____
Louis B. Sullivan, III, Vice President

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the 30 day of December, 2020, by Honorable Jimmy Sylvia, as County Judge of Chambers County, Texas, on behalf of the Chambers, County, Texas (**COUNTY**).

MARINA MUNIZ
Notary Public
STATE OF TEXAS
NOTARY ID # 459661-8
My Comm. Expires 02-02-2022

Marina Muniz
Notary Public, State of Texas

My Commission Expires:

02/02/2022

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

HERE

This instrument was acknowledged before me on the 6th day of April, 2021, by Albert W. Clay III, as President of Clay Partners Cedar Port Phase III #1, L.P. a limited company, organized and existing under the laws of the State of Texas (**COMPANY**).

JOY MARIE ROSENCUTTER
Notary Public, State of Texas
Comm. Expires 11-10-2022
Notary ID 11738596

Joy Marie Rosencutter
Notary Public, State of Texas

My Commission Expires:

11-10-2022

Resolution

A resolution approving the assignment of all the rights and obligations accruing to CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P., under that certain Tax Abatement Agreement by and between CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P., and CHAMBERS COUNTY, TEXAS (the "COUNTY") previously approved by its Commissioners Court.

WHEREAS, on March 20, 2019, the COUNTY authorized the execution of a Tax Abatement Agreement ("Agreement") with CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P. and CLAY PARTNERS – CEDAR PORT PHASE III #2 L.P. ("CLAY") relating to its projects located in the Clay Partners 2019 Reinvestment Zone; and

WHEREAS, on October 13, 2020, the COUNTY approved an assignment and amendment to the Agreement; and

WHEREAS, on November 24, 2020, the COUNTY approved the Agreement amendment, a copy of which is attached and labeled as Exhibit "A"; and

WHEREAS, CLAY has sold the CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P. properties to Exeter 5335 Cedar Port, L.P. ("EXETER"), a description of which is attached and labeled as Exhibit "B"; and

WHEREAS, CLAY desires to assign all its rights and obligations under the Agreement to EXETER; and

WHEREAS, the COUNTY has approved assignment of CLAY's rights and obligations under the Agreement to EXETER; and

WHEREAS, as of the date hereof, to the knowledge of the COUNTY, no factual circumstances or conditions exist which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against CLAY; and

WHEREAS, the Agreement provides that the Agreement can be assigned with approval of the COUNTY, which approval shall not be unreasonably withheld.

NOW THEREFORE

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

I.

That all the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the COUNTY hereby approves assignment of all of CLAY's rights and obligations under the Agreement to EXETER.

III.

That the County Judge or his designee is authorized to execute a Consent and Estoppel establishing the conditions of the COUNTY approval of the assignment of the Agreement. A substantial copy of the Consent and Estoppel for the Tax Abatement Agreement is attached.

IV.

In approving assignment of the referenced Agreement, Chambers County, Texas, through its Commissioners Court, hereby exercises a governmental function in accordance with policy and Chapter 312 the Texas Tax Code.

PRESENTED AND UNANIMOUSLY PASSED on this the 8th day of December, 2020, upon a motion made by Commissioner Tice, seconded by Commissioner Gore at a regular meeting of the Commissioners Court of Chambers County, Texas.

By: _____
Jimmy Sylvia, County Judge

ATTEST:

Heather Hawthorne, County Clerk

THE STATE OF TEXAS §
§ **CONSENT AND ESTOPPEL**
COUNTY OF CHAMBERS §

THIS CONSENT AND ESTOPPEL (this "Consent") dated as of the 8th day of December, 2020, is made by and between CHAMBERS COUNTY, TEXAS (the "COUNTY"), acting by and through its Commissioners Court, CLAY PARTNERS – CEDAR PORT PHASE III #1 L.P., ("CLAY"), an entity duly authorized to do business in the State of Texas, and EXETER 5335 CEDAR PORT, L.P. ("EXETER"), a Texas limited partnership.

W I T N E S S E T H:

WHEREAS, the COUNTY and CLAY are parties to that certain Tax Abatement Agreement (the "Agreement") authorized, amended and approved by the COUNTY on November 24, 2020 relating to certain premises located in the Cedar Port Industrial Park, Baytown, Texas (the "Property"); and

WHEREAS, CLAY recently sold the Property (the "Transfer") to EXETER; and

WHEREAS, in connection with the Transfer, CLAY, as Owner under the Agreement, desires to assign all of CLAY's rights and obligations under the Agreement to EXETER (the "Assignment"). **NOW, THEREFORE,**

In consideration of the mutual covenants and agreement set forth in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the COUNTY hereby agrees as follows:

1. The COUNTY hereby consents to the Assignment.

2. The Agreement is in full force and effect and has not been modified, supplemented, or amended in any way except as set forth herein.

3. All conditions under the Agreement to be performed by the Owner which are prerequisite to the full effectiveness of the Agreement have been satisfied as of the date hereof.

4. As of the date hereof, to the knowledge of COUNTY, there exist no factual circumstances or conditions which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against CLAY.

5. The COUNTY hereby agrees that EXETER shall be entitled to rely upon the statements made herein and shall be a third-party beneficiary hereof.

6. This Consent may not be modified orally, but only by written instrument, and constitutes the entire agreement between the parties with respect to the subject matter hereof.

7. The Agreement and all the terms, covenants and conditions thereof remain in full force and effect and EXETER agrees to be bound thereby.

8. All notices which are required or desired to be sent to EXETER under the Agreement shall be delivered, pursuant to the terms of the Agreement, to the following:

Exeter 5335 Cedar Port, LLC
101 West Elm St., Suite 600
Conshohocken, PA 19428
Attn: Timothy Weber

9. This Consent may be executed in one or more counterparts, each of which shall be deemed an original but, when taken together, shall constitute one Consent.

10. Notwithstanding anything to the contrary, nothing contained herein shall relieve EXETER or its successors or assigns from the COUNTY's right of recapture pursuant to Paragraph VII. of the Agreement.

IN WITNESS WHEREOF, the COUNTY has caused this Consent to be executed the day and year first above written.

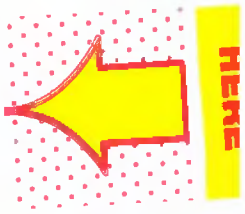
By: **CLAY PARTNERS**
CEDAR PORT PHASE III #1, L.P.
By: Clay Partners
Cedar Port Phase III #1 GP, LLC,
its general partner

By: _____

Albert W. Clay, III, President

_____

(Date)



ATTEST:

_____

Louis B. Sullivan, III, Vice President

[Intentionally Left Blank]

EXETER 5335 CEDAR PORT, L.P.,
a Texas limited partnership

By: Exeter 5335 Cedar Port GP, LLC,
a Delaware limited liability company,
its general partner

By: Exeter Operating Partnership V, L.P.,
a Delaware limited partnership,
its sole member

By: Exeter Operating Partnership V GP LLC,
a Delaware limited liability company,
its sole general partner

By: Exeter Industrial REIT V LLC,
a Delaware limited liability company,
its sole member

By: _____

Name: J. Peter Lloyd
Title: Vice President

4.9.21
(Date)

WITNESS:

_____

COUNTY OF CHAMBERS, TEXAS

By: _____
Jimmy Sylvia
County Judge

December 8, 2020
(Date)

ATTEST:

Heather A. Hawthorne
HEATHER HAWTHORNE
COUNTY CLERK

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the 30 day of December, 2020, by Honorable Jimmy Sylvia, as County Judge of Chambers County, Texas, on behalf of the Chambers, County, Texas (**COUNTY**).

MARINA MUNIZ
Notary Public
STATE OF TEXAS
NOTARY ID # 459661-8
My Comm. Expires 02-02-2022

Marina Muniz
Notary Public, State of Texas

My Commission Expires:

_____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the 6th day of April, 2021, by Albert W. Clay III, as President of Clay Partners Cedar Port Phase III #1, L.P. a limited company, organized and existing under the laws of the State of Texas (**COMPANY**).

JOY MARIE ROSENCUTTER
Notary Public, State of Texas
Comm. Expires 11-10-2022
Notary ID 11738596

Joy Marie Rosencutter
Notary Public, State of Texas

My Commission Expires:

11-10-2022

ACKNOWLEDGMENT

STATE OF PENNSYLVANIA §
§
MONTGOMERY COUNTY §

This instrument was acknowledged before me on the 9th day of April, 2021, by J. Peter Lloyd, as Vice President of Exeter 5335 Cedar Port, L.P., a limited partnership, organized and existing under the laws of the State of Texas (EXETER).

Notary Public, State of Pennsylvania

Commonwealth of Pennsylvania - Notary Seal
Lisa Bianchini, Notary Public
Montgomery County
My commission expires November 25, 2022
Commission number 1011466
Member, Pennsylvania Association of Notaries

My Commission Expires:

11-25-22

EXHIBIT F
MSI Proposal

MSI

Making Dream Surfaces Attainable

August 29, 2022

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

Dear Judge Sylvia,

M S International, Inc. ("MSI") desires to operate a distribution center serviced through the Port of Houston in order to expand overall operations. In order to make the investment and accelerate jobs, MSI is requesting economic development assistance in the form of property tax abatement.

History of MSI - MSI is the largest privately-owned importer, manufacturer, and distributor of surfacing products in North America. Our Company was founded 47 years ago and provides flooring, countertop and harscaping products throughout the United States, Canada, and Mexico. The products are comprised of quartz, luxury vinyl tile, ceramic/porcelain, and natural stone. Our customer base includes Big Box retailers to local contractors. Throughout our history we have provided products for many notable projects (i.e., Vietnam Veterans Memorial in Washington D.C. and the Astronauts Memorial in Cape Canaveral, Florida). As a family-owned business one of our primary goals is job creation. Today, MSI directly employees over 3,000 people with over 2,500 in the United States). Indirectly MSI employees over 150,000 people around the world affecting the lives of over 600,000 people. More information on MSI can be found at www.msisurfaces.com.

Rationale - MSI is one of the largest importers of any commodity into the United States. We have 45 branches located across the United States. With the growth of popularity of our products, the growth of our Company, and recent supply chain shocks, MSI is looking for ways to diversify our imports away from the Ports of Los Angeles/Long Beach and the Port of New York/New Jersey. We are looking to diversify our capabilities with a port in the Southern Region. We are currently having discussions with options at the Ports of Savannah, Norfolk, and Charleston, along with the Port of Houston.

Facility – MSI has identified a facility in Chambers County that can serve our needs. Currently under construction, the facility address is:

Cedar Port Distribution Center, Building 5
Cedar Port Parkway
Baytown, TX 77523

MSI

Making Dream Surfaces Attainable

It is a 405,000 sq. ft. building with a potential of expansion by an additional 75,000 sq. ft. MSI would operate the entire premises.

Investment – Along with the purchase of the building, MSI would be investing heavily into the facility and workforce. The immediate investment would be approximately $45.3 million listed below. In addition, there would be significant investment in inventory and working capital.

	Expected Investment
Building	$ 42,500,000
Cranes	$ 250,000
Trucks/Chassis	$ 1,000,000
Racking	$ 750,000
Computer Hardware	$ 100,000
Forklifts	$ 500,000
Other equipment	$ 250,000
Total Immediate Investment	$ 45,350,000

MSI has a proud history of job creation. Our goal would be to hire and grow for this facility as well. MSI would be hiring Distribution Employees, Customer Service Representatives, Slab Handlers, Drivers, as well as management for the facility. MSI pays well above industry norms and thus "good" paying jobs will be made available.

Request – In order to make an investment MSI is seeking economic development assistance in the form of property tax abatement. Our property tax abatement request is:

Year 1:	100%
Year 2:	100%
Year 3:	75%
Year 4:	60%
Year 5:	50%

Thank you for your attention to this issue. I am available at (914) 525-2701 any time to discuss or answer any questions.

Sincerely,

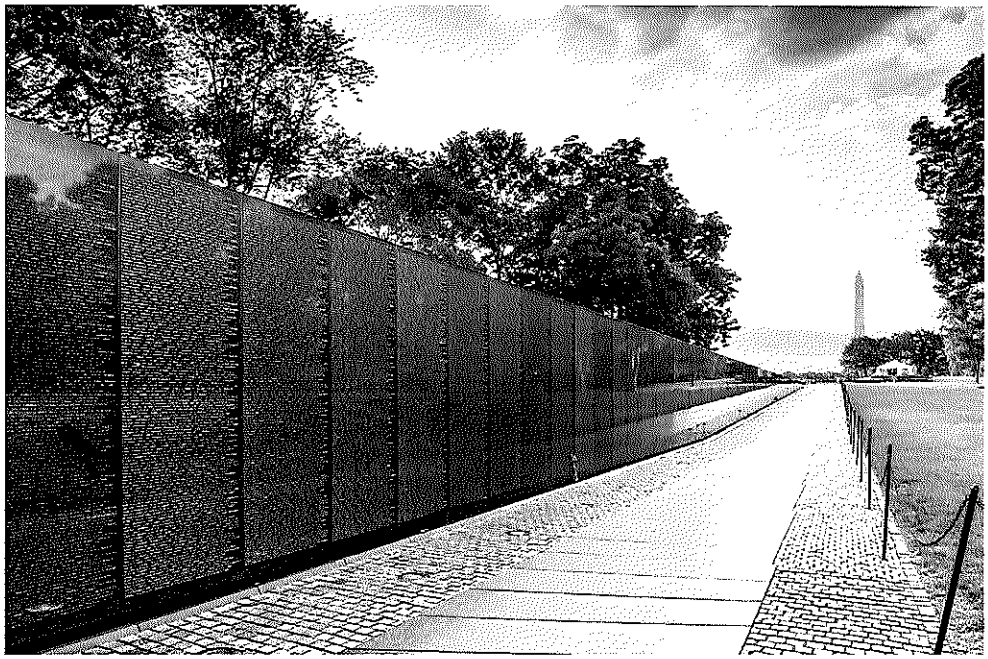
Rajesh Shah
President

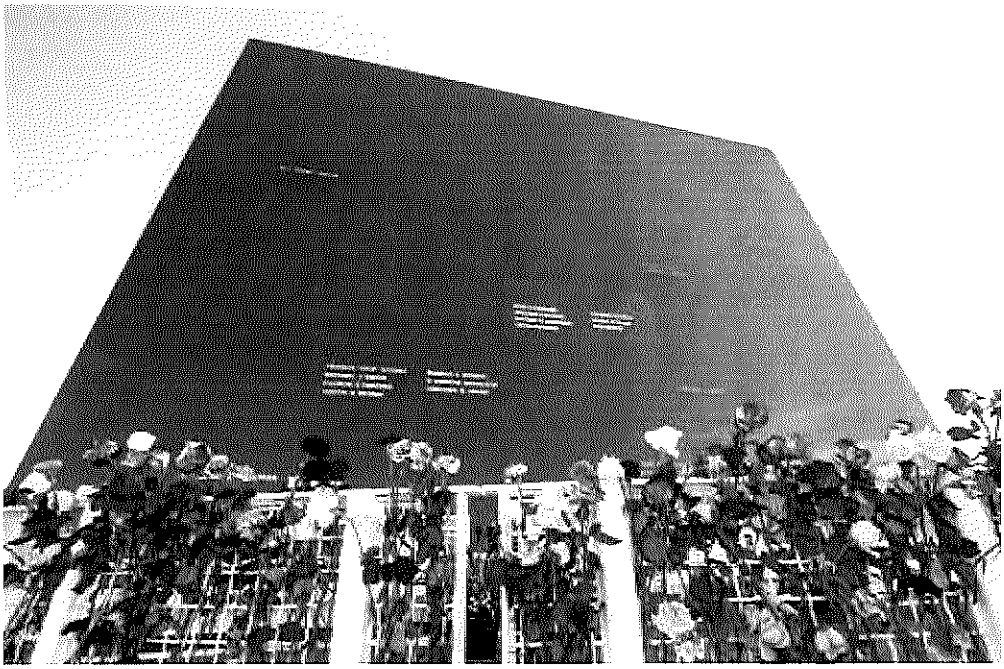
2095 N. Batavia St. Orange, CA 92865 Office: (714) 685-7500 Fax: (714) 685-7600 www.msisurfaces.com

MSI

Making Dream Surfaces Attainable

Below are Pictures of Notable Projects





2095 N. Batavia St. Orange, CA 92865 Office: (714) 685-7500 Fax: (714) 685-7600 www.msisurfaces.com

Resolution

A resolution approving the assignment of all the rights and obligations accruing to Clay Partners – Cedar Port Distribution #5, L.P. (FKA Clay Partners – Cedar Port Phase III #2, L.P.), a Texas limited partnership ("CPD5"), under that certain Chapter 381 Economic Development Program Agreement by and between CPD5 and Chambers County, Texas, previously approved by the Commissioners Court of Chambers County, Texas ("County").

WHEREAS, on December 27, 2022, by Order, the County authorized the execution of a Chapter 381 Economic Development Program Agreement ("Agreement") with CPD5 relating to Cedar Port Distribution Center, Building 5, located on Cedar Port Parkway in the Cedar Port Industrial Park, Baytown, Texas 77523 ("Property"); and

WHEREAS, CPD5 has sold the Property to Cedar Port Parkway TXPH, LLC, a M S International, Inc. affiliate ("CPPTX"); and

WHEREAS, CPD5 desires to assign all of its rights and obligations under the Agreement to CPPTX; and

WHEREAS, CPD5 has requested that the County approve an assignment of CPD5's rights and obligations under the Agreement to CPPTX; and

WHEREAS, as of the date hereof, to the knowledge of the County, no factual circumstances or conditions exist which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against CPD5; and

WHEREAS, the Agreement provides that the Agreement can be assigned with approval of the County, which approval shall not be unreasonably withheld;

NOW THEREFORE

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

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the County hereby approves an assignment of all of CPD5's rights and obligations under the Agreement authorized by Order to CPPTX.

III.

That the County Judge or his designee is authorized to execute a Consent and Estoppel establishing the conditions of the County's approval of the assignment of the Agreement. A substantial copy of the Consent and Estoppel for the Agreement is attached.

IV.

In approving assignment of the referenced Agreement, Chambers County, Texas, through its Commissioners Court, hereby exercises a governmental function in accordance with policy and Chapter 381 of the Texas Tax Code.

PRESENTED AND UNANIMOUSLY PASSED on this the 27th day of December 2022, upon a motion made by Commissioner Combs, seconded by Commissioner Tice at a regular meeting of the Commissioners Court of Chambers County, Texas.

By: _____
Jimmy Sylvia, County Judge

ATTEST:
Heather Hawthorne
Heather Hawthorne, County Clerk

THE STATE OF TEXAS §
§ **CONSENT AND ESTOPPEL**
COUNTY OF CHAMBERS §

THIS CONSENT AND ESTOPPEL (this "Consent") dated as of the 27th day of December 2022, is made by and between CHAMBERS COUNTY, TEXAS ("COUNTY"), acting by and through its Commissioners Court, CLAY PARTNERS – CEDAR PORT DISTRIBUTION #5 ("CPD5"), an entity duly authorized to do business in the State of Texas, and CEDAR PORT PARKWAY TXPH, LLC. ("CPPTX"), a Texas limited corporation.

WITNESSETH:

WHEREAS, the COUNTY and CPD5 are parties to that certain Chapter 381 Economic Development Program Agreement (the "Agreement") authorized, amended, and approved by the COUNTY on December 27, 2022, relating to certain premises located in the Cedar Port Industrial Park, Baytown, Texas (the "Property"); and

WHEREAS, CPD5 recently sold the Property to CPPTX (the "Transfer"); and

WHEREAS, in connection with the Transfer, CPD5, as Owner under the Agreement, desires to assign all of CPD5's rights and obligations under the Agreement to CPPTX (the "Assignment").

NOW, THEREFORE,

In consideration of the mutual covenants and agreement set forth in the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the COUNTY hereby agrees as follows:

1. The COUNTY hereby consents to the Assignment.

2. The Agreement is in full force and effect and has not been modified, supplemented, or amended in any way except as set forth herein.

3. All conditions under the Agreement to be performed by the Owner which are prerequisite to the full effectiveness of the Agreement have been satisfied as of the date hereof.

4. As of the date hereof, to the knowledge of COUNTY, there exist no factual circumstances or conditions which, with notice or the lapse of time, or both, would give rise to any obligation of any party to the Agreement which, if not satisfied, will constitute a default on the part of either party to the Agreement, or constitute the basis for a claim or cause of action against CPD5.

5. The COUNTY hereby agrees that CPPTX shall be entitled to rely upon the statements made herein and shall be a third-party beneficiary hereof.

6. This Consent may not be modified orally, but only by written instrument, and constitutes the entire agreement between the parties with respect to the subject matter hereof.

7. The Agreement and all the terms, covenants and conditions thereof remain in full force and effect and CPPTX agrees to be bound thereby.

8. All notices which are required or desired to be sent to CPPTX under the Agreement shall be delivered, pursuant to the terms of the Agreement, to the following:

Cedar Port Parkway TXPH, LLC
2095 N. Batavia Street
Orange, CA 92865
Attn: Rajesh M. Shah

9. This Consent may be executed in one or more counterparts, each of which shall be deemed an original but, when taken together, shall constitute one Consent.

10. Notwithstanding anything to the contrary, nothing contained herein shall relieve CPPTX or its successors or assigns from the COUNTY's right of recapture pursuant to Section 8. of the Agreement.

IN WITNESS WHEREOF, the COUNTY has caused this Consent to be executed the day and year first above written.

CLAY PARTNERS
CEDAR PORT DISTRIBUTION #5, L.P.
By: Clay Partners
Cedar Port Distribution #5 GP, LLC,
its general partner

By: _____

Louis B. Sullivan III, Vice President

_____
(Date)

ATTEST:

_____
Gregg Gilliam, Vice President

CEDAR PORT PARKWAY TXPH, LLC
a Texas limited corporation

By: _____

Name: Rajesh M. Shah
Title: President

_____
(Date)

WITNESS:

_____

CLAY PARTNERS
CEDAR PORT DISTRIBUTION #5, L.P.
By: Clay Partners
Cedar Port Distribution #5 GP, LLC,
its general partner

By: _____

Louis B. Sullivan, III, Vice President

_____
(Date)

ATTEST:

_____

Gregg Gilliam, Vice President

CEDAR PORT PARKWAY TXPH, LLC
a Texas limited corporation

By: _____

Name: Rajesh M. Shah
Title: President

1/5/23
(Date)

WITNESS:

_____

COUNTY OF CHAMBERS, TEXAS

By: _____
Jimmy Sylvia
County Judge

12.30.22
_____
(Date)

ATTEST:

_____
Heather Hawthorne
County Clerk

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the 30th day of December, 2022, by Honorable Jimmy Sylvia, as County Judge of Chambers County, Texas, on behalf of the Chambers, County, Texas (**COUNTY**).

MARANGELY ADAMS
NOTARY PUBLIC
STATE OF TEXAS
MY COMM. EXP. 06/14/25
NOTARY ID 12685325-2

Marangely Adams
Notary Public, State of Texas

My Commission Expires:

6-14-2025

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the ____ day of _____, 20___, by _____, as _____ of Clay Partners - Cedar Port Distribution #5, L.P. a limited company, organized and existing under the laws of the State of Texas (**CPD5**).

_____
Notary Public, State of Texas

My Commission Expires:

_____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the ____ day of _____, 20____, by Honorable Jimmy Sylvia, as County Judge of Chambers County, Texas, on behalf of the Chambers, County, Texas (**COUNTY**).

_____
Notary Public, State of Texas

My Commission Expires:

_____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
CHAMBERS COUNTY §

This instrument was acknowledged before me on the 29th day of December, 2022, by Louis B. Sullivan III, as VP of the GP of Clay Partners - Cedar Port Distribution #5, L.P. a limited company, organized and existing under the laws of the State of Texas (**CPD5**).

_____
Notary Public, State of Texas

My Commission Expires:

9-9-2026

CHRISTOPHER ALLEN GRULLER
Notary Public, State of Texas
Comm. Expires 09-09-2026
Notary ID 133954210

ACKNOWLEDGMENT

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

State of California
County of Orange)

On January 5th 2023 before me, R. G Mehta Notary public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

R. G. MEHTA
COMM # 2369376
RIVERSIDE County
California Notary Public
Comm Exp Aug. 3, 2025

Signature R Mehta (Seal)