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THE STATE OF TEXAS §

COUNTY OF GALVESTON §

CHAPTER 380 ECONOMIC DEVELOPMENT GRANT AGREEMENT BY AND BETWEEN

THE CITY OF HITCHCOCK, TEXAS & ELDERBROOK LLC AND VT CHEMICAL LLC

This **Chapter 380 Economic Development Grant Agreement** (the "Agreement") is made by and between The City of Hitchcock, Texas, a home-rule Texas municipal corporation, (the "City"), also referred to as "Grantor") and Elderbrook LLC (the "Developer") and VT Chemical LLC (the "Company") acting by and through their respective authorized officers and representatives.

WHEREAS, the City Council of the City of Hitchcock, Texas ("City Council") has determined that it is in the best interest of the City and its citizens to encourage programs to promote local economic development and stimulate business and commercial activity in the City pursuant to Chapter 380, Texas Local Government Code, as amended ("Chapter 380"); and

WHEREAS, on May 19, 2025, the City adopted Ordinance No. 2025-005 establishing an Economic Development Program pursuant to Chapter 380 (the "Program"); and

WHEREAS, the Company and Developer will be engaged in the business of manufacturing polyethene wax and will be purchasing construction materials, structures, fixtures, equipment, machinery, other materials, products and services to renovate, construct and develop a 35,340 SF industrial building ("Building") on a 5.3119-acre Site (Exhibit A) at 7325 FM 2004 located within the corporate limits of the City; and

WHEREAS, the Company and Developer have advised that they would like to partner with the City, and that a contributing factor for inducement is to proceed with a Chapter 380 Economic Development Agreement with the provision of Sales and Use Tax Grants from the Grantor; and

WHEREAS, the Company and Developer desire to purchase and use construction materials, structures, fixtures, machinery, equipment, other materials, products, services, and other taxable items on the Site (Exhibit A), within the City, that will generate additional economic development and sales and use tax revenue for the City; and

WHEREAS, the City Council has determined that the Company and Developer meet the criteria for providing Sales and Use Tax Grants (hereinafter defined), pursuant to Chapter 380, as the Company will be: (1.) constructing improvements; (2.) adding taxable improvements to real property in the City; and (3.) creating employment opportunities in the City of Hitchcock; and

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WHEREAS, with the approval of this Agreement, the City hereby establishes a program authorized by Chapter 380 to encourage and induce the generation of local sales and use tax; and

WHEREAS, the Grantor has determined that providing economic development Sales and Use Tax Grants to the Company and Developer in accordance with this Agreement will further the objectives of the Grantor, will benefit the City and the City residents, and will promote local economic development and stimulate business and commercial activity in the City;

NOW THEREFORE, in consideration of the foregoing, and on the terms and conditions hereinafter set forth, the sufficiency of which is hereby acknowledged, the parties agree as follows:

ARTICLE I
DEFINITIONS

1.01 For purposes of this Agreement, each of the following terms shall have the meaning set forth herein unless the context clearly indicates otherwise:

"Building" means a minimum of 35,340 SF to be renovated and constructed on the Site (Exhibit A).

"City" and "Grantor" shall mean The City of Hitchcock, Texas.

"Company" shall mean VT Chemical LLC.

"Developer" shall mean Elderbrook LLC.

"Effective Date" shall mean the date of execution of this agreement.

"Event of Bankruptcy or Insolvency" shall mean the dissolution or termination (other than a dissolution or termination by reason of a party merging with an affiliate) of a party's existence as a going business, insolvency, appointment of receiver for any part of a party's property and such appointment is not terminated within ninety (90) business days after such appointment is initially made, any general assignment for the benefit of creditors, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against a party and in the event such proceeding is not voluntarily commenced by the party, such proceeding is not dismissed within ninety (90) business days after the filing thereof.

"Force Majeure" shall mean any delays due to strikes, riots, acts of God, shortages of labor or materials, war, terrorism, governmental approvals, laws, regulations, or restrictions, or any other cause of any kind whatsoever which is beyond the reasonable control of the party.

"Full Building Construction" means that the Project has become commercially or industrially viable and placed into service for the purpose of manufacturing, distributing, and conducting research and development activities as determined as by the Chief Building Official.

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"Grant Period" shall mean consecutive twelve (12) month periods during the term of this Agreement, except that the first Rebate Period shall begin on the Effective Date and continue through and include December 31, 2027. For illustration purposes, assume the Effective Date is December 15, 2025, then the first Rebate Period would begin on December 15, 2025, and continue through and include December 31, 2027. The next Rebate Period would begin on January 1, 2028, and continue through and include December 31, 2028. The final Rebate Period would be January 1, 2033, through December 31, 2033.

"HEDC Direct Incentive Program" HEDC (Hitchcock Economic Development Corporation), a 4A Corporation, has developed a direct incentive grant paid from the HEDC Budget (Exhibit B), for the creation of primary sector jobs and capital investment. The Company and Developer qualify for these incentives.

"Impositions" shall mean all sales and use taxes that may be imposed by public or governmental authority on the Company and Developer, or any taxable items purchased and used by Company and Developer within the City.

"One Point Five Cent Sales and Use Tax" means the amount of sales tax collected by the City resulting from the imposition of a one point five percent (1.5%) municipal sales tax, such as presently in effect pursuant to Section 321.101(a) and Section 321.103, Texas Tax Code. This does not include the portion of the sales tax (.5%) that is used for reducing property tax.

"Program" shall mean the Economic Development Program General Guidelines, Criteria, and Policy (Ordinance 2025-005) established by the City pursuant to Chapter 380 of the Texas Local Government Code, together with any amendments, permutations, or recodifications of such Code provisions, whether renaming such economic development incentive or other modifications thereof.

"Sales and Use Tax Grants" shall mean the periodic payments paid by the City to the Company and Developer in accordance with Article III of this Agreement.

"Sales and Use Tax Certificate" shall mean a certificate or other statement in a form reasonably acceptable to the Grantor setting forth the Company and Developer's collection of sales and use tax imposed by and received by the Grantor from the State of Texas, for the use of Taxable Items by Company in the City for the applicable calendar month during a Grant Period which are to be used to determine the Company and Developer's eligibility for a Grant, together with such supporting documentation required herein, and as Grantor may reasonably request.

"Sales and Use Tax Receipts" shall mean the Grantor's net receipts from the State of Texas from the collection of One Point Five Cents (1.5%) general City sales and use tax imposed by the City pursuant to Chapter 321 of the Texas Tax Code, attributed to the collection of Sales and Use Tax by the Company associated with the issuance of the Company's Texas Direct Payment for Taxable Items used or consumed in the City.

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"Site" shall mean means the 5.3119-acre tract addressed as: 7325 FM 2004, Hitchcock, Texas 77563 and further described in Exhibit A.

"Taxable Items" shall have the same meaning assigned by Sections 151.010 and 151.0101, TEX. TAX CODE, as amended.

"Texas Direct Payment Permit" shall mean that permit issued by the State of Texas authorizing Company and Developer to self-assess and pay applicable state and local use taxes directly to the State of Texas related to all portions of Company and Developer's taxable purchases. Texas Rule 3.288 of the Texas Administrative Code defines the requirements and responsibilities of Texas Direct Payment Permit holders, along with any amendments, permutations, or recodifications of such Code or Rules, whether renaming such permits or otherwise modifying such provisions.

ARTICLE II
TERM

2.01 Term. The term of this Agreement shall begin on the Effective Date and continue for a seven (7) year period.

2.02 This Agreement shall remain in effect until Grantor has made the Sales and Use Tax Grants set forth in Article III of the Agreement: the City, through its Chief Building Official has determined that the renovation and construction of the Building and installation of the equipment is completed, and the Buildings are operational; or until otherwise terminated under the provisions of this Agreement.

ARTICLE III
ECONOMIC DEVELOPMENT SALES AND USE TAX GRANTS

3.01 Sales and Use Tax Rebates. Subject to the Company's continued compliance of all the terms and conditions of this Agreement, the Grantor agrees to provide Company and Developer with economic development Sales and Use Tax Grants from Sales and Use Tax Receipts payable as provided herein in an amount equal to one half (50%) of the One Point Five Cent Sales and Use Tax for the purchase of construction materials, structures, fixtures, machinery, equipment, and all other sales and use tax taxable items as previously defined herein (the "Sales and Use Tax Grants"). The Sales and Use Tax Rebates will be paid annually after the end of each annual Rebate Period. The Sales and Use Tax Rebates will never include any monies the Company and Developer pays or owes to the State of Texas for any filing fees or penalties for late payments, failures to report in a timely manner, and the like, related to the Sales and Use Tax Receipts.

3.02 Grant Payment. Grantor shall pay the Sales and Use Tax Grants for the applicable annual Grant Period on May 1 of the following year after the end of the Grant Period and after receipt of a Sales and Use Tax Certificate from the Company and Developer following the end of each Rebate Period, pursuant to Section 4.01. The first payment for the initial Annual Grant Period shall be paid only after Full Building Construction has been completed and certified. Company and Developer shall submit Sales and Use Tax Certificates to Grantor within sixty (60) days following the end of

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the applicable Grant Period, beginning with the first Grant Period. For illustration purposes, assume the first Grant Period begins on December 15, 2025, and continues through December 31, 2027. Company and Developer would submit a Sales and Use Tax Certificate to Grantor for the initial and first Grant Period by February 28, 2028, and Grantor would pay the first Grant by May 1, 2028 after receipt of the Sales and Use Tax Certificate(s) and after actual receipt of all of the net Sales and Use Tax Receipts attributable to the Grant Period. Further assume that the Sales and Use Tax Receipts for the City's general sales and use tax rate of one point five percent (1.5%), in the first Grant Period equals One Hundred Thousand Dollars ($100,000.00), then the amount of the first Sales and Use Tax Grants paid to the Company and the Developer would be Fifty Thousand Dollars ($50,000.00).

3.03 Amended Returns and Audits. In the event the Company and Developer file an amended sales and use tax return, or report, or if additional sales and use tax is due and owing, as a result of an audit conducted by the State of Texas that increases the Sales and Use Tax Receipts for a previous period covered within the term of this agreement, the Sales and Use Tax Grant Payment for the Grant Period immediately following such State approved amendment shall be adjusted accordingly, provided the Grantor must have received the Sales and Use Tax Receipts attributed to such adjustment. As a condition precedent to payment of such adjustment, Company and Developer shall provide Grantor with a copy of such amended sales and use tax report, tax return or audit adjustment, and the approval thereof by the State of Texas.

3.04 Refunds. In the event the State of Texas determines that the City erroneously received Sales and Use Tax Receipts, or that the amount of sales and use tax paid to the City exceeds the correct amount of sales and use tax for a previous Sales and Use Tax Grant paid to the Company and Developer, the Company and Developer shall, within thirty (30) days after receipt of notification thereof from the City specifying the amount by which such Sales and Use Tax Grants exceeded the amount to which the Company and Developer were entitled pursuant to such State of Texas determination, pay such amount to the Grantor. The Grantor may at its option adjust the Sales and Use Tax Grant payment for the Grant Period immediately following such State of Texas determination to deduct there from the amount of the overpayment. As a condition precedent to payment of such refund, the City shall provide Company and Developer with a copy of such determination by the State of Texas.

3.04 Other Incentives. The Hitchcock Economic Development Corporation (HEDC), a 4A Corporation has created a Direct Incentive Grant Program. Developer and Company qualify for incentives under this program. HEDC has approved the Company to receive this funding from the HEDC budget and accounts and shall provide a maximum of $25,000 over a five-year period ($5,000 per year) beginning on May 1, 2027. HEDC staff will monitor the job creation and capital investment requirements noted herein to ensure compliance.

ARTICLE IV
DOCUMENTATION SUPPORTING THE ECONOMIC DEVELOPMENT SALES AND USE TAX GRANT

The conditions contained in this Article IV are conditions precedent to the Grantor's obligation to make any Rebate payment.

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4.01 Sales and Use Tax Certificate. During the term of this Agreement, the Company and Developer shall provide the Grantor received Sales and Use Tax Certificates relating to Sales and Use Tax Receipts paid during the Grant Period. The Grantor shall have no duty to calculate the Sales and Use Tax Receipts or determine Company and Developer's entitlement to any Sales and Use Tax Grants for a Grant Period or pay any Sales and Use Tax Grants during the term of this Agreement until such time as Company and Developer has provided the Grantor a Sales and Use Tax Certificate for such Grant Period and the Grantor has received the actual Sales and Use Tax Receipts from the State of Texas attributable to such calendar months within the Grant Period. Company shall provide such additional documentation as may be reasonably requested by Grantor to evidence, support and establish the sales and use tax paid directly to the State of Texas pursuant to Company and Developer's Texas Direct Payment Permit. The Sales and Use Tax Certificate for each Grant Period shall at a minimum contain, include, or be accompanied by the following:

a. A copy of all Texas Direct Payment Permit and self-assessment sales and use tax returns and reports during the applicable Grant Period, sales and use tax audit assessments or credits, including amended use tax returns or reports, filed by the Company and Developer during the Grant Period showing sales and use tax paid directly to the State of Texas related to Company and Developer's operations for the Grant Period; and

b. Information concerning any refund or credit received by the Company of sales and use tax paid by the Company and Developer which has previously been reported by the Company and Developer as sales and use tax paid for a previous Grant Period within the term of this agreement.

Company and Developer shall provide to Grantor the Sales and Use Tax Certificates from time to time pursuant to the terms of the Agreement, which are confidential ("Confidential Information") and, except as otherwise provided herein, may not be disclosed to a third party without the Company and Developer's consent. To the extent that any disclosure of the Confidential Information may be required by law, Grantor will use reasonable efforts to inform Company and Developer of the request in sufficient time for Company and Developer to assert any objection it may have to such disclosure to an appropriate judicial or administrative body.

4.02 Grantor must have received a Sales and Use Tax Certificate for the months within the Grant Period for which payment of a Grant is requested, and Grantor must have received the actual Sales and Use Tax Receipts for all calendar months within the Grant Period.

4.03 The Company and Developer intend to issue its Texas Direct Payment Permits to suppliers or vendors that provide construction materials, structures, fixtures, machinery, equipment, other materials, products, services and all other taxable items required to be purchased for operations.

4.04 The Company and Developer shall provide the Grantor with a true and correct copies of their Texas Direct Payment Permits, which permits shall be kept in full force and effect throughout the term of the Agreement.

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4.05 Company and Developer Performance Requirements. The Company and Developer are not obligated to proceed with the project. However, in consideration of City agreeing to pay Company Sales and Use Tax Grants in accordance with the terms, provisions and conditions of this Agreement, Company and Developer agree to the following, which are not obligations of Company and Developer, but are duties that must be fulfilled in order to receive Sales and Use Tax Grants:

a. Company and Developer shall complete the renovation, rehabilitation, development and construction of the Project in accordance with City Zoning, Ordinances and Building Codes for development in the City of Hitchcock, Texas, and the governing regulations and policies of the State of Texas regarding development and construction.

b. Company and Developer shall cause the project to be maintained and utilized as an industrial facility during the Term of this Agreement.

c. Company and Developer meet the requirements of the Texas Direct Pay Permit and expend a minimum of $800,000 per year and must generate a minimum of $50,000 in annual sales taxes from purchases in order to receive Sales Tax Grants and the HEDC Direct Grant Incentive.

d. Should Company and Developer not proceed with the project and invest $7,300,000 in capital investment and create of 27 jobs at an average wage of $60,000 per year, by May 1, 2031, Company and Developer shall be in default on this agreement.

e. Company and Developer represent that they will acquire all necessary local and state permits required and will abide by all local and state regulations that govern their operations. Should the Company and Developer be required to obtain a TCEQ Air Permit, the permit will be at a "De Minimis" or "Permit By Rule" classification. In the event TCEQ determines that a higher-level permit is required for operation of the facility, Company and Developer shall provide written notice to the City within thirty (30) days of receiving such determination. Upon receipt of such notice, Company and Developer shall have one hundred eighty (180) days to either (a) obtain the required permit and demonstrate compliance with all applicable TCEQ requirements, or (b) modify operations to qualify for a "De Minimis" or "Permit By Rule" classification. If Company and Developer fail to satisfy either condition within the 180-day period, this Chapter 380 Economic Development Program Agreement shall terminate and the City will cease the payment of any and all Sales and Use Tax Grants. The 180-day cure period may be extended by mutual written agreement of the parties if Company and Developer demonstrate good faith efforts toward compliance.

4.06 Company, Developer or the City shall not have any uncured material breach or default of this Agreement.

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ARTICLE V.
TERMINATION
AND DEFAULT

5.01 This Agreement may be terminated upon any one of the following:

(a) by mutual written agreement of the parties; and

(b) by Grantor, Company or Developer, respectively, if the other party defaults or breaches any of the terms or conditions of this Agreement in any material respect and such default or breach is not cured within thirty (30) days after written notice thereof by the Grantor, Company or Developer, as the case may be; and

(c) by Grantor, if any Impositions owed to the Grantor or the State of Texas by Company and Developer shall have become delinquent (provided, however, Company and Developer retain the right to timely and properly protest and contest any such Impositions);

(d) by Grantor, if Company and Developer suffers an Event of Bankruptcy or Insolvency;

(e) by Grantor, Company, or Developer, respectively, if any subsequent Federal or State legislation or any decision of a court of competent jurisdiction declares or renders this Agreement invalid, illegal, or unenforceable; or

(f) by Company and/or Developer, if the City does not pay the applicable Grant amount as required herein covered by a valid Sales and Use Tax Certificate issued by Company and/or Developer or fails to cure this breach within an additional 30 days and so long as the Company and Developer are not in default;

(g) expiration of the term; or

(h) if Company and/or Developer's default remains uncured after all applicable notice and cure periods, the City shall be entitled to cancel the Agreement and recover all of the Sales and Use Tax Grants made to the Company and Developer under this Agreement through the cancellation date. Company and Developer agree to pay such amounts within ninety (90) days after the cancellation of this Agreement.

The rights, responsibilities, and liabilities of the parties under this Agreement shall be extinguished upon the termination of this Agreement except for any rights, responsibilities and/or liabilities that accrued prior to such termination.

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ARTICLE VI
MISCELLANEOUS

6.01 Binding Agreement. The terms and conditions of this Agreement are binding upon the parties to this agreement and their respective successors and permitted assigns. This Agreement may not be assigned without the express written consent of the Grantor.

6.02 Limitation on Liability. It is understood and agreed between the parties that the Company, Developer and Grantor, in satisfying the conditions of this Agreement, have acted independently, and Grantor assumes no responsibilities or liabilities to third parties in connection with these actions. The Company and Developer agree to indemnify and hold harmless the Grantor from all such claims, suits, and causes of actions, liabilities, and expenses, including reasonable attorney's fees, of any nature whatsoever by a third party arising out of the Company and Developer's performance of the conditions under this Agreement.

6.03 No Joint Venture. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture between the parties.

6.04 Authorization. Each party represents that it has full capacity and authority to grant all rights and assume all obligations that are granted and assumed under this Agreement.

6.05 Notice. Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the party at the address set forth below (or such other address as such party may subsequently designate in writing) or on the day actually received if sent by courier or otherwise hand delivered sent via fax.

If intended for City, to:

Attn: Marie Gelles
City Manager
City of Hitchcock
8102 Hwy 6
Hitchcock, TX 77563

With a copy to:

Attn: Kyle Dickson
City Attorney
2200 Space Park Drive #350
Houston, Texas 77058

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If intended for Company:

Attn: Anvar Turdibaev, General Manager
VT Chemical LLC
12015 Leisure Way
Dallas, TX 75243
(615) 339-9553

If intended for Developer:

Elderbrook LLC
Attn: Sirojiddin (Sam) Abdurasulov, Managing Director
11409 Fountainbridge Dr
Frisco, TX 75035

6.06 Entire Agreement. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written Agreement between the parties that in any manner relates to the subject matter of this Agreement.

6.07 Governing Law. The laws of the State of Texas shall govern the Agreement; and this Agreement is fully performable in Galveston County, Texas with exclusive venue for any action concerning this Agreement being in a court of competent jurisdiction in Galveston County, Texas.

6.08 Amendment. This Agreement may only be amended by the mutual written agreement of the parties.

6.09 Legal Construction. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

6.10 Recitals. The recitals to this Agreement are incorporated herein.

6.11 Counterparts. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument and any such counterparts shall be deemed to be incorporated herein.

6.12 Survival of Covenants. Any of the representations, warranties, covenants, and obligations of the parties, as well as any rights and benefits of the parties, pertaining to a period of time following the termination of this Agreement shall survive termination.

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6.13 Sovereign Immunity. The parties agree that the City has not waived its sovereign immunity by entering into and performing its obligations under this Agreement.

6.14 Dispute Resolution. Any controversy or claim arising from or relating to this Agreement, or a breach thereof shall be subject to non-binding mediation, as a condition precedent to the institution of legal or equitable proceedings by any party unless the institution of such legal or equitable proceeding is necessary to avoid the running of an applicable statute of limitation. The parties shall endeavor to resolve their claims by mediation. Grantor, Company, and Developer shall share the costs of mediation equally. The mediation shall be held in Galveston County, Texas, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable settlement agreements in any court having jurisdiction thereof.

6.15 Company and Developer have submitted a completed Form 1295 generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the "Form 1295"). The City confirms receipt of the Form 1295 from Company and Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form.

a) Iran, Sudan, and Foreign Terrorist Organizations. The Company represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf
https://comptroller.texas.gov/purchasing/docs/iran-list.pdf
https://comptroller.texas.gov/purchasing/docs/fto-list.pdf

The foregoing representation is made solely to enable the City to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes Company and Developer each of its parent company, wholly-or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

6.16 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes.

EXHIBIT A: SITE AND PROPERTY DESCRIPTION

EXHIBIT B: HEDC DIRECT INCENTIVE PROGRAM GUIDELINES

EXHBIT C: DEVELOPER AND COMPANY INCENTIVE APPLICATION

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the City as authorized by the City Council, Hitchcock Economic Development Corporation and executed by Company and Developer on the respective dates shown below.

CITY OF HITCHCOCK, TEXAS

Signed by:
By: Chris Armacost
2CCC80FA92C042A...

CHRISTOPHER E. ARMACOST, MAYOR

Date: 1/5/2026

ATTEST: Signed by:
Debbie C. Nesbitt
C881C7DF6BB94B6...
1/5/2026

DEBBIE C NESBITT, CITY SECRETARY Date

APPROVED AS TO FORM AND LEGALITY

1/7/26

KYLE DICKSON, CITY ATTORNEY Date

HITCHCOCK ECONOMIC DEVELOPMENT CORPORATION

By: 1/6/2026

ALLEN JOHNSON, PRESIDENT Date

COMPANY: VT CHEMICAL LLC

Signed by:
By: Anvar Turdibaev
FF16D8DE803D480...

Anvar Turdibaev, General Manager

Date: 1/4/2026

DEVELOPER: ELDERBROOK LLC

Signed by:
By: Sirojiddin Abdurasulov
B5D8DE361F944D1...

Sirojiddin (Sam) Abdurasulov

Managing Director

Date: 1/2/2026

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EXHIBIT A
SITE AND PROPERTY DESCRIPTION
METES AND BOUNDS DESCRIPTION & SURVEY FOR 5.3119 ACRES
7325 FM 2004

EXHIBIT B
HITCHCOCK ECONOMIC DEVELOPMENT CORPORATION
DIRECT INCENTIVE PROGRAM GUIDELINES

EXHBIT C
DEVELOPER AND COMPANY INCENTIVE APPLICATION

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EXHIBIT A
SITE AND PROPERTY DESCRIPTION
METES AND BOUNDS DESCRIPTION & SURVEY FOR 5.3119 ACRES
7325 FM 2004

Address & Legal

7325 FM 2004 HITCHCOCK TX 77563

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Legal description of land:

TRACT 1:

BEING a 5.3119 acre tract of land being the same tract of land described in deed to Thomas G. & Jan Daenen as recorded under Galveston County Clerk's File Number 2003001323 of the Official Public Records of Real Property of Galveston County, Texas, being located in the Lemuel Crawford Survey, Abstract No. 48, Galveston County, Texas, and being more particularly described by metes and bounds as follows:

COMMENCING from a 2" iron pipe found with the grid Coordinates of N: 13688363.96, E: 3228613.60 for the southeast corner of a 8.29 acre tract land described in deed to Blimp Base Interests, INC. as recorded under Galveston County Clerk's File Number 2022007166 of the Official Public Records of Real Property of Galveston County, Texas, in the west line of a 9.83 acre tract of land described in deed to Blimp Base Interests, INC. as recorded under Galveston County Clerk's File Number 2022007166 of the Official Public Records of Real Property of Galveston County, Texas;

THENCE N 00°58'18" W 676.86 feet to a 5/8 inch iron rod with "ATKINSON 5897" cap set for the southeast corner of said Thomas G. & Jan Daenen tract, the northeast corner of said 8.29 acre Blimp Base Interests, INC. tract and the PLACE OF BEGINNING for the herein described tract with the grid Coordinates of N: 13689040.47, E: 3228602.19;

THENCE S 88°03'54" W 296.25 feet along the common line between said Thomas G. & Jan Daenen tract and said 8.29 acre Blimp Base Interests, INC. tract to a 5/8 inch iron rod with "ATKINSON 5897" cap set for the southwest corner of said Thomas G. & Jan Daenen tract and the northwest corner of said 8.29 acre Blimp Base Interests, INC. tract, also being the southeast corner of a tract of land described in deed to Martin N. & Brenda M. Lackey as recorded under Galveston County Clerk's File Number 2006033464 of the Official Public Records of Real Property of Galveston County, Texas;

THENCE N 01°56'06" W 774.04 feet along the common line between said Thomas G. & Jan Daenen tract and said Martin N. & Brenda M. Lackey tract to a 5/8 inch iron rod with "ATKINSON 5897" cap set for the northwest corner of said Thomas G. & Jan Daenen tract and the northeast corner of said Martin N. & Brenda M. Lackey tract, in the south line of a tract of land described in deed to Larry L. & Susan Marie Lausch as recorded under Galveston County Clerk's File Number 2008020045 of the Official Public Records of Real Property of Galveston County, Texas;

THENCE N 88°03'54" E 297.17 feet along the common line between said Thomas G. & Jan Daenen tract and said Larry L. & Susan Marie Lausch tract to a 5/8 inch iron rod with "ATKINSON 5897" cap set for the northeast corner of said Thomas G. & Jan Daenen tract and the northwest corner of said 9.83 acre tract;

THENCE S 02°23'17" E 489.49 feet along the common line between said Thomas G. & Jan

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Daenen tract and said 9.83 acre tract to a 5/8 inch iron rod with "ATKINSON 5897" cap set for corner.

THENCE S 00°58'18" E 284.61 feet along the common line between said Thomas G. & Jan Daenen tract and said 9.83 acre tract to the PLACE OF BEGINNING.

SAVE AND EXCEPT the following 0.2296 acre tract of land,

COMMENCING from the northeast corner of the above described tract;

THENCE S 02°23'17" E 216.55 along the east line of the above described tract to a point;

THENCE S 88°09'29" W 5.12 feet across the above described tract to the PLACE OF BEGINNING for the herein described tract.

THENCE S 01°50'31" E 100.00 feet across the above described tract and along a fence to a point; THENCE S 88°09'29" W 100.00 feet across the above described tract and along a fence to a point; THENCE N 01°50'31" W 100.00 feet across the above described tract and along a fence to a point; THENCE N 88°09'29" E 100.00 feet across the above described tract to the PLACE OF BEGINNING.

TRACT 2:
A perpetual easement for ingress and egress granted by Strother Timberlands, LTD. as set out and described in instrument filed for record on August 5, 1998 under Galveston County Clerk's File No. 9837395.

TRACT 3:

A perpetual easement for ingress and egress granted by Strother Timberlands, LTD. as set out and described in instrument filed for record on August 5, 1998 under Galveston County Clerk's File No. 9832097.

General Description of Hitchcock Reinvestment Zone 2 of the City of Hitchcock

Property located in Hitchcock Reinvestment Zone 2 is part of the Blimp Base Area within the City limits of the City of Hitchcock. The property includes a 35,340 SF building on 5.3119 acres. Address is 7325 FM 2004, Hitchcock, Texas 77563.

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HITCHCOCK
Economic Development

EXHIBIT B

HEDC Direct Incentive Program Guidelines

Purpose

The Hitchcock Economic Development Corporation (HEDC) recognizes the importance of attracting new businesses to the city, and retention and expansion of existing businesses. The HEDC Direct Incentive Program is created to encourage new development and stimulate job growth and investment in the City of Hitchcock. Any award for funds under these guidelines is based upon the number of new jobs to be created, levels of wages/salaries to be paid and amounts of new investment established in the City by the company.

Definitions

- *Act* shall mean the Development Corporation Act of 1979, as amended.
- *Full-time Job*: Any employee working at the company location in Hitchcock, Texas, at least 30 hours per week and receiving full-time employee company benefits package.
- *Incentives* shall mean funds provided by the HEDC through a performance agreement.
- *Primary job* shall mean a job as specified by the Act that is available at a company for which at least 70% of its goods and or/services of that company are exported to regional, statewide, national, or international markets infusing new dollars in the local economy.

Policy

Statutory Requirements in Granting Economic Development Incentives.
In addition to any requirements imposed under this policy, section 501.101 of the Act specifically allows funding for the land, buildings, equipment, facilities, expenditures, target infrastructure, and improvements that are for the creation or retention of primary jobs that are found by the board of directors to be required for the development of the following seven types of projects:

1. Manufacturing and industrial facilities.
2. Research and development facilities
3. Distribution centers.
4. Small warehouse facilities.
5. Primary job training facilities for use by institutions of higher education.
6. Regional or national corporate headquarters facilities (defined as "buildings proposed for construction or occupancy as the principal office for a business enterprise's administrative and management services").

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HITCHCOCK
Economic Development

Performance Agreements

All incentives must be provided under a performance agreement. The performance agreement must include the following:

1. A schedule of additional payroll or jobs to be created or retained.
2. The capital investment is to be made by the business enterprise; and
3. The terms under which repayment must be made by the business enterprise to HEDC should the business fail to meet the performance requirements specified in the agreement.
4. No incentives will be paid prior to the project locating, establishing operations, and creating jobs and capital investment in the City of Hitchcock. Incentive payments for capital investments may be made as reimbursements once project work has been completed, approved, and paid for by applicant. In addition, applicant has received all required City approvals, permits, and inspections have been submitted, completed, and approved by the City, and other required permitting authorities.
5. Grants may be based on a dollar value of $2,000 per job created. The minimum grant will be $20,000 and maximum grant $100,000 and grants will be dispersed over a five-year period.

Business Recruitment

Minimum Qualifications for New Businesses Receiving Incentives

- Projects involving new construction will include a minimum investment of $2,000,000 and will be subject to both the job-creation and average wage criteria listed below.
- Projects involving the purchase or lease of an existing facility will be subject to both the job-creation and average wage criteria listed below, and incentives will be limited to reimbursements for permits, fees, infrastructure, or equipment directly related to the production of and/or the distribution of marketable products.
- The project will create and maintain at least 20 full-time primary jobs over a three-year period and;
- The average annual wage for full-time employees before benefits must be above $56,000.

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HITCHCOCK
Economic Development

Business Retention and Expansion

Minimum Qualifications for Business Expansion Projects Receiving Incentives

- The company expansion will include a minimum investment of $1,000,000 and.
- The company expansion will create and maintain at least ten (10) new full-time primary jobs over a three-year period; and,
- The average annual wage for full-time employees before benefits must be above $46,000.

Factors Considered in Granting Incentives

1. Amount of initial, annual local payroll to be created (before benefits).
2. Average salary (before benefits).
3. The firm's estimated annual amount of taxable sales (that generate sales taxes) if the site is located within the city limits of Hitchcock.
4. The costs to be incurred by the City to provide facilities or services directly resulting from the new improvements.
5. Whether the business or proposed business of applicant is related to the storage or transportation of hazardous material or may endanger or threaten to endanger individuals or property.
6. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider.
7. The types of benefits the employer provides its employees.
8. The possibility for local businesses to become suppliers.
9. Total financial impact to the City before and net of all City incentives.

Application for Incentives

1. The company must complete the Hitchcock Incentive Application prior to any grant funds being awarded.

2. HEDC staff will review all incentive applications and make its recommendation to the HEDC Board of Directors.

3. The HEDC Board of Directors shall have discretion to vary from these incentive guidelines if the benefit to the City of Hitchcock warrants special consideration.

For questions or more information contact:

Lance LaCour, Executive Director, HEDC
409-502-7331; 8115 Hwy 6, Suite 201
Hitchcock, TX 77563; econdir@cityofhitchcock.org; www.hitchcockedc.com

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EXHBIT C
DEVELOPER AND COMPANY INCENTIVE APPLICATION

Docusign Envelope ID: F77875A6-016E-4EF7-A6DC-DE232EE70245

City of Hitchcock Incentives Application and Economic Impact Analysis

This is an incentives application and information requested on this form will be used by Hitchcock Economic Development Corporation to prepare an economic impact analysis of your firm or project.

Please enter as much data as possible in the yellow cells and all cells noted below. You may also enter additional information or notes in other areas of the worksheet to the right of column K or insert rows to enter other data. Some standard defaults are entered into the data sheet.

Please e-mail this completed survey form to:
Lance LaCour
Executive Director
Hitchcock Economic Development Corporation (HEDC)
8115 Hwy 6, Ste. 201
Hitchcock Texas 77518
econdir@cityofhitchcock.org
Phone: (409) 502-7331

HEDC charges a fee of $1,000 for targeted areas and $1,500 for non-targeted areas for this incentives application.
Applications will not be processed without receipt of payment. Please contact HEDC if you have any questions.

A NOTE ABOUT ENTERING DATA

Light yellow cells are user inputs. Enter the appropriate information for the specific project in the light yellow cells.

Grey cells contain formulas which will automatically recalculate based on your other inputs. You may overwrite grey cells, as appropriate.

GENERAL INFORMATION ABOUT THE COMPANY

Name of the Company/Project	Project Vektan – Polyethylene Wax Manufacturing Facility		
Street Address	7325 FM 2004		
City, State Zip	Hitchcock, TX 77563		
Company/Project Website	www.Equitee.us	www.VektanChemical.com	https://www.linkedin.com/company/elderbrookllc/

Contact information for person completing this data sheet

Name	Anvar Turdibaev	Sirojiddin Abdurasulov
Title	General Manager	Managing Member
Phone Number	(615) 339-9553	(727) 777-7878
Email	Anvar.Turdibaev@equitee.us	sam@elderbrook.com

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Background, Requirements, and Objectives

Enter any information that you would like us to know about your requirements or intent for the economic analysis. Please describe any incentives that you would like us to model in the anlysis including tax abatement being requested or considered.

Galveston County:

1) Chapter 312 Property-Tax Abatement
2) Chapter 380 Performance Grant
3) HEDC Direct Cash Incentive
4) Freeport Inventory Tax Exemption
5) FTZ #36 designation (if applicable)

Additionally, all what could be applicable from below:

1- Public Improvement District (PID) – Special assessment mechanism to finance project-benefiting infrastructure (water/wastewater, drainage, roads) and repay over time on the tax bill.
2-Freeport property-tax exemption (175-day rule)
3-Foreign-Trade Zone (FTZ #36)
4-Facade / storefront grants (small) – Matching grants for non-industrial, public-facing improvements (useful if you keep an office/showroom)
5-HEDC packaging & "concierge" – EDC will help bundle local, state, and federal tools and coordinate permitting

Regional (Houston–Galveston area)
1- Workforce Solutions – On-the-Job Training (OJT) – Partial wage reimbursement to offset training new hires (commonly 50% up to a capped hourly rate and hours).
2- HGAC/Regional financing & services – Houston-Galveston Area Council and its Workforce network offer employer services, training scholarships, and (via affiliated LDCs) flexible growth loans

State of Texas
1- Texas Enterprise Zone Program (EZP) – State sales & use tax refunds on qualified purchases for nominated projects that create/retain jobs in designated areas or at designated firms.
2- Manufacturing sales & use tax exemptions – Exempts qualifying manufacturing equipment, parts, consumables; utility predominant-use studies can exempt electricity/gas used ≥50% in production.
3- Skills Development Fund (SDF) – Grants (often via community colleges) for custom workforce training; typical per-trainee budgets and project caps; year-round proposals. Skills for Small Business offers smaller per-employee awards

Federal :
1- Work Opportunity Tax Credit (WOTC) – Federal income/payroll tax credits for hiring from target groups (credits scale by wages/hours; employers apply via TWC).
2- New Markets Tax Credit (NMTC)
3- Opportunity Zone (site-specific) – Certain Hitchcock tracts (e.g., Census Tract 48167723700) are designated OZs; equity investment in qualified OZ property can receive capital-gains benefits (confirm your parcel/tract).
4- Foreign-Trade Zone regime (federal customs tool) – Already noted under Local due to FTZ #36 presence; federally governed benefits include duty deferral, inverted tariff potential, and weekly entry.

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ABOUT THE PROJECT

Name of the Project	**Project Vektan – Polyethylene Wax Manufacturing Facility**
Location of the Project	**7325 FM 2004, Hitchcock, TX 77563**

Identify the taxing jurisdictions impacted by the project, if known.

City	**City of Hitchcock**
County	**Galveston County**
School District	**Hitchcock Independent School District (ISD)**
Special District #1	**Galveston County Consolidated Drainage District**
Special District #2	**Galveston County Municipal Utility District (as applicable)**
Special District #3	**Gulf Coast Water Authority**

Will the Project be located in the City limits?	**Yes**

Description of the Project

Enter any narrative below to describe the Project as you would like for it to read in the economic impact report.

The project involves establishing a modern polyethylene wax manufacturing and packaging facility in Hitchcock, TX. The facility will host production lines for polyethylene waxes, raw material handling areas, blending and compounding units, storage, packaging lines, and administrative offices.

Phase 1 - will include installation of key equipment imported from various countries and possible U.S.-made machinery.
Polymer degradation plant.

Phase 2 - will expand to additional production lines Wax Micronizatoin plant and R&D capabilities.

Phase 3 - will expand to additional production lines Wax Oxidation plant.

This facility will create new skilled and semi-skilled manufacturing jobs and support local suppliers, logistics operators, and engineering services in the Galveston County.

Primary Classification of Project (Check (x) all that apply)	
x	
X	Distribution
	Energy Services
	Grocery Store
	Health Care
	Hotels, Destination Tourism & Recreation
	Information Tech & Artificial Intelligence
X	Manufacturing
	Maintenance, Repair and Overhaul in Aviation and in other industry sectors
X	Research & Development
X	Regional, National and Corporate Headquarters
X	Small Warehouse Facilities
	Primary job training facilities for use by institutions of higher education

Classification of Target Developments (Check all that apply)	
	Master Planned Communities
	Mixed Use Centers with Commercial & Retail Uses
	Business Parks & Office Parks
X	Speculative Industrial Building - Minimum Size of 20,000 SF
	Speculative Office Building - Minimum Size of 20,000 SF
	Public Infrastructure for Projects in Downtown District

Targeted Areas (Check all that apply)	
	Downtown District
X	Industrially Zoned
X	Texas Enterprise Zone
	U.S. Empowerment Zone
	U.S. HUBzone
X	U.S. Opportunity Zone
	New Markets Tax Credit Area

Please identify the project's primary North American Industry Classification System (NAICS) Code or describe the activity that will occur at the local facility.

To help identify the correct industry code: *http://www.census.gov/cgi-bin/sssd/naics/naicsrch?chart=2012*

NAICS 325998 – Other Miscellaneous Chemical Product and Preparation Manufacturing
- Wax preparations and blended or micronized wax additives
- Lubricant additives and processing aids for plastics and rubber
- Surface-treatment agents, release coatings, antistatic agents
- Chemical compounding and dispersions
- Specialty adhesives and sealant compounds (non-resin base)
- Chemical additives for paints, inks, and coatings
- Polish and wax formulations for industrial use

Incentives Applied For (Please check those that apply):	
X	Chapter 312 Property Tax Abatement
X	Chapter 380 Sales Tax, etc.
X	HEDC Direct Incentive
	Storefront and Streetscape Improvement Program (SSIP)
X	Special District/Other: Freeport Inventory Exemption

New Business Development Type (Check all that apply)	
	Small Business Start-Up
	New Business Commercial
X	New Business Industrial
	Existing Business Expansion
	Existing Business Retention
	Downtown Redevelopment
	New Development Commercial (Developer)
	New Development Residential (Developer)
	Ground Up Development
X	Build-Out of Existing Building

Project Ownership	
X	Owner Occupied Facility
	Leased
	* If Leased, Name of owner & relationship to applicant:

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TAXABLE ASSETS, EMPLOYEES, AND OPERATIONS

The Project's taxable property additions

	Operations Year	Land	Buildings and Other Real Property Improvements	Furniture, Fixtures, and Equipment	Total
	1	$2,300,000	$200,000	$800,000	$3,300,000
	2		$100,000	$400,000	$500,000
	3		$100,000	$400,000	$500,000
	4				$0
	5				$0
	6				$0
We have plans to expand and build additonal industrial building in the near future (Year-7)	7		$2,000,000	$1,000,000	$3,000,000
	8				$0
	9				$0
	10				$0
	Total	$2,300,000	$2,400,000	$2,600,000	$7,300,000

Are the building and improvements costs entered above for construction? no — We will have new building construction in Year-7

Building permits and fees to be paid to the City during construction, if applicable

	Year	Total City Building Permits and Fees
Air Permit, Rezoning in Year-1	1	$3,400
	2	
	3	
	4	
	5	
	6	
We have plans to expand and build additonal industrial building in the near future (Year-7)	7	$18,000
	8	
	9	
	10	
	Total	$21,400

Estimated taxable inventories at the end of each year

Enter an amount in Year 1 and the percent of annual increase, or enter appropriate amounts for each year.

Year	Total Inventories
1	$666,000
2	$693,600
3	$722,038
4	$751,335
5	$781,516
6	$812,603
7	$844,622
8	$879,893
9	$916,238
10	$951,294

Percent of annual increase:

Number of new full-time jobs to be added in the community each year

Enter the jobs added in the community each year, including jobs relocated from outside of the community.

	Year	New Employees to Be Hired Each Year
	1	5
Initial 2 years for Equipment imports, setups and start of few Production lines	2	3
Expansions from Year-3	3	6
	4	6
	5	7
	6	
	7	
	8	
	9	
	10	
	Total	27

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Average annual salaries of new employees each year

Enter an amount in Year 1 and the percent of annual increase, or enter appropriate amounts for each year.

Year	7 Annual Salaries
1	$60,000
2	$61,200
3	$62,424
4	$63,672
5	$64,946
6	$66,245
7	$67,570
8	$68,921
9	$70,300
10	$71,706
Percent of annual increase:	2.0%

The Project's estimated taxable purchases of materials, supplies, and services in the community and the Project's estimated taxable sales that will be subject to sales taxes in the community.

Enter an amount in Year 1 and the percent of annual increase, or enter appropriate amounts for each year.

Purchases (YoY)	Sales (YoY)	Year	The Project's Taxable Purchases	The Project's Taxable Sales
		1	$2,555,000	$2,400,000
46.12%	61.50%	2	$3,733,333	$3,876,000
31.56%	39.58%	3	$4,911,667	$5,410,080
20.60%	25.54%	4	$5,923,333	$6,791,731
19.89%	24.31%	5	$7,101,667	$8,442,971
6.74%	9.32%	6	$7,580,000	$9,230,116
13.68%	17.01%	7	$8,616,667	$10,799,898
9.44%	12.21%	8	$9,430,000	$12,118,634
6.77%	9.25%	9	$10,068,333	$13,239,751
5.40%	7.76%	10	$10,611,667	$14,267,015
		Percent of annual increase:	14.3%	17.6%

* Weighted Average increase

HOTEL NIGHTS / VISITORS

Year	Hotel Nights	Hotel Daily Rate	General Visitor Spending Per Hotel Night
1	25	$150	$50
2	26	158	53
3	28	165	55
4	29	174	58
5	30	182	61
6	32	191	64
7	34	201	67
8	35	211	70
9	37	222	74
10	39	233	78

CERTIFICATION

Name of Company: Equitee LLC | Elderbrook LLC

ALL STATEMENTS AND REPRESENTATIONS MADE HEREIN ARE ACCURATE TO THE BEST OF THEIR KNOWEDGE AND AGREE TO COMPLY WITH THE TERMS AND CONDITIONS.

Signature:

SIGN NAME HERE

PRINT NAME: Anvar Turdibaev

Date: 10/17/2025

SIGN NAME HERE

PRINT NAME: Sirojiddin Abdurasulov

Date: 10/17/2025