

STATE OF TEXAS                   §  
    §  
 COUNTY OF FORT BEND         §

**TAX ABATEMENT AGREEMENT BETWEEN  
 FORT BEND COUNTY AND  
 API REALTY, LLC,  
 CITY OF SUGAR LAND REINVESTMENT ZONE 2018-01**

This Tax Abatement Agreement hereinafter referred to as "Agreement," is executed by and between FORT BEND COUNTY, TEXAS (a taxing entity, hereinafter referred to as "County,") acting by and through its Commissioners' Court, API REALTY, LLC, OWNER AND LESSOR OF REAL PROPERTY which is within the boundaries of the City of Sugar Land Reinvestment Zone 2018-01 .

**I.     Authorization and Findings:**

- A. Fort Bend County is authorized to provide Tax Abatement benefits in accordance with the State of Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code.
- B. Fort Bend County has adopted GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS and determined that this Owner's request for Tax Abatement conforms with those current Guidelines and Criteria;
- C. Owner first made Application for Abatement with County on or about December 11, 2020, for which the current Guidelines and Criteria specify such Application shall be controlled by the Guidelines and Criteria adopted on February 26, 2019, except as may otherwise be noted;
- D. City of Sugar Land Reinvestment Zone No. 2018-01 was created by the City of Sugar Land in accordance with Texas Tax Code, Chapter 312, and the Property subject to tax abatement under this Agreement is located within said Zone;
- E. Fort Bend County is authorized under Section 312.206 to execute a tax abatement agreement with the owner of Eligible Property located on real property in a municipal created reinvestment zone ;
- F. No official of County has an interest in the property subject to this Agreement; and
- G. That the public notice required by Texas Tax Code Section 312.207 has been satisfied prior to the submission of this Agreement for consideration by this taxing entity.

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

- A. "Abatement" means the full or partial exemption from ad valorem taxes of Eligible

Property in a reinvestment zone designated by the City of Sugar Land for economic development purposes.

- B. "Base Year Value" means the appraised value in the Reinvestment Zone on January 1 preceding the effective date of the tax abatement agreement, plus the agreed upon value of Eligible Property improvements (as defined herein) made after January 1 but before the effective date of the agreement, or the sales price, if the property was conveyed subsequent to January 1, whichever is greater.
- C. "Commercial Building" means a new facility, a new addition to an existing facility or build-out of unoccupied space within an existing facility
- D. "Commissioners Court" means the Commissioners Court of Fort Bend County, Texas.
- E. "Employee" means a person whose employment is both permanent and full-time, who works for and is an employee of the Owner or an employee of a contract provider to the Owner, who works a minimum of 1,750 hours per year exclusively within the reinvestment zone, and whose employment is reflected in the Owner's (and/or contract provider's, as applicable) quarterly report filed with the Texas Workforce Commission (TWC); but excluding any direct contract (seasonal, part-time, and full-time equivalent).
- F. "Expansion" means the addition of improvements/buildings, structures, machinery, tangible personal property, equipment or payroll for purposes of increasing production or regional capacity.
- G. "Facility" means property improvements completed or in the process of construction which together comprise an integral whole.
- H. "Improvements" are as identified in the Texas Tax Code Chapter One.
- I. "Owner" means the owner of Real Property on which an Eligible Facility is or will be located, who may also be the Lessor. Where the context requires, "Owner" means the owner of the Eligible Facility, who is the Lessee of Real Property on which the Eligible Facility is or will be located; provided that a specific definition or other provision to the contrary in an Agreement controls over this sentence.
- J. "Personal Property" means property that is not Real Property and consists of intangible and tangible personal property. Intangible Personal Property means a claim, interest (other than an interest in tangible property), right, or other thing that has value but cannot be seen, felt, weighed, measured, or otherwise perceived by the senses, although its existence may be evidenced by a document. It includes a stock, bond, note or account receivable, certificate of deposit, share, account, share certificate account, share deposit account, insurance policy, annuity, pension, cause of action, contract, and goodwill. Tangible Personal Property means Personal Property that can be seen, weighed, measured, felt, or otherwise perceived by the senses, but does not include a document or other perceptible object that constitutes evidence of a valuable interest, claim, or right and has negligible or no intrinsic value.
- K. "Real Property" means land or an improvement, or both, or other property classified as such under state law.
- L. "Reinvestment Zone" means a geographic area of the County designated as such for the purpose of tax Abatement as authorized by Chapter 312 of the Texas Tax Code.

**III. Subject Property:**

- A. "Real Property" means the approximate 17.2163 acre tract of land which is within the boundaries of City of Sugar Land Reinvestment Zone 2018-01, described in Exhibit 1 attached hereto and incorporated herein for all purposes.
- B. Owner intends to build or expand Eligible Property on the Real Property.
- C. The Eligible Property under this Agreement is an approximately 83,000 sf building owned by Owner as generally described in EIS/Application for Abatement, attached as Exhibit 2 and incorporated into this Agreement by reference.
- D. The FBCAD will establish the base year values for all property in the Reinvestment Zone as of January 1, 2021 ("Base Year").

**IV. Term and Termination**

- A. This Agreement is effective as of the date of execution hereof and shall continue through **DECEMBER 31, 2032**, unless terminated earlier, as provided elsewhere herein. In no event shall this Agreement extend beyond December 31, 2032.
- B. Notwithstanding the foregoing, the Owner's obligations upon default to pay County any taxes abated under this Agreement, and penalty and interest thereon, as herein provided shall not terminate until the abated taxes, plus penalty and interest, are paid.
- C. In each year that this Agreement is in effect, the amount of Abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Eligible Property.

**V. Value of Abatement:**

- A. Subject to the limitations imposed by law and conditioned upon the representations made by Owner, there shall be granted and allowed hereunder an Abatement applicable to the Eligible Property of Owner for the following years and in the following amounts based upon the Value of the Eligible Property:

<b>Tax Year</b>	<b>Percentage Abatement</b>
Year 1	<b>35%</b>
Year 2	<b>35%</b>
Year 3	<b>35%</b>
Year 4	<b>35%</b>
Year 5	<b>35%</b>
Year 6	<b>35%</b>



Year 7	35%
Year 8	35%
Year 9	35%
Year 10	35%

- B. The percentage abatement shown reflects the portion of value abated for Eligible Property located in the stated Reinvestment Zone without an Incremental Incentive percentage included.
- C. The Abatement granted shall not apply to any Ineligible Property.
- D. During the period that this Agreement is effective, the value of taxes shall be payable by the Owner as follows:
  - i. The value of all property (Eligible and Ineligible Property), shall be determined in the Base Year and each year thereafter by the FBCAD.
  - ii. The value of Ineligible Property shall be fully taxable.
  - iii. The Value of Eligible Property shall be abated as set forth above.
- E. The FBCAD's determination of values shall be used to determine the value of the property subject to this Agreement. If Owner protests the FBCAD's valuation of the Eligible Property, the valuation placed on the Eligible Property after the protest is resolved under State law shall be used.

**VI. Responsibilities:** In consideration of receiving the tax abatement granted herein, Owner represents and agrees:

**A. Performance Measures**

Criteria	Required Deliverable	Documentation Required
Date by which construction of the Improvements will commence	<b>OCTOBER 31, 2021</b>	Owner shall provide certified statement to be provided with the minimum total project costs, as below
Date by which Improvements will be completely constructed	<b>DECEMBER 31, 2022</b>	Owner shall provide certified statement to be provided with the minimum total project costs, as below
Minimum total project costs with respect to the Eligible	<b>\$9,500,000</b>	Owner or Lessee shall provide the



Property at completion of construction		County's Director of Finance & Investments a certified statement for the total project costs with respect to the Eligible Property (excluding the cost of the Real Property) within thirty (30) days after completion of the Improvements
Minimum Certified Appraised Value for Eligible Property Effective in Tax Years 1 - 10	<b>\$7,600,000</b>	Owner shall provide the County's Director of Finance & Investments a certified statement for the Minimum Certified Appraised Value each year during the Agreement
Minimum new Employee requirements as shown in Exhibit 2 , while retaining any Employees  -Contractual obligation for employee requirement is imposed on the Owner; however Owner may meet this requirement directly or by and through lease of property.	30 New Jobs  555 Retained jobs at 12682 Cardinal meadow Drive, Sugar Land, TX 77479.	Owner shall annually furnish County with payroll records allowed by law and necessary for County to confirm Owner's compliance with this Agreement (e.g. number of Employees is appropriate; payroll dollars, taxes, benefits, and bonuses are not appropriate).

B. Additional Requirements

- i. Owner shall ensure that construction on or at the Property is in conformity with all applicable Regulations, Ordinances and

Restrictions.

- ii. Owner shall ensure that use of the property is limited to that which is consistent with the general purpose of encouraging development or redevelopment of the zone during the period that property tax exemptions are in effect; namely that the use will be as described in Exhibit 2 .
- iii. OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE FBCAD OF THE ABATEMENT, INCLUDING FILING WITH THE FBCAD ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.
- iv. On or before September 1 of each year of this Agreement, Owner shall certify in writing to the Fort Bend County Budget Office compliance with each term of this Agreement by submission of the Annual Compliance Statement attached as Exhibit 3
- v. Owner shall ensure that taxes on all property owned by it in Fort Bend County are current. Delinquent taxes for any Fort Bend County property of Owner is a default of Owner and Owner's obligations hereunder and will be grounds for termination of this Agreement, regardless of whether the delinquent property is subject to an abatement under this Agreement.
- vi. Owner shall annually furnish information necessary for Fort Bend County's evaluation of Applicant's compliance with the terms and conditions of the tax Abatement Agreement and these guidelines and criteria (in the form of an annual report/statement of compliance).

## **VII. Administration**

- A. This Agreement shall be administered in accordance with the GUIDELINES AND CRITERIA FOR GRANTING TAX ABATEMENTS IN FORT BEND COUNTY, TEXAS.
- B. Fort Bend Central Appraisal District annually determines an assessment of the real and personal property comprising the reinvestment zone. Each year, Owner shall furnish the FBCAD with such information as may be necessary for the Abatement. After value has been established, Fort Bend County receives the certified appraised value from the FBCAD.
- C. The Chief Appraiser of the FBCAD shall annually determine (1) the taxable value under the terms of this abatement of any Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Eligible Property located on the Real Property. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture of abated taxes.

- D. Owner shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the Texas Tax Code as may be necessary for the administration of this Agreement. Such information shall also be provided annually to the Director of Finance & Investments in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement
- E. Upon completion of the construction, placement and/or installation of the Eligible Property, County shall annually evaluate the Eligible Property to ensure compliance with the terms and provisions of this Agreement and shall report potential defaults to the Owner.
- F. Owner shall allow employees or other representatives of County who have been designated by Commissioner's Court to have reasonable access to the Real Property to ensure that the improvements or repairs are made according to the specifications and conditions of the agreement.
  - i. Inspection shall be conducted in such a manner as to not unreasonably interfere with the construction and/or operation of the facility and in accordance with its safety standards;
  - i. Twenty-four (24) hours prior notice shall be given; and
  - ii. One or more representatives of the company or individual is present

#### **VIII. Recapture/Default**

- A. Failure to Commence Operation During Term of Agreement: In the event that the facility is not completed and does not begin operation with the minimum number of permanent jobs by the January 1st following the completion of construction, no tax Abatement shall be given for that tax year, and the full amount of taxes assessed against the property shall be due and payable for that tax year. In the event that the owner of such a facility fails to begin operation with the minimum number of permanent jobs by the next January 1st, then the tax Abatement Agreement shall terminate and all abated taxes shall be recaptured and paid within sixty (60) days of such termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- B. Discontinuance of Operations During Term of Agreement: In the event the facility is completed and begins operation with the required minimum number of permanent jobs, but subsequently discontinues operations and the minimum number of permanent jobs is not maintained on any January 1st during the term of the Agreement after the completion of construction, for any reason except on a temporary basis due to fire, explosion or other casualty or accident or natural disaster, the Agreement may be terminated by the Fort bend County and all taxes previously abated by virtue of the Agreement shall be recaptured and paid within sixty (60) days from the date of termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total



amount abated.

- C. Delinquent Taxes: In the event that Owner allows any ad valorem taxes to become delinquent on any property in Fort Bend County (whether abated or not) and fails to timely and properly follow the legal procedures for their protest and/or contest, the tax Abatement Agreement shall terminate and so shall the Abatement of the taxes for the tax year of the delinquency. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- D. Performance Criteria: In the event that Owner fails to meet any other performance criteria provided by the Tax Abatement Agreement, the tax Abatement Agreement may terminate and so shall the Abatement of the taxes for the tax year of the non-performance. The total taxes assessed without Abatement for that tax year, shall be paid within sixty (60) days from the date of the termination. If the County does not receive full payment within said 60 days, a penalty may be added, equal to 15% of the total amount abated.
- E. Actual Capital Investment: Should Fort Bend County determine that the total level of capital investment in the eligible property is lower than provided in the Agreement, the County, at its sole discretion, reserves the right to adjust the tax Abatement percentage to reflect the actual capital investment as determined.
- F. Undocumented Workers. This paragraph is required by Chapter 2264, Texas Government Code and governs over any conflicting provisions of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owner is convicted of a violation under 8 U.S.C. Section 1324a (f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, County shall provide written notice to Owner of the default and this Agreement shall automatically terminate on the 30th day after the date of the notice of default from County to Owner. In the event of termination under this paragraph (d), Owner shall repay to County the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
- G. Procedure for "other" default, not specified herein:
  - i. For a default of any other requirement of this Agreement not specifically identified in this Section "Recapture and Default" County will notify Owner of the default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure the default.
  - ii. If Owner fails to cure the default. County may terminate this Agreement by written notice. Any default notice issued in accordance with this Agreement shall prominently state the following at the top of the notice:

## NOTICE OF DEFAULT UNDER TAX ABATEMENT AGREEMENT

YOU ARE HEREBY NOTIFIED OF THE FOLLOWING DEFAULT UNDER YOUR TAX ABATEMENT AGREEMENT WITH THE COUNTY. FAILURE TO CURE THIS DEFAULT WITHIN THE TIME PERIODS PROVIDED BY THE AGREEMENT SHALL RESULT IN CANCELLATION OF THE TAX ABATEMENT AGREEMENT AND ACTION TO RECAPTURE OF TAXES ABATED PURSUANT TO THE AGREEMENT.

- H. Owner 's obligations upon termination to pay County monies owed for taxes abated, interest and penalties thereon shall survive termination of this Agreement, and the County shall have a lien against the 's Property and any improvements or tangible personal property located thereon for the monies owed until paid.

### IX. Notice

- A. Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been hand delivered, deposited with a nationally recognized overnight courier, or deposited, enclosed in a wrapper with the proper postage prepaid thereon, and certified, return receipt requested, in a United States Post Office, addressed to County and Owner and at the mailing address as hereinafter set out. If mailed, any notice of communication shall be deemed to be received three (3) business days after the date of deposit in the United States Mail.
- B. Notwithstanding anything to the contrary contained herein, the parties acknowledge and agree that any notice required to be given under the provisions of this Agreement may be made by e-mail, alone or in addition to other methods for giving notice provided for herein.
- C. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or County at the following addresses:

To the **Director of**

**Finance & Investments:** Fort Bend County  
Director of Finance & Investments  
301 Jackson Street, Ste.  
Richmond, Texas 77469

To **County:**

Fort Bend County  
401 Jackson  
Richmond, Texas 77469

Attention: County Judge

To Owner:

API REALTY, LLC  
12682 CARDINAL MEADOW DRIVE  
SUGAR LAND, TX 77478  
ATTN: CHETAN NEGANDHI

D. Any party may designate a different physical mailing or e-mail address by giving the other parties sixty (60) days prior written notice thereof.

**X. Indemnity**

A. IT IS UNDERSTOOD AND AGREED BETWEEN THE PARTIES THAT OWNER IN PERFORMING OBLIGATIONS HEREUNDER, IS ACTING INDEPENDENTLY, AND COUNTY ASSUMES NO RESPONSIBILITIES OR LIABILITIES IN CONNECTION THERE WITH TO THIRD PARTIES. OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE FBCAD FROM ANY AND ALL NON- CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER. OWNER'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEYS FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION.

B. The Parties expressly acknowledge that the County's authority to indemnify and hold harmless any third party is governed by Article XI, Section 7 of the Texas Constitution, and any provision that purports to require indemnification by the County is invalid. Nothing in this Agreement requires that the County incur debt, assess or collect funds, or create a sinking fund.

**XI. Miscellaneous:**

A. Assignments- The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may be transferred or assigned by Owner only upon written permission by County, which permission shall not be unreasonably withheld. No assignment shall be approved if the assignor or assignee is indebted to the City for ad valorem taxes or other obligations.



- B. Changes in Tax Laws. The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.
- C. Compliance with State and Local Regulations. Nothing in this Agreement shall be construed to alter or affect the obligations of Owner to comply with any ordinance, rule, or regulation or law.
- D. Public Information. This Agreement is public information. To the extent, if any, that any provision of this Agreement is in conflict with the Texas Government Code Chapter 552, as amended (the "Texas Public Information Act"), such provision shall be void and have no force or effect.
- E. Severability and Reformation.
  - i. Unless the court applies subsection (ii), if any provision of this Agreement or the application thereof to any person or circumstance is ever judicially declared invalid, such provision shall be deemed severed from this Agreement, and the remaining portions of this Agreement shall remain in effect.
  - ii. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.
- E. Venue: This Agreement and the rights and obligations of each party shall be construed and enforced under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

**XII. Entire Agreement.**

This executed instrument is understood and intended to be the final expression of the parties' agreement and is a complete and exclusive statement of the terms and conditions with respect thereto, superseding all prior agreements or representations, oral or written, and all other communication between the parties relating to the subject matter of this agreement. Any oral representations or modifications concerning this instrument shall be of no force or effect excepting a subsequent modification in writing signed by all the parties hereto.

Attached hereto are:

Exhibit 1: RZ ORDER with all attachments  
Exhibit 2: Economic Impact Statement  
Exhibit 3: Annual Compliance Certificate

All of which are made part of this Agreement.

**XIII. Conflict**

Conflicts among documents shall be resolved in favor of:

First: RZ ORDER with all attachments

Second: This document titled TAX ABATEMENT AGREEMENT BETWEEN  
FORT BEND COUNTY AND API REALTY, LLC, CITY OF SUGAR LAND  
REINVESTMENT ZONE 23

Third: Economic Impact Statement

Last: Annual Compliance Certificate (attached as form document)

*Remainder left blank  
Execution page follows*

**XIV. Execution**

**IN TESTIMONY OF WHICH, THIS AGREEMENT** has been executed by County and Owner as of the dates below stated. Owner warrants and represents that the individuals executing this agreement on behalf of Owner have full authority to execute this Agreement and bind Owner to the same.

"COUNTY:"  
**FORT BEND COUNTY, TEXAS**

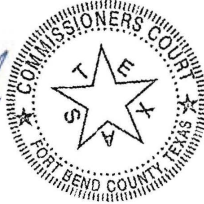
By: KP George  
KP George, County Judge  
County Judge KP George

Date: 8.24.2021

ATTEST:

Laura Richard

Laura Richard, County Clerk



"OWNER"  
**API REALTY, LLC**

By: Chinh T. Nguyen

Printed Name: CHINH T. NGUYEN

Title: MANAGING MEMBER

Date: 8-12-2021



APPROVED AS TO LEGAL FORM:

*Michelle Turner*

Digitally signed by Turner, Michelle  
DN: dc=us, dc=tx, dc=fort-bend, dc=co, dc=fortbend,  
ou=Fortbend, ou=Departments, ou=County Attorney,  
ou=Users, cn=Turner, Michelle  
Date: 2021.08.18 11:01:35 -0500'

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Michelle L. Turner  
General Counsel Division Chief  
County Attorney Office\*

\*By law, the County Attorney's Office may only advise or approve contracts or legal documents on behalf of the County. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of the County. Our approval of this document was offered solely for the benefit of the County. Other parties should not rely on this approval, and should seek review and approval by their own respective attorney.

COUNTY'S ORIGINAL EXECUTED DOCUMENT  
TO BE RETURNED TO:

BUDGET OFFICE  
ATTN: DIRECTOR OF FINANCE & INVESTMENTS  
ADDRESS: 301 JACKSON ST. RICHMOND, TX 77469  
TELEPHONE: 281-344-3922  
FAX: 281-344-3954

OWNER SHALL SEND A COPY TO:

FORT BEND ECONOMIC DEVELOPMENT COUNCIL  
1 FLUOR DANIEL DRIVE  
SUGAR LAND, TX 77478

i:\michelle\commissioners court\abatements\2021\api\api realty fbc abtmnt draft 8.2.docx

# EXHIBIT 1: RZ ORDER WITH ALL ATTACHMENTS

## **ORDINANCE NO. 2128**

### **AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2018-01 FOR A 17.2163 ACRE TRACT OF LAND LOCATED SOUTH OF 12682 CARDINAL MEADOW DRIVE IN SUGAR LAND, TEXAS.**

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

### **BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That Reinvestment Zone No. 2018-01 is created for the real property consisting of 17.2163 acres, described by metes and bounds in the attached and incorporated Exhibit A, which formerly was shown as Commercial Reserve "G6", of the Sugar Land Central, Section Five Pat recorded under File No. 20060135 of the Fort Bend County, Texas Official Public Records.

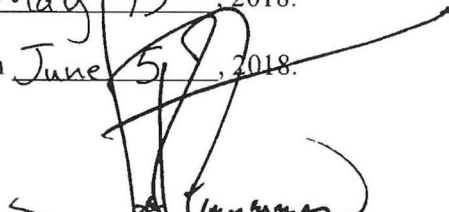
**Section 2.** That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

**Section 3.** That Reinvestment Zone No. 2018-01 expires five years from the date of this ordinance.

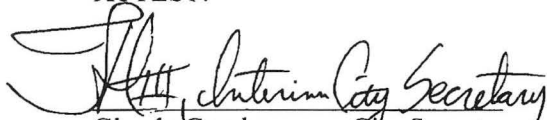


APPROVED on first consideration on May 15, 2018.

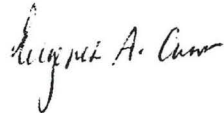
ADOPTED upon second consideration on June 5, 2018.

  
Joe R. Zimmerman, Mayor

ATTEST:

  
Glenda Gundermann, City Secretary

APPROVED AS TO FORM:



**EXHIBIT A**  
**Description of 17.2163-Acre Tract**

FIELD NOTE DESCRIPTION OF 17.2163 ACRES OF LAND  
OUT OF COMMERCIAL RESERVE "A" OF API COMMERCIAL  
RESERVE A MINOR PLAT, ACCORDING TO THE MAP OR  
PLAT THEREOF RECORDED IN PLAT NO. 20180111 OF THE  
PLAT RECORDS OF FORT BEND COUNTY, TEXAS, SAID  
17.2163 ACRE TRACT BEING MORE PARTICULARLY  
DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at 5/8 inch iron rod found in the South right-of-way line of Cardinal Meadows Drive, as recorded in Slide No. 2370A F.B.C. Plat Records, said iron rod marks the Easterly corner of said Commercial Reserve "A" of API Commercial Reserve A Minor Plat and the herein described tract;

THENCE, South 42°28'04" West, along the Southeasterly line of said Commercial Reserve "A", a distance of 1226.26 feet to a 5/8 inch iron rod with cap found for an interior corner of said Commercial Reserve "G6";

THENCE, South 48°15'22" East, a distance of 575.48 feet to a 5/8 inch iron rod with cap found for corner;

THENCE, South 42°12'43" West, a distance of 20.09 feet to a 5/8 inch iron rod found for the beginning of a curve to the Left;

THENCE, in a Southerly direction, along and with said curve to the Left, having a radius of 440.00 feet, a central angle of 44°38'51", an arc length of 342.87 feet and a chord bearing and distance of South 19°53'17" West, 334.26 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, South 02°26'08" East, a distance of 140.18 feet to a 5/8 inch iron rod found in the North right-of-way line of Reed Road (100 feet wide) for the Southeast corner of said Commercial Reserve "A" and the herein described tract;

THENCE, South 88°26'49" West, along the North right-of-way line of Reed Road, a distance of 50.01 feet to a 5/8 inch iron rod found for the Southwest corner of said Commercial Reserve "A" and the herein described tract;

THENCE, North 02°26'08" West, a distance of 6.81 feet to a 5/8 inch iron rod found for the beginning of a curve to the Left;

THENCE, in a Northwesterly direction, along and with said curve to the Left, having a radius of 535.00 feet, a central angle of 41°52'57", an arc length of 391.08 feet and a chord bearing and distance of North 23°22'37" West, 382.43 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, North 44°19'05" West, a distance of 247.39 feet to a 5/8 inch iron rod found for the beginning of a curve to the Right;

THENCE, in a Northwesterly direction, along and with said curve to the Right, having a radius of 474.65 feet, a central angle of 17°41'01", an arc length of 146.49 feet and a chord bearing and distance of North 35°28'35" West, 145.91 feet to a 5/8 inch iron rod found for the point of tangency of said curve;

THENCE, North 26°38'04" West, a distance of 132.01 feet to a 5/8 inch iron rod with cap found for corner;

THENCE, North 02°38'14" West, along the West line of said Reserve "A", a distance of 208.71 feet to a 5/8 inch iron rod found for the Southwest corner of 1.163 acre Easement tract recorded under F.B.C.C.F. No. 2008066701, said iron rod also marks the Westerly most Northwest corner of the herein described tract;

THENCE, North 87°21'46" East, a distance of 65.00 feet to a 5/8 inch iron rod with cap found for the Southeast corner of said 1.163 acre tract and an interior corner of the herein described tract;

THENCE, North 02°38'14" West, a distance of 778.75 feet to a 5/8 inch iron rod found for the Northeast corner of said 1.163 acre Easement tract and the Northerly most Northwest corner of the herein described tract;

THENCE, North 88°28'04" East, a distance of 658.34 feet to a 5/8 inch iron rod found in the West right-of-way line of Cardinal Meadows Drive for corner, said iron rod falling in the arc of a curve to the Left;

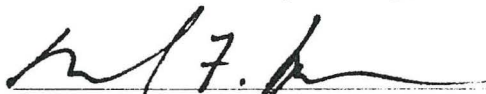
THENCE, in a Southeasterly direction, along said right-of-way, with said curve to the Left, having a radius of 71.50 feet, a central angle of 145°15'22", an arc length of 181.27 feet and a chord bearing and distance of South 74°09'37" East, 136.48 feet to a 5/8 inch iron rod found for the Point of Reverse curve to the Right;

THENCE, in a Northeasterly direction, along said right-of-way, with said curve to the Right, having a radius of 25.00 feet, a central angle of 55°15'12", an arc length of 24.11 feet and a chord bearing and distance of North 60°50'18" East, 23.19 feet to a 5/8 inch iron rod found for the Point of Tangency;

THENCE, North 88°28'04" East, along the South right-of-way line of Cardinal Meadows Drive, a distance of 209.46 feet to the POINT OF BEGINNING and containing 17.2163 acres (749,946 square feet) of land, more or less.

CENTURY ENGINEERING, INC.

Dated this 4th day of May, 2018



Bernerd F. Johnson

Registered Professional Land Surveyor No. 4314



CEI JOB NO. 07004-04.01  
(QW06) SV 070040.T



## EXHIBIT 2: ECONOMIC IMPACT STATEMENT



GREATER FORT BEND  
ECONOMIC DEVELOPMENT  
COUNCIL

## ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

*Based on the information you provide below, the Greater Fort Bend Economic Development Council (GFBEDC) will begin prequalification of your project. The information you provide will allow the GFBEDC to begin to develop your application and economic impact statement for presentation to the taxing entities for consideration of economic incentives. The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the city's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building,, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the city, impact on local infrastructure, and impact (good or bad) on existing businesses in the County.*

- 1. Please describe how the proposed new property will be owned and operated. If the Improvements will be owned by one entity and leased to another, or if one company will own the Improvements, Personal Property, and operate out of the space, please answer the questions below for both entities/one entity as appropriate:**

**As is being currently done with Phase I, Phase II and Phase III A, the new improvement (referred to as Phase III B here after) will be owned by API Realty LLC and leased to Accredo Packaging Inc.**

### **Applicant/Owner of the Improvements and Personal Property**

- a. Contact Person: Chetan Negandhi      Title: Treasurer**
- b. Current Address: API Realty LLC  
12682 Cardinal Meadow Dr.  
Sugar Land, TX - 77478**
- c. Office #: 713-580-4844**
- d. Mobile #: 281-865-4196**
- e. Fax #:**
- f. Website: <https://www.accredopackaging.com/>**
- g. Email Address: Chetan.Negandhi@apicorp.com**
- h. The Company's Primary SIC Code: 6519**
- i. Public or Privately Held : Privately Held**

### **Applicant/Owner of the Improvements (same as above)**

- a. Contact Person:      Title:**
- b. Current Address:**
- c. Office #:**
- d. Mobile #:**
- e. Fax #:**
- f. Website:**

- g. Email Address:  
h. The Company's Primary SIC Code:  
i. Public or Privately Held

**Applicant/Lessee of the Improvements; Owner of Personal Property:**

- a. Contact Person: Chetan Negandhi Title: Treasurer  
b. Current Address: Accredo Packaging Inc.  
12682 Cardinal Meadow Dr.  
Sugar Land, TX - 77478  
c. Office #: 713-580-4844  
d. Mobile #: 281-865-4196  
e. Fax #:  
f. Website: <https://www.accredopackaging.com/>  
g. Email Address: Chetan.Negandhi@apicorp.com  
h. The Company's Primary SIC Code: 2673  
i. Public or Privately Held : Privately Held

2. Type of project (check all that apply for the company that will be operating in the space):

- ☒ Existing business in Fort Bend County  
☐ New business to Fort Bend County  
☒ Expansion of existing facility  
☒ Construction of new facility  
☐ Renovation of existing facility  
☒ Corporate/Regional Headquarters

3. Location of proposed site(s) in Fort Bend (street address, name of Business Park or other development, city, or name of area if unincorporated):

4. Scope of project:

Size of new facility/expansion:	Project 3B: 83,000 sq ft
Size of existing facility (if applicable):	Phase 1/2/3A: 545,000 sq ft
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	31.9329 Acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall

5. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

- a. Office Project 3A – Manufacturing -60%; Warehouse – 40%  
b. Distribution Project 3B – Office/Lobby – 50%; Covered Parking -50%

- c. Fabrication
- d. Warehouse
- e. Other

6. Truck traffic to be generated (# daily or weekly):
7. Targeted start of construction: Project 3A: June 2018 / Project 3B – February 2021
8. Targeted start of operations: Project 3B : Jan 2022
9. Estimated costs of taxable assets that would be located at the facility in Fort Bend (new property to Fort Bend):

Land	Completion Cost of Improvements	Initial Cost of Equipment & Machinery	Estimated Annual Inventory	Cost of Other Taxable Personal Property	Total
\$	\$ 9,500,000	\$	\$	\$	\$ 9,500,000

10. Estimated percent of inventory that would be Freeport qualified, if any: 100 %  
*Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired by a business and held for no more than 175 days before being shipped out of state. Fort Bend County does not offer the Freeport Exemption.*
11. Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified: None %
12. Employment information:

Number of new jobs to Fort Bend County	Number of existing jobs to be retained (if company currently located in Fort Bend)	Total Number of Jobs
30	525	555

13. Average salary (before benefits): \$40,000/per person
14. Amount of initial, annual local payroll to be created: \$1,200,000/PA
15. What are the estimated annual total sales at the new facility? What portion of the total sales will be subject to local (city) sales taxes? \$-0-
16. Does the company own a corporate airplane that would be housed at a local corporate airport in Fort Bend (i.e., Sugar Land Regional Airport or Houston Southwest Airport)? If so, what is the plane's value: None
17. Will the company's local business practices necessitate business travel that will bring clients or employees to the Fort Bend facility, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will



be booked locally: 100

18. If your company currently has operations elsewhere in the State of Texas, please list the name of the communities: None
19. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): 15%
20. Current owner of real property (land/building) at the time of application:  
API Realty LLC
21. Have you received or are you currently receiving tax abatement in Fort Bend:  
X Yes \_\_\_\_ No :- Yes Phase 2 and Phase 3A
22. Is this land currently under Agriculture Exemption: \_\_\_\_ Yes X No
- a. If so, what will be the increase in taxes paid annually to taxing authorities: *To be answered by GFBEDC - N/A*
- b. What is the value of roll back taxes to be collected as a result of being taken out of Ag Exemption: *To be answered by GFBEDC N/A*
23. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
24. Productive life of proposed improvements and/or initial term of lease:
25. Time of day activities will be taking place (i.e, # of shifts):
26. The costs to be incurred by local government to provide facilities or services directly resulting from the new improvements:  
*Explain any costs for development or depletion of infrastructure the city and/or water district are being asked to absorb, if any.*
27. Please provide wastewater information, including activities, facilities, plant processes, products, services, chemicals, materials, and hazardous substances that may be used or that may result from the activities to be conducted within the proposed improvements:
28. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:
29. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:
30. Public improvements to be made by the Company in which the public may benefit (please list if any):

31. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: No
32. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain.
33. Do you anticipate your relocation to attract other new businesses to the area? Please explain: N/A
34. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: None
35. The company agrees to participate in the continuing economic development process in Fort Bend County by continuing its Trustee membership (\$6,000/yr) in the GFBEDC, with the option to be a member of the board of Directors, for a minimum period coinciding with the term of any County abatement agreement granted on this project:   X   Yes        No Already a Paying Trustee Member  
*The County Commissioners' Court encourages the company's participation in the Council to support the continued economic growth in the County. The Court considers your decision in their evaluation of the project.*
36. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a. Repayment will be due no later than the 120th day after the date the City/County notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:

- a. (1) lawfully admitted for permanent residence to the United States; or
- b. (2) authorized under law to be employed in that manner in the United States.

In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these as soon as possible if they are not available at the time this EIS is submitted.

**CERTIFICATION:**

**I. APPLICANT:**

API Realty LLC/Accredo Packaging Inc. does hereby certify that all statements and representations made herein are accurate to the best of their knowledge and agree to comply with these terms.

By Authorized Representative:

Rex Varn  
Signature

12/11/20  
Date

Printed Name: Rex Varn  
Title: Executive Vice President

**II. CO-APPLICANT:**

(Name of Company) \_\_\_\_\_ does  
hereby certify that all statements and representations made herein are accurate to the best  
of their knowledge and agree to comply with these terms.

By Authorized Representative:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_ FBEDC

**III. GFBEDC**

The Greater Fort Bend Economic Development Council certifies that \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Has/have met the standard requirements and is qualified for value added tax abatement in Fort Bend County.

\_\_\_\_\_  
W. Jackson Belt  
Executive Vice President  
Greater Fort Bend Economic Development Council

\_\_\_\_\_  
Date

# EXHIBIT 3: ANNUAL COMPLIANCE CERTIFICATE



# **FORT BEND COUNTY TAX ABATEMENT** **ANNUAL COMPLIANCE CERTIFICATE**

**Due by September 1 of current tax year**

**Current Tax Year** \_\_\_\_\_

**This certification is being made on behalf of the OWNER / LESSEE (circle one)**  
**Each must prepare a separate report**

Per the terms of the tax abatement agreement between Fort Bend County, Fort Bend County  
Drainage District and

Owner \_\_\_\_\_ and

Lessee (if applicable) \_\_\_\_\_

dated \_\_\_\_\_ we are in compliance  
with the following terms of the agreement:

1. Construction of the improvements was completed on: \_\_\_\_\_
2. Certified statement regarding project costs was provided to the Fort Bend County Tax  
Assessor/Collector on: \_\_\_\_\_ (date)
3. Certificate of Occupancy was provided to the Fort Bend County Tax  
Assessor/Collector on: \_\_\_\_\_ (date)
4. Certified appraised value of the improvements as of January 1 \_\_\_\_\_ (current tax  
year) was \$ \_\_\_\_\_ which meets the required minimum value  
requirement of \$ \_\_\_\_\_.
5. Certified appraised value of the eligible property (if included in abatement agreement) as  
of January 1 \_\_\_\_\_ (current tax year) was \$ \_\_\_\_\_ which  
meets the required minimum value requirement of \$ \_\_\_\_\_.
6. Total number of employees employed at the improvement for current tax year is  
\_\_\_\_\_ which meets the required minimum value requirement of \_\_\_\_\_.
7. Owner / lessee (circle one) applied for/renewed membership in the Greater Fort Bend  
Economic Development Council as required in the abatement agreement on  
\_\_\_\_\_ (date).

8. Owner / lessee (circle one) filed the annual Application(s) for Property Tax Abatement Exemption (Form 50-116) with Fort Bend Central Appraisal District on

\_\_\_\_\_ (date).

9. If there are additional requirements under the specific abatement agreement(s) by and between Fort Bend County, Fort Bend County Drainage District, Owner / Lessee noted above, please list requirement(s) and certify compliance here:

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At this time, Owner/Lessee (circle one) wishes to designate a different mailing address for notices under the terms of this abatement agreement.

NEW NOTIFICATION ADDRESS:

To Owner / Lessee :

(circle one)

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Please indicate the basis for your authority to represent the property owner in filing this certificate:

\_\_\_\_\_ Officer of the company

\_\_\_\_\_ General Partner of the company

\_\_\_\_\_ Attorney for property owner

\_\_\_\_\_ Agent for tax matters appointed under Tax Code Section 1.111 (copy of completed Form 50-162 filed with Fort Bend Central Appraisal District)

I \_\_\_\_\_, swear or affirm the following:  
(print name)

- To the best of Company's knowledge and belief, each fact contained in this certificate is true and correct, and that Company is in compliance with the terms of the Agreement.
- Company understands that this Certificate is being relied upon by the County in connection with the tax abatement provided for in the Agreement.
- Company understands the consequences for noncompliance with the abatement agreement.
- The undersigned signatory has the legal and express authority to sign this Certificate on behalf of Company.

Signature of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

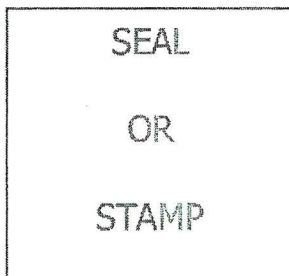
SWORN TO and SUBSCRIBED before me on this the \_\_\_\_\_ day

of \_\_\_\_\_ A.D. \_\_\_\_\_

NOTARY PUBLIC \_\_\_\_\_

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

MY COMMISSION EXPIRES \_\_\_\_\_



# CERTIFICATE OF INTERESTED PARTIES

**FORM 1295**

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY  
CERTIFICATION OF FILING**

**1 Name of business entity filing form, and the city, state and country of the business entity's place of business.**

API Realty LLC  
Sugar Land, TX United States

**Certificate Number:**  
2021-779314

**Date Filed:**  
07/15/2021

**Date Acknowledged:**  
08/25/2021

**2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.**

Fort Bend County (General Fund)

**3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.**

FBCGF Abatement 07072021  
Tax Abatement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

**5 Check only if there is NO Interested Party.**

**6 UNSWORN DECLARATION**

My name is \_\_\_\_\_, and my date of birth is \_\_\_\_\_.

My address is \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_.  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in \_\_\_\_\_ County, State of \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
(month) (year)

\_\_\_\_\_  
Signature of authorized agent of contracting business entity  
(Declarant)



EXHIBIT TWO:  
REQUEST FOR MODIFICATION FROM OWNER



**ACCREDITO**  
PACKAGING, INC.™

**Mr. Jack Belt**

Executive Vice President  
Fort Bend Economic Development Council  
1 Fluor Daniel Drive  
Sugar Land, TX 77478  
August 11, 2023

Dear Mr. Belt,

Re: Request for Amendment to Tax Abatement Agreement for Phase IV Office Building - Fort Bend County General Fund

API Realty LLC (Owner) has erstwhile executed a Tax Abatement Agreement for Phase IV – Office Building which was approved by Fort Bend County General Fund last year. The agreements have stipulated a project completion date of 7/1/2023.

As you are probably aware construction on this project is still underway and has been delayed beyond the expected completion date primarily due to delays in getting required parts due to supply chain issues and labor shortages faced by our contractor.

In light of the above, I am requesting that an amendment be made to the original Abatement Agreement to allow for a new completion date of 12/31/2023.

Will you be kind enough to forward this Letter Request for Amendment to Commissioner Myers, Pct 3 and to Mr. Carlos Guzman, Director of Economic Development and Opportunity. Thanks much for your assistance.

Sincerely

---

Chetan Negandhi  
Treasurer  
API Realty LLC



**ACCREDITO**  
PACKAGING, INC.™

**Mr. Jack Belt**

Executive Vice President  
Fort Bend Economic Development Council  
1 Fluor Daniel Drive  
Sugar Land, TX 77478  
August 11, 2023

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In light of the above, I am requesting that an amendment be made to the original Abatement Agreement to allow for a new completion date of 12/31/2023.

Will you be kind enough to forward this Letter Request for Amendment to Commissioner Myers, Pct 3 and to Mr. Carlos Guzman, Director of Economic Development and Opportunity. Thanks much for your assistance.

Sincerely

---

Chetan Negandhi  
Treasurer  
API Realty LLC

# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

API Realty LLC  
Sugar Land, TX United States

Certificate Number:  
2023-1053947

Date Filed:  
08/01/2023

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Fort Bend County (General Fund)

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

API Realty LLC  
First amendment to agreement : City of Sugar Land Reinvestment zone 2018-01 (Building IV)

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



### 6 UNSWORN DECLARATION

My name is Chetan D. Negandhi, and my date of birth is 01/16/1967.

My address is 7117 Argonne Trail, Sugarland, TX 77479 USA.  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in FORT BEND County, State of TEXAS, on the 1<sup>st</sup> day of AUGUST, 2023.  
(month) (year)

Negandhi  
Signature of authorized agent of contracting business entity  
(Declarant)



# CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.  
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

## OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

API Realty LLC  
Sugar Land, TX United States

Certificate Number:  
2023-1053967

Date Filed:  
08/01/2023

Date Acknowledged:

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Fort Bend County (Drainage District)

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

API REALTY LLC  
First amendment to agreement : City of Sugar Land Reinvestment zone 2018-01 (Building IV)

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary

5 Check only if there is NO Interested Party.



### 6 UNSWORN DECLARATION

My name is Chetan D. Negandhi, and my date of birth is 1/16/1967.

My address is 7117 Argonne Trail, Sugarland, TX, 77479, USA.  
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in FORT BEND County, State of TEXAS, on the 1<sup>st</sup> day of August, 2023.  
(month) (year)

Negandhi  
Signature of authorized agent of contracting business entity  
(Declarant)

STATE OF TEXAS

§

COUNTY OF FORT BEND

§

§

**FIRST AMENDMENT TO TAX ABATEMENT AGREEMENT BETWEEN  
FORT BEND COUNTY, API REALTY, LLC. AND  
ADVANCE POLYBAG (TEXAS) INC.**

This First Amendment of the Tax Abatement Agreement is made and entered into by and between FORT BEND COUNTY, TEXAS, a body politic, acting herein by and through its Commissioners Court, API REALTY, LLC, (hereinafter referred to as "Owner"), and ADVANCE POLYBAG (TEXAS) INC., (hereinafter referred to as "Assignor") each being parties to that certain Tax Abatement Agreement entered into by the parties on or about July 24, 2007, and ACCREDO PACKAGING, INC., (hereinafter referred to as "Assignee.")

WHEREAS, Fort Bend County, Texas, Owner and Assignor entered into a Tax Abatement Agreement on July 24, 2007, (hereinafter the "Agreement"); and

WHEREAS, the parties desire to amend a certain portion of the Agreement; and

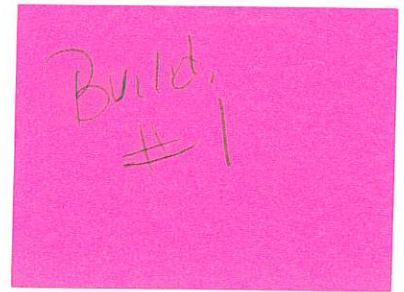
WHEREAS, Assignor desires to transfer its interest as owner of the personal property subject to the Agreement and assign all of its rights, interest and obligations as owner of the personal property under the Agreement to Assignee; and

WHEREAS, Fort Bend County, Owner, Assignor and Assignee desire to amend said Agreement as hereinafter set forth for the purposes described in this preamble;

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, Fort Bend County, Owner, Assignor and Assignee agree as follows:

Pursuant to and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, Texas Tax Code, and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones located in Fort Bend County, Texas, the Agreement is hereby amended as follows:

1. Any references in the Agreement to "Lessee" shall mean and refer to Accredo Packaging, Inc. as the owner of the personal property and improvements subject to the Agreement located in Reinvestment Zone No. 2006-03 created by the City of Sugar Land.
2. API Realty, LLC shall remain the Owner of all real property subject to the Agreement.



3. The Agreement is amended to the effect that all duties, obligations, and responsibilities imposed upon Lessee under the Agreement shall be imposed upon Accredo Packaging, Inc. and all agreements and representations made by Lessee in the Agreement shall be the agreements and representations of Accredo Packaging, Inc.
4. The representatives of Owner, Assignor and Assignee whose signatures execute this amendment represent and warrant to Fort Bend County that they have the requisite authority to enter into the Agreement and Amendment thereof.
5. The addresses set out in Section 16 of the July 24, 2007, Agreement for notices is hereby deleted in its entirety and the following addresses are substituted therefore:

To the Tax Assessor/Collector:      The Honorable Patsy Schultz  
Fort Bend County Tax Assessor-Collector  
500 Liberty, Suite 101  
Richmond, Texas 77469

To Owner:                                API Realty LLC  
1470 First Colony Blvd.  
Sugar Land, Texas 77479  
Attn: Janak Sheth, EVP

To Lessee:                                Accredo Packaging, Inc.  
1470 First Colony Blvd.  
Sugar Land, Texas 77479  
Attn: Janak K. Sheth, Executive VP and CFO

To County:                                Fort Bend County  
301 Jackson, Suite 719  
Richmond, Texas 77469  
Attention: County Judge

Copy to:                                    Fort Bend County Attorney  
301 Jackson, Suite 728  
Richmond, Texas 77469


6. **API REALTY, LLC AND ACCREDO PACKAGING, INC. SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**

7. Except as modified herein, the above referenced Agreement remains in full force and effect and has not been modified or amended.
8. The tax abatement shall apply for the tax years as stated in the Agreement. This amendment does not purport to extend the tax abatement to tax years beyond tax year 2019, as stated in the Agreement.
9. All future amendments, if any, of the Agreement shall require written consent of the Fort Bend County Commissioners Court.
10. The original Tax Abatement Agreement executed by and between Fort Bend County, API Realty, LLC and Advance Polybag (Texas) Inc. on July 24, 2007 is hereby adopted and incorporated by reference the same as if fully set forth verbatim herein for all purposes, subject only to the above described amendments.

IN TESTIMONY OF WHICH, THIS AMENDMENT shall be effective upon execution of all parties.

FORT BEND COUNTY


By:

  
Robert E. Hebert, County Judge

ATTEST:

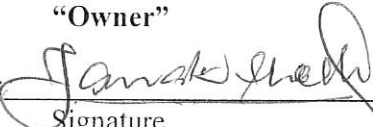
Date:

3-3-09

  
Dianne Wilson, County Clerk

API REALTY, LLC  
"Owner"

By:

  
Signature

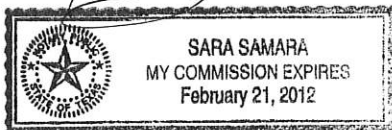
JAAAK K. SARETH, EVP & CFO  
Printed name & title

Date:

2-20-2009

ATTEST:







ACCREDITO PACKAGING, INC.

"Assignee"

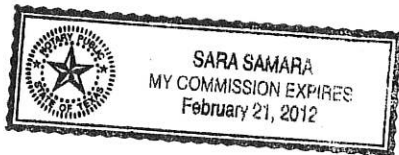
By:

Signature

JANAK K. SETHI, EVP & CFO  
Printed name & title

Date: 2-20-2009

ATTEST:



ADVANCE POLYBAG (TEXAS) INC.

"Assignor"

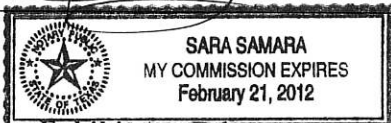
By:

Signature

JANAK K. SETHI, EVP & CFO  
Printed name & title

Date: 2-20-2009

ATTEST:



Attachments: **Exhibit A** – February 11, 2009 request for Assignment  
**Exhibit B** – July 24, 2007 Tax Abatement Agreement

MER:API Realty, LLC. Amendment. 3195-111

## EXHIBIT A

>>> <janak.sheth@apicorp.com> 2/11/2009 5:20 PM >>>

Dear Ms. Reveles:

Thanks for your feedback, forwarded to me by Mr. Jack Belt. As I do not have your address to which I could send the letter, I hope you would not mind my sending the em-mail, instead.

We hereby request assignment of "personal property abatement" and other pertinent incentives (except on the real estate) from Advance Polybag Texas, Inc. to **ACCREDITO PACKAGING, INC.** Upon the advice of our attorneys, and after due deliberation by the management team, we have reached this conclusion. Accredo Packaging, Inc. has the same shareholders, and in the same ratio of equity ownership. The change in the name for the corporation has been triggered by various factors including the fact that Advance Polybag name is perceived as synonymous with "T-shirt" bags (or grocery carry out bags). Undoubtedly, we are a significant player in the "T-shirt" manufacturing; however, the new business we are starting would be highly sophisticated (and technically far superior) packaging business (as compared to a commodity business of "T-shirt" manufacturing).

Should you need any further information, or explanations, we shall be glad to comply. You may please note that I would be the main contact point ; and if for some reason I am not available, please feel free to contact my assistant Ms. Jewell Dillard. thank you for your cooperation.

**Janak K. Sheth**

Executive Vice President

Advance Polybag, Inc.

Tel: 713-580-4800

Fax: 713-580-6595

## EXHIBIT B

STATE OF TEXAS                   §  
  §  
COUNTY OF FORT BEND       §

### TAX ABATEMENT AGREEMENT BETWEEN FORT BEND COUNTY, API REALTY, LLC. AND ADVANCE POLYBAG (TEXAS) INC.

This Tax Abatement Agreement, hereinafter referred to as "Agreement," is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as "County," acting by and through its Commissioners' Court, and **API REALTY, LLC**, owner of the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as "Owner," and **ADVANCE POLYBAG (TEXAS) INC.**, owner of the eligible property located within the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as "Lessee."

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the County's Commissioners Court on January 2, 2006. The County has determined that the request for Tax Abatement presented by Owner and Lessee conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of the County has an interest in the property subject to this Agreement.

2. **Definition:**

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

- a. The "**Certified Appraised Value or Value**" means the value certified as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 2006-03 by the Fort Bend County Central Appraisal District.

**"Improvements"** means buildings and structures and other improvements, containing approximately 150,000 square feet to be used as a corporate office and warehouse, and any sidewalks, parking lots, outdoor lighting, landscaping and other and related improvements to serve the building, which are erected by Owner on the property after the execution date of this Agreement.

**"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2006-03 designated for economic development purposes.

**"Eligible Property"** Abatement may be extended to the value of buildings and structures as defined in the Texas Tax Code including fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 5(c).

**"Ineligible Property"** means land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.

**"Real Property"** means the 13.55 acre tract of land located within City of Sugar Land Reinvestment Zone No. 2006-03, described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.

**"Owner"** means API REALTY, LLC, the Owner of the real property and improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners' Court.

**"Lessee"** means ADVANCE POLYBAG (TEXAS) INC., the lessee of the real property and Improvements from Owner and owner of the Eligible Personal Property subject to this Agreement.

**"County"** means the County of Fort Bend, Texas.

**"District"** means Fort Bend County Central Appraisal District.



3. **Subject Property**

City of Sugar Land Reinvestment Zone No. 2006-03 is an area located in Fort Bend County, Texas, being legally described in Exhibit "A" attached hereto and incorporated herein for all purposes. The Fort Bend County Appraisal District has established the base year values for the subject property as of January 1, 2007.

4. **Responsibility of Owner and Lessee**

In consideration of receiving the tax abatement granted herein, the Owner and Lessee represent and agree:

- (a) That construction of the Improvements shall be completed on or before January 1, 2009. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$9,000,000 project costs with respect to the Improvements within thirty (30) days after completion of the Improvements to be constructed by Owner.
- (b) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2009, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$20,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (c) That the Certified Appraised Value of inventory on January 1, 2009, and on each January 1 thereafter during the term of this Agreement will not be less than \$5,000,000.
- (d) That Lessee will employ at least ten (10) full-time persons beginning January 1, 2009 continuously through December 31, 2018. Lessee shall provide Tax Assessor/Collector a certified statement of the number of full-time employees employed each September 1 throughout the term of this agreement. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (e) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.

- (f) That either the Owner or Lessee will participate in the continuing economic development process in Fort Bend County by becoming a trustee member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (g) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (h) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

**5. Value and Term of Abatement**

(a) This Agreement shall be effective on the date executed by the County, Owner or Lessee, whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2018. In no event shall this agreement extend beyond December 31, 2018.

This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's and Lessee's obligation upon default to pay to the County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined

in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for

following years and in the following amounts on the Value of the Improvements and Eligible Property as defined in Section 2(d) above:

<u>Tax Year</u>	<u>Percentage Abatement</u>
2009	50%
2010	50%
2011	50%
2012	50%
2013	50%
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%

**TOTAL = 500%**

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property or Ineligible Property as defined in Section 2(e) above.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If the Owner and/or Lessee protest the District's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, the Owner Lessee shall certify in writing to Fort Bend County Tax Assessor/Collector that each party is in compliance with each term of this Agreement.

6. **Taxability**

During the period that this tax abatement is effective, taxes shall be payable as follows:

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory;
- (b) The Value of existing Improvements and Eligible Property shall be determined annually by the Central Appraisal District.

7. **Event of Default**

- (a) The County may declare the Owner and Lessee in default of this Agreement if: (1) the Owner or Lessee fails to comply with any term of this Agreement; (2) allows County ad valorem taxes on the Land, or any property located thereon, to become delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.
- (b) The County shall notify Owner and Lessee of any default in writing specifying the default. The Owner or Lessee shall each have thirty (30) days from the date of the notice to cure any default. If the Owner or Lessee fails to cure the default, the County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the County, the Owner and Lessee agree that they are liable for and will pay to the County within thirty (30) days of the termination of this Agreement:
  - (1) The amount of all property taxes abated under this Agreement;
  - (2) Interest on the abated amount at the rate provided for in the Tax Code for delinquent taxes; and
  - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TAX CODE for delinquent taxes.
- (d) The County shall have a lien against the Owner's real property and improvements, and the Lessee's eligible personal property for the taxes and interest owed because of the recapture of taxes under this paragraph.

8. **Administration and Inspection**

- (a) This Agreement shall be administered on behalf of the Fort Bend County Tax



Assessor/Collector or her designee. The Owner and Lessee shall allow employees or other representatives of the County who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. A representative of the Owner or Lessee may accompany the inspector.

(b) Upon completion of the contemplated construction, the County shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner and Lessee.

(c) The Chief Appraiser of the Fort Bend County Appraisal District shall annually determine (1) the taxable value under the terms of this abatement of the real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other property otherwise located at or about the Owner's or Lessee's premises. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture.

(d) The Owner and Lessee shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of the abatement. Such information shall also be provided to the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Lessee's payroll records.

9. **Assignment**

(a) This Agreement may not be assigned without prior written consent of the County. No assignment shall be effective or approved if either the County has declared a default hereunder which

has not been cured or the new Owner is delinquent in the payment of ad valorem taxes owed to the County. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in the first Abatement Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

**10. Indemnity**

It is understood and agreed between the parties that API Realty, LLC, and Advance Polybag (Texas) Inc., in performing their obligations hereunder, are acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. API REALTY, LLC. AND ADVANCE POLYBAG (TEXAS) INC. AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE COUNTY AND THE CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF API REALTY, LLC.'S AND/OR ADVANCE POLYBAG (TEXAS) INC.'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. API REALTY, LLC.'S AND ADVANCE POLYBAG (TEXAS) INC.'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT OF REASONABLE ATTORNEY'S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. API REALTY, LLC. AND ADVANCE POLYBAG (TEXAS) INC. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLEY BY API REALTY, LLC AND/OR

ADVANCE POLYBAG (TEXAS) INC., NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND API REALTY, LLC. AND ADVANCE POLYBAG (TEXAS) INC. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

**11. Force Majeure**

If by reason of force majeure, the Owner or Lessee is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the County in writing within ten (10) calendar days of the occurrence relied upon. The obligation of Owner and Lessee to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall mean acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the Federal or State government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure of the system or water supply system; or any other cause not reasonably within the control of Owner and Lessee.

**12. Commissioners Court Approval**

This Agreement is conditioned entirely upon the approval of the Commissioners' Court by the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

**13. Compliance with State and Local Regulations**

This Agreement shall not be construed to alter or affect the obligations of Owner or Lessee to comply with any city ordinance or federal or state law or regulation.

**14. Changes in Tax Laws**

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

**15. Miscellaneous**

(a) This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event of 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 any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

**16. Notices**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the Owner or Lessee at the mailing addresses as hereinafter set out. If mailed, any notice of communication 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 Owner or Lessee or the County at the following addresses:

**To the Tax Assessor/Collector:** The Honorable Patsy Schultz  
Fort Bend County Tax Assessor-Collector  
500 Liberty, Suite 101  
Richmond, Texas 77469

**To Owner:** API Realty LLC  
1470 First Colony Blvd.  
Sugar Land, Texas 77479  
Attn: Janak Sheth, EVP

**To Lessee:** Advance Polybag (Texas) Inc  
1470 First Colony Blvd.  
Sugar Land, Texas 77479  
Attn: Janak Sheth, EVP

**To County:** Fort Bend County  
301 Jackson, Suite 719  
Richmond, Texas 77469  
Attention: County Judge

**Copy to:** Fort Bend County Attorney  
301 Jackson, Suite 728  
Richmond, Texas 77469

Either party may designate a different address by giving the other party ten (10) days written notice thereof. **Failure of Owner or Lessee to provide the County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

**17. Entire Agreement; Ordinance and Economic Impact Statement**

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto are Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03, and Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.


**18. Execution**

**IN TESTIMONY OF WHICH, THIS AGREEMENT** has been executed by the County, and Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of API Realty, LLC. and Advance Polybag (Texas)




Inc. have full authority to execute this Agreement and bind or API Realty, LLC. and Advance Polybag (Texas) Inc. to the same.

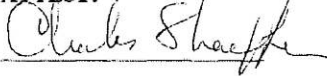
ATTEST:

  
Dianne Wilson, County Clerk

ATTEST:

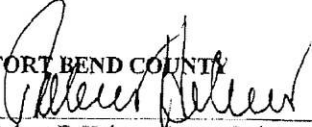


ATTEST:



By:

FORT BEND COUNTY

  
Robert E. Hebert, County Judge

Date: July 24, 2007

API REALTY, LLC

By:

  
Signature

JANAK K. SHETH, EVP & CFO  
Printed name & title

Date: 7-20-2007

ADVANCE POLYBAG (TEXAS) INC.

By:

  
Signature

JANAK K. SHETH, EVP & CFO  
Printed name & title

Date: 7-20-2007

Attachments: Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03  
Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement

mcr\API Realty, LLC.3195-111.6(07182007)

**EXHIBIT A**

**ORDINANCE NO. 1565**

**AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2006-03 FOR 14.713 ACRES OF LAND LOCATED NORTH OF REED ROAD, WEST OF DAIRY ASHFORD ROAD AND EAST OF INDUSTRIAL BOULEVARD.**

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code § 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That Reinvestment Zone No. 2006-03 is created for the real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

**Section 2.** That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

**Section 3.** That Reinvestment Zone No. 2006-03 expires five years from the date of this ordinance.

APPROVED on first consideration on \_\_\_\_\_, 2006.

rs2006-03ord  
4/11/06

ADOPTED upon second consideration on \_\_\_\_\_, 2006.

\_\_\_\_\_  
David G. Wallace, Mayor

ATTEST:

\_\_\_\_\_  
Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:

*Regina A. Clark*

Attachment: Exhibit A - Property Description (4 pages)

County: Fort Bend  
Project: Sugar Land Central - Industrial Tract 2  
C.I. No.: 1047-06 (sketch prepared)  
Job Number: 2000006-053

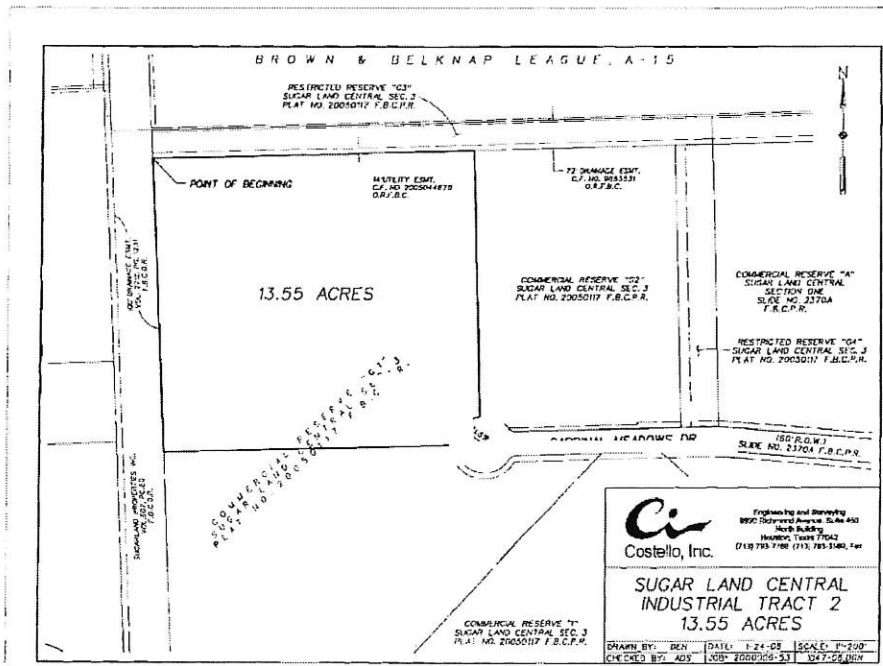
**METES AND BOUNDS DESCRIPTION FOR 13.55 ACRES**

Being a 13.55 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 13.55 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 13.55 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

Beginning at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the O.R.F.B.C.;

1. Thence, with the north line of said Commercial Reserve "G1" and south line of said Restricted Reserve "G3", North 88 degrees 28 minutes 04 seconds East, a distance of 798.42 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the most northerly northeast corner of said Commercial Reserve "G1" and northwest corner of Commercial Reserve "G2" of said Sugar Land Central Section Three;
2. Thence, with an east line of said Commercial Reserve "G1" and west line of said Commercial Reserve "G2", South 01 degrees 31 minutes 56 seconds East, a distance of 679.64 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for an exterior corner of said Commercial Reserve "G1" and southwest corner of said Commercial Reserve "G2", said iron rod also being on the north right-of-way line of a cul-de-sac for Cardinal Meadows Drive recorded in Slide No. 2370A of the F.B.C.P.R.;
3. Thence, with said right-of-way line, 101.37 feet along the arc of a curve to the left, said curve having a central angle of 81 degrees 13 minutes 49 seconds, a radius of 71.50 feet and a chord that bears South 39 degrees 04 minutes 59 seconds West, a distance of 93.09 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set;
4. Thence, leaving said right-of-way line through and across aforesaid Commercial Reserve "G1", South 88 degrees 28 minutes 04 seconds West, a distance of 723.35 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set on the west line of said Commercial Reserve "G1" and east line of aforesaid 100-foot wide drainage easement;
5. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 750.45 feet to the Point of Beginning and containing 13.55 acres of land.





REINVESTMENT ZONE NO. 2006-03 ORDINANCE Page 4



County: Fort Bend  
Project: Sugar Land Central - Industrial Tract 2B  
C.I. No.: 1090-06 (sketch prepared)  
Job Number: 2000006-053

**METES AND BOUNDS DESCRIPTION FOR 1.163 ACRES**

Being a 1.163 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 1.163 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 1.163 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

Commencing at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the Official Records of Fort Bend County;

Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 750.45 feet to the Point of Beginning and northwest corner of the herein described tract;

1. Thence, leaving the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 88 degrees 28 minutes 04 seconds East, a distance of 65.01 feet;
2. Thence, 65-foot east of and parallel with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 778.75 feet;
3. Thence, South 87 degrees 21 minutes 46 seconds West, a distance of 65.00 feet to the west line of said Commercial Reserve "G1" and east line of said drainage easement;
4. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 780.00 feet to the Point of Beginning and containing 1.163 acres of land.





Advanced Polybag

**Annual Taxes Collected @ 50% Abatement:**

(Based on assumption of 10-year agreement))

Location: Sugar Land Business Park (150,000 sq. ft.)\*

	Est. Value	City	County	MUD	FBISD
		\$0.31711	\$0.51674	\$0.47	\$1.69
Real Property	\$10,000,000.00	\$15,855.50	\$25,837.00	\$23,500.00	\$169,000.00
Personal Property	\$10,000,000.00	\$15,855.50	\$25,837.00	\$23,500.00	\$169,000.00
Inventory	\$6,000,000.00	\$19,026.60	\$31,004.40	\$28,200.00	\$101,400.00
<b>Total</b>	<b>\$26,000,000.00</b>	<b>\$50,737.60</b>	<b>\$82,678.40</b>	<b>\$75,200.00</b>	<b>\$439,400.00</b>

\* Based on 2005 tax rates

\*\* New real & personal property improvement only **Total Taxes Paid by Applicant Annually: \$ 648,016.00**

**Expiration of Abatement - Annual Taxes Collected**

Location: Sugar Land Business Park (150,000 sq. ft.)\*

	Est. Value	City	County	MUD	FBISD
		\$0.31711	\$0.51674	\$0.47	\$1.69
Real Property	\$10,000,000.00	\$31,711.00	\$51,674.00	\$47,000.00	\$169,000.00
Personal Property	\$10,000,000.00	\$31,711.00	\$51,674.00	\$47,000.00	\$169,000.00
Inventory	\$6,000,000.00	\$19,026.60	\$31,004.40	\$28,200.00	\$101,400.00
<b>Total</b>	<b>\$26,000,000.00</b>	<b>\$82,448.60</b>	<b>\$134,352.40</b>	<b>\$122,200.00</b>	<b>\$439,400.00</b>

\* Based on 2005 tax rates

\*\* New property improvement only **Total Taxes Paid by Applicant Annually: \$778,401.00**

## CITY OF SUGAR LAND

### APPLICATION FOR AD VALOREM TAX ABATEMENT

*The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the City's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the City, impact on local infrastructure, and impact (good or bad) on existing businesses in the City.*

1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Fort Bend.

Adbvance Polybag, Inc. has five plants in the USA and one in Thailand. The company is strongly considering relocating their facility in Metairie, Louisiana to the Houston area. They plan to relocate their Headquarters and operations. All of its assembly facilities make plastic (HDPE) bags from the plastic pallets. The film is extruded from the pallets, printed as per the customer needs and dye cut to make carry out bags.

2. Information About Your Company

Company Name: Advanced Polybag Texas Inc. and API Realty LLC	
Contact Person: Janak Sheth	Title: Executive VP and & CFO
Current Address: 3500 S. Gessner Road, Suite 225; Houston TX 77063-5128	
Office #: 713-580-4800	Mobile #: 504-606-6368
Fax #: 713-580-6595	Website: www.apicorp.com
Email Address:	
The Company's Primary SIC Code:	

3. Name of entity that will own the building:
4. Type of project (check all that apply):
  - ☐ Existing business in Fort Bend County
  - ☐ Existing business in Sugar Land
  - ☒ New business to Sugar Land/Fort Bend County
  - ☐ Expansion of existing facility
  - ☒ Construction of new facility
  - ☐ Company will lease facility
  - ☒ Company will own facility

2700 Town Center Blvd. North | Sugar Land, TX 77479-0110 | tel: (281) 275-2229 | fax: (281) 275-2217

X Corporate/Regional Headquarters

5. Location of proposed site(s) in Sugar Land (street address or nearest street intersection):

Northwest corner of corner of cul de sac of Cardinal Meadows Drive within the Pelec Development project.

6. Scope of project:

Size of new facility/expansion:	150,000 sq. ft.(Phase I)
Size of existing facility (if applicable):	N/A
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	14.71-acres
Type of Construction (tilt wall, metal, concrete, etc.):	Tilt Wall per deed restrictions

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

60% Distribution/Warehouse/Assembly      20% Office      20% Light Manufacturing

8. Truck traffic to be generated (# daily or weekly):

30 per month

9. Targeted start of construction:

August

10. Targeted start of operations:

9-10 months

11. Market value (taxable assets) of the firm's property that would be located at the facility in Sugar Land (new property to Sugar Land):

<u>Land</u>	<u>Building Improvements</u>	<u>Furniture, Fixtures &amp; Equipment</u>	<u>Inventory</u>	<u>Total</u>
\$1.3 mil	\$10 mil.	\$10 mil.	\$6 mil.	\$27.3 mil.

12. Estimated percent of inventory that would be Freeport qualified: 80%

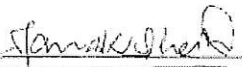
*Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state.*



13. Employment information:

<u>New Jobs Created</u>	<u>Existing Jobs Retained</u>	<u>Total Number of Jobs</u>
<u>40</u>	<u>n/a</u>	<u>40</u>

14. Average salary (before benefits): \$48,000
15. Amount of initial, annual local payroll to be created: \$1,920,222
16. The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land: \$250,000
- ~~17.~~ Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company: No
18. Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value: No
19. Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally? Quarterly Meeting for sales staff – 100 room nights per year.
- ~~20.~~ A draft site plan and a metes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before these documents can be drafted. ~~Received~~

  
Signature  
Executive Vice President  
Title  
5/15/06  
Date

2700 Town Center Blvd. North | Sugar Land, TX 77479-0110 | Tel: (281) 275-2229 | Fax: (281) 275-2217

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**COUNTY OF FORT BEND**

§

**TAX ABATEMENT AGREEMENT BETWEEN  
FORT BEND COUNTY,  
API REALTY, LLC. AND ACCREDO PACKAGING, INC.**

This Tax Abatement Agreement, hereinafter referred to as “Agreement,” is executed by and between **FORT BEND COUNTY, TEXAS**, hereinafter referred to as “County,” acting by and through its Commissioners’ Court, and **API REALTY, LLC**, owner of the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as “Owner,” and **ACCREDITO PACKAGING, INC.**, owner of the eligible property located within the tract of land located within the City of Sugar Land Reinvestment Zone No. 2006-03, hereinafter referred to as “Lessee.”

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, which was approved by the County's Commissioners Court on February 3, 2009. The County has determined that the request for Tax Abatement presented by Owner and Lessee conforms with the criteria established in the Guidelines for Tax Abatement.
- c. No official of the County has an interest in the property subject to this Agreement.

2. **Definition:**

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

- a. The “**Certified Appraised Value or Value**” means the value certified as of January 1 of each year of this Agreement regarding the property within City of Sugar Land Reinvestment Zone No. 2006-03 by the Fort Bend County Central Appraisal District.

- b. **“Improvements”** means a building to be used as an office building and warehouse, containing approximately 171,000 square feet of floor space, and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all shown on Exhibit A, attached hereto and incorporated by reference as if set forth herein verbatim for all purposes.
- c. **“Abatement”** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2006-03 designated for economic development purposes.
- d. **“Eligible Property”** Abatement may be extended to the value of buildings and structures as defined in the Texas Tax Code including fixed machinery and equipment, site improvements, and related fixed improvements necessary to the operation and administration of the facility. Eligible Property is subject to abatement under the same terms as Improvements only if specifically included in Section 5(c).
- e. **“Ineligible Property”** means land, existing improvements, tangible personal property that the Fort Bend Central Appraisal District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- f. **“Real Property”** means the 13.55 acre tract of land located within City of Sugar Land Reinvestment Zone No. 2006-03, described in Exhibit “A” attached hereto and incorporated by reference herein for all purposes.
- g. **“Owner”** means **API REALTY, LLC**, the Owner of the real property and improvements subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners’ Court.
- h. **“Lessee”** means **ACCREDITO PACKAGING, INC.**, the lessee of the real property and Improvements from Owner and owner of the Eligible Personal Property subject to this Agreement.
- i. **“County”** means the County of Fort Bend, Texas.
- j. **“District”** means Fort Bend County Central Appraisal District.

### 3. **Subject Property**

City of Sugar Land Reinvestment Zone No. 2006-03 is an area located in Fort Bend County, Texas, being legally described in Exhibit “A” attached hereto and incorporated herein for all purposes. The Fort Bend County Appraisal District has established the base year values for the subject property as of January 1, 2010.

**4. Responsibility of Owner and Lessee**

In consideration of receiving the tax abatement granted herein, the Owner and Lessee represent and agree:

- (a) That construction of the Improvements shall be completed on or before January 1, 2012. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$9,000,000 project costs with respect to the Improvements within sixty (60) days after completion of the Improvements to be constructed by Owner.
- (b) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2012, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$30,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (c) That the Certified Appraised Value of inventory on January 1, 2012, and on each January 1 thereafter during the term of this Agreement will not be less than \$1,000,000.
- (d) That Lessee will create at least forty-five (45) new full-time persons beginning January 1, 2012 continuously through December 31, 2021. Lessee shall provide Tax Assessor/Collector a certified statement of the number of full-time employees employed each September 1 throughout the term of this agreement. Failure to meet the requirements of this section will invalidate the tax abatement for that year.
- (e) That Owner and Lessee have, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That either the Owner or Lessee will participate in the continuing economic development process in Fort Bend County by becoming a trustee member of

the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.

- (g) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.**
- (h) **OWNER AND LESSEE SHALL BE RESPONSIBLE FOR REQUESTING AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD. FAILURE TO NOTIFY THE TAX ASSESSOR-COLLECTOR OF ANY SALE OF THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT SHALL RESULT IN IMMEDIATE DEFAULT OF THIS AGREEMENT.**

**5. Value and Term of Abatement**

(a) This Agreement shall be effective on the date executed by the County, Owner or Lessee, whichever is later, and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2021. In no event shall this agreement extend beyond December 31, 2021. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's and Lessee's obligation upon default to pay to the County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year that this Agreement is in effect, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements.

(c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the Value of the Improvements and Eligible Property as defined in Section 2(d) above:

**Tax Year**

**Percentage Abatement**



2012	50%
2013	50%
2014	50%
2015	50%
2016	50%
2017	50%
2018	50%
2019	50%
2020	50%
2021	50%

**TOTAL = 500%**

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property or Ineligible Property as defined in Section 2(e) above.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If the Owner and/or Lessee protest the District's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, the Owner Lessee shall certify in writing to Fort Bend County Tax Assessor/Collector that each party is in compliance with each term of this Agreement.

## **6. Taxability**

During the period that this tax abatement is effective, taxes shall be payable as follows:

- (a) The Value of Real Property and Ineligible Property shall be fully taxable, including inventory;
- (b) The Value of existing Improvements and Eligible Property shall be determined annually by the Central Appraisal District.

**7. Event of Default**

- (a) The County may declare the Owner and Lessee in default of this Agreement if: (1) the Owner or Lessee fails to comply with any term of this Agreement; (2) allows County ad valorem taxes on the Land, or any property located thereon, to become delinquent; (3) vacates any of the improvements subject to the agreement before the term of the abatement.
- (b) The County shall notify Owner and Lessee of any default in writing specifying the default. The Owner or Lessee shall each have thirty (30) days from the date of the notice to cure any default. If the Owner or Lessee fails to cure the default, the County may terminate this Agreement by written notice.
- (c) If this Agreement is terminated by the County, the Owner and Lessee agree that they are liable for and will pay to the County within thirty (30) days of the termination of this Agreement:
  - (1) The amount of all property taxes abated under this Agreement;
  - (2) Interest on the abated amount at the rate provided for in the Tax Code for delinquent taxes; and
  - (3) Penalties on the amount abated in the year of default, at the rate provided for in the TAX CODE for delinquent taxes.
- (d) The County shall have a lien against the Owner's real property and improvements, and the Lessee's eligible personal property for the taxes and interest owed because of the recapture of taxes under this paragraph.
- (e) This paragraph is required by Chapter 2264, TEXAS GOVERNMENT CODE and governs over any conflicting provisions of this Agreement. Owner and Lessee are prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, TEXAS GOVERNMENT CODE. If Owner or Lessee is convicted of a violation under 8 U.S.C. Section 1324a(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, County shall provide written notice to Owner and Lessee of the default and this Agreement shall

automatically terminate on the 30<sup>th</sup> day after the date of the notice of default from County to Owner and Lessee. In the event of termination under this paragraph, Owner or Lessee shall repay to County the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.

**8. Administration and Inspection**

(a) This Agreement shall be administered on behalf of the Fort Bend County Tax Assessor/Collector or her designee. The Owner and Lessee shall allow employees or other representatives of the County who have been designated by the Tax Assessor/Collector to have access to the reinvestment zone during the term of the Agreement. All regular inspections shall be made only after twenty-four (24) hours prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction and/or operation of the facility. A representative of the Owner or Lessee may accompany the inspector.

(b) Upon completion of the contemplated construction, the County shall annually evaluate the facility to ensure compliance with the terms and provisions of this Agreement and shall report possible defaults to the Owner and Lessee.

(c) The Chief Appraiser of the Fort Bend County Appraisal District shall annually determine (1) the taxable value under the terms of this abatement of the real property subject to this Agreement and (2) the full taxable value without abatement of the real property and other property otherwise located at or about the Owner's or Lessee's premises. The Chief Appraiser shall record both abatement taxable value and full taxable value in the appraisal records. The full taxable value figure listed in the appraisal records shall be used to compute the amount of abated taxes that is terminated in a manner that results in recapture.

(d) The Owner and Lessee shall furnish the Chief Appraiser annually such information as provided for under Chapter 22 of the TEXAS TAX CODE as may be necessary for the administration of

the abatement. Such information shall also be provided to the County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement, including Lessee's payroll records.

**9. Assignment**

(a) This Agreement may not be assigned without prior written consent of the County. No assignment shall be effective or approved if either the County has declared a default hereunder which has not been cured or the new Owner is delinquent in the payment of ad valorem taxes owed to the County. Approval shall not be unreasonably withheld.

(b) Any and all assignments shall contain the same terms and conditions as set out in the first Abatement Agreement and shall be granted for the remaining term of the original tax abatement agreement only.

**10. Indemnity**

It is understood and agreed between the parties that API Realty, LLC, and Accredo Packaging, Inc., in performing their obligations hereunder, are acting independently, and the County assumes no responsibilities or liabilities in connection therewith to third parties. **API REALTY, LLC. AND ACCREDO PACKAGING, INC. AGREE TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE COUNTY AND THE CENTRAL APPRAISAL DISTRICT FROM ANY AND ALL CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF API REALTY, LLC.'S AND/OR ACCREDO PACKAGING, INC.'S OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF LIABILITIES RESULTING FROM THE NEGLIGENCE OF THE COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. API REALTY, LLC.'S AND ACCREDO PACKAGING, INC.'S INDEMNIFICATION OBLIGATIONS INCLUDE THE PAYMENT**

**OF REASONABLE ATTORNEY’S FEES AND EXPENSES INCURRED IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, AND CAUSES OF ACTION. API REALTY, LLC. AND ACCREDO PACKAGING, INC. SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY THE COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLEY BY API REALTY, LLC AND/OR ACCREDO PACKAGING, INC., NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION AND API REALTY, LLC. AND ACCREDO PACKGAING, INC. SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.**

**11. Force Majeure**

If by reason of force majeure, the Owner or Lessee is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to the County in writing within ten (10) calendar days of the occurrence relied upon. The obligation of Owner and Lessee to the extent and for the period of time affected by the force majeure, shall be suspended. Owner and Lessee shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, “force majeure” shall mean acts of God, landslides, lightning, earthquakes, hurricanes, storms, floods, or other natural occurrences; strikes, lockouts, insurrections, riots, wars or other civil or industrial disturbances; orders of any kind of the Federal or State government or of any civil or military authority; explosions, fires, breakage or accidents to machinery, lines, or equipment, or the failure of the system or water supply system; or any other cause not reasonably within the control of Owner and Lessee.

**12. Commissioners Court Approval**

This Agreement is conditioned entirely upon the approval of the Commissioners’ Court by

the affirmative vote of a majority of the members present at a duly scheduled meeting of the Commissioner's Court.

**13. Compliance with State and Local Regulations**

This Agreement shall not be construed to alter or affect the obligations of Owner or Lessee to comply with any city ordinance or federal or state law or regulation.

**14. Changes in Tax Laws**

The tax abatement provided in this Agreement is conditioned upon and subject to any changes in the state tax laws during the term of this Agreement.

**15. Miscellaneous**

(a) This Agreement shall be construed under and in accord with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Fort Bend County, Texas.

(b) In the event of 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 any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(c) The waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach.

(d) Any amendments of this Agreement shall be of no effect unless in writing and signed by both parties hereto.

**16. Notices**

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



Post Office, addressed to the Owner or Lessee at the mailing addresses as hereinafter set out. If mailed, any notice of communication 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 Owner or Lessee or the County at the following addresses:

To the <b>Tax Assessor/Collector:</b>	The Honorable Patsy Schultz Fort Bend County Tax Assessor-Collector 500 Liberty, Suite 101 Richmond, Texas 77469
<b>To Owner:</b>	API Realty LLC 1470 First Colony Blvd. Sugar Land, Texas 77479 Attn: Janak Sheth, EVP
<b>To Lessee:</b>	Accredo Packaging, Inc. 1470 First Colony Blvd. Sugar Land, Texas 77479 Attn: Janak K. Sheth, Executive VP and CFO
<b>To County:</b>	Fort Bend County 301 Jackson, Suite 719 Richmond, Texas 77469 Attention: County Judge
<b>Copy to:</b>	Fort Bend County Attorney 301 Jackson, Suite 728 Richmond, Texas 77469

Either party may designate a different address by giving the other party ten (10) days written notice thereof. **Failure of Owner or Lessee to provide the County Tax Assessor/Collector thirty (30) days notice of a change of address may result in termination of this Agreement.**

#### **17. Entire Agreement; Ordinance and Economic Impact Statement**

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. Attached hereto are Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03, and Exhibit B – Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

**18. Execution**

**IN TESTIMONY OF WHICH, THIS AGREEMENT** has been executed by the County, and Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of API Realty, LLC. and Accredo Packaging, Inc. have full authority to execute this Agreement and bind or API Realty, LLC. and Accredo Packaging, Inc. to the same.

**FORT BEND COUNTY**

**By:** \_\_\_\_\_  
Robert E. Hebert, County Judge

**Date:** \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Dianne Wilson, County Clerk

**API REALTY, LLC**

**By:** \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name & title

**Date:** \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_

**ACCREDITO PACKAGING, INC.**

**By:** \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name & title

**Date:** \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_

Attachments: Exhibit A – Ordinance No. 1565 Designating Reinvestment Zone No. 2006-03  
Exhibit B – Economic Impact Statement/Application for Value Added Tax  
Abatement

I:\mer\Tax Abatement\API Realty, LLC.3195-111.2<sup>nd</sup> Bldg

Exhibit A

**ORDINANCE NO. 1565**

**AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2006-03 FOR 14.713 ACRES OF LAND LOCATED NORTH OF REED ROAD, WEST OF DAIRY ASHFORD ROAD AND EAST OF INDUSTRIAL BOULEVARD.**

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tax Code . 312 et seq.) authorizes cities to create reinvestment zones and enter into tax abatement agreements with the owners of qualifying properties in reinvestment zones; and

WHEREAS, the City has received an application requesting tax abatement for real property improvements to be located in the zone; and

WHEREAS, the zone is eligible for tax abatement; and

WHEREAS, a public hearing, for which notice was given as required by law, was held at which interested persons were given an opportunity to present evidence for and against the creation of the zone; and

WHEREAS, the City Council has found that the improvements sought to be located in the proposed reinvestment zone are feasible and practical and would be a benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement; and

WHEREAS, the creation of the reinvestment zone will be reasonably likely to contribute to the retention or expansion of primary employment or to attract major investment into the zone that would be a benefit to the property located therein and that will contribute to the economic development of the City of Sugar Land; NOW, THEREFORE,

**BE IT ORDAINED BY THE CITY COUNCIL  
OF THE CITY OF SUGAR LAND, TEXAS:**

**Section 1.** That Reinvestment Zone No. 2006-03 is created for the real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

**Section 2.** That the Reinvestment Zone created herein is eligible for commercial-industrial tax abatement as provided by law.

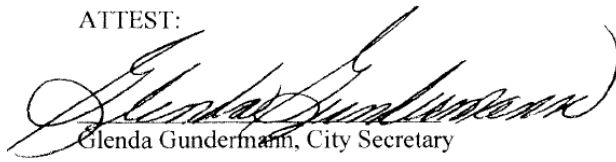
**Section 3.** That Reinvestment Zone No. 2006-03 expires five years from the date of this ordinance.

APPROVED on first consideration on May 16, 2006.

ADOPTED upon second consideration on June 06, 2006.

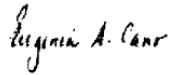
  
David G. Wallace, Mayor

ATTEST:



Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:



Eugene A. Carr

Attachment: Exhibit A - Property Description (4 pages)

County: Fort Bend  
Project: Sugar Land Central – Industrial Tract 2  
C.I. No.: 1047-06 (sketch prepared)  
Job Number: 2000006-053

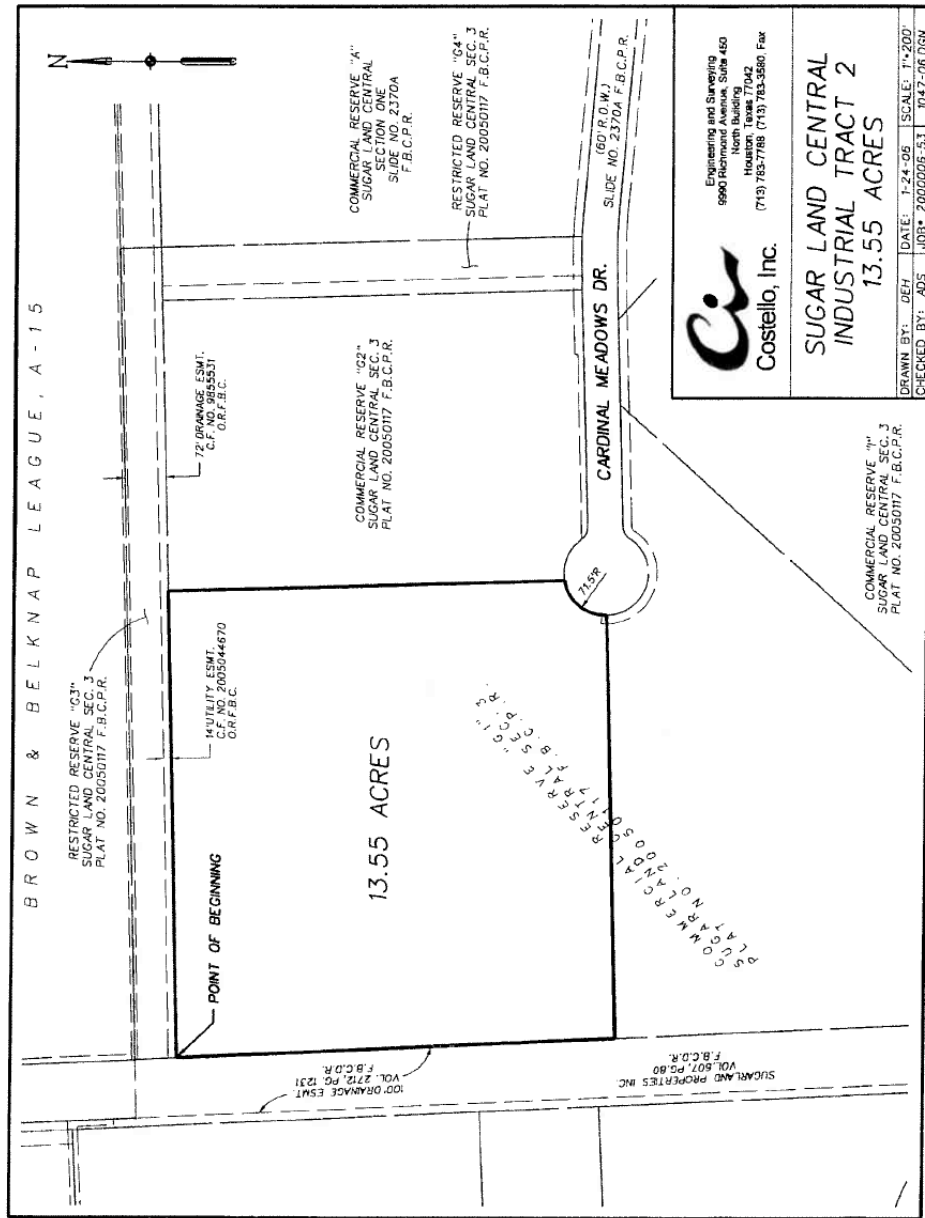
**METES AND BOUNDS DESCRIPTION FOR 13.55 ACRES**

Being a 13.55 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 13.55 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 13.55 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

**Beginning** at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the O.R.F.B.C.;

1. Thence, with the north line of said Commercial Reserve "G1" and south line of said Restricted Reserve "G3", North 88 degrees 28 minutes 04 seconds East, a distance of 798.42 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the most northerly northeast corner of said Commercial Reserve "G1" and northwest corner of Commercial Reserve "G2" of said Sugar Land Central Section Three;
2. Thence, with an east line of said Commercial Reserve "G1" and west line of said Commercial Reserve "G2", South 01 degrees 31 minutes 56 seconds East, a distance of 679.64 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for an exterior corner of said Commercial Reserve "G1" and southwest corner of said Commercial Reserve "G2", said iron rod also being on the north right-of-way line of a cul-de-sac for Cardinal Meadows Drive recorded in Slide No. 2370A of the F.B.C.P.R.;
3. Thence, with said right-of-way line, 101.37 feet along the arc of a curve to the left, said curve having a central angle of 81 degrees 13 minutes 49 seconds, a radius of 71.50 feet and a chord that bears South 39 degrees 04 minutes 59 seconds West, a distance of 93.09 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set;
4. Thence, leaving said right-of-way line through and across aforesaid Commercial Reserve "G1", South 88 degrees 28 minutes 04 seconds West, a distance of 723.35 feet to a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" set on the west line of said Commercial Reserve "G1" and east line of aforesaid 100-foot wide drainage easement;
5. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 750.45 feet to the **Point of Beginning** and containing 13.55 acres of land.







County: Fort Bend  
Project: Sugar Land Central – Industrial Tract 2B  
C.I. No.: 1090-06 (sketch prepared)  
Job Number: 2000006-053

**METES AND BOUNDS DESCRIPTION FOR 1.163 ACRES**

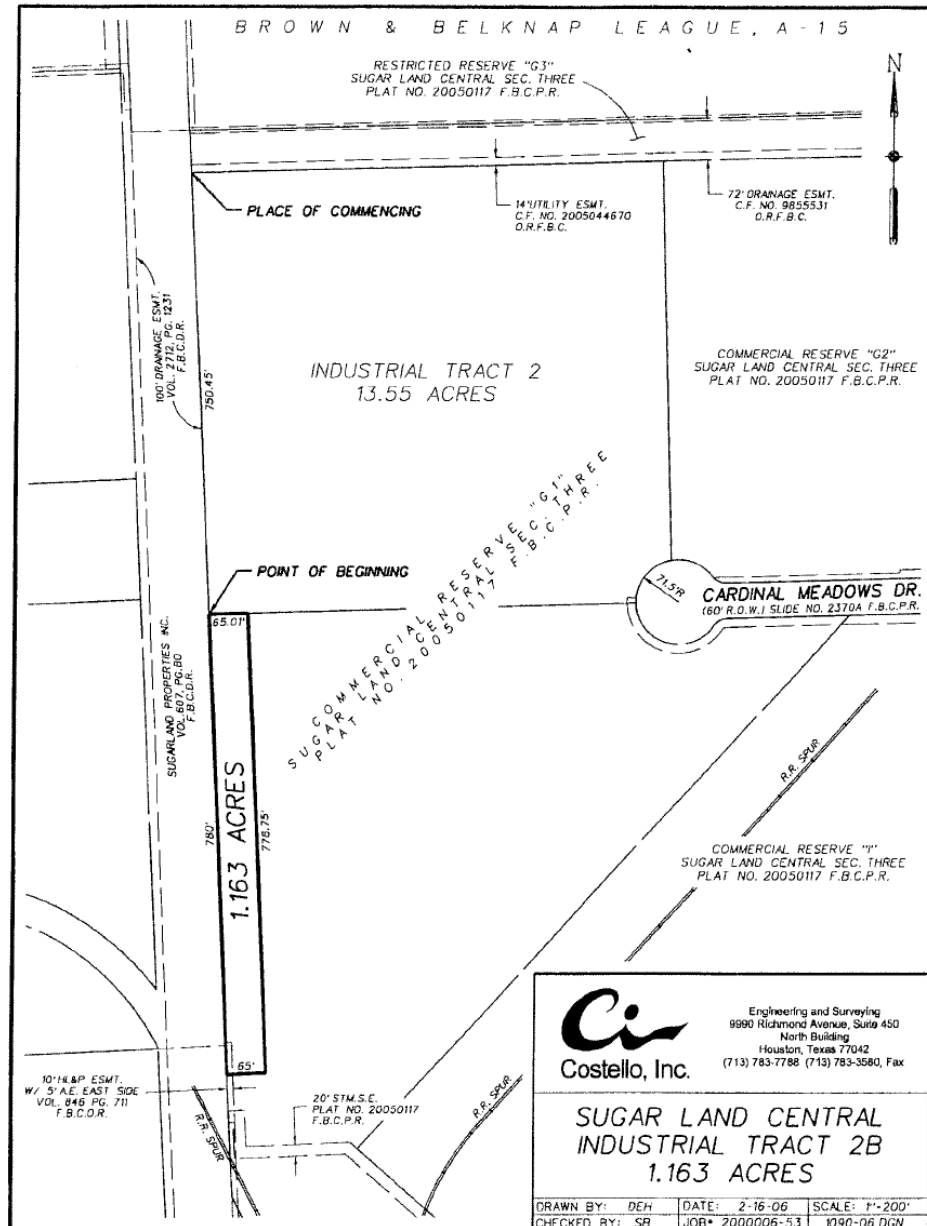
Being a 1.163 acre tract of land located in the Brown and Belknap League, A-15, Fort Bend County, Texas; said 1.163 acre tract being out of Commercial Reserve "G1" of Sugar Land Central Section Three, a 104.66 acre subdivision recorded in Plat No. 20050117 of the Fort Bend County Plat Records (F.B.C.P.R.); said 1.163 acre tract being more particularly described by metes and bounds as follows (all bearings are referenced to the west line of said Sugar Land Central Section Three):

**Commencing** at a 5/8-inch rod with cap stamped "COSTELLO INC RPLS 4416" found for the northwest corner of said Commercial Reserve "G1" and southwest corner of Restricted Reserve "G3" of said Sugar Land Central Section Three, said iron rod also being on the west line of a 100-foot wide drainage easement recorded in Volume 2712, Page 1231 of the Official Records of Fort Bend County;

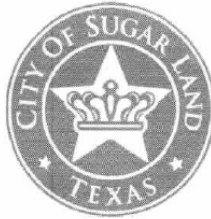
Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 750.45 feet to the **Point of Beginning** and northwest corner of the herein described tract;

1. Thence, leaving the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 88 degrees 28 minutes 04 seconds East, a distance of 65.01 feet;
2. Thence, 65-foot east of and parallel with the west line of said Commercial Reserve "G1" and east line of said drainage easement, South 02 degrees 38 minutes 14 seconds East, a distance of 778.75 feet;
3. Thence, South 87 degrees 21 minutes 46 seconds West, a distance of 65.00 feet to the west line of said Commercial Reserve "G1" and east line of said drainage easement;
4. Thence, with the west line of said Commercial Reserve "G1" and east line of said drainage easement, North 02 degrees 38 minutes 14 seconds West, a distance of 780.00 feet to the **Point of Beginning** and containing 1.163 acres of land.





## Exhibit B



### APPLICATION FOR AD VALOREM TAX ABATEMENT

The following factors will be considered as a whole to determine the entire economic impact of the company: location of project, type of business, is the company in one of the City's target industries, number of jobs, skill level of each job, average salary, investment in building improvements or new building, value of taxable inventory, value of taxable personal property and equipment, sales tax revenue generated for the City, impact on local infrastructure, and impact (good or bad) on existing businesses in the City.

1. Please provide a detailed summary statement about your company (its history, type of business and industry, etc.) and clearly describe its operations at the proposed facility in Sugar Land.

Accredo is a manufacturing facility which specializes in multi-layer barrier film, printing & lamination of film and pouches. The facility will be manufacturing, warehousing and shipping products from this location.

2. Information About Your Company

Company Name: ACCREDO PACKAGING INC	
Contact Person: JANAK SHETH	Title: EXECUTIVE VP & CFO
Current Address: 1470 FIRST COLONY BLVD SUGAR LAND TX 77479	
Office #: 713-580-4800	Mobile #:
Fax #: 281-207-0562	Website:
Email Address: jnaksheth@apcorp.com	
The Company's Primary SIC Code:	

3. Name of entity that will own the building:  
API REALTY LLC
4. Type of project (check all that apply):
  - ☒ Existing business in Fort Bend County
  - ☒ Existing business in Sugar Land
  - ☐ New business to Sugar Land/Fort Bend County
  - ☒ Expansion of existing facility
  - ☐ Construction of new facility
  - ☐ Company will lease facility
  - ☐ Company will own facility
  - ☐ Corporate/Regional Headquarters

5. Location of proposed site(s) in Sugar Land (street address or nearest street intersection):  
12682 CARDINAL MEADOW DR.  
SUGAR LAND, TX 77478

6. Scope of project:

Size of new facility/expansion:	171,976 SF
Size of existing facility (if applicable):	174,000 S.F
Size of lease space in existing facility (if applicable):	N/A
Number of acres at facility site:	14.71166 acres
Type of Construction (tilt wall, metal, concrete, etc.):	STRUCTURAL STEEL W/ TILT WALL

7. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.):

OFFICE - 20%  
WAREHOUSE - 25%  
MANUFACTURING - 55%

8. Truck traffic to be generated (# daily or weekly): 30 / month

9. Targeted start of construction: January 2011

10. Targeted start of operations: September 2011

11. Market value (taxable assets) of the firm's property that would be located at the facility in Sugar Land (new property to Sugar Land):

<u>Land</u>	<u>Building Improvements</u>	<u>Furniture, Fixtures &amp; Equipment</u>	<u>Inventory</u>	<u>Total</u>
800k	10 million	23 million	3mill	36.8 million

12. Estimated percent of inventory that would be Freeport qualified: 90 %

*Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state.*

13. Employment information:

<u>New Jobs Created</u>	<u>Existing Jobs Retained</u>	<u>Total Number of Jobs</u>
45	10	55

14. Average salary (before benefits): 35,000k
15. Amount of initial, annual local payroll to be created: 15 million
16. The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land: 0
17. Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company: NO
18. Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value: NO
19. Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally? 200/yr

#### LEED TAX ABATEMENT

*(If Applicable to Project)*

20. Applicable LEED Green Building Rating System and Version on which the Certification Will Be Based:  
Rating System: LEED Version: 2009
21. Level and Number of Points of LEED Rating System at which applicant expects Certification:  
Level: SILVER Number of Points: 50-59
22. Proof that Project Has been Registered with the US Green Building Council  
Proof of Registration: 1000008477
23. Information on LEED Accredited Professional Assigned to the Design Team for the Project (if applicable)

Contact Person: TROY KENNEDY	Title: Associate
Address: 5010 WEST MAIN SUITE A @ LEAGUE CITY 77573	
Office #: 281-316-6392	Mobile #:
Fax #: 713-513-5200	Email Address: TROY@ALCON-ARCHITECTS.com

24. Note: A draft site plan and a metes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before those documents can be drafted.
21. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a (f). Repayment will be due no later than the 120<sup>th</sup> day after the date the City notifies the company of the violation as provided in the agreement.

An undocumented worker is an individual who, at the time of employment, is not:

- (1) lawfully admitted for permanent residence to the United States; or
- (2) authorized under law to be employed in that manner in the United States.

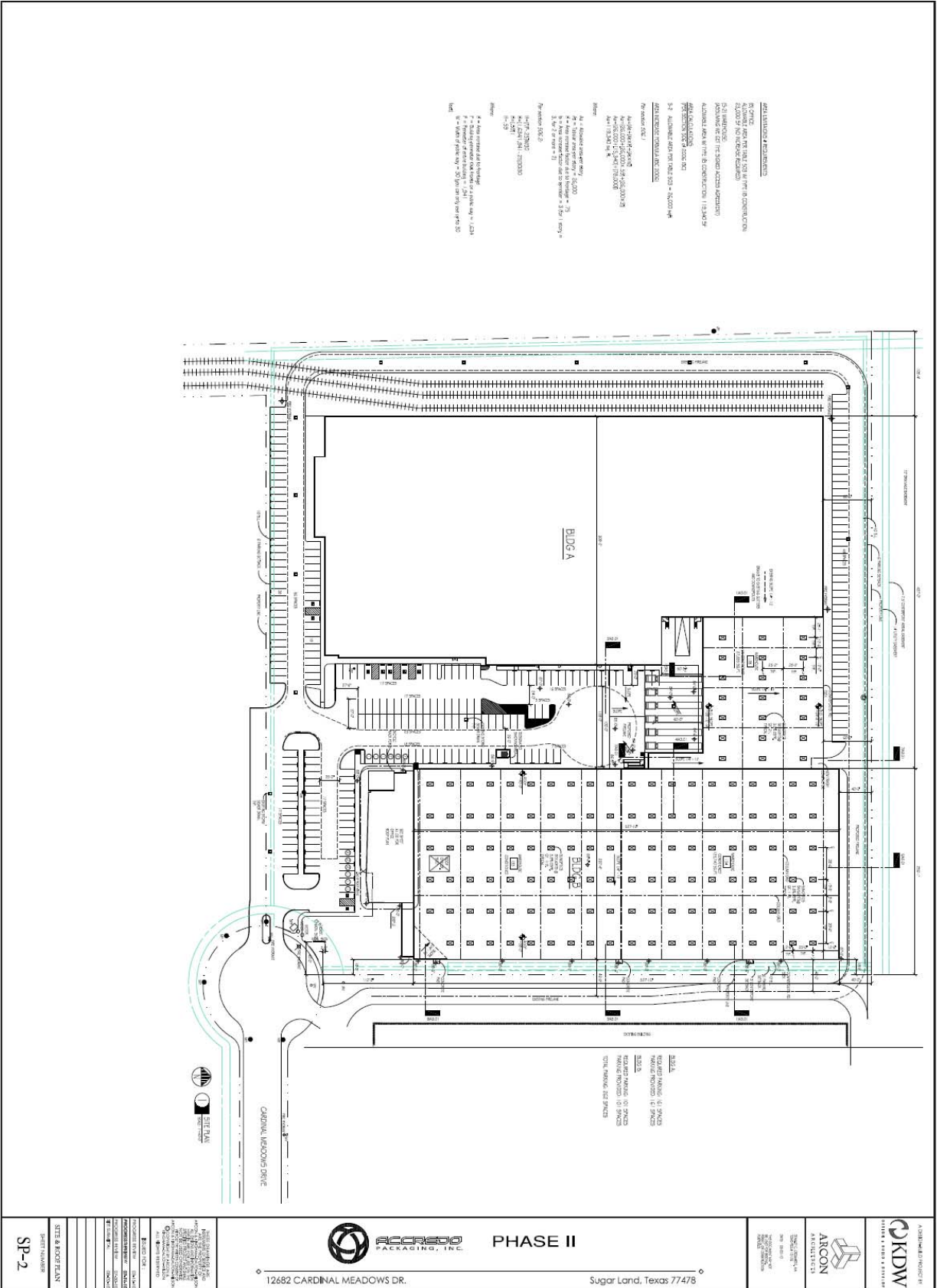
  
Signature

EXECUTIVE VP & CFO  
Title

Date

*There is no application fee or membership required by the City of Sugar Land. However, Fort Bend County requires that companies receiving tax abatement maintain a trustee membership in the Greater Fort Bend Economic Development Council for the term of the agreement.*





STATE OF TEXAS                   §  
   §  
 COUNTY OF FORT BEND       §

**FIRST AMENDMENT TO  
 TAX ABATEMENT AGREEMENT BETWEEN  
 FORT BEND COUNTY,  
 API REALTY, LLC. AND ACCREDO PACKAGING, INC.**

This FIRST AMENDMENT of the Tax Abatement Agreement is made and entered into by and between **FORT BEND COUNTY, TEXAS**, a body politic, acting herein by and through its Commissioners Court and **API REALTY, LLC**, owner of the tract of land located within the City of Sugar Land Reinvestment Zone No. 2018-01 hereinafter referred to as "Owner," and **ACCREDO PACKAGING, INC.**, owner of the eligible property located within the tract of land located within the City of Sugar Land Reinvestment Zone No. 2018-1 hereinafter referred to as "Lessee."

**RECITALS**

WHEREAS, on or about July 10, 2018, the Parties entered into a Tax Abatement Agreement, which is incorporated by reference;

WHEREAS, the Parties now desire to amend a certain portion of the Agreement; and

WHEREAS, both the Original Agreement and this First Amendment are executed as authorized by and in accordance with the Property Redevelopment and Tax Abatement Act, Chapter 312, TEXAS PROPERTY TAX CODE, and the Guidelines and Criteria for Granting Tax Abatements in Reinvestment Zones located in Fort Bend County, Texas

NOW THEREFORE, for and in consideration of the mutual benefits to be derived by the parties hereto, County, Owner, and Lessee agree as follows:

**I. Amendments**

Section 4, Responsibility of Owner and Lessee is amended as follows:

- (a) That construction of the Improvements shall be completed on or before September 30, 2020. Owner shall provide Tax Assessor/Collector a certified statement evidencing a minimum of \$18,500,000 project costs with respect to the Improvements within sixty (60) days after completion of the Improvements to be constructed by Owner.
- (b) That the combined Certified Appraised Value of the Improvements and Eligible Property on January 1, 2021, through January 1, 2024 will not be

less than \$15,000,000 and on each and every January 1 thereafter during the term of this Agreement will not be less than \$23,000,000. Failure to meet the requirements of this section will invalidate the tax abatement for that year.

- (c) That the Certified Appraised Value of unabated inventory on January 1, 2021, and on each January 1 thereafter during the term of this Agreement will not be less than \$2,000,000.
- (d) That Lessee will create at least 100 new full-time persons beginning January 1, 2021 continuously through **December 31, 2023, and an additional 75 new full-time persons beginning January 1, 2024 through the end of this abatement term.** Lessee shall provide Tax Assessor/Collector a certified statement of the number of full-time employees employed each September 1 throughout the term of this agreement. Failure to meet the requirements of this section will invalidate the tax abatement for that year.

Section 5, Value and Term of Abatement is amended as follows:

- (a) This Agreement shall be effective on the date executed by County or Owner, or Lessee, whichever is later. The start of the actual tax abatement period has been deferred, with the first year of the abatement period to be 2021. This Agreement shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2030. The tax abatement shall not extend beyond December 31, 2030. This Agreement shall terminate on the completion of the abatements, unless earlier terminated as provided elsewhere herein. Owner's and Lessee's obligations upon default to pay to County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.
- (b) In each year of the tax abatement period, the amount of abatement shall be an amount equal to the percentage indicated below of the taxes assessed upon the Improvements and Eligible Personal Property (equipment and machinery).

- (c) Subject to the limitations imposed by law and conditioned upon the representations outlined in Section 4 herein above, there shall be granted and allowed hereunder a property tax abatement for the following years and in the following amounts on the value of the Improvements and Eligible Personal Property:

Tax Year	Percentage Abatement
2021-2030	55% each year

- (1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property or Ineligible Property as defined in Section 2(e) above.
- (2) All Improvements shall be completed in accordance with applicable laws, ordinances, rules or regulations in effect at the time such Improvements are erected.
- (3) The Fort Bend Central Appraisal District's determination of values shall be used to determine the value of the property subject to this Agreement. If the Owner and/or Lessee protest the District's valuation of the property, the valuation placed on the property after the protest is resolved under State law shall be used.
- (4) On or before September 1 of each year of this Agreement, Owner and Lessee shall certify in writing to the Fort Bend County Tax Assessor/Collector Owner's compliance with each term of this Agreement by completion and submission of the form attached as Exhibit 3 to this Agreement. No substitutions are allowed.

- II. Exhibit C: **Annual Compliance Certificate** is added to this Agreement and incorporated by reference.
- III. Except as modified herein, any prior executed document remains in full force and effect and has not been modified or amended. In the event of conflict, the contents of this First Amendment shall prevail.

IV. Execution

IN TESTIMONY OF WHICH, THIS AGREEMENT has been executed by the County, and Owner and Lessee as of the dates below stated. Owner and Lessee warrant and represent that the individuals executing this agreement on behalf of API Realty, LLC. and Accredo Packaging, Inc. have full authority to execute this Agreement and bind or API Realty, LLC. and Accredo Packaging, Inc. to the same.

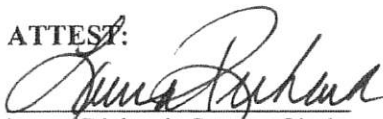
FORT BEND COUNTY

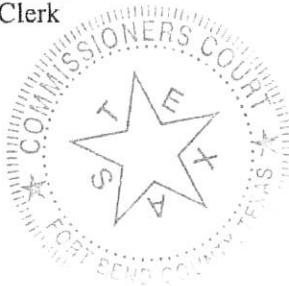
By: 

KP George, County Judge

Date: 4-14-2020

ATTEST:

  
Laura Richard, County Clerk



API REALTY, LLC

By: 

Signature

CHINH T. NGUYEN - MANAGING  
Printed name & title MEMBER

Date: 3<sup>rd</sup> APRIL, 2020

ATTEST:



ACCREDITO PACKAGING, INC.

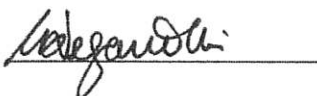
By: 

Signature

CHINH T. NGUYEN - PRESIDENT  
Printed name & title

Date: 3<sup>rd</sup> APRIL, 2020

ATTEST:



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