

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
 FORT BEND COUNTY, AND
SAGE DULLES, LTD.**

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 **SAGE DULLES, LTD.**, hereinafter referred to as "Owner" of the Real Property and Improvements, located within the City of Sugar Land Reinvestment Zone No. 2020-01.

1. Authorization:

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312, Subchapter B of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, were approved by the County's Commissioners Court on February 26, 2019. County has determined that the request for Tax Abatement presented by Owner conforms to the criteria established in the Guidelines for Tax Abatement.
- c. No official of 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. 2020-01 by the Fort Bend Central Appraisal District ("FBCAD").
- b. "Real Property" means the approximate 19.691 acre tract of land described in Exhibit 1 attached hereto and incorporated herein for all purposes, and all improvements currently located thereon, which tract of land is located within the City of Sugar Land Reinvestment Zone 2020-01.
- c. "Improvements" means a commercial building(s) with potential uses of office, distribution, fabrication and warehouse to be located in City of Sugar Land Reinvestment Zone No. 2020-01 containing approximately 300,000 square feet of floor space in the aggregate, the interior improvements to such commercial building(s) and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, to be used for one or more of the purposes allowed within the CITY OF SUGAR LAND Reinvestment Zone No. 2020-01.
- d. "Effective Date" shall mean the date upon which this Agreement has been

executed by both County and Owner and the conditions set forth in Section 12 below have been satisfied.

- e. "Abatement" means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2020-01 designated for economic development purposes.
- f. "Eligible Property" means the Improvements described herein and eligible for Abatement under this Agreement.
- g. "Ineligible Property" means land, existing improvements, fixed equipment and machinery, tangible personal property that the FBCAD 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 effective 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.
- h. "Owner" means **SAGE DULLES, LTD.** or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners Court.
- i. "County" means the County of Fort Bend, Texas.

3. Subject Property:

- a. The City of Sugar Land Reinvestment Zone No. 2020-01 is an area located in Fort Bend County, Texas, being legally described in Exhibit 1 attached hereto and incorporated herein for all purposes.
- b. The FBCAD has established the base year values for the subject property as of January 1, 2020 ("Base Year").

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

- a. Responsibilities of Owner:
 - i. No later than December 31, 2021 (the "Completion Date") Owner shall ensure that construction of the Improvements are complete. Owner shall provide the County Tax Assessor/Collector with written documentation confirming completion of the Improvements on or before the Completion Date. Owner's failure to provide the written documentation required by this Section may result in a forfeiture of the tax abatement provided for tax year 2022; provided that in the event Owner provides such documentation after December 31, 2021 but prior to December 31, 2022, the forfeiture of the tax abatement for failure to timely complete Improvements shall not apply to any tax abatement after tax year 2022.
 - ii. That Owner shall provide the County's Tax Assessor/Collector a certified statement that Owner has spent a minimum of \$11,000,000.00 in total project costs with respect to the Improvements (excluding the cost of the Real Property) within sixty (60) days after completion of the Improvements; and that the Certified Appraised Value of the Improvements on January 1, 2022, and on each and every January 1

thereafter during the term of this Agreement must not be less than \$8,800,000.00. Owner may from time to time during the term of this Agreement install additional improvements, and modify, remove or replace improvements as Owner may determine in their discretion. Failure to meet the requirements of this section shall not be a default but will invalidate the tax abatement for the year this requirement was not satisfied.

- 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. OWNER SHALL BE RESPONSIBLE FOR REQUESTING FROM COUNTY AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY SUBJECT TO THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY COUNTY.
- v. That Owner has as of the effective date of this Agreement, the financial resources to implement the above representations.
- vi. That 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.
- vii. That Owner will participate in the continuing economic development process in Fort Bend County by continuing their current membership as a Regular Member (\$2,000/yr. dues) of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.

5. Value and Term of Abatement:

- a. This Agreement shall be effective on the date executed by County and Owner, and shall terminate on December 31, 2026. In no event shall this Agreement extend beyond December 31, 2026.
- 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 of the County ad valorem taxes applicable to Owner on Eligible Property for the following years and in the following amounts on the value of the Improvements:

Tax Year	Percentage Abatement
2022	50%
2023	50%
2024	50%
2025	50%
2026	50%

- 1) The abatement granted shall not apply to any Ineligible Property.
- 2) 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 property, the valuation placed on the property after the protest is resolved under State law shall be used.
- 3) On or before September 1 of each year of this Agreement, Owner 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.

6. **Taxability:** During the period that this tax abatement is effective, the value of taxes shall be payable by the Owner as follows:
- a. The value of all property (Eligible and Ineligible Property), shall be determined in the Base Year by the FBCAD.
 - b. The value of Ineligible Property shall be fully taxable.
 - c. The value of Eligible Property shall be abated as set forth in Section 5(c).

7. **Event of Default:**

- a. County may declare Owner in default of this Agreement if: (1) Owner fails to comply with any term of this Agreement or (2) Owner allows County ad valorem taxes on any property owned by Owner in Fort Bend County to become delinquent, even if the delinquent taxes are for a property not subject to an abatement or (3) Owner ceases operations on the Real Property for a continuous period of one hundred eighty (180) days before the expiration of the term of the Abatement without the prior written consent of the County, except that in the event of (i) a temporary shutdown of the facility, with assurance of the resumption of operations, for the purpose of facility modification, expansion, improvement, retooling or similar purpose, (ii) the facility is being actively marketed, the County shall not unreasonably withhold consent to a reasonable extension to such period to permit the sale or lease of the facility to another operator, (iii) the closure of the facility pending settlement of insurance, casualty or condemnation claims or (iv) the closure of the facility due to inadequate or unacceptable raw water supply shall not constitute a vacating of or a cessation of operations on the Real Property under this Section 7(a)(3). Such exceptions are subject to further extension for force majeure as defined in Section 11

- herein.
- b. County shall notify Owner of any default in writing specifying the default. Owner shall have ninety (90) days from the date of the notice to cure any default. If Owner fails to cure the default within ninety (90) days from receipt of notice, County may terminate this Agreement by written notice.
 - c. Any Default Notice issued in accordance 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.

- d. Owner agree that all taxes previously abated by virtue of this Agreement will be recaptured and paid to County within thirty (30) days of the termination in the event that termination is due to Owner:
 - i. Allowing its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest; or
 - ii. Failing to construct the Improvements; or
 - iii. Owner's cessation of operation of the Real Property in violation of Section 7(a)(3) above, and failure to cure such cessation within the applicable cure periods.
- e. Payment of recaptured taxes will include:
 - i. The amount of all taxes abated during the term of this Agreement; and
 - ii. Interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes.
 - iii. Penalties on the amount abated in the year of default, at the rate provided for in the Texas Tax Code for delinquent taxes.
- f. County shall have a lien against the Real Property, Ineligible Property and Eligible Property for the taxes and interest owed because of the recapture of taxes under this paragraph during the time period beginning on the date such payment obligation accrues and continuing until the date is paid.
- g. 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.

- h. Except as set forth in Section 7(c) above, if this Agreement is terminated by County, as County's sole and exclusive remedy, all future abatement of taxes hereunder shall terminate.

8. Administration and Inspection

- a. This Agreement shall be administered by the Fort Bend County Tax Assessor/Collector or her designee. Owner shall allow employees or other representatives of County who have been designated by the Tax Assessor/Collector to have access to the Real Property (during normal business hours) during the term of the Agreement. All regular inspections shall be made only after two (2) business days prior notice and will be conducted in such a manner as not to unreasonably interfere with the construction or operation of the facility. A representative of Owner may accompany the inspector. County shall cause each of its employees and representatives who conduct such inspections to abide by all of Owner's security, safety and operational rules (as the same may be amended from time to time), copies of which have been made available to County.
- b. Upon completion of the 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.
- 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 County Tax Assessor/Collector in preparation of its annual evaluation for compliance with the terms and provisions of this Agreement.

9. Assignment

- a. Owner may not assign this Agreement without the prior written consent of County. No assignment shall be effective or approved if County has

declared a default hereunder which has not been cured or the assignee is delinquent in the payment of any ad valorem taxes owed to County. Approval shall not be unreasonably withheld.

- b. Any and all assignments shall contain the same terms and conditions as set out in this Agreement and shall be granted for the remaining term of the original Agreement only.
- c. Owner shall provide notice to County within ninety (90) days after any sale or assignment of the Real Property subject to this Agreement.

10. **Indemnity**

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 THEREWITH TO THIRD PARTIES. OWNER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS COUNTY AND THE FBCAD FROM ANY AND ALL NON-OWNER CLAIMS, SUITS, AND CAUSES OF ACTION OF ANY NATURE WHATSOEVER ARISING OUT OF OWNER'S BREACH OF ITS OBLIGATIONS HEREUNDER EXCEPT THAT THE INDEMNITY SHALL NOT APPLY TO THAT PORTION OF RESPONSIBILITIES AND LIABILITIES RESULTING FROM THE FAULT OR NEGLIGENCE OF COUNTY OR TAXING UNITS, THEIR RESPECTIVE OFFICERS, AGENTS OR EMPLOYEES. 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 WHICH ARE NOT DUE TO COUNTY'S OR THEIR REPRESENTATIVES' INTENTIONAL CONDUCT OR NEGLIGENCE. OWNER SHALL BE RESPONSIBLE FOR ALL FEES INCURRED BY COUNTY IN THE DEFENSE OF ANY SUCH CLAIMS, SUITS, OR CAUSES OF ACTION SO LONG AS DEFENSE COUNSEL AND COURSES OF ACTION ARE DETERMINED SOLELY BY OWNER. NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED TO PROHIBIT COUNTY FROM INCURRING REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION; PROVIDED, HOWEVER, OWNER SHALL NOT BE RESPONSIBLE FOR ANY SUCH COSTS AND OR FEES SO INCURRED.

11. **Force Majeure:**

If by reason of force majeure, Owner is unable to perform any obligation of this Agreement, it shall give notice of the force majeure to County in writing within thirty (30) calendar days after Owner first becomes aware or should have become aware of the occurrence relied upon. By doing so, the obligation of Owner, to the extent and for the period of time affected by the force majeure, shall be suspended. Owner shall endeavor to remove or overcome the inability with all reasonable effort. For purposes of this provision, "force majeure" shall include, but not be limited to 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 or lack of capacity of the wastewater system or water supply system; governmental delays in granting approvals or issuing permits; or any other cause not reasonably within the control of the Owner.

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 Commissioners Court.

13. Compliance with State and Local Regulations:

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

14. Changes in Laws/Vested Rights:

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, but only the extent required by law to be enforceable and after giving Owner all vesting, non-conforming and/or "grandfather" rights, contained in and applicable to this Agreement and allowed by law.

15. Miscellaneous:

- a. 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.
- 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

- 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 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. Unless otherwise provided in this Agreement, all notices shall be delivered to Owner or County at the following addresses:

To the **Tax Assessor/Collector:** The Honorable Carrie Surratt
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77469

To **County:** Fort Bend County
401 Jackson
Richmond, Texas 77469
Attention: County Judge

Copy to: Fort Bend County Attorney
401 Jackson
Richmond, Texas 77469

To **Owner:** Sage Dulles, Ltd.
1902 Washington Avenue, Suite A
Houston, TX 77007

- c. Any party may designate a different address by giving the other parties ten (10) days prior written notice thereof. Failure of Owner to provide County Tax Assessor/Collector thirty (30) days' notice of a change of address may result in termination of this Agreement.

17. Entire Agreement


This Agreement contains the entire Agreement among the parties and supersedes all other negotiations and agreements, whether written or oral. This Agreement shall inure to the benefit of and be binding upon the parties hereto and each of their respective successors and assigns. Attached hereto are (a) Exhibit 1 – City of Sugar Land Ordinance designating Reinvestment Zone No. 2020-01 and legal description of Real Property (land) comprising the Reinvestment Zone (b) Exhibit 2, the Economic Impact Statement, and (c) Exhibit 3, the Annual Compliance Certificate—all of which are made part of this Agreement.

18. **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, County Judge

Date: 11-3-2020

ATTEST:

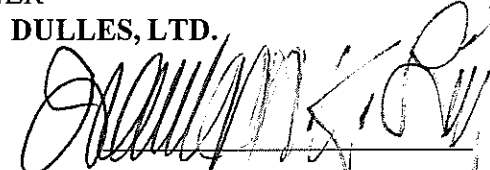




Laura Richard, County Clerk

“OWNER”

SAGE DULLES, LTD.

By: 

Printed Name: Frank Liu

Title: Manager

Date: 10/21/2020

ATTEST:

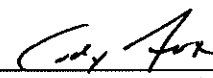

Printed Name: Cody Fox

EXHIBIT 1

**CITY OF SUGAR LAND ORDINANCE DESIGNATING
REINVESTMENT ZONE NO. 2020-01 AND
LEGAL DESCRIPTION OF REAL PROPERTY (LAND)
COMPRISING THE REINVESTMENT ZONE**

ORDINANCE NO. 2205

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2020-01 FOR A 19.691 ACRE TRACT OF LAND LOCATED IN SUGAR LAND, TEXAS AT 500 INDUSTRIAL BOULEVARD, SUGAR LAND, TEXAS.

WHEREAS, the Property Redevelopment and Tax Abatement Act (Tex. 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 zone is eligible for tax abatement, either through the City or another taxing jurisdiction; 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 any 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:**

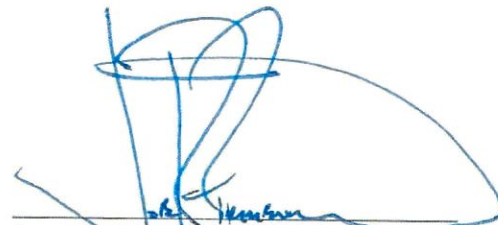
Section 1. That Reinvestment Zone No. 2020-01 is created for the real property consisting of a 19.691 acres, described by metes and bounds in the attached Exhibit A, which is incorporated into this ordinance.

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. 2020-01 expires five years from the date of this ordinance.

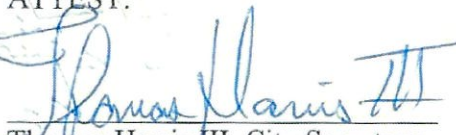
APPROVED on first consideration on September 1, 2020.

ADOPTED upon second consideration on September 15, 2020.



Joe R. Zimmerman, Mayor

ATTEST:



Thomas Harris III, City Secretary

APPROVED AS TO FORM:

DAnn Shea Smith

EXHIBIT A

Description of 19.691-Acre Tract

CHARLIE KALKOMEY SURVEYING, INC.

1815 MONS AVENUE
ROSENBERG, TEXAS 77471
281 342-2033

FIELD NOTES FOR A 19.691 ACRE TRACT OF LAND IN THE BROWN & BELKNAP LEAGUE, ABSTRACT 15, CITY OF SUGAR LAND, FORT BEND COUNTY, TEXAS, BEING OUT OF AND A PART OF RESERVE "A" OF NOV SUGAR LAND SUBDIVISION, ACCORDING TO MAP OR PLAT THEREOF RECORDED UNDER COUNTY CLERK'S FILE NUMBER 20070087, PLAT RECORDS, FORT BEND COUNTY, TEXAS, WITH ALL BEARINGS BASED ON THE WEST LINE OF SAID RESERVE "A", SAME BEING THE EAST RIGHT-OF-WAY LINE OF INDUSTRIAL BOULEVARD, AS BEING NORTH (CALLED NORTH).

BEGINNING at a ½ inch iron pipe found in the east right-of-way line of Industrial Boulevard for the northwest corner of said Reserve "A", same being the southwest corner of an adjoining called 5.539 acre tract recorded under County Clerk's File Number 99012954, Official Public Records, Fort Bend County, Texas, for the northwest corner and **Place of Beginning** of the herein described tract;

THENCE North 77 degrees 58 minutes 14 seconds East along the north line of the herein described tract and the north line of said Reserve "A", same being the south line of said adjoining called 5.539 acre tract, 430.33 feet to a ¾ inch iron pipe found for the northeast corner of the herein described tract, same being the southeast corner of said adjoining called 5.539 acre tract, and being in the west line of an adjoining railroad right-of-way, said point being in a non-tangent curve to the left;

THENCE along said non-tangent curve to the left, being the east line of said Reserve "A", same being the west line of said adjoining railroad right-of-way, having a central angle of 39 degrees 20 minutes 13 seconds, a radius of 484.28 feet, an arc length of 332.49 feet, and a chord bearing South 19 degrees 39 minutes 28 seconds East, 326.00 feet to a ½ inch iron pipe with cap marked "Kalkomey Surveying" set at the end of said curve;

THENCE South 39 degrees 26 minutes 30 seconds East continuing along said line, 207.39 feet to a ½ inch iron rod found at the beginning of a curve to the right;

THENCE along said curve to the right, continuing along said line, having a central angle of 39 degrees 28 minutes 05 seconds, a radius of 434.28 feet, an arc length of 299.15 feet, and a chord bearing South 19 degrees 42 minutes 28 seconds East, 293.27 feet to a ½ inch iron rod found at the end of said curve;

THENCE South 00 degrees 01 minute 18 seconds East continuing along said line, 577.56 feet to a point for the southeast corner of the herein described tract;


THENCE West establishing the south line of the herein described tract, crossing said Reserve "A", 761.42 feet to a point for the southwest corner of the herein described tract, said point being in the west line of said Reserve "A", same being the east right-of-way line of Industrial Boulevard;

CHARLIE KALKOMEY
REGISTERED PROFESSIONAL LAND SURVEYOR

CHARLIE S.A. KALKOMEY
REGISTERED PROFESSIONAL LAND SURVEYOR

CHRIS D. KALKOMEY
REGISTERED PROFESSIONAL LAND SURVEYOR

THENCE North along the west line of the herein described tract and the west line of said Reserve "A", same being the east right-of-way line of Industrial Boulevard, 1,231.12 feet to the **Place of Beginning** and containing 19.691 acres of land, more or less.



Charles A. Kalkomey, R.P.L.S.
Texas Registration Number 2506
April 26, 2007

Job Number R8000-0778-00



NOTICE OF PUBLIC HEARING REINVESTMENT ZONE NO. 2020-01 LOCATED IN SUGAR LAND, TEXAS AT 500 INDUSTRIAL BOULEVARD, SUGAR LAND, TEXAS

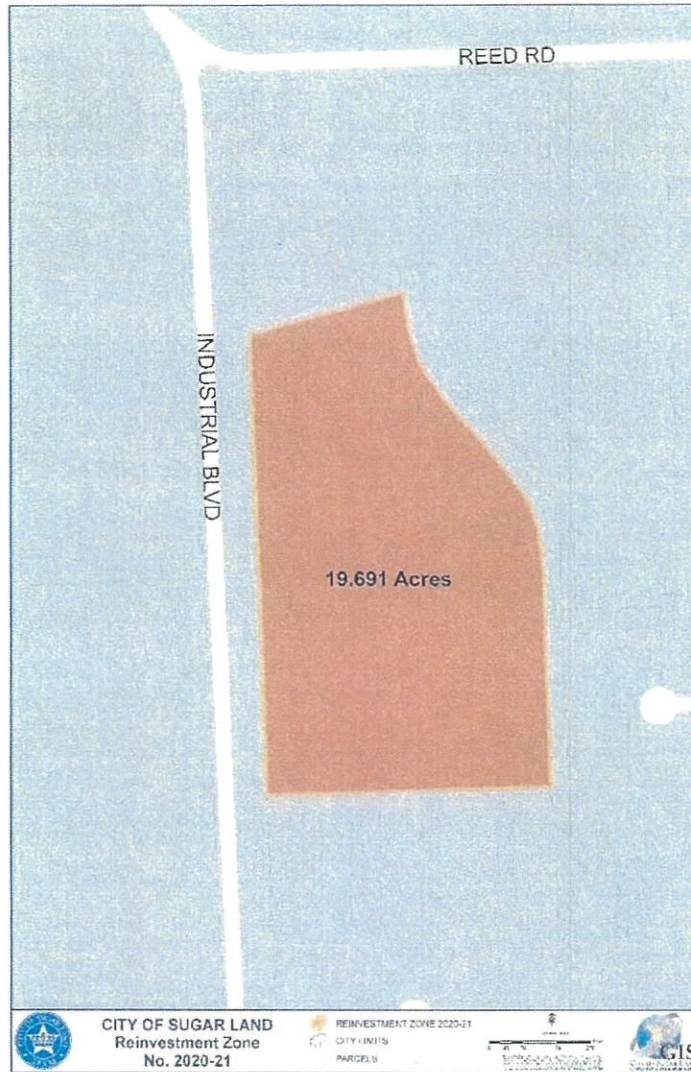
City Council Public Hearing 6:00 p.m. September 1, 2020, City of Sugar Land, 2700 Town Center Blvd. North, hosted via live stream at <http://www.sugarlandtx.gov/1238/SLTV-16-Live-Video> or <https://www.youtube.com/sugarlandtxgov/live>, and Sugar Land Comcast Subscribers can also tune-in on Channel 16 to hear all persons interested in the designation of Reinvestment Zone No. 2020-01 for a 19.691 acre tract of land located in Sugar Land, Texas at 500 Industrial Boulevard, Sugar Land, Texas.

Details of and feedback on proposed Reinvestment Zone No. 2020-01 may be obtained/provided by contacting the City of Sugar Land Economic Development Department located at 2700 Town Center Boulevard North, Sugar Land, Texas, 77479 by telephone at 281-275-2229 or online at www.sugarlandtx.gov/PublicHearingComment.

As of the date of this publication (August 19, 2020), the City of Sugar Land will limit meetings to City of Sugar Land staff and essential personnel in order to limit the spread of COVID-19, as recommended by the Centers for Disease Control and Prevention. As a result, the City of Sugar Land has elected to conduct this meeting online. Members of the public wishing to view the meeting live may do so at the links referenced above. Members of the public desiring to make comments during the public hearing may submit their written comments to the Office of City Secretary (citysec@sugarlandtx.gov). Comments should reference the hearing in the subject line, must be received by 3:00 p.m., Tuesday, September 1, 2020, then will be read into the record during the public hearing. Members of the public desiring to make their comments during the published date and time of the public hearing must e-mail (citysec@sugarlandtx.gov) or call ((281) 275-2730) the Office of the City Secretary by 3:00 p.m., Tuesday, September 1, 2020 to register and receive instructions for participation remotely during the hearing.

Should the Centers for Disease Control and Prevention, and/or an appropriate prevailing authority, revise restrictions related to social distancing and the avoidance of large and small gatherings in public spaces prior to 72 hours of the date of the public hearings, the City of Sugar Land will provide notice to the public on the City Council meeting agenda at www.sugarlandtx.gov under "Meeting Agendas."

Vicinity Map





Office of the City Secretary

August 11, 2020

Brooke Nance
3944 Bluebonnet Drive
Stafford, Texas 77477

Re: Legal Notices

Dear Ms. Nance:

Please publish the attached legal notice in "The Fort Bend Star" publication for Wednesday, August 19, 2020. Please publish in the classified section. A purchase order will be provided for invoicing of said publication.

Should you have questions concerning this publication, please contact Linda Drapp at 281-275-2730. Your assistance and consideration in this matter is appreciated.

Sincerely,

A handwritten signature in black ink, which appears to read "Thomas Harris III".

Thomas Harris III
City Secretary

Enclosure: Public Hearing Reinvestment Zone No. 2020-01

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:**

The property will be owned by **Sage Dulles, LTD**, an affiliate entity of Lovett Industrial, LLC. Following construction, the property will be leased to and operated by a third party for a light industrial or logistics use.

Applicant/Owner of the Improvements and Personal Property

- a. **Contact Person:** James Melody **Title:** Director
- b. **Current Address:** 1902 Washington Avenue, Suite A, Houston, TX 77007
- c. **Office #:** (713) 212-1562
- d. **Mobile #:** (713) 542-3883
- e. **Fax #:**
- f. **Website:**
- g. **Email Address:** james.melody@lovettindustrial.com
- h. **The Company's Primary SIC Code:**
- i. **Public or Privately Held:** Private

Applicant/Owner of the Improvements

- 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: _____ 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

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):

- 500 Industrial Boulevard, Sugar Land, TX 77478
- Sugar Land Business Park

4. Scope of project:

Size of new facility/expansion:	300,000 Square Feet
Size of existing facility (if applicable):	
Size of lease space in existing facility (if applicable):	
Number of acres at facility site:	24 Acres
Type of Construction (tilt wall, metal, concrete, etc.):	

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 – 5%
- b. Distribution – 47.5%

- c. Fabrication
- d. Warehouse – 47.5%
- e. Other

6. Truck traffic to be generated (# daily or weekly):
7. Targeted start of construction: November 2020
8. Targeted start of operations: October 2021
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
\$	\$ 11,000,000	\$	\$	\$	\$

10. Estimated percent of inventory that would be Freeport qualified, if any: _____%
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: _____%

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
		50

13. Average salary (before benefits): \$40,000
14. Amount of initial, annual local payroll to be created:
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? TBD
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: N/A
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:

18. **If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:** We have multiple development projects at various stages throughout Texas, including in Houston and Dallas.
19. **Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits):** TBD
20. **Current owner of real property (land/building) at the time of application:**
Sage Dulles, LTD
21. **Have you received or are you currently receiving tax abatement in Fort Bend:**
____ Yes ☒ No
22. **Is this land currently under Agriculture Exemption:** ____ Yes ☒ No
 - a. **If so, what will be the increase in taxes paid annually to taxing authorities:** *To be answered by GFBEDC*
 - 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*
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:** Initial lease term is projected to be 5-10 years and productive life is intended to be +/- 60 years.
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:** TBD
28. **Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system:** TBD
29. **Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system:** TBD

30. Public improvements to be made by the Company in which the public may benefit (please list if any): Improved Turn Lane at Industrial Boulevard
31. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: TBD
32. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. TBD
33. Do you anticipate your relocation to attract other new businesses to the area? Please explain: TBD
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 becoming a Regular member (\$2,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: ☒ Yes ☐ No
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:

(Name of Company) Lovett Industrial, LLC 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

7-13-20
Date

Printed Name: Charles Meyer

Title: 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:

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)

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.**

Sage Dulles, Ltd.
Houston, TX United States

Certificate Number:
2020-680092

Date Filed:
10/19/2020

Date Acknowledged:
11/03/2020

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 10192020
Property Tax Abatement

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Liu, Frank	Houston, TX United States	X	

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)