

STATE OF TEXAS §
 §
 COUNTY OF FORT BEND §

**TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY AND TDC-DRI SUGAR LAND, L.L.C.**

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 **TDC-DRI SUGAR LAND, L.L.C.**, hereinafter referred to as "Owner" of the Real Property and Improvements, located within the City of **SUGAR LAND** Reinvestment Zone No. **2019-03**.

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. **2019-03** by the Fort Bend Central Appraisal District ("FBCAD").
- b. "Real Property" means the approximate **20.824** 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 **2019-03**.
- c. "Improvements" means two new industrial buildings to be located in City of **SUGAR LAND** Reinvestment Zone No. **2019-03** containing at least **325,283** square feet of floor space in the aggregate, the interior improvements to such office, distribution and warehousing, and fabrication 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 **SUGAR LAND** Reinvestment Zone No. **2019-03**.
- 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. 2019-03 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 **TDC-DRI Sugar Land, L.L.C.** 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. 2019-03 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, 2019 ("Base Year").

4. Responsibility of Owner:

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

- a. That construction of the Improvements will commence without delay.
- b. No later than DECEMBER 31, 2021 (the "Completion Date") Owner shall ensure that construction of the Improvements be complete and in the form of shell buildings such that they are ready for tenant interior improvements. Owner shall provide the County's 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.
- c. That Owner shall provide the County's Tax Assessor/Collector a certified statement that Owner has spent a minimum of \$13,800,000 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 \$13,800,000. 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.

- d. 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.
- e. OWNER SHALL BE RESPONSIBLE FOR REQUESTING FROM COUNTY AN ASSIGNMENT OF THIS AGREEMENT IN THE EVENT THE REAL PROPERTY THE SUBJECT OF THIS AGREEMENT IS SOLD, TRANSFERRED OR ASSIGNED. EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY ASSIGNMENT IS NOT EFFECTIVE UNTIL APPROVED IN WRITING BY COUNTY.
- f. That Owner has as of the effective date of this Agreement, the financial resources to implement the above representations.
- g. 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.

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 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 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. Owner agrees 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 District 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.

- d. The payment of recaptured taxes, which shall be County's sole and exclusive remedy, 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.
- e. 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.
- f. 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. 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, THE DISTRICT'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:** TDC-DRI Sugar Land, L.L.C.
c/o Transwestern Development Company
1900 West Loop South, Suite 1300
Houston, Texas 77027
Attn: Ben Newell, Senior Vice President

- 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 No. 2183 designating Reinvestment Zone No. **2019-03**

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.

[remainder of page left blank]

[execution page follows]

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:”

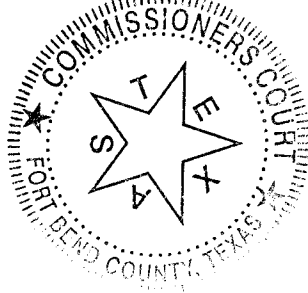
FORT BEND COUNTY, TEXAS

By: KP George
KP George, County Judge

Date: 1-14-2020

ATTEST:

Laura Richard
Laura Richard, County Clerk



“OWNER”

TDC-DRI Sugar Land, L.L.C., a
Delaware limited liability company

By: Ben Nevill

Printed Name: Ben Nevill
Title: Authorized Representative

Date: 1-7-2020

ATTEST:

Stephanie Zinn
Printed Name: Stephanie Zinn

EXHIBIT 1

ORDINANCE CREATING CITY OF
SUGAR LAND REINVESTMENT ZONE
NO. 2019-03

ORDINANCE NO. 2183

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2019-03 FOR A 20.824 ACRE TRACT OF LAND LOCATED IN SUGAR LAND, TEXAS AT THE NORTHWEST CORNER OF THE INTERSECTION OF WEST AIRPORT BLVD. AND DAIRY ASHFORD ROAD.

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. 2019-03 is created for the real property consisting of 20.824 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. 2019-03 expires five years from the date of this ordinance.

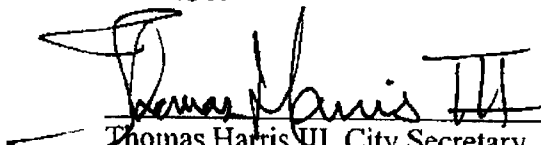
APPROVED on first consideration on December 3, 2019.

ADOPTED upon second consideration on December 17, 2019.



Joe R. Zimmerman, Mayor

ATTEST:



Thomas Harris III, City Secretary

APPROVED AS TO FORM:

Eugene A. Carr

EXHIBIT A
Description of 20.824-Acre Tract

DESCRIPTION

Of 20.824 acres of land being out of Commercial Reserve "A" (38.79 Acres) of the Yokogawa Park Replat & Extension according to the map or plat recorded thereof in Plat No.20080107 of the Plat Records of Fort Bend County, Texas, said 20.824 acres also being out of a called 20.86 acres tract conveyed by deed dated February 27, 2007 from SLBP,LTD., to YOKOGAWA CORPORATION OF AMERICA as recorded in Fort Bend County Clerk's File No.2007028835 of the Deed Records of Fort Bend County, Texas. Said 20.824 acres being situated in the Brown & Belknap League, Abstract No.15, Fort Bend County, Texas; (Bearings based on said plat 20080107 of the Plat Records of Fort Bend County, Texas)

BEGINNING at a 5/8 inch iron rod with 4079 Cap found for the southeast corner of the herein described tract, from which an "X" in concrete was found South 2.61 feet, East 0.10 feet. Said "X" being the southeast corner of said 20.86 acres, and being the southeast corner of said Commercial Reserve "A", said "X" also being the southwest corner of Reserve "A" of Chevron Food Mart according to the map or plat recorded thereof in Slide N0.1861B of the Plat Records of Fort Bend County, Texas, said iron rod being in the north line of West Airport Boulevard (102.5' R.O.W.- 20080107 F.B.C.P.R.);

THENCE South 75° 12' 55" West a distance of 671.92 feet along the north line of said West Airport Boulevard same being the north line of a called 2.5' strip dedicated for right-of-way (20080107 F.B.C.P.R.) to a 5/8 inch iron rod with 4079 Cap found for corner in the east line of a called 18.00 acres tract conveyed by deed dated October 22, 2004 to Yokogawa Corporation of America as recorded in Fort Bend County Clerk's File No.2004130464 of the Deed Records of Fort Bend County, Texas, from said iron rod another 5/8 inch iron rod with 4079 Cap was found S 02°39'14" E – 2.59 feet;

THENCE North 02° 39' 14" West a distance of 1152.41 feet along the east line of said 18.00 acres and the west line of the herein described tract to a 5/8 inch iron rod found for the northwest corner of said 20.86 acres;

THENCE North 75° 33' 29" East along the north line of said 20.86 acres, passing at a distance of 177.36 feet the southeast corner of Ashford Lakes Section Five according to the map or plat recorded thereof in Slide No.2212A (F.B.C.P.R.), same being the southwest corner of Ashford Lakes Section Six Slide No.2342B (F.B.C.P.R.), and continuing in all for a total distance of 876.24 feet to a point for corner in the west line of Dairy Ashford Road (90' R.O.W. Slide 1861B, F.B.C.P.R.), from which a 3/4 inch iron rod was found North 0.66 feet, West 0.34 feet;

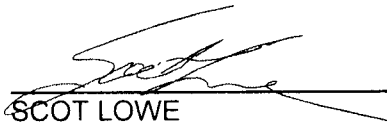
THENCE South 04° 45' 55" East along the west line of said Dairy Ashford Road and the east line of said 20.86 acres, passing at a distance of 19.87 feet, and 0.30 feet west a 5/8 inch iron rod with Hovis Cap, and continuing in all for a total distance of 307.98 feet to a 5/8 inch iron rod with LJA Cap set for corner;

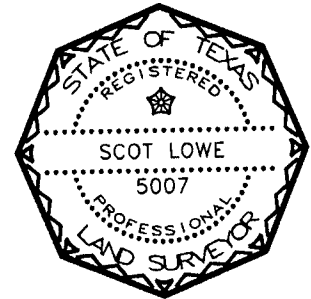
THENCE South $01^{\circ} 55' 40''$ East a distance of 441.57 feet continuing along the west line of said Dairy Ashford Road and the east line of said 20.86 acres to an "X" in concrete found for the northeast corner of Unrestricted Reserve "A" of Dominoes of Sugarland according to the map or plat recorded thereof in Slide No.20040222 of the Plat Records of Fort Bend County, Texas;

THENCE South $88^{\circ} 26' 49''$ West a distance of 206.63 feet along the north line of said Unrestricted Reserve "A" and the eastern most south line of said 20.86 acres to a 5/8 inch iron rod found for corner;

THENCE South $02^{\circ} 39' 14''$ East along the southern most east line of said 20.86 acres and the west line of said Unrestricted Reserve "A" passing at a distance of 99.80 feet (called 100.02') and 0.23 feet west, the northwest corner of said Reserve "A" of Chevron Food Mart and continuing in all for a total distance of 444.88 feet to the **PLACE OF BEGINNING** of the herein described tract of land and containing within these calls 20.824 acres or 907,086 square feet of land.

WITNESS MY HAND AND SEAL THIS THE 20th DAY OF SEPTEMBER, 2019


SCOT LOWE
R.P.L.S. 5007
T.B.L.S. FIRM No. 10193971



METES AND BOUNDS PREPARED IN CONJUNCTION WITH
SURVEY DATED 09/2019 LJA001-2167-1903

EXHIBIT 2

ECONOMIC IMPACT STATEMENT



GREATER FORT BEND
ECONOMIC DEVELOPMENT
COUNCIL

ECONOMIC IMPACT STATEMENT QUESTIONNAIRE

Company Name
City, Fort Bend County

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.

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.

Transwestern Development Company (TDC), the development arm of Houston based Transwestern, is a diversified business with expertise and experience in the development of industrial, office, multifamily, mixed-use, and healthcare projects. The firm has been creating commercial landmarks for its partners and valued customers throughout the U.S. since 1978. TDC Logistics is the firm's industrial development platform and is a fully integrated part of the business. The firm manages projects through a team approach that includes experts in design, construction, leasing, finance, asset management and building operations. This team orientation ensures the initial business plan is realized in the finished product so that investment dollars are maximized, and the cities in which we build experience economic growth.

The proposed project is a two building, +/- 343,540 square foot speculative industrial project.

1. Information About Your Company

| | |
|--|--|
| Company Name: Transwestern Development Company | |
| Contact Person: Ben Newell | Title: Partner |
| Current Address: 1900 W Loop S, Suite 1300 | |
| Office #: 713.270.3364 | Mobile #: 713.855.0091 |
| Fax #: | Website: https://transwesterndevelopment.com/ |
| Email Address: ben.newell@transwestern.com | |

The Company's Primary SIC Code:

2. Type of project (check all that apply):
- ☐ Existing business in Fort Bend County
 - ☐ New business to Fort Bend County
 - ☐ Expansion of existing facility
 - ☒ Construction of new facility
 - ☒ Company will lease facility
 - ☒ Company will own facility
 - ☐ Corporate/Regional Headquarters

3. If the company will lease the facility, who will be the owner:

Transwestern Acquisitions, LLC has the site under contract. The contract will be assigned to be determined joint venture development entity with Transwestern Development Company as the managing member. The to be determined entity will close on the land, develop and own the property.

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

5. Scope of project:

| | |
|---|-------------|
| Size of new facility/expansion: | +/- 343,540 |
| Size of existing facility (if applicable): | |
| Size of lease space in existing facility (if applicable): | |
| Number of acres at facility site: | |
| Type of Construction (tilt wall, metal, concrete, etc.): | Tilt Wall |

6. Please give detailed breakdown of operations within the proposed facility (i.e., 20% office; 25% distribution; 15% metal fabrication; 40% warehouse, etc.): Expected to be up to 10% office and 90% distribution

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

TBD based off end user. A Traffic Impact Analysis for a similar project TDC development in Missouri City estimated 0.47 trips per 1,000 SF. Applying this metric the estimate daily would be 163 trips per day.

8. Targeted start of construction: May 2020

9. Targeted start of operations: TBD, shell completion target April 2021

10. **Market value (taxable assets) of the firm's property that would be located at the facility in Fort Bend (new property to Fort Bend):** Shell building taxable value is estimate to be \$27,000,000

| Land | Construction Costs of Building Improvements | Equipment & Machinery | Inventory | Other Taxable Personal Property | Total |
|----------------|---|-----------------------|-----------|---------------------------------|--------------|
| \$ \$5,078,748 | \$ \$16,159,641 | \$ | \$ | \$ | \$21,238,389 |

11. **Estimated percent of inventory that would be Freeport qualified, if any:**

TBD %

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.

12. **Does the company require a Foreign Trade Zone (FTZ)? If so, what percent of the inventory would be FTZ qualified:** % **TBD**

13. **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 |
|--|--|----------------------|
| TBD | TBD | TBD |

14. **Average salary (before benefits):** TBD, Spec Space
15. **Amount of initial, annual local payroll to be created:** TBD
16. **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
17. **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:** No
18. **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:** No, since the project team is local development will require limited travel.
19. **If your company currently has operations elsewhere in the State of Texas, please list the name of the communities:** Stafford, Houston, Round Rock, Austin, Dallas, and Fort Worth

20. Employee benefit burden (percent of employee's salary that is invested by the company into the employee's benefits): TDB
21. Current owner of real property (land/building) at the time of application:
Yokogawa Corporation
22. Have you received or are you currently receiving tax abatement in Fort Bend:
☒ Yes ☐ No
23. 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*
24. What is the expected increase in value of the land once it is sold? (to be answered by GFBEDC)
25. Productive life of proposed improvements and/or initial term of lease: 60 + years
26. Time of day activities will be taking place (i.e, # of shifts): TBD, spec space
27. 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. None
28. 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, spec space
29. Explain any proposed pretreatment of wastewater prior to discharge into the sanitary sewer system: None
30. Will there be any proposed monitoring of wastewater discharge into the sanitary sewer system: None
31. Public improvements to be made by the Company in which the public may benefit (please list if any): None
32. Will this business compete with existing businesses in the county? If so, please list local companies providing the same services: Spec Space

33. Are there possibilities for local businesses to become suppliers? Any new retail opportunities? Please explain. Yes, for the construction of the project
34. Do you anticipate your relocation to attract other new businesses to the area? Please explain: Yes, the spec space will help attract new businesses to the area
35. Does the business produce any type of emissions or are there any other environmental matters for the city/county to consider: No
36. The company agrees to participate in the continuing economic development process in Fort Bend County by becoming a Trustee member (\$6,000/yr) /Regular member (\$2,000/yr) of the GFBEDC for a minimum period coinciding with the term of any County abatement agreement: ____ Yes ____X_ 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.
37. 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.

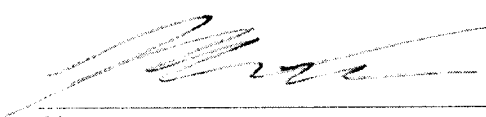
In order to prepare the documents creating the Reinvestment Zone, in which all eligible property placed therein would receive any property tax abatement, and the Abatement Agreement itself, a Site Plan and Legal Description, including a metes and bounds description is necessary. Please provide these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

CERTIFICATION:

I. APPLICANT:

____(Name of Company) Transaction Development 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

10-31-19
Date

Printed Name: Ben Newell

Title: Partner

II. GFBEDC

The Greater Fort Bend Economic Development Council certifies that _____
_____ has 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.**

TDC-DRI Sugar Land, L.L.C.
Houston, TX United States

Certificate Number:
2020-574571

Date Filed:
01/07/2020

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, Texas

Date Acknowledged:
01/14/2020

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.

Reinvestment Zone # 2019-03
Speculative Warehouse Space

| 4 | Name of Interested Party | City, State, Country (place of business) | Nature of interest (check applicable) | |
|---|----------------------------|--|--|--------------|
| | | | Controlling | Intermediary |
| | TDC-DRI Sugar Land, L.L.C. | 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)