

STATE OF TEXAS

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COUNTY OF FORT BEND

TAX ABATEMENT AGREEMENT
by and between
FORT BEND COUNTY
and
TEXAS INSTRUMENTS INCORPORATED

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 **TEXAS INSTRUMENTS INCORPORATED**, hereinafter referred to as "Owner," of the Real Property located within the City of Sugar Land Reinvestment Zone No. 2012-01.

1. **Authorization:**

- a. This Agreement is authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the TEXAS TAX CODE as it exists on the effective date of this Agreement, and;
- b. The Amended Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created by Fort Bend County, Texas, was approved by the County's Commissioners Court on March 1, 2011. County has determined that the request for Tax Abatement presented by Owner conforms with 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. 2012-01 by the Central Appraisal District.
- b. "**Real Property**" means the land consisting of 7.193 acre tract of real property as described in Ordinance No. 1881, which created Reinvestment Zone No. 2012-01 located within the City of Sugar Land, described in Exhibit "A" attached hereto and incorporated by reference herein for all purposes.

- c. **"Improvements"** means a new building to be used as an electronics research and development facility in Reinvestment Zone No. 2012-12, containing at least 155,000 square feet of floor space and any sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building, all as shown in Exhibit A, attached to and incorporated into this Agreement by reference.
- d. **"Abatement"** means the full or partial exemption from ad valorem taxes of certain property in the City of Sugar Land Reinvestment Zone No. 2012-12 designated for economic development purposes.
- e. **"Eligible Property"** means the personal property acquired by Owner and installed at the Improvements which is not Ineligible Property on or before December 31, 2014. Abatement may be extended to fixed machinery and equipment, necessary to the operation and administration of the facility. Eligible Property is subject to abatement only as included in Section 5(c).
- f. **"Ineligible Property"** means real property, existing improvements, tangible personal property that the District classifies as inventory or supplies, real property used primarily to provide retail sales or services to the public, real property used for residential purposes, tangible personal property classified as furnishings, tangible personal property located in the reinvestment zone prior to the execution date of the tax abatement agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.
- g. **"Owner"** means TEXAS INSTRUMENTS INCORPORATED, the Owner of the Real Property the subject to this Agreement, or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners' Court.
- h. **"County"** means the County of Fort Bend, Texas.
- i. **"District"** means Fort Bend County Central Appraisal District.

3. **Subject Property**

The City of Sugar Land Reinvestment Zone No. 2012-12 is an area located in Fort Bend County, Texas, being legally described in Exhibit A attached hereto and incorporated herein for all purposes.

The District has established the base year values for the subject property as of January 1, 2013.

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 on or before March 31, 2013.
- (b) That construction of the Improvements shall be completed on or before June 30, 2014. Owner shall provide the County's Tax Assessor/Collector a certified statement evidencing a minimum of \$25,000,000 in project costs with respect to the design and construction of the Improvements within sixty (60) days after completion of the Improvements.
- (c) That the Certified Appraised Value of the Improvements on January 1, 2015, and on each and every January 1 thereafter during the term of this Agreement will not be less than \$15,000,000. Owner may from time to time during the term of this Agreement for the Improvements, install additional improvements, and modify, remove or replace improvements, as Owner may determine in its discretion, provided such shall not modify the minimum value requirements hereof. Failure to meet the requirements of this section will invalidate the tax abatement for the year this requirement was not satisfied.
- (d) That Owner shall provide the County's Tax Assessor/Collector with a copy of the Certificate of Occupancy for the Improvements on or before June 30, 2014. Owner's failure to present a copy of the Certificate of Occupancy to County may result in a forfeiture of the tax abatement of tax year 2014.
- (e) That Owner has, as of the effective date of this Agreement, the financial resources to implement the above representations.
- (f) That Owner will participate in the continuing economic development process in Fort Bend County by becoming a Regular Member of the Greater Fort Bend Economic Development Council for a minimum period coinciding with the term of this Agreement.
- (g) **OWNER SHALL BE RESPONSIBLE FOR NOTIFYING THE DISTRICT OF THE ABATEMENT, INCLUDING FILING WITH THE DISTRICT ANY APPLICATION OR OTHER FORMS**

NECESSARY TO QUALIFY FOR OR RECEIVE THE ABATEMENT GRANTED.

- (h) OWNER SHALL BE RESPONSIBLE FOR REQUESTING 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. APPROVAL SHALL NOT BE UNREASONABLY WITHHELD.

5. **Value and Term of Abatement**

(a) This Agreement shall be effective on the date executed by County and shall terminate (unless earlier terminated in accordance with the terms hereof) on December 31, 2024. In no event shall this Agreement extend beyond December 31, 2024. This Agreement shall terminate on the completion of the abatement, unless earlier terminated as provided elsewhere herein. Owner's obligation upon default to pay to County any taxes abated under this Agreement shall not terminate until the abated taxes are paid.

(b) In each year 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 only.

(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: | <u>Tax Year</u> | <u>Percentage Abatement</u> |
|---------------|------------------------|------------------------------------|
| | 2015 | 75% |
| | 2016 | 75% |
| | 2017 | 75% |
| | 2018 | 75% |
| | 2019 | 75% |
| | 2020 | 75% |
| | 2021 | 75% |
| | 2022 | 75% |
| | 2023 | 75% |
| | 2024 | 75% |

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

6. Taxability

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

- (a) The value of Real Property, Eligible Property and Ineligible Property shall be fully taxable, including inventory, and
- (b) The value of existing improvements, if any, and existing Eligible Property shall be determined in the base year by the District.

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 Eligible Property, or any property located thereon, to become delinquent, or (3) 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.
- (b) County shall notify Owner of any default in writing specifying the default. Owner shall have sixty (60) days from the date of the notice to cure any default. If Owner does not cure the default within ninety (90) days from receipt of notice, County may terminate this Agreement by written notice.

- (c) If this Agreement is terminated by County, Owner agrees that they are liable for and will pay to County within thirty (30) days of the termination of this Agreement:
 - (1) The amount of all taxes abated during the term of this Agreement; and
 - (2) Interest on the abated amount at the rate provided for in the TEXAS TAX CODE for delinquent taxes.
- (d) Penalties on the amount abated in the year of default, at the rate provided for in the TEXAS TAX CODE for delinquent taxes. 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.
- (e) 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 a 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, 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.

8. Administration and Inspection

- (a) This Agreement shall be administered on behalf of 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 Improvements and any 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 Fort Bend County Appraisal District shall annually determine (1) the taxable value under the terms of this abatement of the Improvements, and any Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, the Improvements, and any 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, including payroll records, as may be necessary for the administration of the this Agreement. Such information, including payroll records, 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 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 of 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 DISTRICT 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 AND 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 are 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 become 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; 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 Commissioner's 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

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 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. 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 Patsy Schultz
Fort Bend County Tax Assessor-Collector
1317 Eugene Heimann Circle
Richmond, Texas 77406

To **Owner:** David Thomas, Vice President, World Wide Facilities
Texas Instruments Incorporated
12500 TI Blvd.
Dallas, Texas 75243

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

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

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; Ordinance and Economic Impact Statement

This Agreement contains the entire Agreement among the parties and supercedes all other negotiations and agreements, whether written or oral. 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 A – City of Sugar Land Ordinance No. 1881 designating Reinvestment Zone No. 2012-12, and (b) Exhibit B - Economic Impact Statement/Application for Value Added Tax Abatement, which are made part of this Agreement.

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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: _____

Robert E. Hebert, County Judge

Date: _____

2-26-2013

ATTEST:

Dianne Wilson

Dianne Wilson, County Clerk

"Owner:"

TEXAS INSTRUMENTS INCORPORATED

By: _____

David Thomas,
Vice President, World Wide Facilities

Date: _____

2-20-2013

ATTEST:

Bryan Booker
BRYAN BOOKER, WWF GRE



Exhibit A
Ordinance Creating City of Sugar Land Reinvestment Zone No. 2012-12

ORDINANCE NO. 1881

AN ORDINANCE OF THE CITY OF SUGAR LAND, TEXAS, CREATING REINVESTMENT ZONE NO. 2012-01 FOR A 7.193 ACRE TRACT OF LAND LOCATED IN THE TELFAIR DEVELOPMENT SOUTH OF U.S. HIGHWAY 59 AT THE NORTHEAST CORNER OF THE INTERSECTION OF UNIVERSITY AND LEXINGTON BOULEVARDS.

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:**

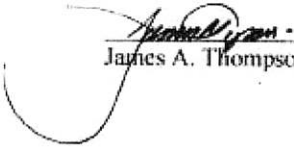
Section 1. That Reinvestment Zone No. 2012-01 is created for the 7.193 acre tract of real property described in Exhibit A, attached to and incorporated into this ordinance by reference.

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

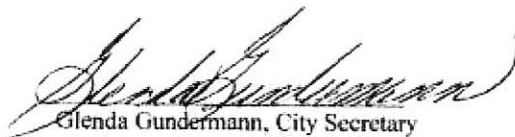
Section 3. That Reinvestment Zone No. 2012-01 expires five years from the date of this ordinance.

APPROVED on first consideration on December 04, 2012.

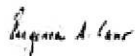
ADOPTED upon second consideration on December 18, 2012.


James A. Thompson, Mayor

ATTEST:


Glenda Gundermann, City Secretary

Reviewed for Legal Compliance:



Attachment: Exhibit A - Property Description

October 30, 2012
Job No. 1800-0134A

DESCRIPTION OF
7.193 ACRES

Being 7.193 acres of land located in the Alexander Hodge League, Abstract 32, Fort Bend County, Texas, more particularly being a portion of the residue of a called 326.828 acre tract conveyed to NNP-Keepsake, L.P., by instrument of record in File No. 2003148525, Official Public Records, of said Fort Bend County, (F.B.C.O.P.R.), said NNP-Keepsake, L.P., formerly known as NNP-Telfair LP, by instrument of record in File No. 2006007940, F.B.C.O.P.R., said NNP-Telfair LP now known as NNP-Telfair LLC, by Certificate of Conversion dated March 22, 2012, and being a portion of Tract 5, Part 5 as shown on the State of Texas Department of Transportation Partition Plat, a subdivision of record in Slide No. 1655B and 1656A, of the Plat Records, of said Fort Bend County, (F.B.C.P.R.) said 7.193 acres being more particularly described by metes and bounds as follows (all bearings referenced to the Texas State Plane Coordinate System, South Central Zone, NAD 83, 1993 adjustment);

COMMENCING for reference at the southwest corner of that certain called 21.000 acre tract conveyed to the City of Sugar Land, by an instrument of record in File No. 2011096438, F.B.C.O.P.R.;

Thence, North 01° 50' 41" West, along the west line of said 21.000 acre tract, 145.60 feet to a point;

Thence, South 88° 09' 18" West, departing said west line, 482.75 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the POINT OF BEGINNING of the herein described tract;

Thence, South 88° 13' 45" West, 225.45 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

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7.193 acres

October 30, 2012
Job No. 1800-0134A

Thence, 71.88 feet along the arc of a tangent curve to the right having a radius of 481.50 feet, a central angle of $08^{\circ} 33' 54''$ and a chord which bears North $87^{\circ} 29' 18''$ West, 71.91 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, North $83^{\circ} 12' 22''$ West, 123.86 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 82.89 feet along the arc of a tangent curve to the left having a radius of 554.50 feet, a central angle of $08^{\circ} 33' 54''$ and a chord which bears North $87^{\circ} 29' 18''$ West, 82.81 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South $88^{\circ} 13' 45''$ West, 53.01 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 46.14 feet along the arc of a tangent curve to the left having a radius of 1,102.50 feet, a central angle of $02^{\circ} 23' 52''$ and a chord which bears South $87^{\circ} 01' 49''$ West, 46.14 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South $85^{\circ} 49' 52''$ West, 12.54 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 81.79 feet along the arc of a tangent curve to the right having a radius of 50.00 feet, a central angle of $93^{\circ} 43' 34''$ and a chord which bears North $47^{\circ} 18' 20''$ West, 72.87 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, North $00^{\circ} 26' 24''$ West, 356.06 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

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7.193 acres

October 30, 2012
Job No. 1800-0134A

Thence, 55.25 feet along the arc of a tangent curve to the right having a radius of 35.00 feet, a central angle of $90^{\circ} 26' 25''$ and a chord which bears North $44^{\circ} 46' 48''$ East, 49.69 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, North $90^{\circ} 00' 00''$ East, 644.76 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 39.27 feet along the arc of a tangent curve to the right having a radius of 25.00 feet, a central angle of $90^{\circ} 00' 00''$ and a chord which bears South $45^{\circ} 00' 00''$ East, 35.36 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner;

Thence, South $00^{\circ} 00' 00''$ East, 390.35 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for corner, the beginning of a curve;

Thence, 53.90 feet along the arc of a tangent curve to the right having a radius of 35.00 feet, a central angle of $88^{\circ} 13' 45''$ and a chord which bears South $44^{\circ} 06' 52''$ West, 48.73 feet to the POINT OF BEGINNING and containing 7.193 acres of land.

This description prepared from a survey and plat prepared by the undersigned dated October 30, 2012.


Gary D. Nutter
Registered Professional Land Surveyor
Texas Registration No. 5659



LJA Engineering, Inc.

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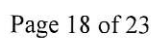


Exhibit B



APPLICATION FOR AD VALOREM TAX ABATEMENT

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

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

After initially starting out as a Geophysical exploration company in 1930, TI has been doing business under the Texas Instruments Inc name since 1951. TI engineer Jack Kilby invented the Integrated Circuit in 1958, and TI has been in the Semiconductor business ever since. With more than \$13.7B in worldwide revenue in 2011, and employing more than 34,600 employees worldwide, TI is ranked 200 on the Fortune 500 ranking, and was named as one of Fortunes "Most Admired Companies" for the 9th consecutive year. Other recent accolades awarded to TI are as follows:

- Ranked in early 2012 by the National Association for Female Executives as "one of the top U.S. companies for female executives" for the 7th consecutive year.
- Corporate Responsibility (CR) Magazine's "100 Best Corporate Citizens" – 2011 for the 9th year
- Ethisphere Magazine's "World's Most Ethical Companies" – 2012 for the 6th consecutive year
- Working Mother's "100 Best Companies for Working Mothers" – 2011 for the 16th consecutive year. TI inducted into Working Mother's Hall of Fame in 2010 for being named to the 100 best companies list for 15 consecutive years.

With a deep and broad embedded processing portfolio, Texas Instruments gives customers the unique opportunity to select almost any processor that meets their needs. Our processors and semiconductor solutions serve the entire spectrum of electronics products, including some of the fastest growing applications such as renewable energy, transportation, communications, health care and industrial automation, just to name a few. At TI, our employees take pride in designing innovative embedded processing and analog products that are helping make the world smarter, safer, greener, healthier and more fun. We have several businesses located in our Houston area location with global scope and impact:

- Multi-Core Operations – Production Engineering and Test & Research and Design Center
- OMAP Automotive Business – Business Development, Product Marketing and Applications Engineering

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

- MCU Businesses:
 - MCU Safety – Product Marketing, Product Engineering and Test, Application Engineering and Architecture
 - MCU C2000 - Product Marketing, Product Engineering and Test, Application Engineering and Architecture
- Custom Business – Product Engineering and Test
- Software Development Organization – Software development, design, and support

2. Information About Your Company

| | |
|---|---------------------------------------|
| Company Name: Texas Instruments Inc | |
| Contact Person: Bryan Booker | Title: World Wide Real Estate Manager |
| Current Address: 12500 TI Blvd, Dallas TX, 75243, M/S 8660 | |
| Office #: 214-567-6428 | Mobile #: 214-797-8732 |
| Fax #: | Website: ti.com |
| Email Address: b-booker@ti.com | |
| The Company's Primary SIC Code: | |

3. Name of entity that will own the building:

The option of building to Lease (from a respected Houston area Developer) or building to own is still being reviewed. If Texas Instruments builds to own, then we would be the owning entity.

4. Type of project (check all that apply):

- ☒ Existing business in Fort Bend County
- ☐ Existing business in Sugar Land
- ☐ New business to Sugar Land/Fort Bend County
- ☐ Expansion of existing facility
- ☒ Construction of new facility
- ☐ Company will lease facility
- ☐ Company will own facility
- ☐ Corporate/Regional Headquarters

Note: current location = Stafford, TX for operations that are being considered to move to Sugar Land, possibly staying in Stafford, or moving to Dallas.

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

Telfair development, North East corner of US 59 and University. (See attached map of Telfair site)

6. **Scope of project:**

(See attached renderings of proposed campus)

| | |
|---|----------------------|
| Size of new facility/expansion: | Approx 160ksf |
| Size of existing facility (if applicable): | N/A |
| Size of lease space in existing facility (if applicable): | N/A |
| Number of acres at facility site: | 8 - 10 |
| Type of Construction (tilt wall, metal, concrete, etc.): | Brick-clad tilt wall |

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

80% office/admin, 10% research and development laboratories, 10% electronic component test floor.

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

Small trucks (Fedex/UPS) – 8/day

Large trucks (Semis) – 2/month (liquid nitrogen delivery)

If production test floor is incorporated into test floor, add additional 3 Large trucks / month

9. **Targeted start of construction:**

Late 4Q12 or early 1Q13.

10. **Targeted start of operations:**

Mid 4Q13

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

| <u>Land</u> | <u>Building Improvements</u> | <u>Furniture, Fixtures & Equipment</u> | <u>Inventory</u> | <u>Total</u> |
|------------------------------------|----------------------------------|--|------------------|--------------|
| | | | | |
| Building – Hard construction costs | \$25.0M | | | |
| Building – Total Costs | \$26.8M | | | |
| Inventory | n/a | | | |
| Test Floor Equip | | \$ 2.0M | | |
| FF&E | | \$ 8.0M | | |

These are estimates based on developer input.

12. **Estimated percent of inventory that would be Freeport qualified: >95%**
Freeport goods are inventories (raw materials, goods-in-process, and finished products) acquired or brought into the state by businesses and held for no more than 175 days before being shipped out of state.

n/a

13. **Employment information:**

| <u>New Jobs Created</u> | <u>Existing Jobs Retained</u> | <u>Total Number of Jobs</u> |
|-------------------------|-------------------------------|-----------------------------|
| 0 | 375 | 375 |

14. **Average salary (before benefits):**

\$100,000 / yr

15. **Amount of initial, annual local payroll to be created:**

\$37,500,000.00

16. **The firm's estimated annual amount of taxable sales (that generate sales taxes) in the City of Sugar Land:**

Negligible – assume zero.

17. **Will there be any special infrastructure (water/wastewater, power, gas, transportation, etc.) needs required by the company:**

- Water / wastewater consistent with a building using a cooling tower, possibly 500 more gallons/month
- Electrical – standard power, 480v service. No need for dual feeds.
- Natural gas is preferred.
- Need access for large trucks (semitr). Building will accommodate a small dock for deliveries.

18. **Does the company own a corporate airplane that would be housed at the Sugar Land Regional Airport? If so, what is the plane's value:**

TI corporate jets are housed in TI-owned hangar (McKinney, TX), but will continue to use Sugar Land regional airport.

19. **Will the company's local business practices necessitate business travel that will bring clients or employees to Sugar Land, resulting in hotel/motel bookings? If so, what is the estimated number of hotel/motel stays per year that will be booked locally?**

Yes, as we have both TI'ers from other Texas and worldwide locations visit this site on a regular basis, as well as customers and suppliers. Using a model to calculate current site visits for the businesses that may remain in the area, we calculate approximately 1000 nights / year of hotels stays.

LEED TAX ABATEMENT

(If Applicable to Project)

20. Applicable LEED Green Building Rating System and Version on which the Certification Will Be Based:
Rating System: LEED for New Construction Version: 2009
21. Level and Number of Points of LEED Rating System at which applicant expects Certification:
Level: Gold Number of Points: 60
22. Proof that Project Has been Registered with the US Green Building Council
Proof of Registration: Not yet registered
23. Information on LEED Accredited Professional Assigned to the Design Team for the Project (if applicable)

| | |
|---|---|
| Contact Person: Paul Westbrook | Title: Sustainable Development Mgr. Texas Instruments |
| Address: 13542 North Central Expy, Dallas, TX 75243 | |
| Office #: 214-567-7311 | Mobile #: 214-882-4685 |
| Fax #: | Email Address: p-westbrook@ti.com |

24. Note: A draft site plan and a metes and bounds description of the project must be provided for use as an exhibit to the tax abatement agreement and reinvestment zone ordinance before those documents can be drafted.

Full site plan is not yet developed, as we are still in the site selection process and design discussions. See attached renderings as representative example.

21. By signing and submitting this application you certify that the company, its branches, divisions and departments (company) do not and will not knowingly employ an undocumented worker. An agreement with the company will require the company to repay the total amount of the public benefit received with interest at the rate and according to the terms of the agreement if the company is convicted of a violation under 8 U.S.C. Section 1324a (f). Repayment will be due no later than the 120th day after the date the City notifies the company of the violation as provided in the agreement.

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

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

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