

STATE OF TEXAS

§

§

COUNTY OF FORT BEND

§

**TAX ABATEMENT AGREEMENT BETWEEN
FORT BEND COUNTY AND BRONSON SOLAR**

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 Bronson Solar, LLC hereinafter referred to as "Owner" of the tangible personal property, located within Fort Bend County Reinvestment Zone No. 20.

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 concerns Property subject to Texas Tax Code Section 23.26 , 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 24, 2017. 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 Reinvestment Zone No. 20 by the FBCAD (as hereinafter defined).
- b. "Real Property" means the 93.56 acres on which Owner's tangible personal property is located tract of land as described in Exhibit "B" attached hereto and incorporated herein for all purposes, which tract of land is located within the Reinvestment Zone 20
- c. "Abatement" means the full or partial exemption from ad valorem taxes of certain Eligible property in the Fort Bend County Reinvestment Zone No. 20 designated for economic development purposes.
- d. "Eligible Property" means the tangible personal property acquired by Owner and installed in Reinvestment Zone 20 and subject to Texas Tax Code Section 23.26. 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).
- e. "Ineligible Property" means real property, existing improvements, 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 execution date of this Agreement, real property with a productive life of less than 10 years, or any other property for which abatement is not allowed by state law.

- f. "Owner" means Bronson Solar, LLC or other person or entity to which this Agreement is assigned, with prior approval of the Fort Bend County Commissioners' Court.
- g. "County" means the County of Fort Bend, Texas.
- h. "FBCAD" means Fort Bend Central Appraisal District.

3. Subject Property:

- a. The Fort Bend County Reinvestment Zone No. **20** is an area located in Fort Bend County, Texas, being legally described in Exhibit A 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, 2018.

4. Responsibility of Owner:

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

- a. That construction of the Eligible Personal Property, will commence without delay.
- b. No later than **DECEMBER 31, 2018**, Owner shall ensure that construction of the Eligible Property be complete. Owner shall provide the County's Tax Assessor/Collector with written documentation confirming same 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 of tax year 2019.
- c. That Owner shall provide the County's Tax Assessor/Collector a certified statement evidencing a minimum of **\$12,000,000** in project costs with respect to the design and construction of the Eligible Property within sixty (60) days after completion of same ; and that the Certified Appraised Value of the Eligible Property on January 1, 2019, and on each and every January 1 thereafter during the term of this Agreement will be the CAD Certified Value as provided for in Texas Tax Code Section 23.26. Values which have been hypothetically calculated in attached Exhibit C: Hypothetical Calculations Illustration (reference only). Owner may from time to time during the term of this Agreement install additional Eligible Property, and modify, remove or replace Eligible Property as Owner may determine in its discretion. Failure to meet the requirements of this Section will invalidate the tax abatement for any year this requirement is 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 owed in Fort Bend County are current. Delinquent taxes for any Fort Bend County Property is a default of Owner's obligations hereunder and will be grounds for termination of this Agreement regardless of whether the delinquent property is subject to an abatement.

5. Value and Term of Abatement:

- a. This Agreement shall be effective on the date executed by County and shall terminate on December 31, 2028. In no event shall this Agreement extend beyond December 31, 2028.
- 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 Eligible Property.
- 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 Eligible Property:

Tax Year	Percentage Abatement of the value calculated under Tax Code 23.26
2019	90%
2020	80%
2021	70%
2022	60%
2023	50%
2024	40%
2025	30%
2026	20%
2027	10%
2028	0%

The CAD Certified Value of the Eligible Property each year of the abatement term will conform to the most recent provisions of Texas Tax Code 23.26 which, at the time of this Agreement, provides for a ten year depreciation schedule on the Eligible Property with a residual value of the Eligible Property in the tenth year of the abatement term to be not less than 20% of the certified cost of the Eligible Property

provided to the county at completion of initial construction. The CAD calculated and certified value for each year of the ten year term of the abatement shall serve as the minimum annual value requirement necessary for the Owner to qualify for the abatement in each year of the abatement term. An exact schedule of the resultant annual minimum annual amounts to qualify for the abatement cannot be stated as those commonly accepted cost and other index factors shall not be available to the CAD until each successive tax year. An example of these calculations can be viewed in Exhibit C: HYPOTHETICAL CALCULATIONS ILLUSTRATION

- 1) The abatement granted shall not apply to the value of the Real Property, increases in the value of the Real Property, and 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 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.
- 4) 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.

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, and Ineligible Property shall be fully taxable, including inventory, and supplies.
- b. The value of existing improvements, if any, and existing Eligible Property shall be determined in the base year of 2018 by the FBCAD.

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 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 it 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 sixty (60) 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. If this Agreement is terminated by County, as County's sole and exclusive remedy, Owner agrees that it is liable for and will pay to County within thirty (30) days of the termination of this Agreement:
 - 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.
- d. County shall have a lien against the 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 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 and any applicable penalties.⁸

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 leased 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.

- b. Upon completion of the placement and/or installation of the Eligible Property, County shall annually evaluate 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 FBCAD shall annually determine (1) the taxable value under the terms of this abatement of the Eligible Property located on the Real Property and (2) the full taxable value without abatement of the Real Property, and 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 when this Agreement 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 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 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 INDEPENDENT REPRESENTATION OF ANY SUCH CLAIM, SUIT OR CAUSE OF ACTION; PROVIDED, HOWEVER, THAT 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 issuance of 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 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

- 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 Patsy Schultz
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: Bronson Solar, LLC
3250 Ocean Park Blvd.
Santa Monica, CA 90405
Attn: Jerome O'Brien

- 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 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

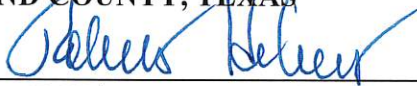
successors and assigns. Attached hereto are (a) Exhibit A – Fort Bend County Commissioners Court Order dated April 3, 2018 designating Reinvestment Zone No. 20 Exhibit B - legal description of Real Property which are made part of this Agreement and Exhibit C: Hypothetical Calculations Illustration (reference only)

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:”

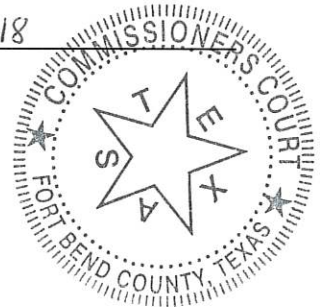
FORT BEND COUNTY, TEXAS

By: 
Robert E. Hebert, County Judge

Date: 4-24-2018

ATTEST:


Laura Richard, County Clerk



“OWNER”

BRONSON SOLAR, LLC

By: 

Printed: Name: Fred Robinson
Title: Authorized Person

ATTEST:

Date: 4/19/2018

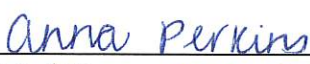

Printed Name: Anna Perkins

EXHIBIT A

ORDER CREATING FORT BEND COUNTY

REINVESTMENT ZONE NO. 20

62



THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

The Commissioners Court of Fort Bend County, Texas (the "Commissioners Court"), acting for and on behalf of Fort Bend County, Texas, convened in regular session at a regular term of said Court, open to the public, on the 3rd day of April , 2018, in the Commissioners Courtroom, 401 Jackson St., 2nd Floor, Richmond, Texas.

WHEREUPON, among other business, the following was transacted at said meeting:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 20

The Order was duly introduced for the consideration of the Commissioners Court and reviewed in full. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried by the following vote:

AYES: 5

NAYESS: 0

The County Judge thereupon announced that the Motion had duly and lawfully carried and that the Order had been duly and lawfully adopted. The Order thus adopted follows:

ORDER DESIGNATING FORT BEND COUNTY REINVESTMENT ZONE NO. 20

WHEREAS, the County Commissioners Court passed and approved Guidelines and Criteria for Granting Tax Abatement in Reinvestment Zones created in Fort Bend County, Texas, on February 14, 2017;

WHEREAS, pursuant to the Guidelines, the County has received a request for designation of a Reinvestment Zone and Tax Abatement;

WHEREAS, notice was given to all taxing entities where the proposed zone is to be located;

WHEREAS, after proper notice had been given in the March 19, 2018 edition of the Fort Bend Herald, the County has held a public hearing on March 27, 2018, where all interested persons were given an opportunity to speak, and evidence for and against the designation of Fort Bend County Reinvestment Zone No. 20,) was gathered;

WHEREAS, the County Commissioners Court has determined, based on evidence gathered, that the improvements sought to be located in proposed Reinvestment Zone No. 20 are feasible and practical and would be a benefit to the land to be included in Reinvestment Zone No. 20 and to the County after the expiration of the Tax Abatement Agreement; and

WHEREAS, the designation of Reinvestment Zone No. 20 will reasonably likely contribute to the retention or expansion of primary employment, increase business opportunities in Fort Bend County and contribute to the economic development of both the property in Reinvestment Zone No. 20 and to Fort Bend County;

NOW THEREFORE, BE IT ORDERED BY THE COUNTY COMMISSIONERS COURT OF FORT BEND COUNTY:

SECTION ONE

That the findings and provisions set out in the preamble of this Order are hereby found to be true and correct, and are made a part of this Order for all purposes.

SECTION TWO

That Fort Bend County Reinvestment Zone No. 20 is hereby designated pursuant to the Guidelines for the purpose of encouraging economic development in Fort Bend County through tax abatement.

SECTION THREE

This designation shall be effective for five (5) years from the date of passage of this Order and may be renewed for five (5) year periods thereafter.

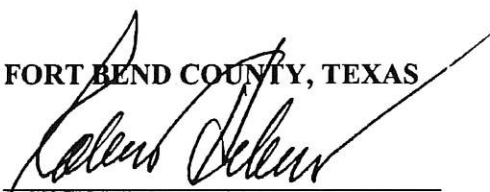
SECTION FOUR

The attached Exhibit A described tract(s) are to be combined and designated as Reinvestment Zone No. 20.

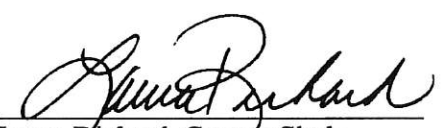
PASSED AND APPROVED this the 3 day of April, 2018.

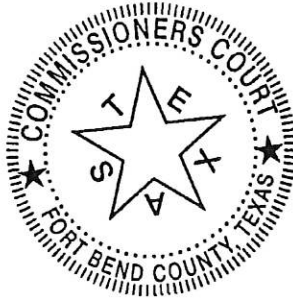
FORT BEND COUNTY, TEXAS

By:


Robert E. Hebert, County Judge

ATTEST:


Laura Richard, County Clerk



Attachment: Exhibit A – Metes & Bounds
 Exhibit B - Map of Reinvestment Zone

I:\Michelle\Tax Assessor-Collector\Abatements\2018\reinvestment zones\DRAFT Reinvestment Zone 20 creation order.docx

EXHIBIT B

LEGAL DESCRIPTION OF REAL PROPERTY

A tract of land containing 93.5608 Acres (4,075,509 square feet), being the remainder of a certain 97.66 acre tract recorded in Volume 212, Page 13, Fort Bend County Deed Records (F.B.C.D.R.), situated in the B.B.B. & C.R.R. CO. SURVEY, Abstract No. 120, in Fort Bend County, Texas. Said 97.66 acre tract also being called Lot 1 of TURKEY CREEK SUBDIVISION, according to the Map or Plat recorded in Volume 53, Page 233, F.B.C.D.R. Said 93.5608 acre tract (remainder of Lot 1) being more particularly described by metes and bounds as follows: (Bearings are based in Volume 53, Page 233 F.B.C.D.R.).

BEGINNING at an iron pipe found marking the Southwest corner of said Lot 1 and the herein described tract, the Northwest corner of Lot 8 of said turkey Creek Subdivision and the Northwest corner of a certain called 16.49555 acre tract recorded in Volume 594, Page 49, F.B.C.D.R., said corner also being in the Southerly East line of a certain called 116.81 acre tract recorded in Volume 382, Page 505, F.B.C.D.R.;

THENCE N 06°12'00" W., along the common line of said Lot 1, the herein described tract and said 116.81 acre tract, a distance of 659.00 feet to an iron rod set marking the Westerly Northwest corner of said Lot 1 and the herein described tract and an interior corner of said 116.81 acre tract; THENCE N 83°48'00" E., along the common line of said Lot 1, the herein described tract and said 116.81 acre tract, a distance of 660.00 feet to an iron rod set for an interior corner of said Lot 1 and the herein described tract and the Easterly Southeast corner of said 116.81 acre tract;

THENCE N 06°12'00" W., along the common line of said Lot 1, the herein described tract and said 116.81 acre tract, a distance of 1,220.00 feet to an iron rod set in the Southerly line of Highway 90-A marking the Northerly Northwest corner of the herein described tract and the Northeast corner of said 116.81 acre tract, said corner also being the Southwest corner of a 40-foot wide road right-of-way conveyed to the County of Fort Bend recorded in Volume 126, Page 10, F.B.C.D.R.;

THENCE N 83°48'00" E., severing said Lot 1, being the Southerly line of said Highway 90-A and said 40-foot wide road right-of-way conveyed to the County of Fort Bend, a distance of 1,935.64 feet to an iron rod set at the intersection of the Southerly right-of-way line of Highway 90-A with the Westerly right-of-way line of FM 1875 marking the Northeast corner of the herein described tract, said corner also being the Westerly of a 40-foot wide road right-of-way conveyed to the State of Texas recorded in Volume 298, Page 302, F.B.C.D.R.;

THENCE S 06°31'00" E., severing said Lot 1, being the Westerly of said FM 1875 and said 40-foot wide road right-of-way conveyed to the State of Texas, a distance of 1,874.23 feet to an iron rod set in the South line of said Lot 1 marking the Southeast corner of the herein described tract and the Northeast corner of aforesaid 16.49555 acre tract;

EXHIBIT C:

HYPOTHETICAL CALCULATIONS ILLUSTRATION
REFERENCE ONLY, NOT TO BE USED FOR ACTUAL VALUES

THE FOLLOWING IS PROVIDED AS AN ATTACHMENT TO THIS AGREEMENT AS AN EXAMPLE OF HOW THE MINIMUM ANNUAL CERTIFIED CAD VALUES MIGHT BE CALCULATED USING A STRAIGHT LINE TEN YEAR DEPRECIATION SCHEDULE, BUT NOT INCLUDING THE COMMONLY ACCEPTED COST AND OTHER INDEX FACTORS. THIS IS AN EXAMPLE ONLY. ALTHOUGH THE ANNUAL AMOUNTS WILL BE CHANGED AFTER APPLYING THE INDEX FACTORS, THE RESULTING DIFFERENCE BETWEEN A TEN YEAR STRAIGHT LINE SCHEDULE AND THE SCHEDULE WITH COST INDEX FACTORS APPLIED IS EXPECTED TO NOT DIFFER MATERIALLY. REGARDLESS OF ANY DIFFERENCES IN THE TWO SCHEDULES, THE CAD CERTIFIED VALUE OF THE ELIGIBLE PROPERTY DURING EACH YEAR OF THE ABATEMENT TERM WILL ALSO BE THE REQUIRED MINIMUM CAD VALUE NECESSARY TO QUALIFY FOR THE ABATEMENT THAT YEAR.

THIS IS AN EXAMPLE ONLY. NUMBERS AND VALUES USED ARE STRICTLY FOR DEMONSTRATION PURPOSES ONLY.

TAX YEAR	PERCENTAGE ABATEMENT OF THE VALUE CALCULATED UNDER TAX CODE 23.26	<i>DEMONSTRATION CALCULATION</i>
2019	90%	<i>\$12,000,000</i>
2020	80%	<i>\$10,800,000</i>
2021	70%	<i>\$9,600,000</i>
2022	60%	<i>\$8,400,000</i>
2023	50%	<i>\$7,200,000</i>
2024	40%	<i>\$6,000,000</i>
2025	30%	<i>\$4,800,000</i>
2026	20%	<i>\$3,600,000</i>
2027	10%	<i>\$2,400,000</i>
2028	0%	<i>\$2,400,000</i>