

NOTICE OF PUBLIC MEETING
THE FREEPORT CITY COUNCIL
MONDAY, JANUARY 7TH, 2013, 6:00 P.M.
FREEPORT MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 NORTH BRAZOSPORT BLVD.
FREEPORT, TEXAS

AGENDA
FORMAL SESSION

1. Call to order.
2. Invocation.
3. Pledge of Allegiance.
4. Consideration of approving the December 17, 2012 Council Minutes. Pg. 1-4
5. Attending citizens and their business.
6. Consideration of approving Resolution No. 2013-2406 approving submission of the Houston Galveston Area Council grant application for the Radio Interoperability Upgrade for 2014. Pg. 5
7. Consideration of approving a Freeport Industrial District Agreement between the City of Freeport and Phillips 66 Company, Gulf Chemical & Metallurgical Corporation, Rhodia Incorporated, Chemical Specialties Incorporated, SI Group dba: Schenetary International, Shintech, Incorporated, Freeport Landholdings LLC, Top Coat Incorporate. Pg. 6-102
8. Consideration of approving an amendment to the current Freeport Industrial District Agreement between the City of Freeport and DSM Nutritional Products, Incorporated, and Nalco Energy Services, LP. Pg. 103-110
9. Consideration of approving and authorizing Veolia Water to add Liquid Ammonia to the Slaughter Road Water System at a cost of \$21,100 required by the State for the alternative disinfection. Pg. 111
10. Consideration of approving and authorizing Veolia Water to repair a pump for the for the Central Lift Station Pump # 3 by HAHN Equipment costing \$19,181.88. Pg. 112
11. Consideration of cancelling the January 21st 2013 Council Meeting due to Martin Luther King, Jr. holiday.
12. Discuss and action on any item discussed in Executive Session.

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code.

Section 551.074, Government Code

Deliberations concerning the duties of a public officer or employee.

- City Manager

Adjourn

Items not necessary discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed. This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

In compliance with the Americans with Disabilities Act, the City of Freeport will provide for reasonable accommodations for persons attending City Council Meetings.

Request should be received 48 hours prior to the meeting. Please contact the City Secretary office at 979-233-3526.

I, Delia Munoz City Secretary for the City of Freeport, Texas certify that this agenda was posted on the official bulletin board/glass door of City Hall, facing the rear parking lot of the building, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, January 4th, 2013 at or before 5:00 p.m.

Delia Munoz - City Secretary
City of Freeport, Texas

State of Texas

County of Brazoria

City of Freeport, Texas

BE IT REMEMBERED, that the City Council of the City of Freeport met on Monday, December 17th, 2012 at 6:03 p.m. at the Freeport Municipal Court Room, 430 North Brazosport Boulevard, for the purpose of considering the following agenda items:

City Council: Norma M. Garcia
Michelle Kent
Fred Bolton
Sandra Loeza
Sandra Barbree

Staff: Jeff Pynes, City Manager
Gilbert Arispe, Asst. City Manager
Wallace Shaw, City Attorney
Delia Munoz, City Secretary
Nat Hickey, Property Manager
Brian Davis, Fire Chief
Larry Fansher, Parks Director
Bob Welch, Finance Director

Visitors:	Tobey Davenport	Louie Jones
	Stanley Burke	Lila Lloyd
	Beth Wright	Gore Wright
	Roy Yates	Shannon Daugherty
	Dorothy Pirrung	Jim Pirrung
	Jerry Meeks	

Call to order.

Mayor Norma Garcia called the meeting to order at 6:03 p.m.

Invocation.

Mr. Wallace Shaw offered the invocation.

Pledge of Allegiance.

Mr. Wright Gore led the Pledge of Allegiance.

Consideration of approving the December 3, 2012 Council Minutes.

On a motion by Councilwoman Barbree, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved the December 3rd, 2012 Council Minutes.

Attending citizens and their business.

There were none.

Consideration of approving an appraisal of and adoption of Ordinance No. 2012-2031 closing, abandoning and selling to the sole adjoining landowner that portion of East Brazos right-of-way adjacent to the north boundaries of Lots 1 thru 4, Block 16, Freeport Townsite.

This item was reagendaed due to more documentation.

Consideration of approving and signing a replat for Osbaldo Levario and Ms. Maria D. Rodriguez on Block 501, Lots 17, 18, 19, Velasco Townsite, known as 11 North Ave. A.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved signing a replat for Osbaldo Levario and Ms. Maria D. Rodriguez on Block 501, Lots 17, 18, 19, Velasco Townsite known as 11 North Ave. A.

Consideration of approving Resolution No. 2012-2404 adopting Local Fair Housing Policies and Practices to comply with the City's previously approved fair housing action plan.

On a motion by Councilwoman Barbree, seconded by Councilwoman Kent, with all present voting "aye", Council unanimously approved Resolution No. 2012-2404 adopting Local Fair Housing Policies and Practices to comply with the City's previously approved fair housing action plan.

Consideration of approving Resolution No. 2012-2405 adopting procedures related to the recording and reporting of fair housing complaints in accordance with the adopted fair housing activity plan.

On a motion by Councilwoman Kent, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved Resolution No. 2012-2405 adopting procedures related to the recording and reporting of fair housing complaints in accordance with the adopted fair housing activity plan.

Consideration of approving and extending the current agreement with Waste Management for waste collection services.

Mr. Pynes reviewed the First Amendment to the Residential Solid Waste Collection Services Agreement.

On a motion by Councilwoman Barbree, seconded by Councilwoman Bolton, with all present voting "aye", Council unanimously approved to extend the current agreement with Waste Management for waste collection services.

Consideration of approving and authorizing the Mayor to sign an Interlocal Agreement for Regional Stormwater Management Program.

On a motion by Councilwoman Kent, seconded by Councilwoman Loeza, with all present voting "aye", Council unanimously approved and authorized the Mayor to sign an Interlocal Agreement for Regional Stormwater Management Program.

Consideration of approving and authorizing the City Manager to sign a Letter of Intent with Skymark Development Company, Inc. to pursue a development agreement on the Urban Renewal Tract area project.

Charles Williams of Olson & Olson did confirm that the Letter of Intent is a nonbinding letter that starts the process and grants permission to the company to enter and review the project site.

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "aye", Council approved and authorized the City Manager to sign a Letter of Intent with Skymark Development Company, Inc. to pursue a development agreement on the Urban Renewal Tract area project.

Mayor Garcia closed the Formal Agenda at 6:15 p.m. and opened the Executive Session.

Executive Session:

Section 551.071, Government Code

Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Regarding pending legations and contractual agreements:

Industrial District Agreement

Hospice Negotiations

Mayor Garcia closed the Executive Session at 6:35 p.m. and reconvened the Formal Session to adjourn.

Adjourn

On a motion by Councilwoman Kent, seconded by Councilwoman Barbree, with all present voting "aye", Council adjourned the meeting at 6:35 p.m.

Mayor Norma M. Garcia
City of Freeport, Texas

Delia Munoz, City Secretary
City of Freeport, Texas

RESOLUTION NO. 2013-2406

WHEREAS, the City of Freeport finds it in the best interest of the citizens of Freeport, that the Radio interoperability Upgrade to be operated for 2014; and

WHEREAS, the City of Freeport agrees to provide applicable matching funds for the said project as required by the Harris-Galveston Area FY 2014 grant application; and

WHEREAS, the City of Freeport agrees that in the event of loss or misuse of the Criminal Justice Division funds, the City of Freeport assures that the funds will be returned to the Criminal Justice Division in full.

WHEREAS, the City of Freeport designates Jeff Pynes, City Manager, as the grantee's authorized official. The authorized official is given the power to apply for, accept, reject, alter or terminate the grant on behalf of the applicant agency.

NOW THEREFORE, BE IT RESOLVED that the City of Freeport approves submission of the grant application for the Radio Interoperability Upgrade to the Office of the Governor, Criminal Justice Division.

Signed by: _____

Passed and Approved _____ day of _____, 2013.

Grant Number: 2656501-01

Industrial District Agreement Between

**PHILLIPS 66 Company
and**

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are Phillips 66 Company, a Delaware corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City of Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

**I.
GENERAL STATEMENT**

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

**II.
CONSIDERATION**

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Phillips 66 Company Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to

the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract to other persons or circumstances shall not be affected thereby.

V. EFFECTIVE DATE AND TERM

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

VI. NOTICES

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners:	Phillips 66 Company	City:	City of Freeport
	Attn: PTRRC		C/O City Manager
	P.O. Box 4428		200 W. 2 nd Street
	Houston, Texas 77210		Freeport, Texas 77541

VII. MISCELLANEOUS

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all

of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Phillips 66 Company

By _____

By *[Signature]*

Title _____

Title Attorney in Fact

Attest: _____

Attest: *Erica K. Kaiser*

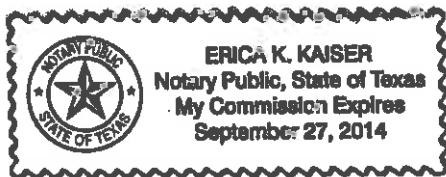
Title: _____

Title: Asst. Secretary

The State of Texas

County of Harris

This instrument was acknowledged before me on the 21st day of December, 2012 by Greg L. Cardwell, a representative and authorized signature agent of the Phillips 66 Company.



Erica K. Kaiser

Notary Public, State of Texas

**Industrial District Agreement Between
GULF CHEMICAL & METALLURGICAL CORP.
and
THE CITY OF FREEPORT, TEXAS
(Collectively referred to as the "Parties")**

The Parties to this agreement are Gulf Chemical & Metallurgical Corp., a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

I.
GENERAL STATEMENT

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

II.
CONSIDERATION

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Gulf Chemical & Metallurgical Corp., Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to

the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

**VI.
NOTICES**

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners:	Gulf Chemical & Metallurgical Corp. Attn: Tax Dept. P.O. Box 2290 Freeport, Texas 77542-2290	City:	City of Freeport C/O City Manager 200 W. 2 nd Street Freeport, Texas 77541
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**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all

of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

GGMC

By _____

By [Signature]

Title _____

Title CEO

Attest: _____

Attest: Emerie Burin des Roziers

Title: _____

Title: _____

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the ___ day of _____, 2012 by _____ a representative and authorized signature agent of the company _____

Notary Public, State of Texas

EXHIBIT A

Legal Description of 6.968 acres out of the A. Calvit Labor #12, Abstract 50, Brazoria County, Texas, said 6.968 acres being the rest, residue and remainder of a certain 25 acre tract of land described in paragraph 1 below less and except those two certain conveyances of 16.048 acres and 1.984 acres, more particularly described as in paragraph 2 below.

Paragraph 1:

25.00 acres of land out of the S. W. Hudgins 29 acres, which 29 acres is out of the S. W. Hudgins 40.03 acres tract 2A, in the Alexander Calvit Labor No. 12, Abstract No. 50, Brazoria County, Texas, said 25.00 acres being described by metes and bounds in values which refer to the Texas Coordinate System, Lambert, South Central Zone, and in which the x and y values are the coordinate positions of the corners in feet, the azimuths are the directions of the lines referred to the central meridian of of said zone where Texas Lambert North equals azimuth 180 deg. and the distance (linear magnitudes of lines) are exceptions and are the geodetic ground level lengths, as follows:

BEGINNING at the precise position $x = 3,170,175.34$ feet and $y = 426,863.82$ feet for the northwest corner of this tract, a point situated in the West line of the S. W. Hudgins 29 acres, in the Alexander Calvit Labor No. 12, Abstract 50, from which the northwest corner of said 29 acres bears azimuth 177 deg. 31 min. 39 sec. a distance of 111.98 feet (the concrete monument set in 1940 for this reference corner has been obliterated, fragments of same, concrete rubble found buried in the ground at the position $x = 3,170,170.51$ feet and $y = 426,975.68$ feet is the only evidence remaining of this identical corners marker, the northwest corner of the said S. W. Hudgins 29 acres);

THENCE with the North line of this tract, azimuth 267 deg. 40 min. 18 sec., at 1010.80 feet pass a point situated in said line at the precise position $x = 3,171,185.19$ feet and $y = 426,904.88$ feet, continue in all 1019.46 feet to the precise position $x = 3,171,193.84$ feet and $y = 426,905.23$ feet for the northeast corner of this tract situated in the east line of the said S. W. Hudgins 29 acres and the east line of the said Alexander Calvit Labor No.

12, from which the northeast corner of said 29 acres bears azimuth 177 deg. 39 min 18 sec. a distance of 111.98 feet;

THENCE with the east line of the said S. W. Hudgins 29 acres and east line of said Labor No. 12, azimuth 357 deg. 39 min. 18 sec. in all a distance of 1217.31 feet to the precise position $x = 3,171,243.64$ feet and $y = 425,689.08$ feet for the southeast corner of this tract situated in said line at the point of intersection with the northerly right of way line of a private roadway and from which a concrete monument, set by the surveyor A. Munson in the year 1940 perpetuating the identical as retraced by the surveyor P. S. Robbins in the year 1888 re-establishing the original southeast corner of the said A. Calvit Labor No. 12, bears azimuth 357 deg. 39 min. 18 sec. a distance of 571.54 feet, and control monument No. A-21 bears azimuth 151 deg. 01 min. 06 sec. a distance of 3.82 feet;

THENCE with said northerly right of way line, azimuth 103 deg. 52 min. 41 sec., at 75.51 feet pass a point situated in said line at the precise position $x = 3,171,170.36$ feet and $y = 425,707.19$ feet, continue in all a distance of 1059.60 feet to the precise position $x = 3,170,215.09$ feet and $y = 425,943.21$ feet for the southwest corner of this tract situated at the point of intersection of said northerly-right of way line with the west line of the said S. W. Hudgins 29 acres;

THENCE with the west line of said 29 acres, azimuth 177 deg. 31 min. 39 sec. in all a distance of 921.58 feet to the point of beginning and containing precisely 25.00 acres of land.

LESS AND EXCEPT a 16.048 acre tract and a 1.984 acre tract, both described in Paragraph 2 below.

Less and except the following described property:

Paragraph 2:

FIELD NOTES FOR A 16.048 ACRE TRACT OUT OF A 25.00 ACRE TRACT, ALEXANDER CALVIT LABOR NO. 12, ABSTRACT 50, BRAZORIA COUNTY, TEXAS. SAID 16,048 ACRE TRACT BEING DESCRIBED AS FOLLOWS:

Beginning at a 1 inch iron pipe in the West line of 25.00 acre tract and being on the Southwest corner of a 16.048 acre tract herein described, Alexander Calvit Labor No. 12, Abstract 50, Brazoria County, Texas. Said beginning point bears Az $177^{\circ} 31' 39''$ 263.20 feet from a concrete monument on the Southwest corner of said 25.00 acre tract. Said Southwest corner occupies a position of $X=3,170,215.09$ and $Y=425,943.21$.

Thence along the West line of said 25.00 acre tract with an Az of $177^{\circ} 31' 39''$ a distance of 658.30 feet to a 1 inch iron pipe on the Northwest corner of said 25.00 acre tract;

Thence Az $267^{\circ} 40' 18''$ a distance of 1,019.46 feet to a concrete monument on the Northwest corner of said 25.00 acre tract;

Thence along the East line of said 25.00 acre tract Az $357^{\circ} 40' 18''$ a distance of 550.30 feet to a nail for corner;

Thence Az $87^{\circ} 40' 18''$ a distance of 200.00 feet to a nail for corner;

Thence Az $357^{\circ} 40' 18''$ a distance of 275.00 feet to a galvanized bolt for corner;

Thence Az $87^{\circ} 40' 18''$ a distance of 300.00 feet to a 1/2 inch iron rod for corner;

Thence Az $177^{\circ} 40' 18''$ a distance of 167.00 feet to a 1/2 inch iron rod for corner;

Thence Az $87^{\circ} 40' 18''$ a distance of 517.74 feet to the place of beginning.

The above described tract contains 16.048 acres of land more or less.

Less and except the following described property:

Paragraph 2, Page 2:

1.984 acres of land out of the E. J. Lavino and Company 25.00 acre tract, in the A. Calvit Labor No. 12, Abstract No. 50, Brazoria County, Texas, said 1.984 acre tract being described by metes and bounds using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the Horizontal ground level lengths ($f=0.999884777$), as follows:

Beginning at an iron rod at the position $X=3,170,210.94$ and $Y=426,039.31$, which is a point on the west boundary line of said 25.00 acre tract and the east line of a Missouri-Pacific Railroad 50.00 ft. easement, said position also being located $N 02^{\circ} 28' 21'' W$, 96.20 ft. from the southwest corner of said 25.00 acre tract;

Thence $N 02^{\circ} 28' 21'' W$, along the west line of said 25.00 acre tract and the east line of said 50.00 ft. railroad easement, a distance of 167.00 ft. to an iron rod at the position $X=3,170,203.74$ and $Y=426,206.13$ ft., which is the southwest corner of a 16.048 acre tract for a corner;

Thence $N 87^{\circ} 40' 18'' E$, along the common line of said 1.984 acre tract and said 16.048 acre tract, a distance of 517.74 ft. to an iron rod at the position $X=3,170,730.99$ and $Y=426,227.17$ for a corner;

Thence $S 02^{\circ} 19' 42'' E$, along the common line of said 1.984 acre tract and said 16.048 acre tract, a distance of 167.00 ft. to the position $X=3,170,727.77$ and $Y=426,060.32$ for a corner;

Thence $S 87^{\circ} 40' 18'' W$, a distance of 517.32 ft. to the position $X=3,170,210.94$ and $Y=426,039.31$, which is the place of beginning, containing 1.984 acres of land, more or less.

THE STATE OF TEXAS
COUNTY OF BRAZORIA

I, DOLLY BAILEY, Clerk of the County Court in and for Brazoria County, Texas, do hereby certify that this instrument was FILED FOR RECORD and RECORDED in its OFFICIAL RECORD at the time and date as designated herein by me.



Dolly Bailey
County Clerk of Brazoria Co., TX

FILED FOR RECORD
94 MAY -3 PH 3: 23

Dolly Bailey
COUNTY CLERK
BRAZORIA COUNTY, TEXAS

Exhibit "A"
Page 4 of 4 Pages

Pg. 27

CITY OF FREEPORT

GULF CHEMICAL AND METALLURGICAL CORPORATION TRACT

SEPTEMBER 16, 2002

A 39.447 acre tract of land, in the A. Calvit Labor No. 12, Abstract 50 and Maurice Henry ¼ League, Abstract 74, Brazoria County, Texas, described in metes and bounds using survey terminology common to the Texas Coordinate System – South Central Zone, except using horizontal ground level lengths (F = 0.9998847777) as follows:

BEGINNING at the northwest corner of said tract of land herein described, said beginning point being at point of intersection of the south ROW line of County Road (CR) #229 and with the west line of a 14.447 acre tract described in a deed from Associated Metals and Minerals Corporation dated December 28, 1984, and filed for record in 85 89 835 of the Official Records of Brazoria County, Texas;

THENCE Azimuth 270°29' 32", a distance of 31.425 feet along said southerly ROW line of CR #229 to a point of curvature at the position $x = 3,170,176.03$ and $y = 475,575.29$;

THENCE on and along a curve to the right and southeasterly a distance on the curve of 1,054.73 feet, having a radius of 1,833.28 feet, and a central angle of 32° 57' 49", the long chord which bears Azimuth 286° 58' 11" a distance of 1,040.24 feet to the end of said curve at the position $x = 3,171,170.868$ and $y = 427,271.712$;

THENCE Azimuth 303° 27' 06" a distance of 162.02 feet, continuing along said southerly ROW line of CR #229 to the position $x = 3,171,306.03$ and $y = 427,182.41$;

THENCE Azimuth 201° 09' 42" a distance of 297.05 feet to the position $x = 3,171,198.81$ and $y = 426,905.43$;

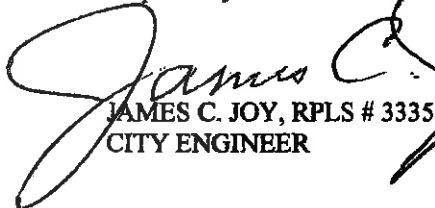
THENCE Azimuth 357° 39' 18" a distance of 1,217.31 feet to the position $x = 3,171,243.64$ and $y = 425,689.08$ for the southeast corner of this tract, said corner being at the point of intersection with the northerly ROW line of a Private 70.0' wide roadway;

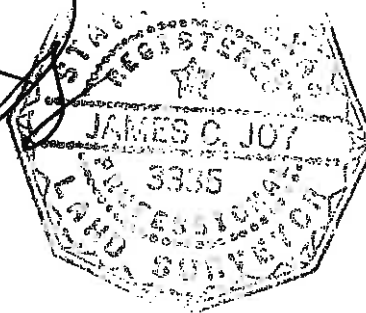
THENCE with said northerly ROW line, Azimuth 103° 52' 41" a distance of 1,059.60 feet to the position $x = 3,170,215.09$ and $y = 425,943.21$ for the southwest corner of this tract;

Thence with the west line of this tract Azimuth 177° 31' 38" a distance of 1,634.055 feet to the PLACE OF BEGINNING containing 39.447 acres of land, more or less.

LESS AND EXCEPT EXHIBIT "A"

Prepared by:


JAMES C. JOY, RPLS # 3335
CITY ENGINEER



Industrial District Agreement Between

**RHODIA, INC.
and**

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are Rhodia, Inc., a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as listed in the Brazoria County Appraisal District (hereinafter "BCAD") accounts for the Land Owner (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in the BCAD accounts for the Land Owner and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in the BCAD accounts for the Land Owner; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

I.
GENERAL STATEMENT

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

II.
CONSIDERATION

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in the BCAD accounts for the Land Owner, and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Rhodia, Inc. Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and as listed in the BCAD accounts for the Land Owner. Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in the BCAD accounts for the Land Owner may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in the BCAD accounts for the Land Owner, and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and as listed in the BCAD accounts for the Land Owner within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in the BCAD accounts for the Land Owner, and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals
55% for 2013
55% for 2014
56% for 2015
57% for 2016
58% for 2017
59% for 2018
60% for 2019
61% for 2020
62% for 2021
63% for 2022
64% for 2023
64% for 2024
65% for 2025
65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or as listed in the BCAD accounts for the Land Owner, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in the BCAD accounts for the Land Owner, and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum

due pursuant to Article II of this agreement and that the primary consideration moving from the City to the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in the BCAD accounts for the Land Owner and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

**VI.
NOTICES**

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners:	Rhodia, Inc. Attn: Tax Dept. P.O. Box 7500 Cranbury, New Jersey 08512-75	City: City of Freeport C/O City Manager 200 W. 2 nd Street Freeport, Texas 77541
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VII.
MISCELLANEOUS

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not authorize this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District. ***The City expressly acknowledges and agrees that it will continue to allocate the payments required to be made by the Land Owner pursuant to Article II between the Land Owner and the Land Owner's lessee in accordance with the allocation as given in the BCAD accounts for the Land Owner and the Land Owner's lessee.***

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all of the lands included within the area described as listed in the BCAD accounts for the Land Owner, and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Rhodia, Inc.


By _____

By 

Title _____

Title PLANT MANAGER, RHODIA INC.

Attest: _____

Attest: 

Title: _____

Title: HR Coordinator

The State of Texas

County of Brazoria

This Instrument was acknowledged before me on the ____ day of _____, 2012 by _____ a representative and authorized signature agent of the company _____

Notary Public, State of Texas

EXHIBIT "A"

⑤
[Handwritten scribble]

A 152.042 acre tract of land out of the A. Calvit League, A-49 and the Eli Mitchell ¼ League, A-99, Brazos Coast Investment Co. Subdivision, Section 13, Brazoria County, Texas, described in meets and bounds using survey terminology common to the Texas Coordinate System, South Central Zone, except using ground level lengths ($f=0.99988091$). The azimuths are the direction of the lines referred to the central meridian of said zone where Texas Lambert North equals 180 degrees, as follows:

BEGINNING at the position $X = 3,162,872.78$ and $Y = 439,818.25$, which is a point on the southwest right-of-way (ROW) of Texas State Highway No.332 (SH 332) for a corner, said corner located Azimuth $267^{\circ} 13' 12''$, along the common line between Tracts Nos. 118 and 119, a distance of 331.808 ft. from the common corner of tracts 133, 134, 118 and 119, and said beginning point also situated at 75.00 ft. measured at right angles from the center line of ROW of said highway;

THENCE, with said southwesterly ROW line, at 75.00 ft. from and parallel to the center line of Row of said SH 332, Azimuth $297^{\circ} 09' 10.9''$, crossing the common line between the A. Calvit League, A-49 and the Eli Mitchell ¼ League, A-99, in all a distance of 1,877.243 ft. to a point for corner;

THENCE, Azimuth $334^{\circ} 40' 26''$, 123.140 ft. to a point for corner;

THENCE, Azimuth $277^{\circ} 09' 10.9''$, 1,175.369 ft. to a point of intersection with the east line of a 35.29716 acre tract described in Vol. 1191, Page 761, which was conveyed from The Dow Chemical Co. to RHODIA by deed of record in Brazoria County, Texas, said intersection point being at the position $X = 3,165,641.31$ and $Y = 438,314.01$ for the east corner of the tract of land herein described;

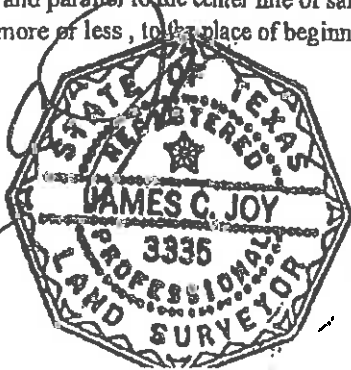
THENCE, Azimuth $27^{\circ} 09' 10.9''$, 123.210 ft. to the position $X = 3,165,585.09$ and $Y = 438,204.39$, which is the point of intersection with the northerly ROW line of the Union Pacific Railroad Company's Oyster Creek Division Spur Railroad, an easement 60.00 ft. in width, which point of intersection is a point-on-curve in said ROW ; for the southeast corner of the tract of land herein described;

THENCE, in a westerly and northwesterly direction, along said northerly ROW line of said Union Pacific spur railroad ROW to an intersection with the northwest line of a 23.12468 acre tract of land conveyed by Rhone-Poulenc, Inc. to Rhodia, Inc. by deed dated January 02, 1998, and recorded in 98-015872 of the deed records of Brazoria County, Texas;

THENCE, along said northwest line of said 23.12468 acre tract to the position $X = 3,160,608.456$ and $Y = 440,979.603$, which is the point of intersection with the said southwest ROW line of SH 332 for the north corner of the tract of land herein described;

THENCE, with said southwest ROW line at 75.00 ft. from and parallel to the center line of said highway ROW, Azimuth $297^{\circ} 09' 10.9''$, a distance of 2,483.00 ft., more or less, to the place of beginning, containing 152.042 acres of land, more or less.

James C. Joy
8/5/02



Pg. 38

Industrial District Agreement Between
CHEMICAL SPECIALTIES, INC.
and
THE CITY OF FREEPORT, TEXAS
(Collectively referred to as the "Parties")

The Parties to this agreement are Chemical Specialties, Inc., a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

**I.
GENERAL STATEMENT**

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

**II.
CONSIDERATION**

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Chemical Specialties, Inc. Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to

the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

V. EFFECTIVE DATE AND TERM

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

VI. NOTICES

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners: Chemical Specialties, Inc.
 Attn: Tax Dept.
 302 Midway Road
 Freeport, Texas 77541

City: City of Freeport
 C/O City Manager
 200 W. 2nd Street
 Freeport, Texas 77541

**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all

of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Chemical Specialties, Inc.

By _____

By [Signature]

Title _____

Title PLT. mgr

Attest: _____

Attest: _____

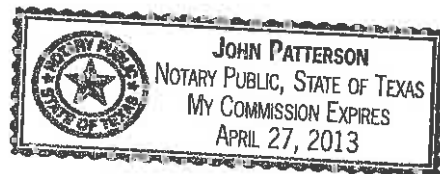
Title: _____

Title: _____

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the 22 day of DECEMBER 2012 by THOMAS KNECHT representative and authorized signature agent of the company CHEMICAL SPECIALTIES



[Signature]

Notary Public, State of Texas

Exhibit A

CITY OF FREEPORT

CHEMICAL SPECIALTIES, INC.

6.968 ACRE PLANT SITE

OCTOBER 17, 2002

A 6.968 acre tract of land out of the 25.0 acre tract of land deeded by Lavino Division, International Minerals & Chemical Corporation to Mineral Research & Development Corp. by deed filed in volume 1146, page 762-765 in the Brazoria County Clerk Deed Records, in the Alexander Calvit Labor No. 12, Abstract No. 50, Brazoria County, Texas, described by meets and bounds in values which use survey terminology common to the Texas Coordinate System, South Central Zone, and in which the X and Y values are the coordinate positions of the corners in feet, the azimuths are the direction of the lines referred to the central meridian of said zone where Texas Lambert North equals Azimuth 180 degrees, and the distances (linear magnitudes of lines) are exceptions and are geodetic ground level lengths ($f=.9998847777$), as follows:

BEGINNING at the position $X = 3,170,215.09$ and $Y = 425,943.21$, which is a point at the intersection of the west line of said 25.0 acre tract of land with the north right-of-way line of a 70 ft. wide private road (West Ethylene Road), being the southwest corner of said tract of land herein described;

THENCE, with said west line of said 25.0 acre trace and the west line of said tract of land herein described, Azimuth $177^{\circ} 31' 39''$, a distance of 96.20 ft. to the position $X = 3,170,210.94$ and $Y = 426,039.31$, for corner;

THENCE, Azimuth $267^{\circ} 40' 18''$, a distance of 96.20 ft. to a point for corner;

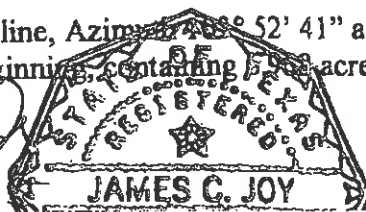
THENCE, Azimuth $177^{\circ} 40' 18''$, a distance of 275.00 ft. to a point for corner;

THENCE, Azimuth $267^{\circ} 40' 18''$, a distance of 200.00 ft. to a point on the east line of said 25.0 acre tract, for corner;

THENCE, Azimuth $357^{\circ} 40' 18''$, a distance of 667.01 ft. to the position $X = 3,171,243.64$ and $Y = 425,689.08$ for the southeast corner of said trace herein described, said southeast corner being the point of intersection with said 70 ft. wide private road (West Ethylene Road) northerly right-of-way line;

THENCE, along said northerly right-of-way line, Azimuth $48^{\circ} 52' 41''$ a distance of 1,059.60 ft., more or less, to the place of beginning, containing 6.968 acres of land, more or less.

James C. Joy
1791.5 # 373



JAMES C. JOY

Industrial District Agreement Between
SI GROUP dba SCHENECTADY INTL.
and
THE CITY OF FREEPORT, TEXAS
(Collectively referred to as the "Parties")

The Parties to this agreement are SI Group dba Schenectady Intl., a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

**I.
GENERAL STATEMENT**

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

**II.
CONSIDERATION**

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the SI Group dba Schenectady Intl., Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to

the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

V. EFFECTIVE DATE AND TERM

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

VI. NOTICES

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners:	SI Group dba Schenectady Intl. Attn: Tax Dept. 2750 Balltown Road Schenectady NY 12301-1046	City: City of Freeport C/O City Manager 200 W. 2 nd Street Freeport, Texas 77541
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**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all

of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

SI Group, Inc.

By _____

By Richard P Barlow

Title _____

Title SVP- CFO + Treasurer

Attest: _____

Attest: Frank Frank Zuel

Title: _____

Title: Director - Global Tax

The State of New York

County of Schenectady

This instrument was acknowledged before me on the 20th day of December, 2012 by Richard P. Barlow a representative and authorized signature agent of the company SI Group, Inc.

[Signature]
Notary Public, State of New York

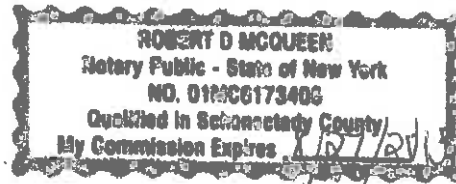


EXHIBIT "A"

Attached to and made a part of Deed from
THE DOW CHEMICAL COMPANY to SCHENECTADY CHEMICALS, INC.

61.70542 acres of land lying and situated in the Maurice Henry 1/4 League, Abstract No. 74, Brazoria County, Texas, out of that certain tract of land which was conveyed to The Dow Chemical Company by D. J. Sullivan by deed dated the 6th day of December, 1940, recorded in Volume 334, page 587, of the Deed Records of said County, described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

BEGINNING at the position X = 3,169,961.22 and Y = 434,196.62 for the north corner, which corner is situated in the proposed relocation of the southeast right of way line of Texas State Highway F.M. No. 523 at station 810+11.18;

THENCE, azimuth 357° 24' 24.2" in all a distance of 3046.541 feet to the position X = 3,170,099.05 and Y = 431,153.55 for the south corner;

THENCE, azimuth 126° 48' 45.93" in all a distance of 2237.155 feet to the position X = 3,168,303.18 and Y = 432,493.92, for the west corner, which is the point of intersection with the proposed relocation of the southeast right of way line of said Highway F.M. No. 523;

THENCE, with and along said right of way line, along a curve to the right and northeast which has its radius point fixed at the position X = 3,172,797.46 and Y = 429,081.64, a sector central angle of 8° 21' 41.35" and a radius of 5639.58 feet, in all a distance of 823.015 feet, arc length, to the position X = 3,168,852.10 and Y = 433,110.48 and the point of tangency of said curve, which point of tangency is also station 825+63.73 in said right of way line;

THENCE, continue with said right of way line, azimuth 225° 35' 59" in all a distance of 1552.554 feet to the position X = 3,169,961.22 and Y = 434,196.62, which is the point of beginning, lineating and enclosing 61.70542 acres of land.

Industrial District Agreement Between

SHINTECH, INC.

and

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are Shintech, Inc., a [Delaware] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

I.
GENERAL STATEMENT

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

II.
CONSIDERATION

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Shintech, Inc. Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.

2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

**VI.
NOTICES**

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners: Shintech, Inc.
 Attn: Tax Dept.
 5618 Highway 332 East
 Freeport, Texas 77541

City: City of Freeport
 C/O City Manager
 200 W. 2nd Street
 Freeport, Texas 77541

**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

In the event a court of competent jurisdiction shall sign a judgment, which becomes a final judgment, allowing annexation of, municipal incorporation of, or exercise of extraterritorial jurisdiction over all or any part of the land in the Industrial District by another municipality or the changing of the boundary of the City or its area of extraterritorial jurisdiction so as to remove all or part of the land in the Industrial District from the extraterritorial jurisdiction of the City, the Land Owner shall have the option of terminating the application of this agreement as to the affected portion of the Industrial District by giving written notice of the intent to terminate to the City.

Should the Land Owner elect to terminate the application of this agreement as provided above, such termination shall become effective retroactive to the date on which the City receives notice of the Land Owner's intent to terminate the application of this agreement. If the application of this agreement is terminated as to a portion of the land in the Industrial District under the preceding provisions, the reduction in the Land Owner's semi-annual payments shall be a proportional reduction calculated by determining the value of the affected property in relation to the unaffected property as reflected in the appraisal values of the Brazos County Appraisal District.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Shintech, Inc.

By _____

By [Signature]

Title _____

Title Sr. Mgr

Attest: _____

Attest: [Signature]

Title: _____

Title: Admin Assist

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the 27 day of December 2012 by James Hodges a representative and authorized signature agent of the company Shintech



Melissa Farmer

Notary Public, State of Texas

Shutech

EXHIBIT "A" - 1

Dated 11/1/73

Attached to and made a part of Deed from
THE DOW CHEMICAL COMPANY TO SHUTECH INCORPORATED

16.72060 acres of land, of which 4.99910 acres are in Tract No. 4
4.99910 acres are in Tract No. 50, 4.77850 acres are in Tract No.
1.94106 acres are in Tract No. 52 and 0.00284 acre is in Tract No.
in the Brazos Coast Investment Company's Subdivision No. 13 in the
Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas,
described in metes and bounds, using survey terminology which refer
to the Texas Coordinate System, South Central Zone, except the dista-
nces which are the horizontal ground level lengths, as follows:

BEGINNING at the position $X = 3,163,915.19$ and $Y = 439,452.10$
which is the point of intersection of the northeast right of
way line of Texas State Highway No. 332 with the west line of
Tract No. 51 in said Subdivision No. 13, for the southwest
corner, which corner is situated at 75.00 feet, measured at
right angles, northeasterly, from the centerline of the right
of way of said highway;
THENCE, with said west line, which is also the east line of
Tract No. 62, azimuth $177^{\circ} 09' 37.6''$, continuing along the co-
mon line between Tracts Nos. 50 and 63, 49 and 64 and 49 and
in all a distance of 800.806 feet to the position $X = 3,163,8$
and $Y = 440,251.89$, which is the northwest corner of said Tra-
No. 49, for the northwest corner;
THENCE, with the common line between said Tract No. 49 and Tr-
No. 48, azimuth $266^{\circ} 49' 38.3''$ in all a distance of 720.551 fo-
to the position $X = 3,164,594.88$ and $Y = 440,291.77$, which is
the northeast corner of said Tract No. 49, for the northeast
corner, situated in the west line of an unimproved subdivision
roadway 30 feet in width;
THENCE, with the west line of said subdivision roadway, which
also the east line of Tracts Nos. 49, 50, 51, 52 and 53, azimu-
 $357^{\circ} 09' 37.6''$, at approximately 906.66 feet begin certain im-
provements in said roadway, in all a distance of 1220.875 feet
the position $X = 3,164,655.36$ and $Y = 439,072.53$, which is the
point of intersection with the northeast right of way line of
said Highway No. 332, for the southeast corner, which corner is
situated at 75.00 feet, measured at right angles, in a north-
easterly direction, from the centerline of right of way of said
highway;
THENCE, with said northeast right of way line of Texas State
Highway No. 332, azimuth $117^{\circ} 09' 10.9''$, in all a distance of
831.944 feet to the position $X = 3,163,915.19$ and $Y = 439,452.10$
which is the point of beginning, locating and enclosing 16.720
acres of land.

There are 16.72060 acres of land lying within the boundaries of the
above described tract, but there is a subdivision roadway 30 feet in
width contiguous to the entire length of the eastern boundary and
Texas State Highway No. 332, 100 feet in width, traverses the entire
length of the southern boundary, and it is the intention of Grantor
and Grantee for the southern boundary to extend to the center of Tex-
State Highway No. 332 and the eastern boundary to extend to the cent-
er of said 30-foot subdivision roadway.

EXHIBIT "A" -2

Attached to and made a part of the Deed from THE DOW CHEMICAL COMPANY to SHINTECH, INCORPORATED dated the 13th day of October, 1975.

PARCEL ONE:

24.99582 acres of land, composed of Tracts No. 44, 45, 46, 47 and 48 in Brazos Coast Investment Company's Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas, described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

BEGINNING at the position $x=3,163,875.52$ and $y=440,251.89$, which is the common west corner of Tracts No. 48 and 49 which is also a point in the east line of Tract No. 65 and the northwest corner of a tract of 16.72060 acres in said subdivision No. 13, marked with a 1 1/4" G.I.P., for the southwest corner of this parcel being described;

THENCE, with the west line of Tracts No. 48, 47, 46, 45 and 44 and the east line of Tracts No. 65, 66, 67, 68 and 69 in said subdivision No. 13, Azimuth $177^{\circ} 09' 37.6''$ in all a distance of 1511.100 feet to the position $x=3,163,800.67$ and $y=441,760.96$, which is the northwest corner of said Tract No. 44 and a point in the east line of said Tract No. 69 and also the common west corner of said Eli Mitchell 1/4 League and the S. F. Austin 1/2 League, Abstract No. 21, situated in the east line of the Alexander Calvit League, Abstract No. 49, marked with a concrete monument, for the northwest corner of this parcel being described;

THENCE, with the north line of said Tract No. 44 and the common line between said Eli Mitchell 1/4 League and S. F. Austin 1/2 League, Azimuth $266^{\circ} 49' 28''$, at 110.99 feet pass the center line of the M. P. Railroad Company's Shintech Lead Track, in all a distance of 720.550 feet to the position $x=3,164,520.03$ and $y=441,800.87$, which is the northeast corner of said Tract No. 44, marked with a concrete post monument, for the northeast corner of this parcel being described;

THENCE, with the east line of Tracts No. 44, 45, 46, 47 and 48 and the west line of an unimproved roadway 30 feet in width, Azimuth $357^{\circ} 09' 37.6''$ in all a distance of 1511.135 feet to the position $x=3,164,504.88$ and $y=440,291.77$, which is the common east corner of Tracts No. 48 and 49 and the northeast corner of the herein above mentioned tract of 16.72060 acres in said subdivision No. 13, marked with a 1 1/2" G.I.P., for the southeast corner of this parcel being described;

THENCE, with the common line between said Tracts No. 48 and 49 and the north line of said tract of 16.72060 acres, Azimuth $86^{\circ} 49' 38.3''$, at 50,001 feet pass the center line of right-of-way of herein above mentioned Shintech Lead Track, in all a distance of 720.551 feet to the position $x=3,163,875.52$ and $y=440,251.89$, which is the point of beginning, lineating and enclosing 24.99582 acres of land.

PARCEL TWO:

14.99739 acres of land, composed of Tracts No. 38, 39 and 40 in the Brazos Coast Investment Company's Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas, described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

BEGINNING at the position $x=3,164,594.89$ and $y=440,897.05$, which position is marked with a concrete monument located at the northwest corner of Tract No. 40 in said subdivision;

THENCE, with the common line between said Tract No. 40 and Tract No. 41, Azimuth $266^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,165,314.26$ and $y=440,936.93$, which position is marked with a concrete monument, with 40d galvanized spike for center, located at the common corner of Tracts 40, 41, 19 and 20 in said subdivision;

THENCE, with the common line between Tracts No. 20 and 40, 21 and 39, and 22 and 38, Azimuth $357^{\circ} 09' 37''$ in all a distance of 906.660 feet to the position $x=3,165,359.17$ and $y=440,031.49$, which position is marked with a concrete monument located at the common corner of Tracts No. 22, 23, 37 and 38 in said subdivision;

THENCE, with the common line between Tracts No. 37 and 38, Azimuth $86^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,164,639.81$ and $y=439,991.61$, which position is marked with a concrete monument located at the common west corner of Tracts No. 37 and 38;

THENCE, with west line of Tracts No. 38, 39 and 40 and the east line of an undeveloped roadway, which is 30.00 feet in width, Azimuth $177^{\circ} 09' 37''$ in all a distance of 906.660 feet to the position $x=3,164,594.89$ and $y=440,897.05$, which position is the point of beginning, lineating and enclosing 14.99739 acres of land.

PARCEL THREE:

4.99999 acres of land, comprised of Tract No. 43 in the Brazos Coast Investment Company's Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas, described in metes and bounds,

using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths, as follows:

BEGINNING at the position $x=3,164,549.98$ and $y=441,802.53$, which position is marked with a concrete monument located at the northwest corner of said Tract No. 43 and also in the common line between said Eli Mitchell 1/4 League and the S. F. Austin 1/2 League, Abstract No. 21;

THENCE, with the north line of said Tract No. 43 and common line between said land grants, Azimuth $266^{\circ} 49' 28''$ in all a distance of 570.341 feet to the position $x=3,165,119.38$ and $y=441,834.12$, which position is marked with an old 4" x 4" concrete post located in said line at the south common corner of Tracts No. 2 and 3 of the Bryan Subdivision in said S. F. Austin 1/2 League;

THENCE, continue with said line, Azimuth $266^{\circ} 49' 39''$ in all a distance of 150.213 feet to the position $x=3,165,269.34$ and $y=441,842.43$, which position is marked with a concrete monument located at the common north corner of Tracts No. 43 and 17 in said subdivision No. 13 in said Eli Mitchell 1/4 League;

THENCE, with the common line between said Tracts No. 17 and 43, Azimuth $357^{\circ} 09' 37''$ in all a distance of 302.281 feet to the position $x=3,165,284.32$ and $y=441,540.56$, which position is marked with a concrete monument located at the common corner of Tracts No. 17, 18, 42 and 43 in said subdivision No. 13;

THENCE, with the common line between Tracts No. 42 and 43, Azimuth $86^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,164,564.95$ and $y=441,500.68$, which position is marked with a concrete monument located at the common west corner of said Tracts No. 42 and 43;

THENCE, with the west line of Tract No. 43 and the east line of an unimproved subdivision roadway, which is 50.00 feet in width, Azimuth $177^{\circ} 09' 37''$ in all a distance of 302.255 feet to the position $x=3,164,549.98$ and $y=441,802.53$, which position is the point of beginning, lineating and enclosing 4.99999 acres of land.

PARCEL FOUR:

4.99913 acres of land, being all of Tract No. 42 in Brazos Coast Investment Company's Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas, described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths ($f=.99988308$), as follows:

BEGINNING at the position $x=3,165,284.32$ and $y=441,540.56$, which is the common corner of Tracts No. 17, 18, 42 and 43 in said subdivision No. 13 marked with a concrete monument, for the northeast corner;

THENCE, with the common line between Tracts No. 18 and 42, Azimuth $357^{\circ} 09' 37''$ in all a distance of 302.220 feet to the position $x=3,165,289.29$ and $y=141,238.74$, which is the common corner of Tracts No. 18, 19, 41 and 42 in said subdivision No. 13 marked with a concrete monument, for the southeast corner;

THENCE, with the common line between Tracts No. 41 and 42, Azimuth $86^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,164,579.92$ and $y=441,198.87$, which is the common west corner of said Tracts No. 41 and 42, for the southwest corner;

THENCE, with the west line of said Tract No. 42 and the east line of an unimproved subdivision roadway which is 30.00 feet in width, Azimuth $177^{\circ} 09' 37''$ in all a distance of 302.220 feet to the position $x=3,164,564.95$ and $y=441,500.68$, which is the common west corner of Tracts No. 42 and 43 marked with a concrete monument, for the northwest corner;

THENCE, with the common line between Tracts No. 42 and 43, Azimuth $266^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,165,284.32$ and $y=441,540.56$, which is the point of beginning, lineating and enclosing 4.99913 acres of land.

PARCEL FIVE

4.99913 acres of land, being all of Tract No. 37 in Brazos Coast Investment Company's Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas, described in meters and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, except the distances which are the horizontal ground level lengths ($f=.99988308$), as follows:

BEGINNING at the position $x=3,165,359.17$ and $y=440,031.49$, which is the common corner of Tracts No. 22, 23, 37 and 38 in said subdivision No. 13 marked with a concrete monument, for the northeast corner;

THENCE, with the common line between said Tracts No. 23 and 37, Azimuth $357^{\circ} 09' 37''$ in all a distance of 302.220 feet to the position $x=3,165,374.14$ and $y=439,729.68$, which is the common corner of Tracts No. 23, 24, 36 and 37 in said subdivision No. 13, for the southeast corner;

THENCE, with the common line between Tracts No. 36 and 37, Azimuth $86^{\circ} 49' 38''$ in all a distance of 720.554 feet to the position $x=3,164,654.78$ and $y=439,689.80$, which is the common west corner of said Tracts No. 36 and 37, for the southwest corner;

THENCE, with the west line of Tract No. 37 and the east line of an unimproved subdivision roadway which is 30.00 feet in width, Azimuth $177^{\circ} 09' 37''$ in all a distance of 302.220 feet to the position

475

x=3,164,639.81 and y=439,991.61, which is the common west corner of Tracts No. 37 and 38 marked with a concrete monument, for the northwest corner;

THENCE, with the common line between said Tracts No. 37 and 38, Azimuth $266^{\circ} 49' 33''$ in all a distance of 720.554 feet to the position x=3,165,359.17 and y=440,031.49, which is the point of beginning, lineating and enclosing 4.99913 acres of land.

EXHIBIT "A"-3

Attached to and made a part of the Deed from THE DOW
CHEMICAL COMPANY to SHUPRECH INCORPORATED dated the 3rd day
of January, 1970.

PARCEL ONE

4.99913 acres of land, being all of Tract No. 41
in the Brazos Coast Investment Company's Subdivision
No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99,
Brazoria County, Texas, described in metes and bounds,
using survey terminology which refers to the Texas
Coordinate System, South Central Zone, except the
distances which are the horizontal ground level lengths
(f=.99988308), as follows:

BEGINNING at the position $x=3,165,299.29$ and $y=441,238.74$,
which is the common corner of Tracts No. 18, 19, 41, and
42 in said Subdivision No. 13 marked with a concrete monu-
ment, for the northeast corner;

THENCE, with the common line between said Tracts No. 19
and 41, Azimuth $357^{\circ}09'37"$ in all a distance of 302.220
feet to the position $x=3,165,314.26$ and $y=440,936.93$,
which is the common corner of Tracts No. 19, 20, 40, and
41 in said Subdivision No. 13 marked with a concrete monu-
ment, for the southeast corner;

THENCE, with the common line between said Tracts No. 40
and 41, Azimuth $86^{\circ}49'38"$ in all a distance of 720.554
feet to the position $x=3,164,594.39$ and $y=440,897.05$,
which is the common west corner of said Tracts No. 40
and 41 marked with a concrete monument, for the south-
west corner;

THENCE, with the west line of Tract No. 41 and the east
line of an unimproved subdivision roadway which is 30.00
feet in width, Azimuth $177^{\circ}09'37"$ in all a distance of
302.220 feet to the position $x=3,164,579.92$ and $y=441,198.8$
which is the common west corner of said Tracts No. 41 and 4
for the northwest corner;

THENCE, with the common line between said Tracts No. 41
and 42, Azimuth $266^{\circ}49'38"$ in all a distance of 720.554
feet to the position $x=3,165,299.29$ and $y=441,238.74$,
which is the point of beginning, lineating and enclosing
4.99913 acres of land.

PARCEL TWO

3.34497 acres of land, lying and situated in Tract No. 36
in the Brazos Coast Investment Company's Subdivision No. .
13 in the Eli Mitchell 1/4 League, Abstract No. 99,
Brazoria County, Texas, described in metes and bounds
using survey terminology which refers to the Texas
Coordinate System, South Central Zone, except the
distances which are the horizontal ground level lengths
(f=.99988308), as follows:

BEGINNING at the position $x=3,165,374.14$ and $y=439,729$, which is the common corner of Tracts No. 23, 24, 36, and 37 in said Subdivision No. 13, for the northeast corner

THENCE, with the common line between said Tracts No. 24 and 36, Azimuth $357^{\circ}09'37.6$ in all a distance of 202.21 feet to the position $x=3,165,384.16$ and $y=439,527.73$ for the southeast corner;

THENCE, at 202.215 feet southerly from and parallel to the north line of said Tract No. 36, Azimuth $86^{\circ}49'38.3$ in all a distance of 720.555 feet to the position $x=3,164,664.79$ and $y=439,487.85$, which is the point of intersection with the west line of said Tract No. 36, for the southwest corner;

THENCE, with the west line of said Tract No. 36 and the east line of an undeveloped subdivision roadway which is 30.00 feet in width, Azimuth $177^{\circ}09'37.6$ in all a distance of 202.218 feet to the position $x=3,164,654.78$ and $y=439,609.80$, which is the common west corner of said Tracts No. 36 and 37, for the northwest corner;

THENCE, with the common line between said Tracts No. 36 and 37, Azimuth $266^{\circ}49'38.3$ in all a distance of 720.555 feet to the position $x=3,165,374.14$ and $y=439,729.68$, which is the point of beginning, lineating and enclosing 3.3449 acres of land.

EXHIBIT A-4

Attached to and made a part of that certain Contract and Agreement between The Dow Chemical Company and Shintech Incorporated dated the 26th day of December 1985.

TRACT NO. 1

43.39533 acres of land out of Tracts Nos. 20 to 26, and parts of Tracts 7-14, 19, 33, 34 and 35, and also a part of an undeveloped subdivision roadway in the Brazos Coast Investment Company Subdivision No. 13, in the El Mitchell 1/4 League, Abstract No. 99, Brazoria County, Texas; described in metes and bounds using survey terminology which refers to the Texas Coordinate System, South Central Zone, on which the Azimuths are from South and the distances are the horizontal surface level lengths ($f=0.99988075$), as follows:

BEGINNING at the position $X=3,165,209.575$ and $Y=438,788.279$, a concrete monument, with brass disk, marking the south corner of a 2.56303 acre tract out of Tracts Nos. 33 and 34 and situated in the northeast right-of-way line of Texas State Highway No. 332, for the westerly southwest corner of this tract being described;

THENCE, along the southeast line of said 2.56303 acres, Azimuth $207^{\circ} 09' 10.9''$, at a distance of 28.163 feet pass the common line between Tracts Nos. 33 and 34, in all a distance of 250.696 feet to the position $X=3,165,323.971$ and $Y=439,011.319$, a concrete monument, with brass disk, marking the point of a curve to the left and northerly;

THENCE continue with said southeast line of said 2.56303 acres along said curve to the left and northerly, which curve has a central angle of $29^{\circ} 59' 33.9''$ and a radius of 640.000 feet, at a distance of 121.586 feet, arc length, to the position $X=3,165,368.875$ and $Y=439,124.097$, a concrete monument, with brass disk stamped "ABZ", marking the northeast corner of said 2.56303 acres and the southeast corner of Tri-Con property in Tract No. 35, pass said position and monument and in all a distance of 335.022 feet, arc length to the position $X=3,165,393.710$ and $Y=439,335.064$, a concrete monument with brass disk stamped "ACA" and the point of tangency of said curve;

THENCE, with the east line of Tri-Con property and the east line of Shintech Incorporated property along the common line between Tracts Nos. 19 to 25 and 35 to 41, Azimuth $177^{\circ} 09' 37.01''$ in all a distance of 1733.324 feet to the position $X=3,165,307.848$ and $Y=441,066.053$ and set a concrete monument, with brass disk, for the northwest corner;

THENCE Azimuth $266^{\circ} 49' 37.14''$, at a distance of 60.001 feet pass the center line of a 36.0 foot wide black top pavement private road, at a distance of 720.553 feet pass the east line of Tract No. 19, at a distance of 750.554 feet to the position $X=3,166,057.162$ and $Y=441,107.592$ and set a concrete monument in the west line of Tract No. 14 for the off-set marker for the northeast corner, in all a distance of 818.055 feet to the position $X=3,166,124.552$ and $Y=441,111.328$, a point ~~set~~ ^{located} in the center line of the Northwest Quadrant Drainage Easement, for the northeast corner;

THENCE, with the center line of said Northwest Quadrant Drainage Easement, Azimuth $357^{\circ} 09' 37.0''$ in all a distance of 2244.853 feet to the position $X=3,166,235.754$ and $Y=438,869.499$ for the southeast corner;

THENCE, Azimuth $86^{\circ} 49' 55.355''$, at 67.501 feet to the position $X=3,166,168.364$ and $Y=438,865.770$, a concrete monument, with brass disk stamped "ABU", marking the west common corner of Tracts No. 6 and 7, at a distance of 97.502 feet pass the common east corner of Tracts Nos. 26 and 27 in all a distance of 818.021 feet to the position $X=3,165,419.075$ and $Y=438,824.298$, and old concrete monument marking the northwest corner of Tract No. 27, for the interior southeast corner;

THENCE, with the common line between Tracts Nos. 27 and 33, Azimuth $357^{\circ} 10' 16.61''$ in all a distance of 147.398 feet to the position $X=3,165,426.348$ and $Y=438,677.097$ a concrete monument, with brass disk stamped "ABW", marking the point of intersection of said line with the northeast right-of-way line of Texas State Highway No. 332 for the south corner;

THENCE, along said northeast right-of-way line, Azimuth $117^{\circ} 09' 10.9''$, at a distance of 183.652 feet pass the center line of a 36.0 foot wide black top pavement private road, in all a distance of 243.652 feet to the position $X=3,165,209.575$ and $Y=438,788.279$, which is the point of beginning, lineating and enclosing 43.39533 acres of land, of which 1.54604 acres is in said undeveloped subdivision roadway and 3.47859 acres is in the west 1/2 of the Northwest Quadrant Drainage Easement.

TRACT NO. 2

8.92997 acres out of the east ends of Tracts Nos. 67 to 71 in the Brazos Coast Investment Company Subdivision No. 13, in the A. Calvit league, Abstract No. 49, Brazoria County, Texas; described in metes and bounds using survey terminology which refers to the Texas Coordinate System, South Central Zone, on which the Azimuths are from South and the distances are the horizontal surface level lengths ($f=0.99988075$), as follows:

BEGINNING at the position $X=3,163,441.929$ and $Y=442,284.826$ and set a concrete monument, with brass disk, situated in the southwest right-of-way line of the Missouri Pacific Railroad Company's right-of-way easement dated May 18, 1979 and recorded in Vol. No. 1466, page 170 of the Deed Records of Brazoria County, Texas, for the north corner of this tract being described;

THENCE, with said southwest right-of-way line, Azimuth $326^{\circ} 26' 04.3''$ in all a distance of 605.552 feet to the position $X=3,163,801.570$ and $Y=441,742.815$ and set a concrete monument in the common line between Tracts Nos. 69 and 44 in said subdivision No. 13, same being the west line of that certain 24.99582 acres conveyed to Shintech Incorporated by deed dated October 13, 1975, for the northeast corner;

THENCE, with the common line between Tracts Nos. 44 to 46 and 69 to 67 in said subdivision No. 13, same being the west line of said Shintech Incorporated 24.99582 acre tract, Azimuth $357^{\circ} 09' 37.6''$ in all

a distance of 887.600 feet to the position X=3,163,845.536 and Y=440,856.410 and the southeast corner of said Tract No. 67 for the southeast corner of this tract; from which an old concrete monument, with small brass disk stamped "S.E.Cor.Tr.67", slightly disturbed, bears Azimuth $68^{\circ} 57' 04.7''$ a distance of 0.037 foot and is situated at the position X=3,163,845.502 and Y=440,856.397;

THENCE, with the common line between said Tract No. 67 and Tract No. 66; Azimuth $87^{\circ} 13' 42.81''$ in all a distance of 333.892 feet to the position X=3,163,512.075 and Y=440,840.268 and set a concrete monument, with brass disk, for the southwest corner;

THENCE AZIMUTH $177^{\circ} 13' 12.0''$ in all a distance of 1446.433 feet to the position X=3,163,441.929 and Y=442,284.826, which is the point of beginning, lineating and enclosing 8.92997 acres of land.

TRACT NO. 3

0.22727 acre of land, in a strip 30.000 feet wide out of and adjacent to the south line of Tract No. 67 in the Brazos Coast Investment Company Subdivision No. 13, in the A. Calvit League, Abstract No. 49, Brazoria County, Texas, described in metes and bounds using survey terminology which refers to the Texas Coordinate System, South Central Zone, on which the Azimuths are from South and the distances are the horizontal surface level lengths ($f=0.99988075$), as follows:

BEGINNING at the position X=3,163,512.075 and Y=440,840.268, a concrete monument with brass disk marking the southwest corner of a tract of 8.92997 acres out of the east ends of Tracts Nos. 67 to 71 in said Subdivision No. 13, for the southeast corner of this tract;

THENCE, with the common line between Tracts No. 67 and 66, Azimuth $87^{\circ} 13' 42.81''$ in all a distance of 330.000 feet to the position X=3,163,182.500 and Y=440,824.313 and the Southwest corner of Tract No. 67 for the Southwest corner of this tract; from which an old concrete monument, with a small brass disk stamped "S.W.Cor.Tr.67", and slightly disturbed, bears Azimuth $126^{\circ} 50' 17.39''$ a distance of 0.072 foot;

THENCE Azimuth $177^{\circ} 18' 12''$ along the west line of Tract 67, in all a distance of 30.000 feet to the position X=3,163,181.045 and Y=440,854.275 for the northwest corner;

THENCE Azimuth $267^{\circ} 13' 42.81''$ in all a distance of 330.000 feet to the position X=3,163,484.262 and Y=440,851.505, and a point in the west line of said 8.92997 acre tract, for the northeast corner;

THENCE Azimuth $357^{\circ} 13' 12''$, along the west line of said 8.92997 acre tract, in all a distance of 30.000 feet to the position X=3,163,512.075 and Y=440,840.268, and the point of beginning, lineating and enclosing 0.22727 acre of land.

TRACT NO. 4

1.62531 acres of land, out of the eastern areas of Tracts Nos. 69, 70 and 71 in the Brazos Coast Investment Company Subdivision No. 13 in the A. Calvit League, Abstract No. 49 and out of the southwest corner of Tract No. 1 of the Bryan Subdivision in the S.F. Austin 1/2 League, Abstract No. 21, Brazoria County, Texas; described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, on which the Azimuths are from South and the distances are the horizontal surface level lengths ($f=0.99988075$), as follows:

BEGINNING at the position $X=3,163,441.929$ and $Y=442,284.826$, at which is situated a concrete monument marking the most northern corner of a tract of 8.92997 acres out of Tracts Nos. 67 to 71 in said Subdivision No. 13 which monument is situated in the southwest right-of-way line of the Missouri Pacific Railroad Company's right-of-way line of; the Missouri Pacific Railroad Company's right-of-way easement dated May 18, 1979 and recorded in Vol. No. 1466, page 170 of the Deed Records of Brazoria County, Texas, for the northwest corner of this tract being described;

THENCE Azimuth $267^{\circ} 13' 12''$, crossing said right-of-way and also crossing Tract 2 of said Missouri Pacific Railroad Company's right-of-way easement dated October 25, 1979 and recorded in Vol. No. 1183 page 911 of the Deed Records of said county, in all a distance of 89.495 feet to the position $X=3,163,531.308$ and $Y=442,289.166$, which is the point of intersection with the northeast line of said easement dated October 25, 1973 for the northeast corner;

THENCE, with and along said northeast line of said easement dated October 25, 1973, Azimuth $320^{\circ} 23' 12.6''$ passing the common line between said Tracts Nos. 71 and 70, at a distance of 403.620 feet pass the common line between Tract No. 70 in said Subdivision No. 13 and Tract No. 1 in said Bryan Subdivision; in all a distance of 674.180 feet to the position $X=3,163,961.115$ and $Y=441,769.862$, which is the point of intersection with the common line between said Tract No. 1 and Tract No. 44 in said Subdivision No. 13 in the Eli Mitchell 1/4 League, Abstract No. 99, for the southeast corner;

THENCE, with and along said common line, Azimuth $86^{\circ} 49' 28''$, at a distance of 80.796 feet pass the southwest line of said easement dated October 25, 1973, in all a distance of 160.711 feet to the position $X=3,163,800.67$ and $Y=441,760.97$, which is the common west corner of said Tracts Nos. 1 and 44 and in the east line of said Tract No. 69, for the interior southeast corner;

THENCE, with the common line between said Tracts Nos. 44 and 69, Azimuth $357^{\circ} 09' 37.6''$ in all a distance of 18.169 feet to the position $X=3,163,801.570$ and $Y=441,742,815$, at which is situated a concrete monument marking the most southern corner of said easement dated May 18, 1979 and the northeast corner of said 8.92997 acres out

of Tracts 67 to 71 in Subdivision No. 13, for the most southern corner;

THENCE, with the common line between said easement dated May 18, 1979 and said 8.92997 acres, Azimuth $146^{\circ} 26' 04.3''$, traversing, through a part of said Tract No. 69, through said Tract No. 70 and into said Tract No. 71, in all a distance of 650.552 feet to the position $X=3,163,441.929$ and $Y=442,284.826$, which is the point of beginning, lineating and enclosing 1.62531 acres of land, of which 1.22378 acres is in Tracts Nos. 69, 70 and 71 in Subdivision No. 13 and 0.40153 acre is in Tract No. 1 in the Bryan Subdivision.

TRACT NO. 5

0.88903 acre of land, out of Tracts Nos. 70 and 71 in the Brazos Coast Investment Company Subdivision No. 13 in the A. Calvit League, Abstract No. 49, Brazoria County, Texas; described in metes and bounds, using survey terminology which refers to the Texas Coordinate System, South Central Zone, on which the Azimuths are from South and the distances are the horizontal surface level lengths ($f=0.99988075$), as follows:

BEGINNING at the position $X=3,163,531.308$ and $Y=442,289.166$, which is a point in the northeast right-of-way line of Tract 2 of the Missouri Pacific Railroad Company's easement dated October 25, 1973 and recorded in Vol. No. 1183 page 911 of the Deed Records of Brazoria County, Texas, said beginning point being situated in the eastern central area of said Tract No. 71, for the west corner of this tract being described:

THENCE Azimuth $267^{\circ} 13' 12''$, traversing through the eastern part of said Tract No. 71, in all a distance of 239.754 feet to the position $X=3,163,770.751$ and $Y=442,300.793$, which is the point of intersection with the common line between said Tract No. 71 and Tract No. 1 in the Bryan Subdivision in the S. F. Austin 1/2 League, Abstract No. 21 in said county, for the northeast corner;

THENCE, with and along said common line, Azimuth $356^{\circ} 49' 40''$, at an approximate distance of 128 feet pass the spur railroad track leading to the Dow Chemical U.S.A. Brazosport Plant at a point-on-curve, pass the common east corner of said Tracts No. 71 and 70, in all a distance of 323.059 feet to the position $X=3,163,788.626$ and $Y=441,978.268$, which is the point of intersection with said northeast right-of-way line of said easement dated October 25, 1973, for the south corner;

THENCE, with and along said northeast right-of-way line, Azimuth $140^{\circ} 23' 12.6''$ traversing through parts of said Tracts Nos. 70 and 71, at an approximate distance of 398 feet pass the spur railroad track leading to the Dow Chemical U.S.A. Brazosport Plant at the approximate point of curvature in said track, in all a distance of 403.620 feet to the position $X=3,163,531.308$ and $Y=442,289.166$, which is the point of beginning, lineating and enclosing 0.88903 acre of land.

EXHIBIT "A"-5

Attached to and made a part of that One Certain Contract and Agreement between The Dow Chemical Company and Shintech Incorporated, dated the 4th day of February, 1988.

ALL that certain 78.7152 acres of land in the A. Calvit League, Abstract No. 49, Brazoria County, Texas, being part of Lots 67, 68, 69, 70, 71, 111, 117, 118, 135, 136, 141, 170, 171, 172, 173, 174, and 175, and all of Lots 112, 113, 114, 115, 116, 137, 138, 139, and 140, and those certain 30-foot wide platted roadways within the limits of the following metes and bounds, all being in the Brazos Coast Investment Company Subdivision No. 13, a plat recorded in Volume 2, Page 141 of the Plat Records of Brazoria County, Texas, all coordinates and bearing being referenced to the Texas Coordinate System, South Central Zone, all distances are horizontal surface level lengths ($f=0.99988075$):

BEGINNING at a concrete monument with brass disk found at the most northerly corner of that certain Tract No. 2, described as 8.92997 acres in deed to Shintech, Incorporated recorded in Volume 85225, Page 957 of the Official Records of Brazoria County, Texas, said monument being at position X=3,163,441.93 and Y=442,284.83;

THENCE South $02^{\circ}46'48''$ East, 1,416.43 feet coincident with the west line of said Shintech 8.92997 acres tract to a one-inch iron pipe set at the northeast corner of that certain Tract No. 3, described as 0.22727 acres in deed to Shintech, Incorporated recorded in Volume 85225, Page 957 of the Official Records of Brazoria County, Texas, from which a concrete monument with brass disk bears South $02^{\circ}46'48''$ East, 30.00 feet;

THENCE South $87^{\circ}13'43''$ West, 360.00 feet coincident with the north line of said Shintech 0.22727 acres tract to a one-inch iron pipe set for corner in the west line of that certain 30-foot platted road which lies between Lot 67 and 115 of said Brazos Coast Investment Company Subdivision No. 13;

THENCE South $02^{\circ}46'48''$ East, 653.03 feet coincident with the east line of said Lots 116 and 117 to the northeast corner of that certain tract of land described as 1.232 acres in deed to Anderson Realty Company recorded in Volume 1547, Page 152 of the Deed Records of Brazoria County, Texas, from which a concrete monument with a brass disk bears North $68^{\circ}24'56''$ West, 0.20 feet;

THENCE South $87^{\circ}12'58''$ West, 258.30 feet coincident with the north line of said Anderson Realty Company 1.232 acres tract to a 3/4-inch iron pipe found at the northwest corner of said 1.232 acres tract, being also the northeast corner of that certain tract of land described as 0.667 acres in deed to A & G Offshore Services, Inc., recorded in Volume 1642, Page 868 of the Deed Records of Brazoria County, Texas;

THENCE South $87^{\circ}14'56''$ West, 156.04 feet coincident with the north line of said A & G Offshore Services, Inc. 0.667 acres tract to a disk set in concrete found at the northwest corner of said 0.667 acres tract;

THENCE South $02^{\circ}35'04''$ East, 37.11 feet coincident with the west line of said 0.667 acres tract to a disk set in concrete found at the common line of said Lots 117 and 118;

PAGE 2

THENCE South $06^{\circ}52'29''$ East, 112.10 feet coincident with the west line of said 0.667 acres tract to a one-inch iron pipe set in the northeast right-of-way line of State Highway 332, a 150-foot wide right-of-way;

THENCE North $62^{\circ}50'49''$ West, 1,259.72 feet coincident with the northeast right-of-way line of State Highway 332 to a one-inch iron pipe set for corner, from which a concrete monument with a brass disk found at the south corner of that certain tract described as 9.09962 acres in deed to Hoffmann - LaRoche, Inc. recorded in Volume 1247, Page 873 of the Deed Records of Brazoria County, Texas bears North $62^{\circ}50'49''$ West, 230.78 feet;

THENCE North $02^{\circ}46'48''$ West, 1,589.68 feet parallel with and 200.00 feet easterly of the east line of said Hoffmann -LaRoche, Inc. 9.09962 acres tract to a one-inch pipe set for corner, from which a concrete monument found at the northeast corner of said 9.09962 acres tract bears North $47^{\circ}16'09''$ West, 285.40 feet;

THENCE North $87^{\circ}13'12''$ East, 1,858.15 feet parallel with and 203.60 feet southerly of the south line of that certain tract described as 228.75 acres in deed to Hoffmann - LaRoche, Inc. recorded in Volume 1247, Page 873 of the Deed Record of Brazoria County, Texas to the PLACE OF BEGINNING, containing 78.7152 acres of land, more or less.

doc#8.9

Industrial District Agreement Between
FREPORT LANDHOLDINGS LLC
and
THE CITY OF FREPORT, TEXAS
(Collectively referred to as the "Parties")

The Parties to this agreement are Freeport Landholdings LLC, a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.



NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

**I.
GENERAL STATEMENT**

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

**II.
CONSIDERATION**

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Freeport Landholdings LLC, Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

A handwritten signature in black ink, appearing to be 'JMD', is located in the bottom right corner of the page.

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the industrial District; and

"Y" equals
55% for 2013
55% for 2014
56% for 2015
57% for 2016
58% for 2017
59% for 2018
60% for 2019
61% for 2020
62% for 2021
63% for 2022
64% for 2023
64% for 2024
65% for 2025
65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.



3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT



Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to

A handwritten signature in black ink, appearing to be "JMD", is located in the bottom right corner of the page.

the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not did not author this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

**VI.
NOTICES**

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:



Land Owners:

Freeport Landholdings LLC
Attn: Tax Dept.
801 Travis, # 1950
Houston, Texas 77002

City: City of Freeport
C/O City Manager
200 W. 2nd Street
Freeport, Texas 77541

**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all



of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Freeport Landholdings, LLC

By _____

By Simon M. Duncan

Title _____

Title PRESIDENT / DIRECTOR

Attest: _____

Attest: Brooke C. Guidry

Title: _____

Title: Ex. Office Liaison

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the ____ day of _____, 2012 by _____ a representative and authorized signature agent of the company _____

Notary Public, State of Texas

Industrial District Agreement Between

TOP COAT, INC.

and

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are Top Coat, Inc., a [Texas] corporation duly authorized and licensed to do business in the State of Texas, being the owner of all listed and identified properties of the industrial facilities as described in Exhibit "A" (hereinafter "the Land Owner"), on the one hand, and the City Freeport (hereinafter "the City"), a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the City has a corporate boundary and extraterritorial jurisdiction within the County forming as a whole a contiguous body of land adjacent to industrial development on land owned by the Land Owner; and

Whereas, the uncertainty presented to the Land Owner by the possibility of annexation, attempted annexation, and extension of corporate boundaries of the City and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter "the Act") has prompted the Land Owner to contract with the City for the establishment of an industrial district for such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owner and the City have previously entered into an Industrial District Contract involving the area described in Exhibit "A" and such contract will expire on December 31, 2012, and it is the mutual desire of both the Land Owner and the City to renew and extend the status of such area as an industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District Contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owner desires to contract with the City and by way of this single instrument to guarantee to the Land Owner, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A"; and

Whereas, the City on the one hand and the Land Owner on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owner and the City, by this agreement and agree as follows:

**I.
GENERAL STATEMENT**

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the Parties hereto and such matters and facts constitute material representations by the Parties hereto.

**II.
CONSIDERATION**

In consideration of the payments to be made to the City by the Land Owner and the other terms of this agreement, all as set forth below, the City agrees with the Land Owner to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibit "A", and any additions thereto, and to guarantee the continuation of the extraterritorial status of such area and additions thereto, if any, to the extent authorized by law, during the term of this agreement, and to treat such areas and additions thereto, if any, as a part of the Top Coat, Inc. Industrial District (hereinafter "the Industrial District"). The term "additions thereto" shall mean any land not within the corporate limits of the City that is hereafter acquired by the land owner and added to the Industrial District and to Exhibit "A". Land may be added by mutual consent of both parties of this agreement. No land listed in this agreement and in Exhibit "A" may be excluded from any provision of the agreement without permission from "The City". Any new developments and/or significant site investments will be negotiated with the Land Owner and The City to create the best cooperative mechanism to support growth within the industry, abated financial responsibilities or how this agreement reflects on the new investment.

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year based on the previous or most recent taxable value assessed by the Brazoria County appraisal process, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall rely on the industrial values set by the Brazoria County Appraisal District to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.

2. In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, the Land Owner agrees to make to the City semi-annual payments due without demand on January 31 and July 31 of each year in accordance with the following formula:

$$\frac{(AV - \text{Abatements}) \times Y\% \times \text{CTR}}{2} = \text{Semi-Annual Payment}$$

Where:

"AV" equals the final assessed value (after all appeals) for the preceding tax year as determined by the Brazoria County Appraisal District of the land in the Industrial District and the assessed value of any improvements and personal property that is not exempt from taxation by law or ordinance thereon; and

"Abatements" means any tax abatements or exemptions granted by Brazoria County to the Land Owner with respect to the land, improvements and personal property in the Industrial District; and

"Y" equals

- 55% for 2013
- 55% for 2014
- 56% for 2015
- 57% for 2016
- 58% for 2017
- 59% for 2018
- 60% for 2019
- 61% for 2020
- 62% for 2021
- 63% for 2022
- 64% for 2023
- 64% for 2024
- 65% for 2025
- 65% for 2026; and

"CTR" equals the City's tax rate for the tax year immediately preceding the year during which each semi-annual payment is due.

3. In no case would the land owners ever pay more in IDA payments than would be due to the City if the land listed in this IDA or an Exhibit A, or any additions thereto, was annexed at current assessed value.

As an additional consideration, the Land Owner agrees that it will not require the City to furnish to the Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage and police patrols. However, police, fire and EMS responses to emergency situations will be permitted. Prolonged emergency responses and services utilized, as determined by the City in its sole discretion, will result in billing the Land Owner for service, time and equipment at industry standard rates, unless such responses and services are provided pursuant to a separate written agreement between the City and the Land Owner

As an additional consideration, the City agrees that the City's codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Industrial District or any additions thereto during the term of this agreement.

If, during the term of this agreement, the land Owner is charged with violating any state or federal environmental law or regulation and as a consequence, the relevant criminal or civil enforcement authority and the Land Owner agree to implement a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, the Land Owner will use reasonable efforts to negotiate with The City to develop a SEP or other permissible project which will benefit the corporate boundaries of the City of Freeport, Texas. However, if the Land Owner is unable to agree on the terms of such a SEP or the relevant enforcement will not allow such SEP, the Land Owner will be under no further obligation to the City regarding this paragraph.

The City agrees to the Land Owner in order to create an equal and fair Industrial District Agreement process to ensure the terms and conditions of all IDA agreements solely in the Freeport jurisdiction or extraterritorial jurisdiction are equal and commensurate to each other. Should any other entity in the defined area above by act or omission have a more favorable IDA agreement each entity involved in the Freeport IDA districts will have the same agreement opportunities.

III. REMEDIES UPON DEFAULT

Whereas, the Parties recognize that the obligation of the City to the Land Owner to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibit "A", and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the Land Owner no adequate remedy at law; and

Whereas, the Parties further recognize that the obligations of the Land Owner to the City to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the City as authorized within this agreement during the entire term of this agreement is likewise a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and affords the City no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause, but that upon breach of the provisions of this agreement, the Land Owner and the City may avail themselves of all remedies at law and in equity, except termination, and that the Land Owner and the City shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate, to include annexation by the City of Freeport.

In the event the City is required to institute judicial proceedings for the collection of any sum due from the Land Owner under this agreement, the City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

In the event that the Land Owner is required to institute judicial proceedings for the enforcement of the performance of the City's obligations under this agreement, the Land Owner shall be entitled to collect penalties, interest and attorneys' fees.

Except as otherwise provided in this agreement, any sale or lease of land within the Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV. INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the Parties hereto that the primary consideration moving from the Land Owner to the City is the payment by the Land Owner to the City of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the City to the Land Owner is the obligation of the City to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibit "A" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the Parties are intended to be performed in full and throughout the entire term of this agreement.

The Parties agree that this agreement shall not be construed in favor of or against any party on the basis that the party did not authorize this agreement.

The provisions of this agreement are severable, and if any provision or part of this Contract of the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such provision or part of this Contract and the application of such provision or part of this contract to other persons or circumstances shall not be affected thereby.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2026. Upon execution of this agreement on behalf of both of the Parties, this agreement shall be effective regardless of whether or not execution by both Parties has occurred by January 1, 2013.

When this agreement becomes effective on January 1, 2013 the existing Industrial District Agreement shall terminate effective as of such mentioned date, and be of no further effect between the Parties except as to any rights or obligations which may have accrued to either or both Parties prior to such date of termination.

**VI.
NOTICES**

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners: Top Coat, Inc.
 Attn: Tax Dept.
 P.O. Box 3305
 Freeport, Texas 77542

City: City of Freeport
 C/O City Manager
 200 W. 2nd Street
 Freeport, Texas 77541

**VII.
MISCELLANEOUS**

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against either Party on the basis that the Party did not author this agreement.

This agreement is performable in Brazoria County, Texas, and shall be governed by the laws of the State of Texas (both as to interpretation and performance but excluding conflict of laws rules if the application of such rules would require the application of the laws of a different state or nation). Venue for any action hereunder, at law or in equity, shall be in a state court of competent jurisdiction located in Brazoria County, Texas, or in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas, as may be appropriate. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owner, and its successors and assigns, and the City or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of the City.

In the event a court of competent jurisdiction shall sign a judgment, which becomes a final judgment, allowing annexation of, municipal incorporation of, or exercise of extraterritorial jurisdiction over all or any part of the land in the Industrial District by another municipality or the changing of the boundary of the City or its area of extraterritorial jurisdiction so as to remove all or part of the land in the Industrial District from the extraterritorial jurisdiction of the City, the Land Owner shall have the option of terminating the application of this agreement as to the affected portion of the Industrial District by giving written notice of the intent to terminate to the City.

Should the Land Owner elect to terminate the application of this agreement as provided above, such termination shall become effective retroactive to the date on which the City receives notice of the Land Owner's intent to terminate the application of this agreement. If the application of this agreement is terminated as to a portion of the land in the Industrial District under the preceding provisions, the reduction in the Land Owner's semi-annual payments shall be a proportional reduction calculated by determining the value of the affected property in relation to the unaffected property as reflected in the appraisal values of the Brazos County Appraisal District.

This agreement constitutes the entire agreement between Land Owner and City, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this agreement specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the Parties to include in the Industrial District and subject to this agreement any real and personal property or assets now or hereafter owned or leased by any other company or industry within the Industrial District.

It is specifically agreed by the City that the covenants, promises, and guarantees of the City made to the Land Owner in this agreement extend to their respective successors and assigns and to all of the lands included within the area described on Exhibit "A", and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such land or property may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in duplicate copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this agreement as of the date set forth above.

The City of Freeport, Texas

Top Coat, Inc.

By _____

By [Signature]

Title _____

Title President

Attest: _____

Attest: _____

Title: _____

Title: _____

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the 4 day of January, ~~2012~~ ²⁰¹³ by Kenneth Hayes a representative and authorized signature agent of the company _____

Melissa Farmer

Notary Public, State of Texas



**Amendment to the
Industrial District Agreement Between
DSM NUTRITIONAL PRODUCTS, INC.
and
THE CITY OF FREEPORT, TEXAS
(Collectively referred to as the "Parties")**

The parties to this agreement are DSM Nutritional Products, Inc. a Texas corporation [duly authorized and licensed to do business in the State of Texas], being the owner of all listed and identified properties of the industrial facilities hereinafter described (hereinafter "the Land Owner") on the one hand, and the City Freeport, Texas, a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, (hereinafter "the City"), on the other hand (both hereinafter "the Parties").

PREAMBLE

WHEREAS, the Parties entered into an Industrial District Agreement dated January 1, 2004 (hereinafter "the Agreement") to Designate certain land identified in the Agreement as an Industrial District and to Guarantee the continuation of the extraterritorial status of such land; and,

WHEREAS, the Agreement has an expiration date of December 31, 2012; and

WHEREAS, the parties are engaged in the negotiation of a new industrial district agreement that will supersede the Agreement but the Parties are both of the opinion that such negotiations will be more fruitful if the parties can negotiate beyond the expiration of the Agreement; and,

WHEREAS, the parties desire to extend the expiration date of the Agreement in order to continue negotiations and have the execution of the new industrial district agreement occur at a date beyond the expiration of the Agreement specified therein.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and obligations set forth below, the Parties, each and separately by this instrument, contract and agree as follows:

AGREEMENT

1. Revision of Term

Section V. of the Agreement is hereby amended to revise the Agreement so that it will expire on March 31, 2013. All other terms of the Agreement shall remain the same and in effect.

2. Credit for Payments Made in Advance

Any payments made by the Land Owner, after all payment due under the Agreement have been paid in full, shall be credited on the first payment that will be due under the new agreement being negotiated by the Parties, with any balance due on such first payment to be due and payable in full on or before the due date thereof specified in such new agreement.

3. Effective Date

The effective date of this Amendment is December 30, 2012.

4. Miscellaneous

This Amendment embodies the entire agreement of the Parties relating to the subject matter hereof. If there is any conflict between this Amendment and the Agreement, this Amendment shall control. This instrument may be executed in multiple copies, each of which fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

The City of Freeport, Texas

DSM Nutritional Products, Inc.

By _____

By F Foot

Title _____

Title Site Manager

Attest: _____

Attest: _____

Title: _____

Title: _____

C\Industrial District Agreement-Amendment

**Amendment to the
Industrial District Agreement Between
NALCO ENERGY SERVICES, LP
and
THE CITY OF FREEPORT, TEXAS
(Collectively referred to as the "Parties")**

The parties to this agreement are Nalco Energy Services, LP a Texas corporation [duly authorized and licensed to do business in the State of Texas], being the owner of all listed and identified properties of the industrial facilities hereinafter described (hereinafter "the Land Owner") on the one hand, and the City Freeport, Texas, a municipal corporation operating under the Constitution and laws of the State of Texas and its home rule charter, (hereinafter "the City"), on the other hand (both hereinafter "the Parties").

PREAMBLE

WHEREAS, the Parties entered into an Industrial District Agreement dated January 1, 2002 (hereinafter "the Agreement") to Designate certain land identified in the Agreement as an Industrial District and to Guarantee the continuation of the extraterritorial status of such land; and,

WHEREAS, the Agreement has an expiration date of December 31, 2012; and

WHEREAS, the parties are engaged in the negotiation of a new industrial district agreement that will supersede the Agreement but the Parties are both of the opinion that such negotiations will be more fruitful if the parties can negotiate beyond the expiration of the Agreement; and,

WHEREAS, the parties desire to extend the expiration date of the Agreement in order to continue negotiations and have the execution of the new industrial district agreement occur at a date beyond the expiration of the Agreement specified therein.

NOW THEREFORE, for and in consideration of the mutual promises, covenants and obligations set forth below, the Parties, each and separately by this instrument, contract and agree as follows:

AGREEMENT

1. Revision of Term

Section V. of the Agreement is hereby amended to revise the Agreement so that it will expire on March 31, 2013. All other terms of the Agreement shall remain the same and in effect.

2. Credit for Payments Made in Advance

Any payments made by the Land Owner, after all payment due under the Agreement have been paid in full, shall be credited on the first payment that will be due under the new agreement being negotiated by the Parties, with any balance due on such first payment to be due and payable in full on or before the due date thereof specified in such new agreement.

3. Effective Date

The effective date of this Amendment is December 30, 2012.

4. Miscellaneous

This Amendment embodies the entire agreement of the Parties relating to the subject matter hereof. If there is any conflict between this Amendment and the Agreement, this Amendment shall control. This Instrument may be executed in multiple copies, each of which fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

The City of Freeport, Texas

By _____

Title _____

Attest: _____

Title: _____

Nalco Energy Services, LP

By Clu Bayd

Title Plant Manager

Attest: Lucy M. Martinez

Title: Notary

State of Texas
County of BRAZORIA
Sworn to and subscribed before me on the 10th day of December
By Lucy M. Martinez

(seal) Notary Public Signature



4 | Page

C\Industrial District Agreement-Amendment



December 28, 2012

Jeff Pynes
City Manager
City of Freeport
200 West Second Street
Freeport, Texas 77541

Re: Liquid Ammonia System for Slaughter Road Water System

Dear Mr. Pynes:

As you know The City of Freeport placed \$55,000.00 in the present budget for adding Ammonia to the water system as required by the State for the alternative disinfection (chloramines) which is what BWA is doing.

Due to changes over at the Slaughter Road Area the state will be requiring the same system in this water system. The main change is due to the age of the water in the system, which is causing chemical changes in the water. We have lowered the tank level for a quicker turn over and we are flushing the system regularly to help control the chemical changes.

The added cost for this site would be \$21,100 which includes all equipment, labor start up, and training

With your approval below we will start the process of having the three chemical feed stations started.

If you have any question, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Meeks".

Jerry Meeks
Project Manager, Veolia Water

Approval : _____

Date: _____



December 28, 2012

Jeff Pynes
City Manager
City of Freeport
200 West Second Street
Freeport, Texas 77541

Re: Central Lift Station Pump #3 Repair

Dear Mr. Pynes:

The Central Lift Station pump #3 failed due to electrical problems. We checked the electrical current which showed a short in the electric system with in the motor. The pump was pulled and sent to HAHN Equipment for tear down and inspection of this unit. The cost to repair is \$19,181.88 the cost for a new pump is \$30,461.00.

With your approval below we will authorize HAHN Equipment to proceed with the repair

If you have any question, please give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Meeks", written over a horizontal line.

Jerry Meeks
Project Manager, Veolia Water

Approval : _____ Date: _____