



City of Freeport
Meeting and/or Executive Session Agenda

This meeting will be live streamed via YouTube Live and may be accessed on the City of Freeport Facebook page:
<https://www.facebook.com/freeporttexas> or by visiting <https://www.youtube.com/@cityoffreeporttx8375/streams>

Monday, December 1, 2025, 6:00 PM | Council Chamber | 430 North Brazosport Blvd., Freeport, Texas 77541

In accordance with Section 551.043 of the Texas Government Code, this agenda has been posted at Freeport City Hall, and distributed to the appropriate news media within the required time frame. All meetings of the Freeport City Council are open to the public. Public participation and written comments are invited on all open session business items.

The Mayor and City Council request that cell phones be turned off or set to vibrate. Members of the audience are requested to step outside to conduct a phone conversation. The Council Chamber is wheelchair accessible and special parking is available outside the building. If special accommodation is required, please contact the City Secretary a minimum of 72 hours in advance at 979-233-3526.

1: Call to Order:

- 1A. Call to Order - Jerry Cain, Mayor
- 1B. Invocation - Councilman
- 1C. Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.
- 1D. Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

2: Proclamations - Presentations and Updates

- 2A. Upcoming Events -
 - City Hall will be closed on December 16**
 - Holiday on the Brazos, Freeport Municipal Park, December 5, 6:00P.M.-9:00P.M.
 - Blue Santa Pancake Breakfast, Freeport RiverPlace, December 6, 8:00A.M.-11:00A.M.
 - Christmas on Main, Historic Downtown, December 6, 4:00P.M.-8:00P.M.
 - Senior Citizens Christmas Party, RiverPlace, December 15, 10:00A.M.-12:00P.M.
 - City Manager Welcoming, RiverPlace, December 16, 3:00P.M.-7:00P.M.

3: Business

- 3A. Consideration and possible action approving minutes, November 5, 2025, and November 17, 2025 (Clarisa Fernandez)
- 3B. Consideration and possible action approving Resolution No. 2025-3001 appointing members to the Board of Adjustments.(Reggie Harris)
- 3C. Consideration and possible action by City Council approving the sale of trust property within the city limits located at Freeport Townsite, Block 70, Lot 7.(Laura Cramer)
- 3D. Consideration and possible action approving the Chief of Police to enter into a MOU with SPCA of Brazoria County. (Chief Jennifer Howell)
- 3E. Consideration and possible action approving the Chief of Police to enter into a MOU with Brazoria County Sheriff's Office and Texas DPS.(Chief Jennifer Howell)
- 3F. Consideration and possible action approving Resolution No. 2025-3002 deeming property surplus and donating to another City.(Chief Jennifer Howell)
- 3G. Consideration and possible action approving Resolution No. 2025-3003 to approve remodeling the Clubhouse Bathrooms.(Dan Pennington)
- 3H. Consideration and possible action to approve Resolution No. 2025-3004 to Authorize approval of Individual Project Order (IPO) 2025-03 with Kimley-Horn and Associates, Inc.(Dan Pennington)
- 3I. Consideration and possible action approving Resolution No. 2025-3005 to allow assignment of a tax abatement agreement.(Christopher Duncan)
- 3J. Discuss and take possible action to amend Resolution 2022-2672, Section 9. [Ordinance No. 2025-2742](Councilman Pena)
- 3K. Discuss and take possible action to amend Resolution 2022-2672, Section 3. [Ordinance No. 2025-2742](Councilman Pena)
- 3L. Discuss and take possible action to designate City Representation for Industrial District Agreement negotiations.(Councilman Pena)

4: Work Session

The City Council may deliberate and make inquiry into any item specifically listed as a Subsection under the itemized Sections A-F below, an item appearing on the City Council agenda for this meeting, on matters related to community events, or on matters that are not within the jurisdiction of the City for consideration by City Council. The City Council may not deliberate on any City matters not specifically disclosed under this Work Session or on this posted City Council Meeting agenda. City Council members and the Mayor always reserve the right to request that a matter be placed on a future agenda for consideration.

- A. Councilman Pena Ward A announcements and comments.
- B. Councilman Davis Ward B announcements and comments.
- C. Councilman Matamoros Ward C announcements and comments.

- D. Councilman Rossow Ward D announcements and comments.
- E. Mayor Jerry Cain announcements and comments.
- F. City Manager announcements and comments.

5: Executive Session

The City Council may take action on any Executive Session item posted. 551.071. Texas Government Code. Consultation with Attorney. The City Council may convene in executive session to conduct a private consultation with its attorney on any legal posted agenda item, when the City Council seeks advice of its attorney about pending or contemplated litigation, a settlement offer, or on a matter in which the duty of the attorney to the governmental body under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the provisions of Chapter 551, including the following items:

- 5A. Executive Session regarding a.) Texas Government Code, Section 551.071 (Consultation with Attorney) to discuss and take possible action on Veolia contract.

6: Reconvene into Open Session:

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- 6A. Take any action resulting from Executive Session.

7: Adjournment

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- 7A. Adjournment – Jerry Cain, Mayor

Items not necessarily 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).

The City Council reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by Texas Government Code Sections 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.087 (Economic Development).

CERTIFICATE I certify the foregoing notice was posted in the official glass case at the front door of the City Hall, with 24 hours a day public access, 1201 North Avenue H., Freeport Texas, 3 business days prior to meeting in accordance with Open Meetings Act.



Clarisa Fernandez,
City Secretary, City of Freeport, Texas



State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Wednesday, November 5, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd., Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Dan Pennington, Interim City Manager
Jennifer Howell, Police Chief/Assistant City Manager
Chris Duncan, Interim City Attorney
Clarisa Fernandez, City Secretary
Toby Cohen, IT Director

Visitors:	David McGinty	Eric Hayes
	Sandra Leavey	Sam Reyna
	Sandra Wood Wicke	Nicole Mireles
	Ron Bachman	Diane McCleester
	Gary Guerrieri	Con McCleester

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the Special Meeting of the Freeport City Council to order at 6:01P.M. on November 5, 2025, declaring a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Ron Bachman addressed the Council regarding proposed changes to Ordinance 155.1109. Mr. Bachman stated that he resides at 96 Dolphin Lane in Freeport and expressed concern about misleading and prejudicial statements in the meeting agenda. He urged the Council to focus on what is best for the City's future when

considering revisions to the ordinance. Mr. Bachman explained that Ordinance 155.1109 has been in place for several years and was originally intended to relieve the City Council from routine property-related requests and to prevent lengthy debates that extend meetings late into the night. As a member of the Planning and Zoning Commission, he stated that the Commission gives serious consideration to all requests, weighing them against applicable codes and ordinances while striving to balance property owners' rights with the protections afforded to other citizens. He cautioned that amending Ordinance 155.1109 to allow certain requests to bypass the Planning and Zoning Commission and go directly to the City Council could lead to potential conflicts of interest and reduce transparency in City government. Mr. Bachman added that such a change would increase the Council's workload by requiring members to interpret incomplete or poorly written requests and to address complex zoning issues typically reviewed by the Commission. Mr. Bachman further explained that the Planning and Zoning Commission's recent denial of a request to rezone more than 300 acres from R-2 and MH to industrial zoning was based solely on the merits of the request. He clarified that the historical ownership of the property, including the name Wong, was never discussed. He noted that the Commission would have preferred to consider rezoning a portion of the property, but no representative of the property owner was present. Given the limited information provided, the Commission determined that approving the request would not be in the best interest of the City.

Gary Guerrieri resides at 99 Dolphin Lane. He expressed concern about recent trends in City decision-making. He noted that, given the importance of current issues, he had expected greater public attendance but hoped that citizens would be following online. Mr. Guerrieri remarked that recent meetings had taken on the tone of a soap opera and suggested that a power play appeared to be influencing City matters, benefiting those in positions of authority more than the general public. He stated that he had heard claims that certain boards, including the Planning and Zoning Commission and the Economic Development Corporation (EDC), were composed of appointees who continued to have oversight over projects they were involved in. Mr. Guerrieri voiced concern about efforts to bypass or override long-term board decisions and to reduce the number of votes required for final approvals, which he viewed as an attempt to consolidate control among fewer individuals. Mr. Guerrieri concluded by urging that officials be judged by their actions rather than their words, emphasizing that statements made in meetings should be consistent with subsequent conduct.

Con McCleester stated that he resides in Freeport and shared his personal thoughts concerning the City's zoning process and master plan. He explained that the Planning and Zoning Commission is responsible for creating and maintaining the City's ten-year master plan, which is reviewed every five years. He noted that new zoning regulations and maps were approved in 2022 as part of that plan, and that these changes resolved several long-standing issues, including spot zoning and nonconforming uses. He emphasized that the members of the Planning and Zoning Commission, along with City Code Enforcement, provide informed recommendations to the Council and are highly qualified in interpreting the City's zoning codes. He further addressed discussion surrounding the three-quarters supermajority requirement for certain zoning approvals or denials, explaining that such provisions are common and supported by state legislation, including Senate Bills 1524 and 840. Mr. McCleester clarified that the Planning and Zoning Commission does not hold greater authority than the City Council, as the Council appoints its members and retains final voting power. Mr. McCleester emphasized the importance of maintaining zoning integrity, noting that industrial development should not be placed adjacent to residential neighborhoods. He stated that commercial zoning is intended to serve as a buffer between residential and industrial areas and warned that changing long-established residential zones to industrial would be a mistake.

Diane McCleester resides at 97 Dolphin Lane. She thanked the Council for allowing her to speak and noted that several residents from the Dolphin Street area were present. She expressed concern about proposed changes to zoning regulations, as well as potential adjustments to the duties of the Planning and Zoning Commission and the Board of Adjustments. Ms. McCleester stated that the Planning and Zoning Board is a regulated part of the City structure that enforces land use and real estate regulations. She explained that the Board helps guide community development to ensure that land use aligns with the community's vision and

that zoning decisions serve the public interest. The Board, she said, strives to maintain a balance between property owners' rights and the rights of the public to live in safe, secure, and orderly neighborhoods. She noted that the Council appoints members of the Planning and Zoning Board, which follows specific decision criteria outlined in Ordinance 154.502. Ms. McCleester emphasized that accurate and complete information is critical for making sound decisions and that boards are established to ensure such informed deliberation. She cautioned that uninformed decisions are rarely the right ones. Addressing a discussion about supermajority voting requirements, Ms. McCleester explained that a supermajority is not about power but about ensuring that Planning and Zoning decisions are made thoughtfully and with due care. She stated that individual requests should not override broader community interests and that any reversal of a Planning and Zoning a no vote should be carefully researched to determine how such a change would affect the City's master plan, zoning, and residents.

Eric Hayes resides at 1507 West Broad Street. He expressed surprise at seeing the proposed zoning-related item appear on the Council agenda. He stated that, aside from one individual, Councilman George, no other Councilmembers had attended recent Planning and Zoning Commission meetings. Mr. Hayes referenced a previous comment from Councilman Davis, who had noted that citizens could reach out to him directly. Mr. Hayes emphasized that the same principle applies to the Planning and Zoning Commission if Councilmembers disagreed with the Commission's actions or decisions, they could attend meetings or communicate directly with the board rather than attempting to change established procedures through Council action. Mr. Hayes explained that the Commission recently issued a unanimous four-to-zero recommendation on a rezoning matter, noting that one board seat remains vacant more than thirty days past due for appointment. He stated that the Planning and Zoning Commission exists to provide procedural oversight and to make recommendations that protect the long-term interests of the City. He cautioned against removing the existing safeguard that requires a supermajority for Council action, contrary to the Commission's recommendation. Mr. Hayes argued that eliminating this requirement would allow a simple three-vote Council majority to alter zoning ordinances that could affect the entire City of Freeport. He concluded that such a change would reduce the balance and oversight intended by the City's zoning process.

David McGinty resides at 521 West Broad Street. He stated that his comments were not intended to show disrespect but to express his personal thoughts and beliefs regarding the matter. He characterized the proposed change, which would alter how the City Council may overturn decisions made by City boards and commissions, as a power play designed to allow certain individuals to achieve their desired outcomes regardless of prior recommendations. Mr. McGinty referred to prior discussions by other speakers regarding the technical aspects of the Planning and Zoning process and explained that he wished to address a different concern. He stated that the current proposal was connected to the Wong urban renewal property and alleged that the intent was to benefit a particular individual seeking control of that land. Mr. McGinty asserted that the individual in question was a land speculator with no intention of constructing housing or developing the property as promised. He further stated that past assurances had not been fulfilled and that rezoning actions would only serve to enable additional broken commitments. Mr. McGinty questioned whether engaged citizens were wasting their time volunteering for City service if their recommendations could be disregarded, expressing concern that the Council could choose to replace citizen boards entirely to retain control over all decisions. Mr. McGinty concluded by stating that, in his view, the proposed amendment was intended to bypass established rules and protections to favor private interests.

Andrew Dill resides at 132 Brazos Landing Court. He questioned why these provisions had become controversial only after a recent zoning request involving Clinton Wong, noting that the rules had not previously been disputed. Mr. Dill stated that, during an August 20th meeting in the City Manager's office with Mr. Pennington and City Attorney Chris Duncan, he was initially told that one of the referenced rules did not exist until it was later located in the City's code. He stated that subsequent discussion and correspondence with the City Attorney led to a new proposal to eliminate an additional section of the ordinance. Mr. Dill expressed frustration, suggesting that continual review of the zoning code was being

used to justify removing longstanding procedural safeguards. Mr. Dill also addressed a statement contained in a City memo claiming that the Planning and Zoning Commission held more power than the City Council, clarifying that he had never made such a statement. He affirmed that the Commission serves at the pleasure of the Council and that members can be replaced at any time. He criticized the proposed procedural changes, asserting that their purpose was to reduce the number of votes required for rezoning approval. He referenced language from the proposed ordinance, which stated that the amendment would serve the “health, safety, morals, and general welfare” of the City’s inhabitants. Mr. Dill questioned this assertion, suggesting instead that the amendment would consolidate power in the hands of fewer people and remove important checks and balances within the City’s governance process. He further expressed concern that the changes could allow residential land to be converted to industrial use with the approval of only three Councilmembers, that a few thousand dollars given to certain members could improperly influence such decisions. In closing, he stated that he had compiled a growing list of residents including names, addresses, and contact information who had signed a protest petition against the proposed changes. Mr. Dill noted that many of these individuals reported never receiving formal notice regarding the zoning matter, but said they would now be informed.

Sandra Wood-Wickey stated that she has lived in Freeport for most of her life and has previously served on the City Council. She expressed concern that recent actions and proposals by the Council were a slap in the face to the volunteers who serve on City boards and commissions. She emphasized that Councilmembers are responsible for appointing the right people to these positions, demonstrating both respect and trust in their service. Ms. Wood-Wickey commended Planning and Zoning Commission member Eric Hayes, noting that she has known him since birth and is impressed by his knowledge, dedication, and the time he devotes to understanding City regulations for the benefit of the community. She stated that it would be wrong to allow three Councilmembers to override the recommendations of a larger group of volunteers who have spent time and effort studying the issues. She urged the Council to consider how their actions will appear to the public and to recognize the hard work of those who contribute to making the City a better place. Ms. Wood-Wickey concluded by saying that while she does not always agree with zoning decisions, the current process provides important checks and balances, and she asked the Council to reflect carefully and pray on it before making changes.

Business

Discuss and take possible action to retain and appoint the position of city attorney.

Discuss and take possible action to amend ordinance section 155.1109

Councilman Pena began by thanking those in attendance and acknowledging members of the public watching the meeting online. He also thanked his fellow Councilmembers for attending the special meeting, noting that the meeting could have been avoided had the matter been included on the regular Monday agenda.

A motion was made by Councilman Pena to discuss and take possible action to amend ordinance section 155.1109, seconded by Councilman Davis with discussion that followed.

Councilman Pena began by thanking residents for attending the special meeting, noting the participation from multiple wards and the additional attention from those viewing online. He stated that public involvement and transparency were critical to Freeport’s progress and emphasized that the purpose of the meeting was to clarify the intent of the proposed ordinance change. He explained that the amendment was not intended to reduce transparency or limit public input but rather to remove unnecessary political, uninformed, biased bureaucracy and create a more efficient, democratic process. Councilman Pena explained that the authority to make zoning and policy decisions is vested equally among all five members of the City Council, who were elected and entrusted by the residents of Freeport to act on their behalf. He emphasized that the change under discussion was simple housekeeping and that it would not alter the existing zoning

procedures that require public notification and resident input. Councilman Pena expressed concern that some community members and board representatives were operating with incomplete or biased information, which he said had contributed to delays in local development. He cited the saying, “If you keep repeating the same thing and expect a different result, that is called insanity,” to illustrate his belief that those same individuals had been gatekeeping the process and preventing progress. He reiterated that all existing public notice requirements and zoning processes would remain in place under the proposed ordinance and that residents would continue to be informed of any zoning changes. Councilman Pena said that the amendment would not permit unilateral decisions by the Council but would maintain transparency and accountability in the City’s governance. He stated that claims suggesting otherwise were completely incorrect and described such information as misrepresentations of the intent behind the ordinance. He reiterated that all residents would continue to be informed and have the opportunity to participate in the zoning process. He further remarked that the proposed change was not intended to diminish public involvement but to streamline procedures by removing unnecessary bureaucratic barriers. Councilman Pena stated that the amendment would consolidate administrative authority within the elected Council, rather than City boards, while still maintaining transparency and accountability. He acknowledged the dedication and experience of current board members, noting that many had served the City for years and contributed valuable input. However, he explained that his intention in proposing the change was to ensure that final decision-making authority rests with the City Council, which is directly accountable to the voters. Councilman Pena added that residents directly affected by any zoning proposal would continue to have the right to petition the City, and that if 20 percent of nearby property owners filed a protest, a supermajority vote of the Council would still be required for approval. He described a recent conversation with Planning and Zoning Commission Chairman Andy Dill concerning a 300-acre parcel of urban renewal property. Councilman Pena said that Mr. Dill had expressed concerns about certain development proposals and the community’s reaction to them. He recounted advising Mr. Dill to take a proactive approach by reducing conflict and encouraging open communication between residents, the Council, and developers. Councilman Pena stated that he urged Mr. Dill to help organize a community meeting that would bring together key stakeholders to discuss development plans constructively. He added that such collaboration would allow the City to gather meaningful input while avoiding unnecessary confrontation and misinformation that could discourage future investment. He emphasized that the goal of this effort was to replace drama with transparency, proactive discussion, and accountability. Councilman Pena commended Mr. Dill’s commitment to serving the public interest and expressed appreciation for his diligence in researching and understanding the issues before the City. He concluded by saying he valued both citizen engagement and the Planning and Zoning Commission’s continued involvement in supporting informed decision-making. Councilman Pena stated that he had encouraged Planning and Zoning Commission Chairman Andy Dill to serve as a representative for a citizen group engaged in discussions about local development projects. He explained that while the decision to include Mr. Dill in future meetings would rest with the full Council, he valued Mr. Dill’s initiative and his commitment to ensuring that the public remains informed and involved in City matters. He commended both Mr. Dill and the residents who dedicate time to studying and understanding the City’s development processes. Councilman Pena emphasized the importance of residents being fully informed, adding that the current discussion was not about a single project but about addressing long-standing issues that have slowed Freeport’s progress. He referenced old grievances and indicated that he intended to discuss, at a later date, what he described as past instances of graft involving former City officials and mayors, which he said had hindered development in the community.

Councilman Davis began by thanking all attendees for their participation and reaffirming the Council’s respect for residents and volunteers who serve on City boards and commissions. He commended Planning and Zoning Commission members, including Mr. Eric Hayes and Chairman Andy Dill, for their dedication and for the time they invest in studying regulations and procedures that support the City’s operations. He stated that the Council had not discussed removing any board members and believed that all were performing their duties responsibly. Councilman Davis emphasized the importance of transparency, communication, and collaboration between the Council, City boards, and the public. He supported the idea

of Planning and Zoning holding meetings with community members to promote mutual understanding and encouraged greater resident involvement in decision-making. He acknowledged that both the Council and residents could improve communication and stated his commitment to being more proactive in that effort. He clarified that the ordinance under discussion was not intended to approve any specific industrial zoning or development and that it should not be interpreted as such. Councilman Davis noted that he did not agree with annexing or rezoning property to industrial use and stated that the matter before the Council concerned procedural improvements, not the approval of specific developments. Councilman Davis further addressed confusion surrounding petitions circulated among residents. He explained that some citizens may have misunderstood the nature of the proposal and stressed the importance of sharing accurate information and facts. He encouraged residents to speak directly with Councilmembers to ensure they receive clear explanations. He also called for greater collaboration between residents, developers, and the Council, suggesting that open dialogue could help prevent misinformation and foster constructive solutions. He stated that the community must work together to reach agreements that reflect the best interests of Freeport as a whole. Councilman Davis said that the agenda item did not concern approving a 300-acre rezoning request, as some residents believed. He urged the public not to misinterpret the discussion and emphasized that the Council remained committed to transparency, fairness, and informed decision-making for the benefit of all Freeport citizens. Councilman Davis stated that while the City Council could meet with the developer to discuss and negotiate issues related to proposed developments, the matter under consideration at the meeting did not involve approving any specific zoning change. He emphasized that the Council was not voting to approve the rezoning of approximately 300 acres, as some members of the public had suggested. He expressed his commitment to honesty and transparency, stating that he had been truthful in his communications with both residents and colleagues and that he appreciated the same candor in return. Councilman Davis said that despite differences of opinion, the Council and the public remained on real grounds of mutual respect and understanding. He reiterated that the current agenda item did not concern the approval of any industrial project or specific development and urged residents not to misinterpret the discussion. Councilman Davis noted that some individuals in the audience had mischaracterized the purpose of the meeting and stressed that the Council's discussion should focus on facts rather than speculation. He concluded by reaffirming his position that the Council was acting responsibly and transparently and that no zoning approvals were being decided at that time.

Councilman Matamoros stated that the Planning and Zoning Commission is composed of five appointed members, though one position is currently vacant, leaving four active members: Mr. Hayes, Mr. Dill, Mr. Saccommano, and Mr. Bachman. He commended each member for bringing a unique and valuable perspective to the board, noting that they come from diverse professional backgrounds. He emphasized that such diversity allows the board to consider different viewpoints and collectively determine what is in the best interest of the City. Councilman Matamoros explained that the item recently considered by the Planning and Zoning Commission involved a request to change a property's zoning classification from residential to industrial. Councilman Matamoros explained the distinction between light industrial and heavy industrial zoning categories, noting that light industrial typically involves manufacturing, small distribution centers, and packaging, while heavy industrial includes chemical manufacturing, mining, and power production. He stated that these distinctions were a source of concern for the Planning and Zoning Commission, which had carefully researched and considered its decision on the recent rezoning request. He reiterated that the Planning and Zoning Commission does not hold ultimate authority in zoning decisions, as all zoning changes must still be approved by the City Council. He confirmed this through a procedural question to City Attorney Chris Duncan, who affirmed that final approval rests with the Council. Councilman Matamoros then referred to the agenda item's background statement, which suggested amending the ordinance to reaffirm Council's ultimate authority over zoning changes without requiring prior Planning and Zoning review. He expressed concern that such language appeared to diminish the role of the Planning and Zoning Commission and undermine the system of checks and balances established in City governance. He reflected on Freeport's history, noting that the City was formed in 1957 through the merger of Velasco and Freeport, and that many capable leaders over the years had shaped its charter and procedures to ensure fairness and

accountability. He cautioned that disregarding these long-standing processes would be shortsighted and could erode the structure of local government. Councilman Matamoros warned that removing the oversight of Planning and Zoning could lead to unregulated development, comparing it to Houston's free-for-all zoning environment. He emphasized that while he may not always agree with members of the Planning and Zoning Commission, he respected their opinions and the important work they perform for the community. Councilman Matamoros stated that the Council already holds ultimate authority and that further amending the ordinance would be unnecessary, short-sighted, foolish, asinine, and, a murder to our democracy. He concluded by stating that he would vote accordingly.

Mayor Cain asked City Attorney Chris Duncan to clarify which portions of the ordinance were being amended, specifically referencing Section A of 155.1109. Mr. Duncan confirmed that only that section was being modified and that the existing language regarding Planning and Zoning's ability to initiate written requests for text amendments would remain unchanged. He explained that the Planning and Zoning Commission may propose amendments by submitting a written request to the City Manager or City Council, after which the item would be placed on a meeting agenda, discussed, and voted on before being forwarded to the City Council with a recommendation. Mayor Cain then asked for clarification about the wording change from City Council to City Council member in the proposed amendment. Mr. Duncan explained that under state law, any change to a zoning regulation such as reclassifying property from R-1 to R-2 or redefining zoning categories must follow the standard procedural process. This process requires review by the Planning and Zoning Commission, the issuance of public notices to affected property owners, the holding of a public hearing, and a formal recommendation sent to City Council, which then makes the final determination. He emphasized that this procedure always applies when changes involve zoning regulations. Mr. Duncan further noted that Chapter 155 of the City's Code of Ordinances contains additional local requirements not mandated by state law. For example, a previous amendment, Section 155.1108, established a supermajority voting requirement, which exceeds the standard state requirement of a simple majority. These locally created provisions were added by City Council in 2021 and are considered extra requirements beyond those required under Texas law. He clarified that the proposed amendment under discussion applies only to these locally adopted procedural provisions—not to state-mandated zoning regulations. The change would allow an individual Councilmember to place proposed amendments to such provisions on the agenda for consideration. If a matter is not governed by state law or does not require Planning and Zoning review, a single Councilmember could initiate discussion and potential modification of those procedural requirements. Mr. Duncan reiterated that the amendment does not alter or bypass the legally required zoning procedures established by state law. Mr. Duncan emphasized that it was important for both the City Council and the public to fully understand the language, meaning, and effect of the proposed amendment before any vote was taken. He noted that transparency and open deliberation were essential so that citizens could observe the Council's discussion and clearly understand what the proposed change would and would not do. He explained that under the current ordinance, any change to provisions in Chapter 155 of the City Code must be referred back to the Planning and Zoning Commission. He further noted that the amendment under discussion would not only apply to the supermajority voting requirement previously established under Section 155.1108, but also to other additional requirements adopted by Council in 2021 that go beyond what is required by state statute. He reiterated that state law generally requires only a super majority vote for Council action, and that it is uncommon for other cities to impose a supermajority requirement. Mayor Cain sought clarification on the wording change in the proposed amendment from "City Council" to "City Council member." He asked whether this wording would allow a single Councilmember to place an item on the agenda for discussion. City Attorney Duncan confirmed that the revised wording would permit any one Councilmember to request that an item be placed on a City Council agenda for consideration. He explained that, as a matter of standard procedure, when a Councilmember wishes to place an item on an agenda, the request is typically made through the City Manager's office or the City Secretary. The item is then forwarded to the City Attorney, who prepares the necessary documentation and ordinance language to reflect the Councilmember's intent. Mr. Duncan emphasized that his role as City Attorney is administrative and non-political his responsibility is to ensure that the proposed language accurately reflects the intent of

the requesting Councilmember, regardless of whether other members or the public agree or disagree with the proposal.

Mayor Cain expressed concern about the proposed wording that referred to a City Council member instead of City Council as a whole. He noted that in the past, Council rules required at least two Councilmembers to sponsor an item for placement on the agenda. He questioned whether the new language could conflict with those procedures and whether it would allow a single Councilmember to place an item on the agenda independently. City Attorney Duncan confirmed that, as written, the amendment would allow any individual Councilmember to request that an item be placed on the agenda for consideration. He explained that if the Council later reinstated a two-member requirement, this section of the ordinance would also need to be revised to maintain consistency. Leaving conflicting language in place could create procedural confusion, he said, and any inconsistency between the City Code and Council rules would need to be resolved through an additional amendment. Interim City Manager Dan Pennington asked City Attorney Chris Duncan if he could put it such as it is worded that it goes under the current rules of putting stuff on the Council, so when the rule changes it changes. Mr. Duncan said yes or it could be changed to say or requested by the Councilmembers pursuant to the rules in effect for placing items on the agenda.

Councilman Pena amended his motion.

City Attorney Chris Duncan also addressed a separate provision in the proposed amendment, explaining that the final sentence “All other changes may be approved by a majority vote of the City Council” applied only to those portions of Chapter 155 that were not governed by state law. He stated that most of Chapter 155 deals with zoning regulations, which must always follow state mandated procedures through Planning and Zoning. However, procedural provisions or extra requirements added locally in 2021 could be amended directly by a majority vote of the Council. Mr. Duncan said that clarification was intended to ensure consistency with state law and to preserve Council’s authority to modify its own local procedural rules while maintaining transparency and avoiding confusion. Mayor Cain stated that he fully supports adhering to all requirements mandated by state and federal law. However, he emphasized that the City of Freeport operates as its own entity and that certain local rules and practices may differ from those followed in other municipalities, such as Austin, Lake Jackson, or Angleton. He concluded by stating that he was comfortable with the ordinance as currently written and believed it appropriately reflected the City’s needs and local governance structure.

Councilman Davis stated that he was glad City Attorney Chris Duncan had explained the details of the ordinance, noting that it helped clarify several questions and misunderstandings. He emphasized that the amendment under discussion did not change the entire ordinance or alter any provisions required by state law, but only addressed a specific section that had been modified by a prior City Council in 2021. He noted that, just as a previous Council had exercised its authority to adopt the prior version, the current Council also had the right to make revisions it believed were in the best interest of the City.

Councilman Pena reflected on the importance of progress and the need for change within the City of Freeport. He noted that while the founding fathers of the country, the state, and the city were well-intentioned, their original frameworks were not without flaws. Using historical examples, he referenced the Civil Rights movement and changes to property tax laws as instances where evolving circumstances required reform. He also discussed Freeport’s local history, explaining that the City’s political structure once limited representation by design, with minority residents historically concentrated in specific areas. He observed that subsequent changes to the City’s voting and governance system, including the establishment of ward-based representation, were made to ensure that all citizens could have their voices heard and bring forward new ideas and perspectives. Councilman Pena stated that he believed the City was now ready for change and residential and that the proposed ordinance amendment would help advance residential growth and development in Freeport.

Councilman Pena amended his motion and said he would like to amend his motion with the modification that City Attorney Chris Duncan brought up so that it complies with the Mayor's concern, seconded by Councilman Davis with all present and voting "Aye" 2-3. The motion failed. Mayor Cain voted "Nay", Councilman Matamoros voted "Nay", Councilman Rossow voted "Aye".

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Matamoros to adjourn the meeting, seconded by Councilman Davis with all present and voting "Aye" 5-0. Mayor Cain adjourned the meeting at 7:28P.M.

Jerry Cain, Mayor

Clarisa Fernandez, City Secretary

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of Freeport, Texas met on Monday, November 17, 2025 at 6:00 PM at the Freeport Council Chamber located at 430 North Brazosport Blvd. , Freeport Texas for the purpose of considering the following agenda items:

City Council: Mayor Jerry Cain
Councilman Jeff Pena
Councilman Jarvis Davis
Councilman George Matamoros
Councilman Winston Rossow

Staff: Dan Pennington, Interim City Manager
Jennifer Howell, Police Chief/Assistant City Manager
Chris Duncan, City Attorney
Clarisa Fernandez, City Secretary
Ashlee Hurst, Finance Director
Toby Cohen, IT Director
Rudy Ragle, Public Works Director
Chris Motley, Fire Chief
Loretta Cady, Museum Programs Coordinator

Visitors:	David McGinty	Con McCleester
	Linda Marshall	Diane McCleester
	Manning Rollerson	Nicole Mireles
	Ruth Rollerson	Sam Reyna
	Sam Reyna	Thomas Koole
	Pamela Dancy	Melanie Oldham

Call to Order:

Call to Order - Jerry Cain, Mayor

Mayor Cain called the regular scheduled meeting of the Freeport City Council to order at 6:00P.M.on November 17, 2025, declaring a quorum was present.

Invocation - Councilman

Councilman Rossow led the Invocation.

Pledges - Pledge of Allegiance to the United States; Pledge of Allegiance to the State of Texas.

Councilman Rossow led the Pledge of Allegiance to the United States and the Pledge of Allegiance to the State of Texas.

Audience Participation – Anyone who has registered to speak prior to the meeting being called to order and desires to address the City Council will be heard at this time, or during the discussion of an item listed on the agenda. These forms are located by the City Secretary. After completing the form, give it to the City Secretary. She will give it to the Mayor. The Mayor will call on you when that item is presented, once a motion has been made by Council then public participation will not be allowed. You will have four (4) minutes to make your comments regardless of the number of agenda items to be addressed.

Sam Reyna resides at 2002 North Avenue G. He began by referring to the 350-acre urban renewal tract owned by Clinton Wong. Mr. Reyna explained that when the City sold the property to Mr. Wong, it had been zoned for residential use. At the time of purchase, Mr. Wong stated that he intended to develop new housing on the site, something Mr. Reyna noted the City of Freeport desperately needs. Mr. Reyna then stated that Mr. Wong has not developed any new housing and, in his opinion, never will. He emphasized that there is no clawback stipulation in the contract agreement. Mr. Reyna continued by stating that Mr. Wong is now requesting rezoning of the urban renewal property rezoned for industrial use. With this change, Mr. Wong would have the option to develop or lease the land for chemical plants, gas plants, or other industrial facilities. Mr. Reyna explained that citizens who own property adjoining the tract do not want to share a border with any type of industrial use. He reported that Nicole Mireles, Andy Dill, Eric Hayes, and himself went door-to-door to speak with all property owners living within the 200-foot buffer zone. Mr. Dill was given a list of residents' names within that zone, but Mr. Reyna stated that many addresses were left off the list. For example, there are four houses on Avenue G within the same buffer zone, and only one appeared on the list. Mr. Reyna further stated that all residents within the 200-foot buffer were supposed to receive a letter notifying them by mail about the discussion of a possible rezoning from residential to industrial. He said not one resident received the letter. He questioned who was responsible for sending the notices and whether they were sent by regular mail or certified mail. If certified, he said, there should be proof that they were sent. Without such proof, he stated, there is no way to know whether residents were properly notified. Again, he emphasized that not one resident received the notice. He added that many residents did not even know Mr. Rossow was their Councilman and asked him how Mr. Rossow stood on the issue. Mr. Reyna said that at the time he did not know. Mr. Reyna stated that Mr. Wong felt now was the time to pursue rezoning because of what he perceived as a weak City Council. He claimed that Mr. Wong would use this situation selfishly and unfairly for profit or personal gain. He described this as a move in which Mr. Wong would manipulate circumstances for his own benefit, something Mr. Reyna claimed Mr. Wong has done for years and is very good at. He said that Mr. Wong owns prime real estate that he will never develop. As an example, he mentioned the 13 acres by the high school, which Mr. Wong purchased for \$138,000. Mr. Reyna noted that Ms. Lucy Ware paid \$78,000 for just one lot, while Mr. Wong paid \$138,000 for 13 acres. Mr. Reyna questioned how Mr. Wong obtained the property so cheaply. Regarding that 13-acre tract, Mr. Reyna stated that the contract agreement does include a clawback stipulation, requiring that the property be developed within five years. He noted that nearly ten years have passed with no development. He suggested the City should hire an attorney and try to retrieve the property.

Tom Pearson resides at 110 South Front Street. He spoke regarding the vote in executive session related to hiring Chris Duncan as the contracted attorney for the City of Freeport. Mr. Pearson asked whether Chris Duncan is still the attorney of record representing Councilman Pena in a lawsuit against the City of Freeport. He referenced September 10, 2025, as the date of the last entry of record for a proposed order granting a motion for withdrawal of counsel. According to Mr. Pearson, the record shows that Duncan still appears to be retained by Councilman Pena. He explained that, typically, if the motion to withdraw had been granted or approved, the court record would show a strike-through indicating the change. Since no such strike-through appears, he questioned whether Mr. Duncan has in fact withdrawn. Mr. Pearson then asked if Chris Duncan was telling the Council that he no longer represents Jeff Pena, has he provided the Council with any proof of that withdrawal? He stated that he would think the Council would want to know this before making a vote to hire Mr. Duncan or not.

Melanie Oldham resides at 531 West Brazos. She began by speaking briefly on Item 4F. She noted that she attends many EDC meetings, and at one of those meetings she heard Mr. Pennington discuss the waterline valve installation project. She expressed that she believes this is a good project, explaining that the money is intended to replace old valves and improve conditions downtown and in the surrounding area. She stated that she supports the project. Ms. Oldham next commented that she was not entirely sure what 4G referred

to, but believed it might concern discussion about hiring a grant writing firm to help obtain funding, possibly for the wastewater treatment plant or another major project. If that is the case, she stated, then it would also be a good thing. She then referred to the executive session, noting that the agenda includes economic development negotiations involving a development agreement with Sky Mark, which she identified as again being connected to Clinton Wong. She pointed out that Mr. Wong has several companies under various names. She assumed the negotiations might relate to his 13-acre property off of Skinner, in addition to property across the street by CVS, which he also owns. Ms. Oldham compared this situation to the long-standing issues with the urban renewal land, noting that for more than ten years, people have attempted to negotiate with Mr. Wong. She explained that for the 13-acre tract, Mr. Wong had promised to build either single-family homes or nice townhomes, and had also promised to maintain a green zone between Heritage Park and whatever he built, since a road would need to be constructed. She said that whenever anyone negotiates with him, he repeatedly asks to turn the property into a MUD, which she described as a very bad deal for anyone who purchased a home in that area. Ms. Oldham stated that in her view, if Mr. Wong wanted to demonstrate good faith, he could begin by doing one thing he promised ten years ago building housing on Second Street. If he followed through there, she said, then perhaps negotiations on the rest of his land could move forward. However, she emphasized that he had never once followed through on his promises regarding housing in the City of Freeport. She went on to say that although she had been out of town, she watched previous City Council meetings. Regarding the urban renewal land, she stated that the agreement clearly says that the property can be rezoned from residential only to commercial and light industrial, and she did not believe that language has changed. Because of that, she said, the City still has leverage in negotiations with Mr. Wong. She concluded by stating that the Council must remain firm and insist that he act in good faith on behalf of the City.

Thomas Koole addressed the Council and began by stating that he wished to correct a mistake he made at the previous City Council meeting. He clarified that when he had mentioned Holly Street to Velasco, he had spoken incorrectly; he was referring to Yaupon to Velasco, and he wanted the record to reflect that correction. Mr. Koole stated that down Fourth Street, from Yaupon to Velasco, there have been 95 citations, over the last seven years, there have been 23 crashes at the intersection of Pecan and Fourth Street and only two citations running stop signs at that location. He said that at the first meeting he ever attended, he spoke with Sergeant Torres, who also acknowledged there was a serious problem at that intersection. Mr. Koole said Sergeant Torres told him that he himself almost got hit there the previous Thursday. Mr. Koole stated that there are three patrol officers who regularly monitor the area. He said that when he stopped to speak with Corporal Collins, within 20 to 30 minutes, the corporal had already pulled over four vehicles. Mr. Koole noted the proximity of several schools an elementary school seven blocks away, an intermediate school nearby, and the high school six blocks away. He reported that he had met with the Public Works Director, who said that engineers would be assigned to survey and investigate the intersection. Mr. Koole stated firmly that it does not take a rocket scientist to see the problem there. He said taxpayer money should not be wasted on prolonged studies when, in his view, the danger is already clear. He stated that he had testimonies from residents, and had walked door-to-door on Fourth Street, Broad Street, and Fifth Street. He said that residents are terrified of that intersection and are genuinely scared. Mr. Koole reminded the Council that the residents voted them into office, and the public expects them to make decisions in the best interest of Freeport. He described the intersection as devastating and questioned why the City would allow people especially children to live in constant fear. He emphasized that children's lives and development could be permanently harmed by dangerous traffic conditions, stating that some may not make it through life if accidents continue. He stressed the need to slow down traffic on Fourth Street, explaining that many of the accidents are so severe because drivers travel at excessive speeds. He mentioned accidents occurring from Broad Street and Fifth Street, noting repeatedly the severity of collisions there. He urged the Council to make the right decision and to vote for what the residents of Freeport want. Mr. Koole questioned why taxpayer money was being wasted when the solution was clear. He acknowledged the installation of two lighted stop signs, and thanked the Council for those improvements, but said plainly that it is not enough. He also noted that the two lighted stop signs were different kinds and not consistent. He stated that the residents

he spoke with strongly wanted a four-way stop at that intersection. He said that even Corporal Collins, whom he spoke with on Thursday, confirmed there was a problem and agreed that the intersection needs a four-way stop. Mr. Koole concluded by saying that everyone is praying and hoping the Council will make the right decision.

Manning Rollerson stated that he wished to speak on the same topic referenced earlier by Ms. Melanie Oldham regarding the urban renewal land. He said that the land and the housing promised there were promises made to the citizens of Freeport, and that the City had committed to building homes on that land. Mr. Rollerson stated that Freeport already has enough industrial development and that the City fails to hold any industrial companies accountable. He expressed concerns about the death rate and disease rate being high in the community. He also spoke about industrial dumping permits, explaining that industries are permitted to increase their dumping every four to five years, and that these discharges contaminate waterways. He referenced a Texas A&M study finding the Brazos River contaminated. He questioned why the City continues adding more industrial development when the community lacks housing. He asked where the workforce is coming from, noting that many workers come from Bay City, Houston, and Pearland, and not from Freeport. He stated the reason is simple there is no housing, no qualified or safe communities for families. Mr. Rollerson referenced the earlier speaker's comments about dangerous intersections and stated that one cannot safely drive down certain streets without getting T-boned. He shared that his nephew, mother, and daughter were all T-boned on the same road back in 1996, and said nothing has ever been done about it. He stated that Freeport is a highly impacted industrial community that has shown no population growth in 57 years. He said Mr. Wong had promised to build houses under Mayor Norma Garcia, yet the City still does not have permits to redevelop downtown. He referenced a lawsuit in which, according to him, the City lost \$20 million because the case was dropped, and noted that despite this, Mr. Wong still did not carry out the promised development. Mr. Rollerson stated that Mr. Wong continually seeks meetings and tries to influence decisions, but that the Council's loyalty should be to the people. He said the community rejects the rezoning because residents have nothing and cannot build a strong, profitable future without a tax base. He criticized the City for depending on industry for taxes, stating that industries are not paying what they should. He noted that Freeport LNG received another 15-year extension, which he said leaves the taxpayers burdened for those 15 years. He asked when the City will stop subsidizing industries that are supposedly multibillion-dollar corporations, yet still rely on taxpayer dollars to build and operate. He described this as corporate welfare taken from the most vulnerable people in the most vulnerable cities. Mr. Rollerson expressed gratitude toward certain Council members, thanking Mr. Matamoros and Mr. Winston for thinking about the City. He addressed the Mayor, Councilman Pena and Councilman Davis, emphasizing that what matters is growing Freeport. He stated that he has lived in the community for 41 years, raised his children here, and that promises for community housing have never materialized. He said his daughter is now 41 years old, started elementary school in Freeport, and the promised homes still have not been built. He said every Council seems quick to bow down to industry instead of prioritizing the people. He said the community pays more money into taxes, abatements, and school district bonds than is returned in benefits. He criticized reliance on trickle-down economics asserting that it will not flow back into the community. Mr. Rollerson concluded by thanking the Council, expressing appreciation for the hiring of a good city manager. He urged the Council to think about the citizens of Freeport for a change.

Consent Agenda:

Action regarding Minutes, November 3, 2025-Clarisa Fernandez, City Secretary

Approval of Road Closures for Christmas on Main, Saturday, December 6, 2025, from 12:00 PM- 10:00 PM-Main Street Coordinator, Maria Lopez

Action approving Monthly Financial Report through October 31, 2025- Ashlee Hurst, Finance Director

Action approving road closures for the MLK, Jr. Parade on January 19, 2026-Jennifer Howell, Police

Chief/Assistant City Manager

A motion was made by Councilman Rossow to approve the Consent Agenda, seconded by Councilman Matamoros with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Proclamations - Presentations and Updates

Upcoming Events-

Merry Museum Christmas, Freeport Historical Museum, November 29, 11:00AM-3:00P.M.

Holiday on the Brazos, Freeport Municipal Park, December 5, 6:00P.M.-9:00P.M.

Blue Santa Pancake Breakfast, Freeport RiverPlace, December 6, 8:00A.M.-11:00A.M.

Christmas on Main, Historic Downtown, December 6, 4:00P.M.-8:00P.M.

Senior Citizens Christmas Party, RiverPlace, December 15, 10:00A.M.-12:00P.M.

Interim City Manager Dan Pennington gave updates on upcoming events.

Mayor Cain announced the upcoming Thanksgiving Super Feast, which will be held at the River Place on Thanksgiving Thursday. He stated that event organizers are looking for volunteers between the hours of 9:00A.M. and 3:00P.M., and that dinner will be served from 11:00A.M. to 1:30P.M. Mayor Cain encouraged everyone to help spread the word to anyone who may need a good meal or who would simply like to come out and participate.

Business

Consideration and possible action approving Resolution No. 2025-2995 appointing a member to the Historical Commission and Main Street Advisory Board.

Main Street Coordinator Maria Lopez addressed the Council and stated that staff recommends that the City Council appoint one of the two recommended applicants Michelle Bachmann or Flora Greento fill the vacant position on the Freeport Historical Commission and Main Street Advisory Board, a position previously held by Lucy Martinez, whose term is set to expire on May 31, 2027. She explained that the agenda item considers approval of a resolution appointing a qualified individual to fill the unexpired term of Lucy Martinez, who recently resigned from the board. Ms. Lopez noted that Board Member Lucy Martinez resigned before the end of her appointed term, which was scheduled to expire on May 31, 2027. Ms. Lopez reported that the Main Street Advisory Board reviewed all applications submitted for the vacant position and identified two qualified applicants, Michelle Bachman and Flora Green, for the City Council's review and consideration. She confirmed that these were the two candidates under consideration. She further explained that although only one position was posted to be filled, a vote conducted on September 18th by the Historical Commission and Main Street Board resulted in a tie between the two candidates. Because of the tie, both applicants were forwarded to City Council for final consideration. Ms. Lopez concluded by noting that both candidates were present and available to answer any questions from the Council.

Michelle Bachman addressed the Council and introduced herself. She stated that she believes she would be a good candidate for the vacant position. She shared that she has lived in the community for 60 years and does a lot for the community. Ms. Bachman noted that her job and business come first, but she is still willing to make a difference in Freeport. She expressed her love for the city and said that Freeport has a good dream and vision, and simply needs to keep moving forward. She concluded by stating that she believes she would be a good candidate for the job, and thanked the Council.

Flora Green addressed the Council and introduced herself. She thanked the Council for their time and for acknowledging her. She stated that she would like to volunteer for the Main Street program in Freeport, Texas. Ms. Green shared some background about herself, stating that she is originally from Bay City, Texas. She recently retired from the U.S. Post Office in September after 30 years of service. She noted that she has

been in the public sector for many years, though she chose not to say exactly how many in order to avoid revealing her age. She explained that she has been involved in public and Main Street-related work for a long time. Referring to the ongoing downtown renovation efforts, Ms. Green said she believes it would be a good idea to bring all of that revitalization together for the Freeport area, and that it would look great if everything could be unified in one little area. Ms. Green concluded by thanking the Council again for their time and wished everyone a great evening.

Mayor Cain addressed the City Attorney and stated that he wanted to ask a legal question. He explained that it was his understanding that another person had resigned from the board earlier that day. He asked whether if that was the case, the Council could appoint both applicants, or if they would be required to appoint one now and another at a later date. City Attorney Chris Duncan responded that if the resignation was submitted in writing, and confirmed, then the Council could proceed with two appointments.

Councilman Davis addressed the two applicants and stated that he wanted to thank both ladies for volunteering to step up and be part of the Main Street Board. He told Ms. Bachman that he believes she has a good business mind and vision. He then addressed Ms. Green, noting that she has a lot of energy and may also have a lot of available time, mentioning that she had said she is retired.

A motion was made by Councilman Davis to appoint Ms. Bachman to Main Street, seconded by Councilman Pena with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

A motion was made by Councilman Davis to appoint Ms. Green to the Main Street Advisory Board, seconded by Councilman Pena with discussion that followed.

Councilman Matamoros asked who had resigned from the board. Interim City Manager Dan Pennington said Ms. Oldham.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Ordinance No. 2025-2751 approval of Slaughter Road Generator.

Public Works Director Rudy Ragle stated that staff recommends authorizing the purchase and turnkey installation of a 96-kilowatt natural gas generator at the Slaughter Road Pump Station from Worldwide Power Products, in the total amount of \$95,750. Mr. Ragle explained that the purchase would provide a complete energy generator system and installation to ensure uninterrupted service during utility outages at the Slaughter Road Pump Station. The scope of work includes procurement of the generator, an automatic transfer switch, electrical installation, a concrete pad, gas connection, freight, and startup. He provided background information, stating that the Slaughter Road Pump Station is a critical facility for the City's water system. During extended power outages, operations are at risk without a backup generator. The proposed Gillette SB 960-3-2N2 96-kilowatt generator, with a sound-attenuated enclosure and automatic transfer switch, will provide reliable emergency power. The vendor will perform all electrical, mechanical, and software work necessary to deliver a complete turnkey solution. Mr. Ragle highlighted special considerations, stating that the price reflects the vendor's participation under TIPS Cooperative Purchasing Contract No. 221001, Vendor #4981. Delivery and installation are estimated at 4 to 6 weeks from the time of order. He noted that the City is responsible for extending CenterPoint's gas line to within five feet of the generator, along with permitting and floodplain structural surveys beyond the electrical drawings, which will be handled by others. Regarding financial impact, Mr. Ragle stated that the total package cost is \$95,750, plus applicable term surcharge. The quote is valid through December 31, 2026. He provided a cost breakdown as follows: Generator: \$35,000 Installation: \$45,000 Startup: \$2,000 Concrete: \$6,000 Generator stand: \$3,500 Gas connections: \$2,500 Crane: \$1,750. Mr. Ragle concluded by reiterating staff's recommendation to approve the total turnkey package for \$95,750 plus the applicable surcharge, with the

cost breakdowns as presented.

A motion was made by Councilman Matamoros to approve Ordinance No. 2025-2751 approval of Slaughter Road Generator as presented, seconded by Councilman Rossow with discussion that followed.

Councilman Davis asked whether the proposed generator would be the only generator in that area. Public Works Director Rudy Ragle said this was only for the water plant. Councilman Davis said he was simply trying to verify this information because he remembered discussions at a prior time about a generator under the Veolia contract. Mr. Ragle confirmed that a generator had been present at one point, but clarified that it had been a temporary generator brought in and rented as a short-term solution, not a permanent installation. He concluded by confirming that the City is responsible for its own power and any required secondary or emergency power for its facilities.

Councilman Pena asked Public Works Director Rudy Ragle how long the particular pump station had been in need of a backup generator. Mr. Ragle responded that the need had existed probably since inception. He explained that after the major winter freeze, TCEQ came through and almost made it mandatory to have backup power on all water and wastewater facilities as part of their statewide planning efforts. Councilman Pena asked when TCEQ made that recommendation or identification. Mr. Ragle replied that he did not want to be quoted on the exact date and would need to look it up, but stated that it was after the 2021 freeze. Councilman Pena noted that this meant approximately four and a half years had passed and asked what had been done during that time to meet the need or requirement. Mr. Ragle stated that Veolia has been bringing in a temporary generator when needed. Councilman Pena asked how that system had been working and whether it was costing the City money. Mr. Ragle confirmed that it had been costing the City, but he did not have the specific numbers. He added that the temporary generator works as long as it is continuously fueled. Councilman Pena then asked whether providing the temporary generator was part of Veolia's contract whether it should be at Veolia's expense, or if the City absorbs the cost. Mr. Ragle said he believed the City absorbs it. Mr. Ragle clarified that the difference between the permanent generator and the temporary one is that the Veolia unit is only brought in during emergencies as needed, while the proposed generator would be on-site permanently. Mr. Ragle expressed concern about nighttime outages, stating that if the power fails while no one is present to deploy a temporary generator, the City could run out of water. He asked whether Veolia or someone was on call. Mr. Ragle replied yes, but added that without power, they still might not get the generator onsite in time, which would result in a boil water notice. Councilman Pena said he wanted to see the cost numbers and that he would have liked to see those numbers before. He stated that the need for a generator is clear, but that the need has still been met since 2021 with the temporary units. He gave examples, saying that if the cost of the temporary solution were \$300,000 or \$400,000 a year, the decision would be easy but the City does not even know what the actual expense has been. He asked whether Mr. Ragle had any idea how many days Veolia had placed the emergency pump or generator at that location. Mr. Ragle said he did not. Councilman Pena concluded by saying the Council needs more information, including the current costs and the current equipment needs, in order to make an informed decision. Without that, he said, the Council would be making a blind decision, and therefore he could not support the purchase without further data.

Councilman Davis asked if there were different quotes. Public Works Director Rudy Ragle said yes, he had three different quotes.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Consideration and possible action approving Ordinance No. 2025-2752 canvassing the results and declaring the results of the November 4, 2025, Special Election.

Interim City Manager Dan Pennington addressed the Council, stating that the item before them was the canvassing of the election, specifically the election concerning civil service. He noted that the Council could

see in the agenda packet the attached results, showing the vote was roughly two to one in favor. Mr. Pennington stated that staff recommends approval of the ordinance canvassing the election returns and declaring the official results of the November 4, 2025, special election regarding the adoption of the Firefighters and Police Officer Civil Service Law, pursuant to Chapter 143 of the Texas Local Government Code.

A motion was made by Councilman Pena to approve Ordinance No. 2025-2752 canvassing the results and declaring the results of the November 4, 2025, Special Election, seconded by Councilman Davis with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2996 appointing a candidate for the Board of Directors of the Brazoria County Appraisal District.

Interim City Manager Dan Pennington stated that the item concerned appointing a candidate to the Board of Directors for the Brazoria County Appraisal District. He noted that in the agenda packet, toward the back, there were eight names listed. He said that, if he understood correctly, the City had eight total votes to cast. Mr. Pennington stated that staff recommends approval of a resolution nominating, constituting, and appointing a qualified person or persons to the Board of Directors for the Brazoria County Appraisal District for the upcoming four-year term beginning January 1, 2026.

A motion was made by Councilman Pena to nominate Eric Hayes with all the votes, seconded by Councilman Matamoros with discussion that followed.

Mayor Cain said before calling for the vote, Mayor Cain clarified the voting process. He explained that the City of Freeport has eight votes, which may be assigned in several ways: all eight votes to a single person, split between two candidates, distributed one vote each to eight candidates, or divided in any other combination Council chooses. Councilman Pena said that he believed Eric Hayes had demonstrated that he is well-qualified, does his homework on P&Z, and understands the responsibilities involved.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2997 appointing a member to the Senior Citizens Commission.

Interim City Manager Dan Pennington stated that the Senior Citizen Commission has several openings. He noted that Ms. Laird had recently joined the Commission at the last meeting. Mr. Pennington informed the Council that Nicole Mireles had applied for one of the open positions and stated that he believed she was present at the meeting.

Nicole Mireles stated that she knew she did not have to introduce herself. She spoke about the Senior Citizens Center, explaining that she usually goes there and had gone earlier that day and observed that there was a need for something different. She said that something was lacking during her visit and that she had already spoken to Mr. Pennington about it. Ms. Mireles expressed her deep connection to the community, stating that she has lived in Freeport for 77 years and is not going anywhere. She said, "You can knock me down, but I am still here," emphasizing her commitment to remain involved. She stated that she hopes to help make a difference, and added that she hopes the City gets another person involved as well, noting that she is trying.

A motion was made by Councilman Rossow to accept Nicole, seconded by Councilman Matamoros with discussion that followed.

Mayor Cain asked how many vacancies remained on the Senior Citizen Commission. Interim City Manager Dan Pennington responded that there were five more vacancies and noted that they had received one

additional application earlier that day, bringing the total to three applications on file. He stated that if they received a fourth application, the Commission would have a quorum, allowing them to begin holding meetings again. Mayor Cain encouraged everyone to spread the word to help fill the remaining positions. Councilman Pena asked for confirmation that no meetings could be held until a quorum was established, and staff confirmed that this was correct.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Consideration and possible action approval of EDC Funding Project – Water Line Valve Installation Project.

Interim City Manager Dan Pennington explained that the project had been brought before the EDC. He stated that the EDC had included a budget line item of approximately \$200,000 to \$250,000 he noted he could not recall the exact amount specifically for valves targeting infrastructure around local businesses. Mr. Pennington reported that Nick Meeks reviewed the City map to determine where the City could get the most impact for the funding, and he identified the necessary locations. These targeted sites are shown on the map provided. He explained that the City currently has large sections of the water system where, if a break occurs, it is difficult to control and isolate the issue without impacting large areas of customers. The new valves will significantly improve that situation. Mr. Pennington noted that in addition to the EDC funding, there is another grant that Finance Director Ashlee Hurst has worked on. Combined, these two projects will provide between 40 and 50 valves. He stated that staff is excited about the improvements, as the new valves will allow the City to reduce the impact of water main issues on the business community, while also benefiting some residential areas as well.

A motion was made by Councilman Pena to table this item. Motion died due to a lack of second.

A motion was made by Councilman Matamoros to approve EDC Funding Project-Water Line Valve Installation Project as presented, seconded by Councilman Rossow with discussion that followed.

Councilman Pena raised concerns about the map that had been presented. He stated that the print and font were very small, and questioned whether residents could even see it on the overhead display. He asked if the map could be zoomed in, noting that it was terrible and that the City needed to improve its technology. He asked for clarification on whether the map displayed Highway 288, and commented that from the audience perspective, it was impossible to tell. He noted that the map appeared to show part of Freeport, but the details were difficult to distinguish. He referenced the presence of red dots and what appeared to be properties, and stated that he was trying to understand what the map was actually showing. Councilman Pena then pointed out that no one from the EDC was present to discuss or explain the project, and why it had been approved by the EDC. He asked if anyone from the EDC was in attendance, and after confirming that no one was, he stated that this was interesting. He said he wanted to understand which businesses the valves were intended to serve, and asked how much the City had already paid toward the valve project. He also asked how many valves were being requested from the EDC and whether those numbers had been enumerated. He stated that these were only his first questions, and that he also had compliance questions. Interim City Manager Dan Pennington said the document stated that the project involved 26 valves, at a cost of approximately \$209,000, and noted that the EDC had budgeted \$200,000. Councilman Pena asked how many valves the City had already paid for. Mr. Pennington said to his knowledge, the City had paid for none. Councilman Pena asked again what specific businesses this project was intended to serve. Mr. Pennington responded that he did not request the list of businesses, but instead asked Mr. Meeks to identify locations where the valves would have the most impact for businesses. Councilman Pena repeated that no specific businesses had been identified and that he did not have names or documentation. Councilman Pena explained why this troubled him so much, noting that he previously served on the EDC for three or four years. He said that not once during his tenure had EDC funds been used for valves or general city infrastructure. He reminded the Council that there are very specific legal rules governing how EDC funds may be used. He stated that when he saw the valve project listed as an EDC-funded item, it raised a

significant red flag. He contacted the state EDC regulatory office for guidance, and they informed him of several issues: EDC funds cannot be used for general infrastructure costs, including water projects especially on this scale. Any EDC-funded project must involve a specific, identified project. EDC-funded water or infrastructure components cannot exceed 30% of that project. A qualifying project must identify the specific business or businesses benefiting. The purpose of EDC funding is to support job creation, which has not been demonstrated here. Councilman Pena stated that none of these criteria had been met or documented. He warned the Council that approving this project under EDC funding posed serious risks: Best case scenario: The state orders the City to return the \$200,000 to the EDC and pull the money from the general fund instead. Worst case scenario: The state determines that the City violated the law, resulting in the loss of its EDC credentials entirely, meaning Freeport would no longer qualify for EDC funding. He emphasized that this was why compliance matters, and why he found it concerning that the project was even placed on the agenda as an EDC item. He noted that genuine EDC projects require specific public hearings and more detailed documentation than what had been provided. He stated he did not know who approached the EDC about this project, but stressed that using EDC funds for what is essentially general City infrastructure does not appear to qualify. Councilman Pena concluded by stating that if the project is truly necessary, the City should use general fund money not EDC funds to remain compliant. He reiterated that his recommendation was for the Council not to move forward with the item until the City receives: Clarification from the state EDC office and answers from EDC leadership.

Councilman Davis asked whether anyone could provide information to support or verify the concerns that had just been raised. Interim City Manager Dan Pennington responded, noting that a question had come up previously about whether a public hearing was required for this type of project. He stated that the EDC's attorney had already reviewed the project, confirmed that it qualified, and had determined that the City was not at risk of losing any EDC funding or its EDC designation as a result of the project. He explained that for a City the size of Freeport, public hearings are waived for this category of EDC action. He stated that the project was included in the EDC budget, which had been approved by the City Council when the EDC budget was originally passed. City Attorney Chris Duncan explained that some questions had arisen regarding the process, so Interim City Manager Dan Pennington and he had gone through those questions and forwarded them to the EDC attorney. The attorney reviewed the concerns and provided a written opinion stating that the project was in compliance with the applicable requirements, citing specific sections of the law.

Councilman Pena stated that there was a reason the City no longer used Olson & Olson as its City Attorney because the Council had lost confidence in their legal opinions and in their truthfulness when dealing with the City. He stated that if staff wished to rely on Olson & Olson's opinion for this EDC matter, they could, but he personally would not. He cautioned that when the State audits the EDC, the City must be certain everything is accurate and compliant. Councilman Pena continued, stating that the simplest solution would be to fund the project from the City's general fund through a budget amendment rather than using EDC funds. He said the Council could approve such action at the next meeting, ensuring that the process is done correctly. He emphasized that relying on Olson & Olson's interpretation was risky, and he respectfully disagreed with both Mr. Pennington's reliance on that opinion and the legal conclusion itself. He stated that EDC funds and other restricted funds were being applied too liberally, in ways that could be illegal. He warned the Council about the potential consequences and stated he would be bringing further receipts as he gathered more information from the state EDC regulators and TML.

Interim City Manager Dan Pennington asked City Attorney Chris Duncan if he had any questions or comments regarding the specific code sections referenced by Olson & Olson. Mr. Duncan responded that the City relies on the EDC's attorney for interpretations related to EDC matters. He said he did not have an independent opinion because the responsibility falls to the EDC attorney. He stated he felt satisfied that the EDC attorney had reviewed the issues and provided their professional opinion.

Mayor Cain called the motion to a vote with all present and voting "Aye" 3-2. The Council approved the motion. Councilman Pena voted "Nay". Councilman Davis voted "Nay".

Councilman Pena asked what would happen if the State EDC office or TML were to come back and determine that the use of EDC funds for the project was, in fact, an incorrect application of those funds. He asked whether, in that scenario, the City would bring the item back, reverse course, and correct the action, and whether staff would help ensure that the corrective process took place. Mayor Cain said yes, if the City received information confirming that the expenditure was illegal or could not be done, then the matter would be brought back before Council. Councilman Pena replied that he would be sending the emails he received regarding the issue.

Consideration and possible acting approving Ordinance No. 2025-2753 approval of DWSRF Abridged Application for TWDB.

Interim City Manager Dan Pennington explained that this item relates to what Ms. Oldham had previously discussed. It involved hiring Westwood Professional Services, a firm with extensive experience working with this specific Texas Water Development Board (TWDB) program. He stated that the program is administered through the Texas Water Board and includes two different funding routes: DW (Drinking Water) and another application category for Clean Water, which appears in the next resolution. Because of this, there are two separate applications and therefore two separate resolutions. Mr. Pennington explained that the process has two hurdles. The first hurdle is completing what is called a PIF the Public Information Form and submitting it to the Texas Water Board. The City must submit this by March. TWDB will receive PIFs from Cities across the state, review them, and determine which applicants receive an invitation to the second round. He stated that if the City receives an invitation, then based on his experience the City is very likely to receive the funding. Mr. Pennington then described the nature of the funding: It begins as a low-interest loan, and can be up to \$10 million or more, for both water and wastewater infrastructure projects. He noted that because Freeport's average median household income (AMHI) is below the state level, the City qualifies for significant forgiveness. Under the current formula, up to 70% of the loan is immediately forgiven. For example, if the City borrows \$2 million, then \$1.4 million (70%) would be forgiven, functioning essentially as a grant, with the remaining 30% as the City's match. He also explained that a recently passed ballot proposition Prop 14, approved in November may increase the forgiveness amount even further, possibly above 70%. The remaining portion the City must finance would be offered at below-market interest rates, currently around 2.5%, for terms up to 30 years. Mr. Pennington emphasized that this makes the program exceptionally beneficial for the City, stating that there are very few opportunities to obtain significant funding and have such a large percentage forgiven immediately. He added that the second-round application is more costly to complete, but those costs can be rolled into the loan amount, similar to refinancing a home mortgage and rolling in the closing costs.

A motion was made by Councilman Matamoros to approve Ordinance No. 2025-2753 approval of DWSRF Abridged Application for TWDB as presented, seconded by Councilman Rossow with discussion that followed.

Councilman Pena stated that he was curious to hear from the City's CFO regarding the proposed funding program. Finance Director Ashlee Hurst responded that the program appeared to be very good, noting that the interest rate was better than anything available elsewhere at this time. When asked whether she had ever used the program before, Ms. Hurst said no, and further stated that they were not personally aware of any other Cities using it. Interim City Manager Dan Pennington stated that they had used the program in Pasadena, and that although the program had existed since 1987, the City of Freeport had never received funding through it. He added that the City had only applied once, in 2016, and that the project submitted at that time did not make the cut.

Councilman Davis asked whether this was the only type of grant writing Westwood Professional Services handles. Interim City Manager Dan Pennington responded that the City has been in contact with

approximately four other grant writers. One recent grant application approximately \$900,000, at 100% funding had been submitted on the 13th and they were awaiting a response from TxDot. He added that the City has several other grants in progress and that the various grant writers each specialize in different types of funding programs.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Ordinance No. 2025-2754 approval of CWSRF Abridged Application to TWDB.

Interim City Manager Dan Pennington stated that this item was similar to the previous one, noting that while the first was for the Drinking Water State Revolving Fund, this request applied to the Clean Water fund and would address wastewater system needs. He explained that the funding could reach \$10 million or more and includes the same structure of up to 70% loan forgiveness with the remaining portion available at below-market interest rates.

A motion was made by Councilman Matamoros made a motion to approve Ordinance No. 2025-2754 approval of CWSRF Abridged Application to TWDB as presented, seconded by Councilman Davis with discussion that followed.

Councilman Pena asked whether the 70% forgiveness was automatic or triggered by a specific action. Interim City Manager Dan Pennington responded that once the City is approved, the Texas Water Board would review income eligibility, noting the City is approximately 10–11% below the state median household income level, which qualifies the City for the forgiveness percentage. He added that after receiving the loan, the required paperwork would be submitted to finalize the forgiveness component. Mr. Pennington also clarified that the process could still be halted if the Council decided not to proceed before execution. Councilman Pena then asked who would be responsible for submitting the paperwork if the project moved forward, and Mr. Pennington responded that it would typically fall under the responsibility of the Finance Director.

Mayor Cain called the motion to a vote with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Resolution No. 2025-2998 amending the Purchasing Policy.

Finance Director Ashlee Hurst explained that the state recently increased its purchasing threshold guidelines in Local Government Code Chapter 252 from \$50,000 to \$100,000. This change prompted staff to review current workflows and look for ways to reduce unnecessary administrative burden created by the City's relatively low internal thresholds, which were adopted in March 2024 and have not been updated to reflect inflation, higher unit costs, or operational realities. As a result, many small and mid-sized purchases currently require higher-level approvals than operationally necessary, causing delays and added workload without improving internal controls. After reviewing peer-city practices and internal approval workflows, staff recommended updating the internal thresholds without changing formal competitive bidding requirements to better align with state law, the City Charter, and existing purchasing policies. The amendment would not alter competitive bidding rules; it would only adjust internal approval authority for commitments below the formal procurement thresholds. Ms. Hurst proposed raising department-head purchasing authority from \$1,000 to \$5,000 (5% of the state threshold), the Finance Director's authority from \$10,000 to \$20,000 (20% of the state threshold), and the City Manager's authority from \$30,000 to \$60,000 (60% of the state threshold). She noted that the current requirement for three quotes and a purchase order on purchases over \$3,000 would be raised slightly to \$5,000, significantly reducing workload for both the Finance Department and department heads, as any purchase over \$1,000 now requires both the department head and Finance Director's signatures. Ms. Hurst stated that this has become a burden and causes lags in invoice processing, and the proposal would correct policy language that currently allows the

Finance Director and City Manager to enter contracts without requiring City Attorney review. Under the proposed changes, all purchases must still comply with the purchasing policy, quote requirements, encumbrance controls, budget availability, and applicable state law; purchases at or above formal procurement thresholds would remain subject to competitive processes and City Council approval. She emphasized that the rationale is to improve operational efficiency, reduce bottlenecks for routine budgeted expenditures, keep higher-level review on larger or higher-risk purchases, reflect inflation and market pricing, and maintain transparency through documentation, quote requirements, and audit trails. All purchasing would remain subject to adopted budget line items. A motion was made by Councilman Matamoros to approve Resolution No. 2025-2998 amending the Purchasing Policy as presented, seconded by Councilman Rossow with discussion that followed.

Mayor Cain remarked that former City Manager Kelty had approval up to \$50,000 and that City Manager Petty later reduced it to \$30,000. Finance Director Ashlee Hurst said it was her belief that after the Covarrubias matter, thresholds were drastically lowered and additional paperwork requirements were added. Mayor Cain asked whether the spending authority amounts assigned to department heads and to the Finance Director had changed over the years. Ms. Hurst responded that yes, those amounts had changed. She explained that the adjustments occurred during the same update cycle. She noted that the Finance Director, prior to the most recent revision, had a spending authority of \$20,000. She added that department heads previously held an approval authority of \$3,000, although she stated she was not completely certain on that specific figure and did not want to be quoted on it. However, she confirmed that the other two amounts she mentioned had definitely changed. Ms. Hurst confirmed the proposal would raise the department-head limit to \$5,000 (from \$3,000) before a purchase order is required and reiterated that the Council could adjust any of the proposed levels individually. She stressed that even with higher limits, department heads must remain within their approved budgets and cannot make purchases that would push their budgets over; in such cases, the City Manager and possibly Council would become involved.

City Attorney Chris Duncan explained that he had concerns about contracts being signed without review by the City Attorney. To illustrate why this concerned him, he provided two examples from his prior experience serving as a city attorney. Mr. Duncan said that several years earlier, a credit card processing agreement was sent to him for review. On the surface, he noted, it appeared straightforward there was no specific dollar amount involved but the standard vendor agreement included clauses that were illegal under state law. These clauses allowed the credit card company to perform chargebacks and withdraw funds from any of the City's bank accounts. Mr. Duncan explained that many of the City's accounts are restricted by law and cannot be accessed in that manner. He stated that these kinds of provisions often appear in standard agreements simply because companies issue the same form of contract to everyone unless someone raises an objection. When he contacted the credit card company and explained that those provisions were illegal for a governmental entity, they readily agreed to remove the unlawful terms, saying they routinely do so when dealing with cities but only if someone asks. Mr. Duncan emphasized that this is exactly why attorney review is necessary. Mr. Duncan then gave a second example involving a cell tower agreement. He said that while the agreement initially appeared simple, it turned out that the purpose behind the installation was not only to improve service for residents but also to block competitors from placing towers in the same area. Because he was familiar with such agreements, he pointed this out and worked with Mr. Kelty to ensure the contract required the tower owner to allow other cell carriers to lease space on the structure. Without legal review, he noted, such anticompetitive provisions might have gone unnoticed. Finance Director Ashlee Hurst noted that the current City policy does allow the City Manager to enter into contracts without attorney review, and that the proposed policy update would correct that issue and require City Attorney review. Mr. Duncan acknowledged the clarification, saying he had initially misunderstood the direction of the change but now understood the intent. Ms. Hurst said the updated policy now clearly states that if the City Manager is unavailable for any reason, the Assistant City Manager automatically holds the same purchasing authority. She noted that this provision was not included in the prior policy.

Councilman Pena stated that there were many problems with the entire situation under discussion. He said he was shocked that the item was even being brought to the Council, especially in light of the ongoing Covarrubias lawsuit. He remarked repeatedly that the City should not be trying to uncuff City Hall while still in the middle of litigation. He stated that the smoke has not even cleared, yet the Council was being asked to give City Hall more latitude. He emphasized that trust must be earned, and that the public does not currently trust City Hall to handle public money responsibly. He said he includes himself in that concern, because he is also a citizen. Councilman Pena stated that the City must be more responsible with tax dollars and how City Hall is allowed to spend those funds. He reminded the Council of past incidents involving a former City Manager and a City Secretary who mishandled or stole funds. He asked where the oversight had been then, and said the City should be asking for more oversight not less. He then referred to a section of the purchasing policy, stating that the current language allows for the Finance Director to be vested to enter into a contract, which he said scares him because of easy money. He noted that the language also allows the City Manager to enter into a contract without City Attorney approval. He asked for clarification on whether this was current policy or future policy. It was clarified that this was the current policy, and that the proposed revision was intended to fix both problems. Councilman Pena then asked whether the updated policy would ensure that any contract executed by either the Finance Director or the City Manager would require legal review every time. Interim City Manager Dan Pennington confirmed that was correct. He then asked what oversight applied to department heads, and was told that department heads have no authority to sign contracts and that only a select few positions after legal review are authorized to execute contracts. He then stated that the proposed wording was misleading, and that this had caused confusion about who was allowed to sign what. He said that the corrected legal-review provisions were acceptable to him, but that there were many other things wrong with the policy revisions. Councilman Pena said the most glaring issue was the massive increases in spending authority levels. He listed them explicitly: Department heads increasing 500% Finance Director going from \$10,000 to \$20,000 (200%) City Manager going from \$30,000 to \$60,000 (200%). Mr. Pennington noted that state law had changed on September 1st, but Councilman Pena asked whether those increases were required. Mr. Pennington answered and said he did not say that. Councilman Pena noted that the City is in a transition, with a new City Manager beginning December 15th, and said it would be irresponsible to give a new City Manager such large spending authority before proving trustworthiness and compliance. Councilman Pena then referenced the budget process from two months earlier, when he said two Councilmembers became upset and walked out of the meeting, preventing the Council from reviewing line items. He stated that Council never got to review line items, meaning they did not know what was actually in the budget. He said the Council was now being asked to authorize more spending under conditions that he called the blind leading the blind. He said the proposal appeared to be something being pushed during a leadership transition while no one was looking, and that it has grossness written all over it. Councilman Pena said the only responsible option would be to line-item the policy and fix it, because it was not acceptable in its current form. He asked how Council members could defend these increases if someone later abused their authority or overspent. He asked what Council would say when told, well it was in the budget, even though Council never reviewed those details. He said that the City has had terrible audits for years and cannot even walk yet, and that Freeport is not a light on the hill for fiduciary responsibility. He stated he recently recorded a podcast discussing how the City still struggles with public trust. Councilman Pena said he is excited for the incoming City Manager, but does not want her set up to fail, nor does he want anyone taking advantage of gaps in oversight. He said the Council should not raise spending authority limits at a time when past abuses should be discouraging such increases. He said the City should be holding the line at minimum, not expanding authority. He stated he is fully supportive of legal oversight and wants to ensure the City Attorney reviews every contract. He said he is okay with the legal-review provisions, but the rest of the policy is entirely irresponsible. He said he did not understand how anyone could recommend approval, wished the proposal had been workshopped, and urged the Council to consider whether they had truly read it. He said Freeport is not ready for these spending increases, and that there is no harm in going back and doing it right. He closed by stating that he will continue to strongly criticize this item until it is fixed.

Councilman Davis asked whether it would be possible to approve one portion of the policy but not the other, specifically referring to the department head spending authority increases. He suggested waiting for the incoming City Manager to begin and evaluate the department heads herself, to determine whether we are stable in that area before granting increased authority. He stated that he was otherwise comfortable with the rest of the proposal but believed the new City Manager should have input before Council made those decisions.

Councilman Pena spoke referencing prior discussion, and asked whether Council would consider amending the proposal so that it better fits Freeport's current transition and allows the incoming City Manager, Ms. Kelly, to structure operations as she sees fit. He asked whether Council was interested in making such an adjustment. Mayor Cain responded that Council should not halt city operations simply because a new City Manager is entering the role. He stated that with the assistance of Mr. Pennington and Mr. Duncan, the City will continue functioning. He added that, based on the argument presented by Councilman Pena, the Council might as well suspend all activity until she arrives, which he disagreed with. Councilman Pena responded that this was not his point. Councilman Pena then explained that his broader concern centered on the City's poor historical track record with three previous city managers in a row, accompanied by problems among their subordinate staff. He said these issues involved various forms of malfeasance, and yet the Council was now considering providing more spending authority and more allowances. Mayor Cain stated that \$1,000 does not go as far today as it did five years ago. Mayor Cain stated that the financial problems referenced by Councilman Pena did not fall under the provisions currently being discussed in the purchasing policy revision.

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Pena voted "Nay".

Consideration and possible action to approve Resolution No. 2025-2999 authorizing the police department to submit for Bullet-Resistant Components grant and approving the city manager as the authorized official.

Police Chief Jennifer Howell said that the Police Department is seeking a grant to provide bullet-resistant components for patrol vehicles. She noted that this opportunity arose from recent legislation allowing patrol units to be outfitted with bullet-resistant features in response to an increase in officer-involved shootings. Chief Howell stated that the grant is 100% funded with no match requirement, has no minimum or maximum amount, and requested authorization to apply for the grant and to designate Interim City Manager Dan Pennington as the authorized official.

Councilman Pena asked when the item under discussion was supposed to go into effect. He further asked whether the authorized official listed should be Mr. Pennington, or whether the authorization should instead be assigned to Ms. Kelly, the incoming City Manager. Police Chief Jennifer Howell responded that the deadlines for submission were approaching, which is why the resolution was being presented now, so that everything could be submitted on time. She explained that the deadline occurs before Ms. Kelly's arrival, and therefore Mr. Pennington would need to be listed as the authorized official at this stage.

A motion was made by Councilman Matamoros to approve Resolution No. 2025-2999 authorizing the police department to submit for Bullet-Resistant Components grant and approving the city manager as the authorized official, seconded by Councilman Rossow with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action to approve the Chief of Police to enter into updated MOU with the Texas Department of Public Safety.

Police Chief Jennifer Howell explained that the item presented was a Memorandum of Understanding with Texas DPS. She stated that nothing would change operationally for the City, noting that the update reflects changes made by DPS related to entering vehicles into the TCIC system for stolen vehicle records. She added that the update includes new MOU language required by DPS and does not alter local policies,

procedures, or practices, nor does it create any cost to the City.

A motion was made by Councilman Matamoros to approve the Chief of Police to enter into updated MOU with the Texas Department of Public Safety as presented, seconded by Councilman Pena with all present and voting "Aye" 5-0. The Council unanimously approved the motion.

Consideration and possible action approving Ordinance No. 2025-2755 establishing written procedures to consider Ethics Complaints.

City Attorney Chris Duncan explained that an ethics complaint had been filed several months earlier, and after beginning his interim role, he was asked to review it. During his review, he found that while the existing ethics ordinance included procedures and potential consequences such as censure for violations committed by Council members, it did not include any process for ethics complaints filed against Council-appointed board or commission members. After discussing this gap with Interim City Manager Dan Pennington, he drafted an amendment to the ordinance to create formal procedures for handling ethics complaints involving board members. He explained that under the proposed amendment, an ethics complaint must be submitted in writing to the City Secretary. The City Secretary would then forward the complaint to the City Manager and City Attorney. The City Attorney, together with the City Manager, would review the allegations, gather relevant facts, and compare those facts to the ethics ordinance. The City Attorney would then prepare a written report to City Council stating one of two findings: either the allegations could constitute an ethics violation under the ordinance, or the allegations do not fall within the ordinance and therefore do not constitute a violation. Once the report is presented, the City Council would determine whether the complaint should move forward. If Council votes to proceed, a public hearing would then be held at a regular Council meeting, where evidence and testimony could be presented by both the complainant and the respondent. After hearing the matter, the Council would vote on whether an ethics violation occurred. If a violation is confirmed, the board member will be automatically removed and barred from serving on any board for a period determined by Council, up to four years. Mr. Duncan clarified that board service is already discretionary and appointed members may be removed by the City Council at any time with proper agenda posting meaning this ordinance does not limit or change Council's existing authority. Instead, it provides a clear due-process path specifically for ethics complaints.

A motion was made by Councilman Davis to approve Ordinance No. 2025-2755 establishing written procedures to consider Ethics Complaints, seconded by Councilman Rossow with discussion that followed.

Councilman Pena asked whether the ordinance was related to previously submitted ethics complaints and whether a ruling existed. City Attorney Chris Duncan confirmed the ordinance revision was prompted by complaints involving the Charter Review Chairperson Sam Reyna and the Board of Adjustments Chair Nicole Mireles. He stated no ruling had been issued because the ordinance lacked procedure and once adopted, he would move forward with the required report.

Councilman Davis asked whether if a board member were to come forward and lie to the Council, he would be able to file an ethics complaint against that individual. City Attorney Chris Duncan responded that he does not engage in hypotheticals, but explained the formal process: if an ethics complaint is filed in writing and submitted to the City Secretary, he would then consider the allegations contained in the complaint. Mr. Duncan confirmed that yes, any person may file a complaint if that is what Councilman Davis was asking.

Councilman Pena then asked whether the proposed item under discussion regulates the procedure for Council to remove board members, whether tied to an ethics complaint or not. He asked whether the item diminishes or reinforces existing authority. City Attorney Chris Duncan stated that the proposed item does not affect that authority at all and that the process remains the same. Council may remove appointed board members by placing the item on the Council agenda and taking a vote. Mayor Cain confirmed that if citizens wish to file an ethics complaint, the matter would still come back to Council and require a vote

Mayor Cain called the motion to a vote with all present and voting "Aye" 4-1. The Council approved the motion. Councilman Matamoros voted "Nay".

Work Session

Councilman Pena Ward A announcements and comments.

Councilman Pena began by thanking everyone who came out to the meeting and expressing his appreciation to those who volunteered to serve on the boards, specifically recognizing Ms. Green, Ms. Queen Michelle Bachman, and stating that he looked forward to their energy and ideas on the Main Street Board. He then referenced Mr. Koole's earlier comments regarding the intersection at Fourth and Pecan, noting the history of accidents and citations there and stating that the City should consider whatever measures are necessary, such as a four-way stop, speed bumps, or other traffic-calming features to improve safety. He asked whether the City had considered any additional measures beyond the newly installed stop signs. Interim City Manager Dan Pennington responded that the City had already contracted with an engineering firm to conduct a study as required by the Texas Transportation Code before any permanent traffic-control changes could be made, and that a proposal would be brought to Council, with the anticipated cost in the range of \$6,000–\$7,000. Councilman Pena then asked if temporary measures such as cones or lighted barricades could be placed at or near the intersection to draw driver attention and encourage slowing down while the study is pending. Mr. Pennington stated he would not recommend placing cones in the middle of the roadway but could have staff Mr. Ragle review the location and the Transportation Code to determine what could be safely and legally deployed on the roadside to increase awareness until the engineering recommendations are complete. Councilman Pena referenced the portable barricades with blinking LED lights, commonly called "horses," and noted that similar devices had been used near the Pine Street exit onto Broad Street to discourage 18-wheelers from making illegal turns. He acknowledged that such measures do not completely stop the behavior, but they do increase awareness. Councilman Pena said that for the residents, children, and families in the affected neighborhood, more visibility and safety measures are needed especially given that the existing stop signs are not solving the issue. He referred to the resident who spoke earlier, noting that the citizen articulated the dangers and concerns passionately and clearly. Councilman Pena said that, at minimum, the City should consider placing the LED-lit barricades ("horses") at the intersection until the traffic study is completed and a long-term solution can be implemented. He concluded by stating that he wanted to go on record formally requesting that the City take this interim safety measure. Councilman Pena addressed concerns raised during citizen comments and recent executive sessions, stating that all recent hires had been fully vetted from a legal standpoint and that allegations raised there had been considered and, in his view, disproven. He noted that some accusations made by Councilman Matamoros in executive session were supposed to be supported by a paper trail that he had not yet received and said he would be following up after the meeting to obtain that documentation. He then turned to upcoming community events, saying he was very excited about the City's Thanksgiving dinner the following week, which he described as one of the best events the City hosts and a strong expression of the community's generosity. He said he would be there volunteering and enjoying pumpkin pie and encouraged everyone to attend. Councilman Pena also gave a shout-out to Main Street Director Ms. Lopez for organizing the City's Christmas holiday events, encouraging that any need for volunteers be advertised so citizens could assist, and closed by noting that all hands on deck for those events would be greatly appreciated.

Councilman Davis Ward B announcements and comments.

Councilman Davis thanked everyone for attending and expressed appreciation to the volunteers who agreed to serve on the boards, noting that their support and hard work are needed because they got a lot of work to do. He congratulated Danielle Kelly on her appointment as the new City Manager, saying she is coming in with vision, energy, and experience, and that it is time for a new mindset and leadership focused on the future of Freeport. He shared that after attending the TML conference, he returned with a vision and a plan that he would be presenting soon to the public and to the Council, and asked that everyone keep an open

mind, carefully weigh the pros and cons, and focus on what would benefit Freeport rather than personal interests. Councilman Davis also addressed a recent citizen comment alleging that he was receiving free water bills. He stated that the accusation was untrue and unfair, explaining that he pays high water bills like other residents and has never received free service. He gave an example of a recent bill reflecting usage of 13,000 gallons well above his usual 7,000 gallons with no leak found, which still had to be paid at nearly \$300. He invited anyone with doubts to speak with staff in the Water Department to verify his account, emphasizing that attempts to undermine his integrity and character are not going to happen. Looking ahead, he said he is excited about the changes to come with the new City Manager and stressed that the Council must come together, put differences aside, and do what is best for Freeport. He expressed confidence that, with the right leadership, the Council can function effectively for the residents, navigate the inevitable bumps, and begin to see new investment, development, and foot traffic in the City. He stated that Freeport must stop declining in numbers and start growing, and that achieving this will require everyone, Council and community alike to keep an open mind and work together. He closed by challenging his fellow Council members to unite and make some good happen here in Freeport and thanked everyone for their time.

Councilman Matamoros Ward C announcements and comments.

Councilman Matamoros expressed his appreciation to Interim City Manager Dan Pennington and the Public Works Department for addressing several maintenance concerns raised within his ward, noting that the items handled were completed promptly. He stated that there are still a few outstanding issues needing attention, specifically mentioning Yellowstone Street heading north where the road was cut for utility work but has not yet been fully repaired. He asked for an estimated timeline on when that repair would take place, noting that the southbound side though in better condition had already been addressed. He also referenced a drainage concern at the corner of Avenue G and Yellowstone, where a resident has had stagnant water sitting in the ditch for several months, despite little to no rainfall during that time. Councilman Matamoros explained that the water is collecting both in the ditch and across the street and is beginning to pose a health concern. He stated he has photographs and will forward them to Mr. Pennington for review and requested Public Works investigate and correct the issue. Councilman Matamoros encouraged residents to remain after the executive session, stating that one of the items scheduled for discussion is important and that residents should be aware of what is being proposed.

Councilman Rossow Ward D announcements and comments.

Councilman Rossow thanked the Freeport residents who attend City Council meetings regularly, noting their continued participation every first and third Monday to hear both concerns and positive news happening throughout the City. He said he is looking forward to the upcoming holiday season, calling October, November, and December the most wonderful time of the year, and expressed confidence that the City's annual Thanksgiving Feast will once again be successful, noting it is a special tradition supported by strong community participation. Councilman Rossow also shared that he serves on the Gulf Coast Transit District Board, meeting every other month, and expressed gratitude for the opportunity to represent the City in that capacity. He commented on the recent weather, appreciating the stretch of pleasant days and acknowledging that while rain was expected later in the week, it was needed given current dry conditions. He also discussed burn ban status, noting uncertainty over whether Brazoria County remained the only coastal county not under one. He then directed comments to viewers watching online, stating that despite public assumptions, Council members care deeply about Freeport and want what is best for the community. He expressed enthusiasm about the arrival of incoming City Manager Danielle Kelly and thanked Interim City Manager Dan Pennington for his service, stating he has performed well and will be missed.

Mayor Jerry Cain announcements and comments.

Mayor Cain thanked everyone in attendance and noted that the meeting began with nearly a full house and still had strong participation even as the time passed 8:00P.M. He expressed appreciation for residents who continue attending and staying involved. He echoed earlier comments that this is one of his favorite times of year and thanked Main Street Director Ms. Lopez for coordinating the many seasonal events taking place, including the upcoming Thanksgiving Feast. He encouraged the public to check the City's new website for

event details, adding that the full schedule is also being displayed on the in-room screens. Mayor Cain highlighted improvements to the new city website, describing it as greatly improved compared to the previous version. He thanked staff and specifically acknowledged Mr. Cohen for leading the upgrade, noting that searching ordinances and navigating information especially from a mobile phone is now significantly easier. He then requested an update from Interim City Manager Dan Pennington regarding the traffic signal at Second Street and Brazosport Boulevard, stating that citizens had expressed concern over the extended red-light timing. He noted increasing reports of drivers running the light out of frustration and emphasized the need to address the issue quickly. Interim City Manager Pennington stated he had already notified Public Works and would follow up to expedite the review. Mayor Cain then congratulated staff on the success of Fright Night, recognizing the Parks Department and the City as a whole for what he described as one of Freeport's most heavily attended events. He noted that comments from the previous meeting were not shared due to time constraints, so he wanted to be sure his appreciation was publicly stated at this meeting. Speaking not only as Mayor but also as part of the Misfits group, he thanked the City for the opportunity to participate in the event and expressed hope that the collaboration continues for many years.

City Manager announcements and comments.

Interim City Manager Dan Pennington addressed the Council and stated that he wanted to acknowledge that the City still has several openings on the Senior Citizen Commission. He noted that almost half of the board was either in queue or online, and emphasized that the City would be happy to receive additional applications. Mr. Pennington commented that the Senior Citizen Commission is one of the boards with the greatest public attendance, observing that earlier in the day there were approximately 75 to 100 people participating in bingo at the center. He shared that several attendees submitted applications, and he expressed gratitude for those individuals as well as for Ms. Laird and Ms. Nicole, who have stepped up to serve. He encouraged anyone who knows someone who is 55 or older to invite them to apply, stating that the City would be excited to have more participation.

Executive Session

Closed Executive Session as authorized by the Texas Open Meetings Act: A.) Section 551.071 Consultation with Attorney; B.) Section 551.072 Deliberation Regarding Real Property; and C.) Section 551.087 Deliberation Regarding Economic Development Negotiations including the following items: 1.) 21 acre Skinner Street Project 2. Development Agreement with Skymark et al. D.) Section 551.074 Personnel Matters 1.) Negotiate and Discuss City Attorney contract.

The Regular Session closed at 8:07P.M. and the Council entered into the Executive Session.

Reconvene into Open Session:

Take any action resulting from Executive Session.

The Executive Session ended at 11:20P.M. and the Council went back into Regular Session.

A motion was made by Councilman Pena to accept the contract as presented by Chris Duncan as the full-time City Attorney, seconded by Councilman Rossow with all present and voting "Aye" 4-0. The Council unanimously approved the motion. Councilman Matamoros was not present for the motion.

Adjournment

Adjournment – Jerry Cain, Mayor

A motion was made by Councilman Pena to adjourn the meeting, seconded by Councilman Davis with all present and voting "Aye" 4-0. Councilman Matamoros was not present for the motion. Mayor Cain adjourned the meeting at 11:21P.M.

Jerry Cain, Mayor

Clarisa Fernandez, City Secretary



City Council Agenda Item #[3.B]

Title: Consideration and possible action approving Resolution No. 2025-3001 appointing members to the Board of Adjustments.

Date: December 1, 2025

From: Reggie Harris, Building Official

Staff Recommendation: Staff recommends acceptance of the resignation of Board Member John Standridge, removal of Alternate Board Member Eric Hayes, and approval of the Board of Adjustments' recommendation to appoint Thomas Pearson as a full member and Con McCleester as an alternate member to fill the unexpired terms ending May 31, 2027.

Item Summary: This item considers a resolution to formally acknowledge the resignation of John Standridge, whose term was set to expire May 31, 2027, and to remove Eric Hayes from his Alternate Member position due to a conflict with his service on the Planning & Zoning Commission.

Board of Adjustments recommends the following actions:

- Appoint Thomas Pearson as a full member to fill current vacancy
- Appoint Con McCleester as an alternate member to replace Eric Hayes
- Remove James Gosset Jr. due to multiple absences and appoint Margaret Bachman

Background Information: Board Member John Standridge submitted his resignation prior to the end of his term. The City Council must formally accept this resignation and fill the resulting vacancy. Alternate Member Eric Hayes currently serves on the Planning & Zoning Commission, creating a conflict that requires removal from the Board of Adjustments role as stated in the resolution. Additionally, the Board of Adjustments has determined that James Gosset Jr. should be removed for excessive absences, impacting quorum reliability and board functionality.

Special Considerations: Appointments to the Board of Adjustments require that newly selected members take the Oath of Office before participating in hearings, as required by state law and outlined in the resolution.

Financial Impact: N/A

Board or 3rd Party Recommendation: Board of Adjustments recommends the following actions:

- Appoint Thomas Pearson as a full member to fill current vacancy



- Appoint Con McCleester as an alternate member to replace Eric Hayes
- Remove James Gosset Jr. due to multiple absences and appoint Margaret Bachman

Supporting Documentation:

1. Resolution- BOA Vacancy 11172025
2. BOA Applicants 112025

RESOLUTION NO. 2025-3001

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ACCEPTING THE RESIGNATION OF A BOARD MEMBER, REMOVING BOARD MEMBERS, AND APPOINTING A QUALIFIED PERSON TO THE BOARD OF ADJUSTMENTS OF THE CITY FOR A FULL-TIME TERM; PROVIDING FOR THE DUTIES OF OFFICE; AND PROVIDING FOR THE TAKING OF THE OATH OF OFFICE REQUIRED BY LAW.

WHEREAS, Board Member John Standridge of the Board of Adjustments of the City of Freeport, Texas (“the City”), has submitted his resignation prior to the expiration of his term;

WHEREAS, the term of appointment for John Standridge was set to expire on May 31, 2027;

WHEREAS, the City Council of the City of Freeport also finds it necessary to remove Alternate Board Member Eric Hayes, whose term likewise expires on May 31, 2027, due to conflict with his position as a member on the City Planning and Zoning Commission;

WHEREAS, the City Council of the City of Freeport further finds it necessary to remove Board Member James Gosset Jr. due to multiple absences;

WHEREAS, the City Council of the City desires to appoint the below-named qualified person(s) as full-time and alternate members of said board to fill the resulting vacancies and complete the respective terms.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

SECTION ONE (1): RESIGNATION AND REMOVAL

The City Council hereby accepts the resignation of John Standridge, effective immediately, and acknowledges that his term was set to expire on May 31, 2027.

The City Council further hereby removes Eric Hayes from his position as Alternate Member of the Board of Adjustments, whose term was also set to expire on May 31, 2027, due to conflict with his position on the City Planning and Zoning Commission.

The City Council further hereby removes Board Member *James Gosset Jr.* due to multiple absences. His full-time term was likewise set to expire on May 31, 2026.

SECTION TWO (2): APPOINTMENT

The City Council of the City of Freeport, Texas, hereby nominates, constitutes, and appoints the following qualified persons to the Board of Adjustments to fill the full-time and alternate terms ending May 31, 2027, and until a successor for such person shall have been duly appointed and qualified, to-wit:

1. _____ **Full-Time Term Expiration: 05/31/2027
(REPLACING JOHN STANDRIDGE)**
2. _____ **Full-Time Term Expiration: 05/31/2026
(REPLACING JAMES GOSSET)**
3. _____ **Alternate Term Expiration: 05/31/2027
(REPLACING ERIC HAYES)**

SECTION THREE (3): DUTIES

The above-named appointees shall perform all duties imposed on members of the Board of Adjustments of the City by law and by ordinance.

SECTION FOUR (4): OATH OF OFFICE

Before engaging in the performance of the duties of office, the appointees shall take the Oath of Office as required by law.

READ, PASSED, AND ADOPTED this ____ day of _____, 2025.

Attest: _____
Clarisa Fernandez, City Secretary
City of Freeport, Texas

Jerry Cain, Mayor
City of Freeport, Texas

Approved as to Form:

Christopher Duncan, Interim City Attorney
City of Freeport, Texas

APPLICANTS

1. Thomas Pearson
2. Margaret Bachman
3. Greg Bartosh
4. Con McCleester
5. Landis Adams



City Council Agenda Item #[3.C]

Title: Consideration and possible action by City Council approving the sale of trust property within the city limits located at Freeport Townsite, Block 70, Lot 7 being known as 4200-0653-000 in the Brazoria County tax records.

Date: December 1, 2025

From: Laura Cramer, GIS/Property Manager

Staff Recommendation: Staff recommends to City Council approve of the sale of property located at 407 W 7th Street (Freeport Townsite, Block 70, Lot 7)

Item Summary: The Brazoria County Resale Committee met on October 28, 2025 and accepted an offer of \$14,188.33. The offer is now in the hands of the taxing entities to approve or deny the offer to purchase. Approving the sale will return the property to the tax rolls. The City has a demo lien and several mowing liens totaling \$9,344.41 that will be collected if this sale approved.

Background Information: This 50' parcel was presented at a sheriff's sale in November 2024. There were no bids to purchase. Taxes due on the property were \$15,360.05 for the years 2017-2023. Post-judgement taxes have accumulated to \$846.31 for the years of 2024 through 2025 which will be the responsibility of the purchaser to pay. The proceeds of the sale to the City of Freeport would be \$361.71 out of the total \$1,514.77 to the taxing entities.

Special Considerations: The Brazoria County Appraisal District decreased the value of the property to \$29,400 beginning in 2025.

Financial Impact: If approved, the proceeds of the sale to the City of Freeport would be \$361.71 and return the property to the tax roll. The City has a demo lien and several mowing liens totaling \$9,344.41 that will be collected if this sale approved.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. Resale Letter 407 west 7th 110725
2. 407 west 7th resale 110725
3. 4200-0653-000 Brazoria CAD Property

PROPERTY INFORMATION

RESALE MEETING OF: October 28, 2025

IN TRUST TO: CITY OF FREEPORT

PREVIOUS OWNER: SEGUEDA, GREGORIA C, ET AL

ACCOUNT #: 4200-0653-000

PRECINCT #: 1

LEGAL DESCRIPTION: FREEPORT BLK 70 LOT 7

PHYSICAL ADDRESS: 407 W 7TH ST

SCHOOL DISTRICT: BRAZOSPORT ISD

OFFER MADE BY: JAYAPRAKASH NARAYAN

AMOUNT OF OFFER: \$14,188.33

MINIMUM BID AT SALE: \$28,376.65

ADJUDGED VALUE: \$127,590.00

CURRENT APPRAISED VALUE: \$29,400.00

CURRENT IMPROVEMENT: \$0.00

CITY WEED/DEMO LIENS: \$9,344.41

SHERIFF'S DEED FILE DATE: 11/14/2024

REDEMPTION DATE: 5/14/2025

POST JUDGMENT TAXES: \$846.31

POST JUDGMENT YEARS: 2024-2025

VOTE: AYE NAY

K. BULANEK
K. STEWART
JUDGE SEBESTA
J. BURRIDGE
CIVIL DIVISION REP.

X
X
X
X
X

PBFCM REPRESENTATIVE PRESENT

Cause Number:	121294-T	Account Number:	4200-0653-000
Full Amount of Offer:	\$14,188.33	Current App. Value \$:	\$29,400.00
Offer Made By:	Jayaprakash Narayan	Adjudged Value\$:	\$127,590.00

Judgment Information

Taxing Entity	Tax Years	Amount Due
BC	2017-2023	\$1,954.87
BRHND	2017-2023	\$199.56
BC Special R & B	2017-2023	\$307.41
Brazosport ISD	2017-2023	\$6,954.68
City of Freeport	2017-2023	\$3,667.81
Brazosport College	2017-2023	\$1,800.94
Velasco Drainage	2017-2023	\$474.78
		\$15,360.05

Costs

Court Costs	\$2,099.00	Sheriff Fee's	\$921.60
Publication Fee's	\$0.00	Research Fee's	\$250.00
Ad Litem	\$0.00	Recording Fee's	\$38.00
Liens	\$9,344.41	Certified Mail Fee's	\$20.55
Deed Recording	\$38.00	Deed File Date	11/14/2024
Total			\$12,673.56

Judgement Amount

Proposed Distribution

Full Amount of Offer	Costs	Overage Amount
\$14,188.33	\$12,673.56	

Net to Distribute \$

\$1,514.77

Taxing Entity			
BC	12.73%	192.78	0
BRHND	1.30%	19.68	0
BC Special R & B	2.00%	30.32	0
Brazosport ISD	45.28%	685.85	0
City of Freeport	23.88%	361.71	0
Brazosport College	11.72%	177.60	0
Velasco Drainage	3.09%	46.82	0
0	0.00%	0.00	
0	0.00%	0.00	
		1,514.77	0

Post Judgment Information

Taxing Entity	Tax Year's	Amount Due
BC	2024-2025	\$104.96
Brazosport ISD	2024-2025	\$381.49
Brazosport College	2024-2025	\$107.86
Velasco Drainage	2024-2025	\$28.56
BC Special R & B	2024-2025	\$16.81
City of Freeport	2024-2025	\$206.63
	2024-2025	
Post Judgment Total		\$846.31



Property Details

Account		
Property ID:	209504	Geographic ID: 4200-0653-000
Type:	R	Zoning: 12/6/23 PPP
Property Use:		
Location		
Situs Address:	407 W 7TH ST FREEPORT, TX 77541	
Map ID:		Mapsco:
Legal Description:	FREEPORT BLK 70 LOT 7	
Abstract/Subdivision:	S4200	
Neighborhood:	(CFP) CITY OF FREEPORT T/S	
Owner		
Owner ID:	1101564	
Name:	CITY OF FREEPORT IN TRUST	
Agent:		
Mailing Address:	%KRISTIN R BULANEK-TAC 111 E LOCUST ANGLETON, TX 77515-4622	
% Ownership:	100.0%	
Exemptions:	EX-XV - For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	\$0 (+)
Improvement Non-Homesite Value:	\$0 (+)
Land Homesite Value:	\$0 (+)
Land Non-Homesite Value:	\$29,400 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$29,400 (=)
Agricultural Value Loss: ⓘ	\$0 (-)
HS Cap Loss: ⓘ	⌵
Circuit Breaker: ⓘ	⌵

Appraised Value:	\$29,400
Ag Use Value:	\$0

Information provided for research purposes only. Legal descriptions and acreage amounts are for Appraisal District use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: CITY OF FREEPORT IN TRUST **%Ownership:** 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
CAD	BRAZORIA COUNTY APPRAISAL DISTRICT	0.000000	\$29,400	\$0	\$0.00	
CFP	CITY OF FREEPORT	0.514210	\$29,400	\$0	\$0.00	
DR2	VELASCO DRAINAGE DISTRICT	0.079124	\$29,400	\$0	\$0.00	
GBC	BRAZORIA COUNTY	0.262548	\$29,400	\$0	\$0.00	
JBR	BRAZOSPORT COLLEGE	0.278592	\$29,400	\$0	\$0.00	
NAV	PORT FREEPORT	0.000000	\$29,400	\$0	\$0.00	
RDB	ROAD & BRIDGE FUND	0.042210	\$29,400	\$0	\$0.00	
SBR	BRAZOSPORT INDEPENDENT SCHOOL DISTRICT	0.897500	\$29,400	\$0	\$0.00	

Total Tax Rate: 2.074184

Estimated Taxes With Exemptions: \$0.00

Estimated Taxes Without Exemptions: \$609.81

Property Land

Type	Description	Acreage	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
S1	PRIMARY SITE	0.16	7,000.00	0.00	0.00	\$29,400	\$0

Property Roll Value History

Year	Improvements	Land Market	Ag Valuation	HS Cap Loss	Appraised
2025	\$0	\$29,400	\$0	\$0	\$29,400
2024	\$0	\$33,600	\$0	\$0	\$33,600
2023	\$90,840	\$36,750	\$0	\$0	\$127,590
2022	\$66,730	\$12,250	\$0	\$0	\$78,980
2021	\$63,530	\$5,250	\$0	\$0	\$68,780
2020	\$60,220	\$5,250	\$0	\$0	\$65,470
2019	\$43,000	\$5,250	\$0	\$0	\$48,250
2018	\$37,730	\$5,250	\$0	\$0	\$42,980
2017	\$37,730	\$5,250	\$0	\$0	\$42,980

Property Deed History

Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Number
10/28/2024	SD	SHERIFF'S DEED	SEGUEDA JESUS ESTATE	CITY OF FREEPORT IN TRUST	2024	049730	
8/3/2007	AH	AFFIDAVIT OF HEIRSHIP			07	044378	



City Council Agenda Item #[3.D]

Title: Consideration and possible action approving the Chief of Police to enter into a MOU with SPCA of Brazoria County.

Date: December 1, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends council to approve the police department to enter into a MOU with SPCA of Braozria County for a Trap-Neuter-Release (TNR) Program.

Item Summary: The SPCA of Brazoria County has agreed to enter into a partnership to assist the City of Freeport with the overcrowding population of feral cats. This program is designed to help manage and reduce the population of feral cats and to help with diseased cats.

Background Information: The Freeport ACO has maintained open communication with the SPCA staff veterinarian over our concerns regarding the high feral cat population and diseased feral cats. In maintaining this open communication and positive partnership, SPCA has agreed to a TNR Program.

Special Considerations: A number of citizens have complained about the continuous problems of feral cats.

Financial Impact: The surgeries will be at no expense to the city at this time. Additional staffing hours may need to be planned for accordingly.

Board or 3rd Party Recommendation: SPCA of Brazoria County's Veterinarian recommends approval to assist with feral cat population growth and to control issues with diseased cats.

Supporting Documentation:

1. MOU SPCA TNR

MEMORANDUM OF UNDERSTANDING

Between the City of Freeport and the SPCA of Brazoria County Trap-Neuter-Release (TNR) Program

This Memorandum of Understanding (MOU) is entered into on this ____ day of _____, 2025, by and between the **City of Freeport**, hereinafter referred to as "the City," and the **SPCA of Brazoria County**, hereinafter referred to as "the Organization."

Purpose: The purpose of this MOU is to establish a collaborative partnership between the City and the Organization to implement and support a Trap-Neuter-Release (TNR) program aimed at humanely managing and reducing the population of free-roaming and feral cats within city limits. The Trap-Neuter-Return (TNR) program is the only method proven to be humane and effective at controlling outdoor feral cat population growth. Using this technique, all cats in a colony are trapped, vaccinated, possibly treated for injury or illness, spayed/neutered, ear-tipped for identification, and then returned to the location where they were originally trapped.

Scope of Work: The scope of work covers the basic principles of how the TNR Program will function. The scope of work is not an all-inclusive.

The City agrees to:

- Coordinate with departments and organizations to avoid conflict with TNR efforts.
- Conduct humane trapping of free-roaming and feral cats.
- Set traps day before the scheduled surgery day.
- Arrange for transportation to clinic and back to colony location.
- Arrange for outside support regarding trapping or transportation.
- Support the Organization's efforts through public awareness campaigns.
- Provide access to city-owned property for trap and release activities, where appropriate.
- Release cats the day following surgery.
- If male cats are trapped on a surgery day or a release day, they can be taken to the clinic to be neutered and released if approved by the Organization.
- Only transport cats that have been captured in the traps set by the city.
- No citizen's traps will be utilized for capture or transport.
- No transport of citizen's personally owned cats for sterilization.
- Enter cats into the shelter's system post surgery (for record keeping purposes).
- Process cats out as "returned to field" (for record keeping purposes).
- Assist with financial support (staff, equipment, and transportation).
- Explore future sponsorships for financial support if program is successful.
- Disposal of any deceased cats.

The Organization agrees to:

- Provide medical staff, location and supplies.
- Provide spaying/neutering, vaccinations, and basic medical care.
- Provide ear notch to easily identify spayed/neutered

- Return cats to their original location post-treatment unless relocation is necessary for health or safety reasons.
- Maintain records of cats treated, locations, and outcomes.
- Provide public education and outreach regarding TNR and responsible pet ownership.
- Euthanize any cats that the veterinarian deems necessary.
- Scan for microchipping.

Term: This MOU shall be effective from the date of signing and remain in effect unless terminated earlier by either party with 30 days written notice.

Liability: Each party shall be responsible for its own actions and omissions under this MOU. Nothing herein shall be construed to create any liability or obligation beyond the scope of this agreement.

Reporting and Evaluation: The Organization shall provide at least quarterly reports to the City detailing:

- Number of cats trapped, neutered, and released.
- Locations of TNR activities.
- Any notable incidents or challenges.

Amendments: This MOU may be amended only by mutual written agreement of both parties.

Signatures:

City of Freeport

By: _____

Date: _____

Name: _____

Title: _____

SPCA of Brazoria County

By: _____

Date: _____

Name: _____

Title: _____



City Council Agenda Item #[3.E]

Title: Consideration and possible action approving the Chief of Police to enter into a MOU with Brazoria County Sheriff's Office and Texas DPS.

Date: December 1, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends council to approve the police department to enter into a MOU with Brazoria County Sheriff's Office and Texas DPS.

Item Summary: House Bill 33 "Uvalde Strong Act" made several new requirements for emergency response agencies. The Brazoria County Sheriff's Office, in conjunction with the Texas Department of Public Safety, has developed a list of agencies within the county that are likely to respond to an active attack at one of our schools. As required by House Bill 33, each agency shall collectively enter into a mutual aid agreement that establishes the procedure for the provision of resources, personnel, facilities, equipment, and supplies in response to critical incidents in a vertically integrated fashion. The Department of Public Safety and local law enforcement agencies shall enter into these mutual aid agreements no later than January 1, 2026.

Background Information: H.B. No. 33

AN ACT

relating to active shooter incidents at primary and secondary school facilities and other emergencies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. This Act may be cited as the Uvalde Strong Act.

SECTION 2. Section 12.104(b), Education Code, is amended to read as follows:

(b) An open-enrollment charter school is subject to:

- (1) a provision of this title establishing a criminal offense;
- (2) the provisions in Chapter 554, Government Code; and
- (3) a prohibition, restriction, or requirement, as applicable, imposed by this title or a rule adopted under this title, relating to:

(A) the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance with this subchapter as determined by the commissioner;

(B) criminal history records under Subchapter C, Chapter 22;

(C) reading instruments and accelerated reading instruction programs under Section 28.006;

(D) accelerated instruction under Section 28.0211;

(E) high school graduation requirements under Section 28.025;

(F) special education programs under Subchapter A, Chapter 29;

(G) bilingual education under Subchapter B, Chapter 29;

(H) prekindergarten programs under Subchapter E or E-1, Chapter 29, except class size limits



for prekindergarten classes imposed under Section 25.112, which do not apply;

- (I) extracurricular activities under Section 33.081;
- (J) discipline management practices or behavior management techniques under Section 37.0021;
- (K) health and safety under Chapter 38;
- (L) the provisions of Subchapter A, Chapter 39;
- (M) public school accountability and special investigations under Subchapters A, B, C, D, F, G, and J, Chapter 39, and Chapter 39A;
- (N) the requirement under Section 21.006 to report an educator's misconduct;
- (O) intensive programs of instruction under Section 28.0213;
- (P) the right of a school employee to report a crime, as provided by Section 37.148;
- (Q) bullying prevention policies and procedures under Section 37.0832;
- (R) the right of a school under Section 37.0052 to place a student who has engaged in certain bullying behavior in a disciplinary alternative education program or to expel the student;
- (S) the right under Section 37.0151 to report to local law enforcement certain conduct constituting assault or harassment;
- (T) a parent's right to information regarding the provision of assistance for learning difficulties to the parent's child as provided by Sections 26.004(b)(11) and 26.0081(c) and (d);
- (U) establishment of residency under Section 25.001;
- (V) school safety requirements under Sections 37.0814, 37.108, 37.1081, 37.1082, 37.1083, 37.1084, 37.1085, 37.1086, 37.1087, 37.109, 37.113, 37.114, 37.1141, 37.115, 37.207, and 37.2071 and Subchapter J, Chapter 37;
- (W) the early childhood literacy and mathematics proficiency plans under Section 11.185;
- (X) the college, career, and military readiness plans under Section 11.186; and
- (Y) parental options to retain a student under Section 28.02124.

SECTION 3. Sections 37.108(a) and (b), Education Code, are amended to read as follows:

(a) Each school district or public junior college district shall adopt and implement a multihazard emergency operations plan for use in the district's facilities. The plan must address prevention, mitigation, preparedness, response, and recovery, including the prompt recovery of services provided by the school district or public junior college district, as defined by the Texas School Safety Center in conjunction with the governor's office of homeland security, the commissioner of education, and the commissioner of higher education. The plan must provide for:

- (1) training in responding to an emergency for district employees, including substitute teachers;
- (2) measures to ensure district employees, including substitute teachers, have classroom access to a telephone, including a cellular telephone, or another electronic communication device allowing for immediate contact with district emergency services or emergency services agencies, law enforcement agencies, health departments, and fire departments;
- (3) measures to ensure district communications technology and infrastructure are adequate to allow for communication during an emergency, including measures to ensure the use of standardized response protocol terminology, developed in coordination with the Texas School Safety Center, to facilitate communication between law enforcement, emergency services, district employees, and the public;
- (4) if the plan applies to a school district, mandatory school drills and exercises, including drills required under Section 37.114, to prepare district students and employees for responding to an emergency;
- (5) measures to ensure coordination with the Department of State Health Services and local



emergency management agencies, law enforcement, health departments, and fire departments in the event of an emergency;

(6) the implementation of a safety and security audit as required by Subsection (b); and

(7) any other requirements established by the Texas School Safety Center in consultation with the agency and relevant local law enforcement agencies.

(b) At least once every three years, each school district or public junior college district shall conduct a safety and security audit of the district's facilities that includes a security review as described by Section 37.1087 for each district facility. A district, or a person included in the registry established by the Texas School Safety Center under Section 37.2091 who is engaged by the district to conduct a safety and security audit, shall follow safety and security audit procedures developed by the Texas School Safety Center in coordination with the commissioner of education or commissioner of higher education, as applicable.

SECTION 4. Section 37.1083(a), Education Code, is amended to read as follows:

(a) The agency shall monitor the implementation and operation of requirements related to school district safety and security, including school district:

- (1) multihazard emergency operations plans; [and]
- (2) safety and security audits; and
- (3) security reviews.

SECTION 5. Subchapter D, Chapter 37, Education Code, is amended by adding Section 37.1087 to read as follows:

Sec. 37.1087. **SECURITY REVIEW.** (a) If a school district constructs, acquires, renovates, or improves a district facility, the district shall, as soon as practicable, conduct a security review of the facility to:

- (1) determine whether the facility meets school safety and security requirements as described by commissioner rule; and
- (2) identify security vulnerabilities at the facility in the event of an active shooter incident and describe strategies to mitigate each vulnerability identified.

(b) The commissioner, in consultation with the Department of Public Safety, the Texas Division of Emergency Management, and the Texas School Safety Center, shall ensure that the rules adopted or amended under Section 7.061 include rules for the review required under this section.

SECTION 6. Subchapter D, Chapter 37, Education Code, is amended by adding Section 37.1171 to read as follows:

Sec. 37.1171. **AVAILABILITY OF BREACHING TOOL AND BALLISTIC SHIELD.** Each school district and open-enrollment charter school must have at least one breaching tool and one ballistic shield available for use at each campus in the event of an active shooter incident.

SECTION 7. Section 51.217(b), Education Code, is amended to read as follows:

(b) An institution shall adopt and implement a multihazard emergency operations plan for use at the institution. The plan must address mitigation, preparedness, response, and recovery, including the prompt recovery of services provided by the institution. The plan must provide for:

- (1) employee training in responding to an emergency;
- (2) mandatory drills to prepare students, faculty, and employees for responding to an emergency;
- (3) measures to ensure coordination with the Department of State Health Services, local emergency management agencies, law enforcement, health departments, and fire departments in the event of an emergency; and



(4) the implementation of a safety and security audit as required by Subsection (c).

SECTION 8. Subchapter C, Chapter 96, Education Code, is amended by adding Section 96.42 to read as follows:

Sec. 96.42. ADVANCED LAW ENFORCEMENT RAPID RESPONSE TRAINING CENTER; CERTAIN DUTIES. (a) In this section:

(1) "Center" means the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos.

(2) "Emergency medical services personnel" and "emergency medical services provider" have the meanings assigned by Section 773.003, Health and Safety Code.

(3) "Local law enforcement agency" means a political subdivision of this state authorized by law to employ or appoint peace officers.

(b) The center shall create a template for use by a local law enforcement agency or emergency medical services provider in evaluating and reporting on the agency's or provider's response to an active shooter incident at a primary or secondary school facility under Section 418.1873, Government Code. The center may collaborate with the Texas Division of Emergency Management, the Department of Public Safety, the Sheriffs' Association of Texas, or the Texas Police Chiefs Association to develop the template. The template must include:

(1) prompts for reporting on the following items:

(A) a brief description and outcome of the active shooter incident;

(B) a statement of personnel and equipment deployed during the incident;

(C) a cost analysis, including salaries, equipment, and incidentals;

(D) a copy of appropriate incident logs and reports;

(E) any maps, forms, or related documentation used in responding to or evaluating the agency's or provider's response to the incident;

(F) a summary of any deaths or injuries that occurred as a result of the incident;

(G) any information relating to the status of criminal investigations and subsequent prosecutions arising out of the incident; and

(H) a final evaluation, including:

(i) conclusions relating to the agency's or provider's response to the incident;

(ii) problems encountered during the response regarding personnel, equipment, resources, or multiagency response;

(iii) suggestions for revising policy, such as improving training and equipment; and

(iv) any additional considerations that would improve the agency's or provider's response to active shooter incidents at primary or secondary school facilities in the future; and

(2) any other content the center considers appropriate.

(c) The center shall develop a training program for peace officers and emergency medical services personnel for responding to active shooter incidents at primary and secondary school facilities as required by Section 418.1877(b), Government Code. In developing the training program, the center:

(1) shall incorporate, if available, the findings of at least one final report submitted under Section 418.1873, Government Code, regarding a local law enforcement agency's or emergency medical services provider's response to an active shooter incident at a primary or secondary school facility; and

(2) may collaborate with the Texas Division of Emergency Management, the Texas Commission on Law Enforcement, the Department of Public Safety, or the Department of State Health Services.



(d) In developing the training program under Subsection (c), if a report described by Subsection (c)(1) is not immediately available, the center shall update the training program as soon as a report described by that subdivision becomes available to incorporate the report's findings.

SECTION 9. Subchapter L-1, Chapter 411, Government Code, is amended by adding Section 411.3735 to read as follows:

Sec. 411.3735. CERTIFICATION AND CONTINUING EDUCATION REQUIRED FOR CERTAIN PUBLIC INFORMATION OFFICERS. (a) In this section:

(1) "Division" means the Texas Division of Emergency Management.

(2) "Public information officer" means an individual who is employed or appointed by a state agency or local government entity and whose duties include communicating with the public during a disaster regarding the disaster.

(b) Each of the following entities shall employ or appoint a public information officer who must obtain certification in emergency communications from the division and complete continuing education on emergency communications as provided by Subchapter K, Chapter 418:

- (1) a municipal police department;
- (2) a sheriff's office;
- (3) a county constable's office;
- (4) a school district police department; and
- (5) the department.

(c) The chief administrative officer of an agency may be appointed or employed as a public information officer.

SECTION 10. Subchapter C, Chapter 418, Government Code, is amended by adding Section 418.059 to read as follows:

Sec. 418.059. GUIDE ON PREPARING FOR AND RESPONDING TO ACTIVE SHOOTER INCIDENT AT SCHOOL FACILITY. (a) The division, in coordination with the Emergency Management Council, shall develop a guide on preparing for and responding to an active shooter incident at a primary or secondary school facility for civic, volunteer, and community organizations.

(b) The division shall post the guide on the division's Internet website for public use. The guide must provide a comprehensive approach to preparing for and responding to active shooter incidents at primary and secondary school facilities and include information on:

- (1) understanding mass violence incidents and best practices for community engagement related to those incidents;
- (2) incident command structure;
- (3) coordination of and access to resources, including trauma and support services, acute support services, long-term support services, spiritual support services, and family or victim assistance;
- (4) long-term recovery and community resilience;
- (5) communication coordination;
- (6) training and planning resources; and
- (7) preserving and restoring community cohesion and public life after the incident.

(c) In developing and revising the guide, the division may, in collaboration with the department, seek the advice and assistance of local governments, civic organizations, volunteer organizations, and community leaders.

SECTION 11. Subchapter H, Chapter 418, Government Code, is amended by adding Sections 418.1873 and 418.1877 to read as follows:



Sec. 418.1873. EVALUATION AND REPORT ON RESPONSE TO ACTIVE SHOOTER INCIDENT AT SCHOOL FACILITY REQUIRED FOR CERTAIN ENTITIES. (a) In this section:

(1) "Emergency medical services" and "emergency medical services provider" have the meanings assigned by Section 773.003, Health and Safety Code.

(2) "Local law enforcement agency" means a political subdivision of this state authorized by law to employ or appoint peace officers.

(b) Each local law enforcement agency and emergency medical services provider that responds to an active shooter incident at a primary or secondary school facility by providing law enforcement services or emergency medical services, or both, shall:

(1) not later than the 45th day after the date of the incident, or as soon as practicable thereafter, initiate an evaluation of the agency's or provider's response to the incident and submit a preliminary report to the division, the department, and the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos regarding, at minimum, the items required in the template created under Section 96.42, Education Code; and

(2) not later than the 90th day after the date of the incident, or as soon as practicable thereafter, finalize the report described by Subdivision (1) and submit the report to the division, the department, and the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos.

(c) For purposes of implementing this section:

(1) the Texas Commission on Law Enforcement shall adopt rules with respect to local law enforcement agencies; and

(2) the division shall adopt rules with respect to emergency medical services and emergency medical services providers.

(d) The division, in coordination with the Texas School Safety Center, shall by rule define "active shooter incident" as an incident involving an active shooter, as that term is defined by the Federal Bureau of Investigation.

(e) A local law enforcement agency or emergency medical services provider that complies with this section regarding an active shooter incident at a primary or secondary school facility is not required to conduct any evaluation or issue any report that may be required under Section 418.188 regarding that incident.

(f) Information obtained or created by the division or the department in carrying out their obligations under this section are confidential and are not subject to disclosure under Chapter 552.

(g) Any meetings between a law enforcement agency or emergency medical services provider and the division or the department are not subject to the open meeting requirements of Chapter 551.

Sec. 418.1877. TRAINING ON RESPONSES TO ACTIVE SHOOTER INCIDENTS AT SCHOOL FACILITIES REQUIRED. (a) In this section:

(1) "Emergency medical services personnel" and "emergency medical services provider" have the meanings assigned by Section 773.003, Health and Safety Code.

(2) "Local law enforcement agency" has the meaning assigned by Section 418.1873.

(b) The Texas Commission on Law Enforcement by rule shall require the peace officers of each local law enforcement agency to complete a training program for responding to active shooter incidents at primary and secondary school facilities developed by the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos as



required by Section 96.42, Education Code.

(c) The division by rule shall require the emergency medical services personnel of each emergency medical services provider to complete a training program for responding to active shooter incidents at primary and secondary school facilities developed by the division. The training program must involve reviewing at least one final evaluation and report required by Section 418.1873.

(d) The division, the Texas Commission on Law Enforcement, and the Department of State Health Services may adopt rules to enforce this section.

SECTION 12. Chapter 418, Government Code, is amended by adding Subchapter K to read as follows:

SUBCHAPTER K. CERTIFICATION AND CONTINUING EDUCATION REQUIRED FOR CERTAIN PUBLIC INFORMATION OFFICERS

Sec. 418.331. DEFINITION. In this subchapter, "public information officer" means an individual who is employed or appointed by a state agency, local government entity, or open-enrollment charter school and whose duties include communicating with the public during a disaster regarding the disaster.

Sec. 418.332. CERTIFICATION AND CONTINUING EDUCATION REQUIRED FOR CERTAIN PUBLIC INFORMATION OFFICERS. (a) Each of the following entities shall employ or appoint a public information officer who must obtain certification in emergency communications from the division and complete continuing education on emergency communications as provided by this subchapter:

- (1) a municipality;
- (2) a county;
- (3) an independent school district;
- (4) an open-enrollment charter school; and
- (5) the division.

(b) The chief administrator of an agency may be appointed or employed as a public information officer.

Sec. 418.333. CERTIFICATION AND CONTINUING EDUCATION. (a) A public information officer described by Sections 411.3735 and 418.332 shall:

- (1) obtain certification from the division in emergency communications not later than the first anniversary of the date the public information officer was hired or appointed; and
- (2) complete a continuing education program on emergency communications approved by the division once during each 12-month period beginning on the date the public information officer obtained certification.

(b) The division shall establish minimum education and training requirements for initial certification and continuing education under this subchapter. The minimum requirements must comply with the policies and standards developed by the Texas Commission on Law Enforcement under Section 1701.163, Occupations Code. These minimum requirements must include courses on:

- (1) the National Incident Management System;
- (2) the Incident Command System; and
- (3) the basic skills and principles necessary to fulfill the role of a public information officer with respect to emergency communications.

(c) The division shall assist the entities subject to Sections 411.3735 and 418.332 in identifying approved training programs.



(d) The following courses may be taken to satisfy minimum education and training requirements under this subchapter:

(1) a course provided by the Bill Blackwood Law Enforcement Management Institute of Texas; or

(2) a course approved by the Texas Commission on Law Enforcement.

Sec. 418.334. COMPLIANCE RECORDS; INSPECTION. (a) Each entity subject to Section 418.332 shall:

(1) maintain records that demonstrate the compliance of each public information officer employed or appointed by that entity with the certification and continuing education requirements of this subchapter; and

(2) submit to the division the compliance records required to be maintained under Subdivision (1).

(b) The division shall permit inspection and copying by the department of the compliance records the division maintains under Subsection (a)(1) during reasonable hours and in a reasonable manner.

Sec. 418.335. RULES. The division may adopt rules to administer this subchapter.

SECTION 13. Subchapter A, Chapter 772, Government Code, is amended by adding Sections 772.00791, 772.013, and 772.014 to read as follows:

Sec. 772.00791. FIRST RESPONDER AND TELECOMMUNICATOR ACTIVE ATTACK INTEGRATED RESPONSE TRAINING GRANT PROGRAM. (a) In this section:

(1) "Criminal justice division" means the criminal justice division established under Section 772.006.

(2) "First responder" has the meaning assigned by Section 772.013.

(3) "Telecommunicator" has the meaning assigned by Section 1701.001, Occupations Code.

(b) The criminal justice division shall establish and administer a grant program to provide financial assistance to first responders and telecommunicators for the purpose of attending an active attack integrated response training course through the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos or a similar course approved by the division.

(c) The criminal justice division shall establish:

(1) eligibility criteria for grant applicants;

(2) grant application procedures;

(3) criteria for evaluating grant applications and awarding grants;

(4) guidelines related to grant amounts; and

(5) procedures for monitoring the use of a grant awarded under this section and ensuring compliance with any conditions of the grant.

(d) The criminal justice division may use any revenue available for purposes of this section.

Sec. 772.013. COMPLEX EMERGENCY RESPONSE AND INVESTIGATION PLANNING FOR DEPARTMENT OF PUBLIC SAFETY AND CERTAIN POLITICAL SUBDIVISIONS. (a) In this section:

(1) "Department" means the Department of Public Safety.

(2) "First responder" means:

(A) a peace officer described by Article 2A.001, Code of Criminal Procedure;

(B) an individual included as fire protection personnel by Section 419.021; and

(C) an individual included as emergency medical services personnel by Section 773.003, Health and Safety Code.



(b) To prepare for complex responses to and investigations of emergencies that require mutual aid and support from more than one governmental entity, the department shall consult with the sheriff of each county in which a primary or secondary school facility is located to determine which governmental entities that employ a first responder are reasonably likely, in the sheriff's opinion, to respond to an active shooter incident at one of those facilities.

(c) The department, each sheriff described by Subsection (b), and each governmental entity identified by the sheriff under that subsection shall collectively participate in:

- (1) a multiagency tabletop exercise at least once each odd-numbered year; and
- (2) an in-person drill at least once each even-numbered year.

(d) The department shall invite any appropriate federal agency to participate in an exercise described by Subsection (c).

Sec. 772.014. MUTUAL AID AGREEMENTS BETWEEN DEPARTMENT OF PUBLIC SAFETY AND LOCAL LAW ENFORCEMENT AGENCIES. (a) In this section, "department" means the Department of Public Safety.

(b) The department and each governmental entity identified by a sheriff under Section 772.013(b) shall collectively enter into a mutual aid agreement that establishes the procedures for the provision of resources, personnel, facilities, equipment, and supplies in responses to critical incidents in a vertically integrated fashion.

(c) In establishing the procedures, the department and local law enforcement agencies shall:

- (1) give priority to establishing the interoperability of communications equipment among the parties to the agreement;
 - (2) establish procedures for interagency coordination in activities arising from critical incidents, including evidence collection;
 - (3) set jurisdictional boundaries; and
 - (4) determine the capabilities, processes, and expectations among the parties to the agreement.
- (d) The department shall invite any appropriate federal agency to enter into the agreement described by Subsection (b).

SECTION 14. Section 85.024, Local Government Code, is amended by amending Subsections

(a) and (c) and adding Subsection (c-1) to read as follows:

(a) The sheriff of a county [with a total population of less than 350,000] in which a public school is located shall call and conduct an annual meeting [semiannual meetings] to discuss:

- (1) school safety;
- (2) coordinated law enforcement response to school violence incidents;
- (3) law enforcement agency capabilities;
- (4) available resources;
- (5) emergency radio interoperability;
- (6) chain of command planning; [and]
- (7) each public school's multihazard emergency operations plan, including a discussion and analysis of how the school's multihazard emergency operations plan would be implemented in an emergency situation; and
- (8) other related subjects proposed by a person in attendance at the meeting.

(c) In a county with a population of less than 350,000, the [The] following persons shall attend a meeting called under Subsection (a):

- (1) the sheriff or the sheriff's designee;
- (2) the police chief of a municipal police department in the county or the police chief's designee;



- (3) each elected constable in the county or the constable's designees;
- (4) each police chief of a school district's police department or school district security coordinator from each school district located in the county;
- (5) a representative of the Department of Public Safety assigned to the county;
- (6) a representative of each other state agency with commissioned peace officers assigned to the county;
- (7) a person appointed to a command staff position at an emergency medical service in the county;
- (8) a person appointed to a command staff position at a municipal emergency medical service in the county;
- (9) a person appointed to a command staff position at a fire department in the county;
- (10) the superintendent or the superintendent's designee of each school district located in the county;
- (11) the person who serves the function of superintendent, or that person's designee, in each open-enrollment charter school located in the county; [and]
- (12) a representative of the Texas Division of Emergency Management; and
- (13) any other person the sheriff considers appropriate.

(c-1) In a county with a population of 350,000 or more, the following persons shall attend a meeting called under Subsection (a):

- (1) for each school district located in the county, either:
 - (A) the police chief of the district's police department, or the chief's designee; or
 - (B) if the district contracts with another political subdivision for law enforcement services, the chief administrative officer of the law enforcement agency providing law enforcement services to the district, or the officer's designee;
- (2) the superintendent of each school district located in the county; and
- (3) any other person the sheriff considers appropriate.

SECTION 15. Chapter 391, Local Government Code, is amended by adding Section 391.0041 to read as follows:

Sec. 391.0041. MENTAL HEALTH RESOURCES PLAN FOR FIRST RESPONDER INVOLVED IN CRITICAL INCIDENT. (a) In this section:

- (1) "Council of governments" means a regional planning commission for a state planning region created under this chapter.
- (2) "Critical incident" means an incident involving a first responder that occurs while the first responder is performing official duties and that results in serious bodily injury to the first responder or poses a substantial risk of serious bodily injury or death to the first responder or of serious harm to the first responder's mental health or well-being.
- (3) "First responder" means:
 - (A) a peace officer described by Article 2A.001, Code of Criminal Procedure;
 - (B) an individual included as fire protection personnel by Section 419.021, Government Code; and
 - (C) an individual included as emergency medical services personnel by Section 773.003, Health and Safety Code.
- (b) The Texas Division of Emergency Management, in coordination with the Health and Human Services Commission and the Department of State Health Services, shall:
 - (1) develop a mental health resources plan to address the mental health needs of first responders following a critical incident; and



- (2) provide the plan to each local emergency management director in the state.
- (c) A plan developed under Subsection (b):
 - (1) must identify and provide for:
 - (A) education and training to a first responder prior to a critical incident on topics including:
 - (i) the potential psychological impact that being involved in an incident may have on the first responder; and
 - (ii) resources available to the first responder to address the psychological impact of an incident, including mental health counseling, peer support programs, and stress management practices; or
 - (B) a list of recommended providers located within the territory of the council of governments who can provide the education and training described by Paragraph (A);
 - (2) may recommend that an employer of a first responder:
 - (A) create a process to conduct a critical incident stress debriefing following an incident; and
 - (B) create a peer support program to support the first responder following an incident; and
 - (3) may include any other recommendation the council of governments considers appropriate to address the mental health needs of a first responder following a critical incident.
- (d) Each political subdivision that receives a plan under this section shall:
 - (1) implement the plan; and
 - (2) share the plan with each council of governments that has jurisdiction over the political subdivision to ensure regional plan integration and awareness.

SECTION 16. Section 1701.163, Occupations Code, is amended to read as follows:

Sec. 1701.163. MINIMUM STANDARDS FOR LAW ENFORCEMENT

AGENCIES. (a) The commission, with input from an advisory committee, shall by rule establish minimum standards with respect to the creation or continued operation of a law enforcement agency based on the function, size, and jurisdiction of the agency, including:

- (1) a determination regarding the public benefit of creating the agency in the community;
- (2) the sustainable funding sources for the agency;
- (3) the physical resources available to officers, including:
 - (A) all standard duty firearms;
 - (B) less lethal force weapons, including a requirement of at least one per officer on duty;
 - (C) effective communications equipment;
 - (D) protective equipment, including a requirement of:
 - (i) at least one bullet-resistant vest per officer on duty; and
 - (ii) access to at least one breaching tool and one ballistic shield;
 - (E) officer uniforms; and
 - (F) patrol vehicles and associated equipment;
- (4) the physical facilities of the agency, including any evidence room, dispatch area, or public area;
- (5) the policies of the agency, including policies on:
 - (A) use of force;
 - (B) vehicle pursuit;
 - (C) professional conduct of officers;
 - (D) domestic abuse protocols;
 - (E) response to missing persons;
 - (F) supervision of part-time officers;
 - (G) impartial policing;
 - (H) active shooters, including a detailed written policy based on current best practices for



responding to an active shooter incident at a primary or secondary school facility and a recommendation for the frequency at which simulated emergency drills should be conducted; and

(I) barricaded subjects;

(6) the administrative structure of the agency;

(7) liability insurance; and

(8) any other standard the commission considers necessary.

(b) A law enforcement agency may enter into a mutual aid agreement with a law enforcement agency with overlapping or adjacent jurisdiction to share protective equipment during a critical incident, as defined by Section 391.0041, Local Government Code, to meet the requirements under Subsection (a)(3)(D).

SECTION 17. Section 1701.253, Occupations Code, is amended by adding Subsection (u) to read as follows:

(u) As part of the minimum curriculum requirements, the commission shall require an officer to complete the training courses described by Section 1701.273.

SECTION 18. Subchapter F, Chapter 1701, Occupations Code, is amended by adding Section 1701.273 to read as follows:

Sec. 1701.273. TRAINING ON INCIDENT RESPONSE AND COMMAND. (a) The commission shall require a peace officer to complete the following emergency response management training courses, or a substantially similar successor course as determined by the commission, in collaboration with the Texas Division of Emergency Management:

(1) Introduction to the Incident Command System; and

(2) National Incident Management System, An Introduction.

(b) The commission shall require an officer to complete the training courses described by Subsection (a) unless the officer has completed the training under Section 1701.253(u).

SECTION 19. Subchapter H, Chapter 1701, Occupations Code, is amended by adding Section 1701.3526 to read as follows:

Sec. 1701.3526. CONTINUING EDUCATION ON INCIDENT RESPONSE AND COMMAND. (a) The commission shall require a peace officer whose duties involve the supervision of officers in an incident response to complete, as part of the continuing education programs under Section 1701.351(a), an advanced incident response and command course, in collaboration with the Texas Division of Emergency Management, as determined by commission rule.

(b) The exemption under Section 1701.351(d) does not apply to the training required by Subsection (a).

SECTION 20. Section 85.024(b), Local Government Code, is repealed.

SECTION 21. Not later than December 1, 2025, the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos shall develop the template and training program required by Section 96.42, Education Code, as added by this Act.

SECTION 22. Not later than December 1, 2025, the Texas Division of Emergency Management shall develop and post the guide required by Section 418.059, Government Code, as added by this Act.

SECTION 23. Not later than December 1, 2025, the Texas Division of Emergency Management shall develop the training program required by Section 418.1877(c), Government Code, as added by this Act.

SECTION 24. A public information officer described by Section 411.3735 or 418.332,



Government Code, as added by this Act, who was employed or appointed before the effective date of this Act shall obtain the certification required by Section 418.333, Government Code, as added by this Act, not later than September 1, 2026.

SECTION 25. Not later than January 1, 2026, the Department of Public Safety and local law enforcement agencies shall enter into mutual aid agreements as required by Section 772.014, Government Code, as added by this Act.

SECTION 26. As soon as practicable after the effective date of this Act, each council of governments, as defined by Section 391.0041, Local Government Code, as added by this Act, shall develop a mental health resources plan required to be created under that section.

SECTION 27. As soon as practicable after the effective date of this Act, the Texas Commission on Law Enforcement shall adopt rules to implement the changes in law made by this Act to Subchapters D, F, and H, Chapter 1701, Occupations Code.

SECTION 28. The minimum curriculum requirements under Section 1701.253(u), Occupations Code, as added by this Act, apply only to an officer who first begins to satisfy those requirements on or after January 1, 2026.

SECTION 29. Section 1701.3526, Occupations Code, as added by this Act, applies only with respect to a 24-month continuing education training unit that begins on or after the effective date of this Act. A training unit that begins before the effective date of this Act is governed by the law in effect on the date the training unit began, and the former law is continued in effect for that purpose.

SECTION 30. This Act takes effect September 1, 2025.

Special Considerations: None.

Financial Impact: None.

Board or 3rd Party Recommendation: None.

Supporting Documentation:

1. Mutual Aid Agreement HB 33 FPD

MUTUAL AID AGREEMENT FOR COMPLEX EMERGENCY RESPONSE AND INVESTIGATION PLANNING

I. PARTIES

This Mutual Aid Agreement (Agreement) is between the Department of Public Safety (DPS), the Brazoria County Sheriff's Office, and the _____ for Complex Emergency Response and Investigation Planning related to active attack incidents at primary and secondary school facilities in Brazoria County.

II. DEFINITIONS

- A. For purposes of this Agreement, governmental entities that employ first responders include the following:
 - 1. A peace officer described by Texas Code of Criminal Procedure Article 2A.001;
 - 2. An individual included as a fire protection personnel in Texas Government Code Section 419.021; and
 - 3. An individual included as emergency medical services personnel in Health and Safety Code Section 773.003.

III. BACKGROUND AND PURPOSE

House Bill (H.B.) 33 of the 89th Texas Regular Legislative Session, codified into Texas Government Code Section 772.013, mandates that DPS and certain local governmental entities employing first responders in each County, as identified by the County Sheriff's Office, enter into an agreement that establishes the procedures for the provision of resources, personnel, facilities, equipment, and supplies necessary to respond to active attack incidents at primary and secondary school facilities in the County in a vertically integrated manner.

This Agreement establishes the overall framework for collaboration by the parties and each party's respective duties to carry out the mandates of HB 33. The parties will separately enter into a working protocols agreement that will establish the specific procedures that the parties will follow to ensure the provision of comprehensive resources, personnel, facilities, equipment and supplies necessary for responding to and investigating active attack incidents at primary and secondary school facilities in the County.

IV. STATEMENT OF DUTIES TO BE PERFORMED

A. DPS RESPONSIBILITIES

- 1. Consult with the County Sheriff's Office to determine which governmental entities employing first responders are reasonably likely to respond to an active attack incident at the primary and secondary school facilities in the County.
- 2. Invite any appropriate federal agencies, as determined by DPS, to participate in the multiagency tabletop exercises and in-person drills.
- 3. Invite any appropriate federal agencies, as determined by DPS, to enter into this Agreement as a Party.

B. COUNTY SHERIFF'S OFFICE RESPONSIBILITIES

Provide input to DPS on all the local governmental entities employing first responders that are reasonably likely, in the Sheriff's opinion, to respond to an active attack incident at the primary and secondary school facilities in the County. If the County has more than one school district, the County shall identify, as needed, the different governmental entities likely to respond to the different districts in the County.

C. MUTUAL RESPONSIBILITIES

DPS, the County Sheriff's Office and the signatories to this MOU understand and agree to the following:

1. To participate in a multiagency tabletop exercise at least once each odd-numbered year. The parties will collaboratively determine how often the tabletop exercise will be conducted in each odd-numbered year and the date(s) of the exercise.
2. To participate in an in-person drill at least once each even-numbered year. The parties will collaboratively determine how often the in-person drill will be conducted in each even-numbered year and the date(s) of the exercise.
3. To collaboratively establish procedures in a separate working protocols agreement, incorporated by this reference as an exhibit to this Agreement, for the provision of resources, personnel, facilities, equipment, and supplies in responses to critical active attack incidents at primary and secondary school facilities in the County in a vertically integrated fashion. DPS and the County will determine if more than one working protocols agreement is required if the County has more than one school district.
4. When establishing the procedures, DPS and local law enforcement agencies will:
 - a. give priority to establishing the interoperability of communications equipment among the parties to this Agreement;
 - b. establish procedures for interagency coordination in activities arising from critical active attack incidents, including evidence collection;
 - c. set jurisdictional boundaries; and
 - d. determine the capabilities, processes, and expectations among the parties to this Agreement.

V. TERM OF CONTRACT AND AMENDMENTS

This Agreement is effective on the date of the last party to sign. The parties will review the Agreement each year from the date of execution to determine if any amendments need to be made. This Agreement may only be amended by mutual written agreement of the parties.

VI. NO LIABILITY; NO APPARENT AGENCY AUTHORITY

The parties are associated with each other only for the purposes and to the extent set forth in this Agreement.

The parties agree that they shall have no liability for the actions or omissions of the other parties and are solely responsible for their own actions or omissions; however, only to the extent required by Texas law.

The parties do not have authority for or on behalf of the other parties except as provided in this Agreement. No other authority, power, partnership, or rights are granted or implied.

VII. NOTICE

The respective party will provide any required notice as noted in this section. Either party may change its information by giving the other party written notice and the effective date of the change.

If to DPS: TBD; name, title, address, email address, phone, fax

If to County Sheriff's Office: TBD; name, title, address, email address, phone, fax

If to Local Governmental Entity: TBD; name, title, address, email address, phone, fax

If to Federal Agency: TBD; name, title, address, email address, phone, fax

The undersigned signatories have full authority to enter into this Agreement on behalf of the respective Parties.

Signature	Printed Name	Title/Agency	Date
Signature	Printed Name	Title/Agency	Date
Signature	Printed Name	Title/Agency	Date
Signature	Printed Name	Title/Agency	Date
Signature	Printed Name	Title/Agency	Date
Signature	Printed Name	Title/Agency	Date



City Council Agenda Item #[3.F]

Title: Consideration and possible action approving Resolution No. 2025-3002 deeming property surplus and donating to another City.

Date: December 1, 2025

From: Chief Jennifer Howell, Police Chief

Staff Recommendation: Staff recommends approval to deem property surplus and to donate to the City of Kemah.

Item Summary: The Freeport Police Department has been in possession of a 1951 Ford Shoebox, black and white, police-style vehicle. Prior to Chief Howell's arrival, the unit was wrecked, inoperable and would cost to repair. The police department has placed a priority on funding other needed items and has not spent the money to repair the unit, as it was a community show unit. The unit has been parked at the service center for over 3 years. The unit supports no purpose for Freeport PD.

Background Information: Chief Howell was informed that former Freeport Chief Ray Garivey had donated the 1951 Ford Shoebox to the Freeport Police Department to use at city events. Since his departure, the vehicle has not been used since it was inoperable. Chief Garivey is now at the City of Kemah. The City of Kemah has submitted a letter requesting the item to be donated to them so they may repair it and use for community events. The City of Kemah has stated they will assume all responsibilities related to the transfer, maintenance and future operating costs associated with the vehicle.

Special Considerations: None.

Financial Impact: None.

Board or 3rd Party Recommendation: None.

Supporting Documentation:

1. Resolution Surplus 1951 Ford
2. Shoebox Ford

RESOLUTION NO. 2025 - 3002

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, DECLARING CERTAIN PERSONAL PROPERTY AS OBSOLETE, VALUELESS AND SURPLUS; PROVIDING FOR DISPOSAL OF THE SAME BY THE CITY MANAGER OR HIS DESIGNEE; AUTHORIZING THE MAYOR TO EXECUTE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City has certain personal property to wit attached as Exhibit “A”; and,

WHEREAS, said personal property due to its age and use is obsolete, valueless and surplus and has no effective value for the City to otherwise dispose of, donate or trade in such personal property; and

WHEREAS, the City no longer has any foreseeable use for such property which has no useful purpose and the same should be deemed to be surplus; and,

WHEREAS, the City needs to dispose of such personal property; and,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, THAT:

SECTION 1. the personal property owned by the City identified by Exhibit “A”, attached, are hereby declared to be obsolete, valueless and surplus, and that the City Manager is authorized to dispose of such personal property for its salvage value or donate it to any other municipality or nonprofit entity, by appropriate means.

SECTION 2. That should any word, phrase, paragraph, or section of this Resolution be held to be unconstitutional, illegal or invalid, the same shall not affect the validity of this Resolution as a whole, or any part or provision thereof other than the part so decided to be unconstitutional, illegal or invalid, and shall not affect the validity of the Resolution as a whole.

SECTION 3. That all provisions of the resolutions of the City of Freeport, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 4. That this Resolution shall take effect immediately from and after its passage as the law provides.

PASSED and APPROVED by the City Council of the City of Freeport, Texas, on the
_____ day of _____, 2025.

APPROVED:

Jerry Cain, Mayor

ATTEST:

Clarisa Fernandez, City Secretary

APPROVED:

Chris Duncan, City Attorney

EXHIBIT A
RESOLUTION 2025 - 3002

1951 Ford Shoebox, black and white police style vehicle, no title and no vin.



City of Kemah

City Hall: 1401 State Highway 146, Kemah, TX 77565

Phone: (281) 334-1611 | www.kemahtx.gov

"Proudly Serving Our Community"

November 11, 2025

Daniel Pennington
Interim City Manager
City of Freeport
1201 North Avenue H

Freeport, TX 77541
(979) 233-3526

Dear Mr. Pennington,

On behalf of the City of Kemah, I am writing to respectfully request a donation of a retired or surplus 1951 Ford Shoebox, black and white police vehicle from your agency to support our Police Department's public safety and community outreach operations.

The City of Kemah is a popular tourist destination, attracting approximately four million visitors annually. We are committed to expanding our community outreach efforts, and the donated vehicle would directly assist in managing special events and supporting community-related initiatives.

We understand that your agency may periodically retire vehicles from service, and we would be honored to give one of those vehicles continued use in our community. The City of Kemah will assume all responsibilities related to the transfer, maintenance, and future operating costs associated with the vehicle.



City of Kemah

City Hall: 1401 State Highway 146, Kemah, TX 77565

Phone: (281) 334-1611 | www.kemahtx.gov

"Proudly Serving Our Community"

Thank you for considering our request. We greatly appreciate your continued support and partnership in promoting the safety and security of our region. Please feel free to contact me at 409-927-9198 or at rcollins@kemahtx.gov if you have any questions or require additional information.

Sincerely,

Robin Collins
Mayor, City of Kemah



City Council Agenda Item #[3.G]

Title: Consideration and possible action approving Resolution No. 2025-3003 to approve remodeling the Clubhouse Bathrooms.

Date: December 1, 2025

From: Dan Pennington, Interim City Manager

Staff Recommendation: Approve the purchase and installation of restroom renovations at the Freeport Golf Course, including the complete refurbishment of both the women's and men's restrooms, as outlined in the attached proposals. These improvements will modernize outdated facilities, improve ADA accessibility, and enhance the overall experience for course patrons and employees.

Item Summary: City staff is requesting council approval to proceed with restroom renovations at the Golf Course located at 830 Slaughter. Bottom Dollar Carpet has provided the best value proposals to fully renovate both the women's and men's restrooms, including demolition, new lighting, electrical upgrades, ventilation improvements, ADA-compliant vanities, new fixtures, partitions, flooring, painting, and signage. The total cost for the women's restroom is \$12,644.07 and \$16,130.25 for the men's restroom.

Background Information: The existing restrooms at the Golf Course are badly worn, in disrepair, and in need of repairs and out of ADA compliance. Both facilities require new lighting, exhaust systems, plumbing fixtures, tile flooring, partitions, and ADA-compliant amenities. The contractor will perform full demolition of interior materials (excluding sheetrock), reinstall all fixtures, and complete finish-out work including texture, painting, and installation of restroom signage and door hardware. Work access will be coordinated on days with lower usage, Monday–Friday. Port-o-cans and wash stations can also be utilized for employees and guests, if necessary.

Special Considerations:

- Both proposals include a 1-year installation warranty from the contractor.
- Manufacturer warranties apply to fixtures and materials.
- Staff will coordinate access with Golf Course operations to minimize customer disruption.

Financial Impact:

- Women's Restroom Renovation: \$12,644.07
- Men's Restroom Renovation: \$16,130.25



- Total Project Cost: \$28,774.32

Funding source: Golf Course budget or other designated facility improvement funds.

Board or 3rd Party Recommendation: Golf Course management supports these renovations to improve customer experience and bring facilities to an expected modern standard.

Supporting Documentation:

1. RESOLUTION GOLF COURSE RESTROOMSDUNCAN
2. copier@freeport.tx.us_20251113_165021
3. BID Contract BOTTOM DOLLAR

RESOLUTION NO. 2025-3003

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS
AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH
BOTTOM DOLLAR CARPET TO PROVIDE LABOR AND MATERIALS TO
RENOVATE THE RESTROOMS AT THE FREEPORT MUNICIPAL GOLF COURSE.**

WHEREAS, the existing restrooms at the Golf Course are badly worn, in disrepair, and in need of repairs and out of ADA compliance; and

WHEREAS, the proposed renovations will improve customer experience and bring facilities to an expected modern standard

WHEREAS, city staff followed established procedure, exercising due diligence and obtained three (3) bids for the work; and

WHEREAS, the bid by Bottom Dollar provided the best value proposal bid based upon a number of factors including experience, prior performance, and price.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF FREEPORT, TEXAS:**

The City Manager is hereby authorized to execute, on behalf of the City of Freeport, Texas, the Proposals from Bottom Dollar Carpet to renovate the restrooms at the Freeport Municipal Golf Course and the standard general contractor agreements attached to this resolution and reviewed by the Freeport City Council in open session and in accordance with the Texas Open Meetings Act.

READ, PASSED, AND ADOPTED THIS ____ DAY OF DECEMBER, 2025.

Jerry Cain, Mayor

ATTEST:

Approved as to form:

Clarisa Fernandez, City Clerk,
City of Freeport, Texas

Christopher Duncan, City Attorney
City of Freeport, Texas

Proposal

Page 1



**BOTTOM
DOLLAR**
C A R P E T

Bottom Dollar Carpet
1915 N Brazosport Blvd.
Freeport TX 77541
979-233-1156
979-239-1570

Proposal #: **29143**
SaleDate: **11/4/2025**
Next Install:
Sales Rep: **Joshua R. Morgan**

SOLD TO:

Golf Course Mens restroom City Of Freeport
830 slaughter
,
Bryan Debala 0

SHIPPED TO

11/7/2025 1:47:47 PM

979-480-2621

Mens restroom.

- Demo and dispose of all materials in restroom other than sheetrock.
- Supply and install two switches for the lights and exhaust fan.
- Supply and install 2 GFCI plugs.
- Supply & install 4 can lights spaced out throughout restroom.
- Supply & Install one exhaust fan.
- Supply & Install a 73" ADA vanity with a quartz or granite countertop.
- Supply & install two undermount porcelain sink.
- Supply & install two sink faucet.
- Supply and install one mirror 60"x30"
- Supply and install stainless paper towel dispose, trash can, & toilet paper holder.
- Supply and install a new partition stall 34" wide in powder coated steel.
- Supply and install one new toilet with new accessories.
- Supply and install two new urinals with accessories.
- Supply and install new floor tile over 1/4" backer board.
- Supply and install new tile cove base with a sanitary cove base and finish top metal trim.
- Patch sheetrock holes as needed.
- Tape/Float/Texture/Paint the restroom Walls/Ceiling/Door.
- Supply sheetrock and painting materials.
- Supply and install mens restroom sign and new door handle.
- Requesting access to restroom will be until 5:30PM on days the course closes early due to weather Monday-Friday.

SubTotal:	\$16,130.25
Exempt:	\$0.00
Total:	\$16,130.25
Payments:	\$0.00
Balance:	\$16,130.25

Bottom Dollar Carpet Warranties the installation for 1 year. The manufacturer warranties the products. All product warranties vary. A fee of 30% will apply for cancellations. Any additional floor prep/float will be charged at \$75.00 per bag. Customer is responsible to move all small items, electrical items, water beds and fish tanks. Customer is required to inspect project with installer at completion, sign Completion Form and pay balance due to installer. Any balance not paid within 5 days of completion will be charged 10% of total bill, plus court costs.

Installer will call 30 to 40 minutes prior to completion.

Homeowner
Initial

Salesman
Initial

Signature _____

Proposal

Page 1



**BOTTOM
DOLLAR**
C A R P E T

Bottom Dollar Carpet
1915 N Brazosport Blvd.
Freeport TX 77541
979-233-1156
979-239-1570

Proposal #: **29142**
SaleDate: **11/4/2025**
Next Install:
Sales Rep: **Joshua R. Morgan**

SOLD TO:

Golf Course Womens restroom City Of Freeport
830 slaughter
,
Bryan Debala 0

SHIPPED TO

11/7/2025 1:47:28 PM

979-480-2621

Womens restroom.

- Demo and dispose of all materials in restroom other than sheetrock.
- Supply and install two switches for the lights and exhaust fan.
- Supply and install 2 GFCI plugs.
- Supply & install 3 can lights spaced out throughout restroom.
- Supply & Install one exhaust fan.
- Supply & Install a 50-52" ADA vanity with a quartz or granite countertop.
- Supply & install one undermount porcelain sink.
- Supply & install one sink faucet.
- Supply and install one mirror 48"x36"
- Supply and install stainless paper towel dispose, trash can, sanitary disposal, & toilet paper holder.
- Supply and install a new partition stall 36" wide in powder coated steel.
- Supply and install one new toilet with new accessories.
- Supply and install new floor tile over 1/4" backer board.
- Supply and install new tile cove base with a sanitary cove base and finish top metal trim.
- Patch sheetrock holes as needed.
- Tape/Float/Texture/Paint the restroom Walls/Ceiling/Door.
- Supply sheetrock and painting materials.
- Supply and install womens restroom sign and new door handle.
- Requesting access to restroom will be until 5:30PM on days the course closes early due to weather Monday-Friday.

SubTotal:	\$12,644.07
Exempt:	\$0.00
Total:	\$12,644.07
Payments:	\$0.00
Balance:	\$12,644.07

Bottom Dollar Carpet Warranties the installation for 1 year. The manufacturer warranties the products. All product warranties vary. A fee of 30% will apply for cancellations. Any additional floor prep/float will be charged at \$75.00 per bag. Customer is responsible to move all small items, electrical items, water beds and fish tanks. Customer is required to inspect project with installer at completion, sign Completion Form and pay balance due to installer. Any balance not paid within 5 days of completion will be charged 10% of total bill, plus court costs.

Installer will call 30 to 40 minutes prior to completion.

Homeowner
Initial

Salesman
Initial

Signature _____

Estimate #EST-3ae7

Issue Date: Nov 10, 2025

Client

City of freeport golf course
dan.pennington@freeporttx.gov
830 Slaughter Rd Freeport, TX, United States
+1 (979) 233-3526

Business Info

A+ Remodeling and Restoration
Aplusremodelingandrestoration@gmail.com
105 E. Wilkins Angelton, Tx
+1 (979) 997-5068

A+ Remodeling LLC is pleased to present you with this estimate/scope for repairs. If additional items are discovered during the construction process that are needed to complete the repairs, these items will be presented as a supplemental change order agreed to in writing prior to the additional work being completed. Any change orders will be paid in full upfront. A+ Remodeling does not handle or move any furniture or belongings of the homeowners in the vicinity of the work area. A+ Remodeling is not responsible for furniture or belongings damaged left in the vicinity of the work area. Once you have had a chance to review this proposal, please do not hesitate to contact me with any questions or concerns that you may have. We look forward to helping you with this remodeling project. Thank you!

Please note that this estimate excludes costs associated with: Electrical Plumbing HVAC And anything else not listed in this estimate. A+ Remodeling has masters for electrical, plumbing and HVAC if needed. All deposits are nonrefundable and must be paid upfront prior to the work starting in order to secure a spot in our schedule.

Project Breakdown

Plumbing:

- Remove existing urinals (2) and toilets (approximately 2-3 in stalls)
- Install new commercial-grade urinals (2) with flush valves
- Install new commercial-grade toilets in existing stalls
- Remove existing drop-in sinks (2)
- Install new undermount sinks (2) with new faucets
- Connect all new fixtures to existing plumbing
- Test all new plumbing installations for proper function and leaks

Countertop and Cabinetry:

- Remove existing countertop (approximately 6-8 linear feet)
- Prepare vanity base for new countertop installation
- Install new commercial solid surface countertop (approximately 6-8 linear feet)
- Cut holes for undermount sinks
- Install backsplash as needed
- Ensure proper sealing around all edges and fixtures

Flooring:

- Remove existing blue tile flooring (180 sq ft)
- Prepare subfloor for new tile installation
- Install new ceramic tile flooring throughout bathroom (180 sq ft)
- Install appropriate base cove tile along walls (approximately 54 linear feet)
- Apply grout and seal all tile surfaces
- Ensure proper drainage slope toward floor drain

Painting:

- Prepare all wall surfaces by cleaning, patching holes, and sanding (approximately 450 sq ft)
- Apply primer to all wall surfaces
- Apply eggshell finish paint to all walls (2 coats)
- Paint ceiling as needed (180 sq ft)
- Paint or touch up trim and door frames as needed
- Ensure clean lines around fixtures and adjoining surfaces

Costs Table

Item Description	Unit Price	Total
Plumbing		
Material		\$1,345.00
Plumbing Supplies Quantity: 1	\$175.00	\$175.00
Bathroom Faucets Quantity: 2	\$95.00	\$190.00
Commercial Urinals Quantity: 1	\$405.00	\$405.00
Undermount Sinks Quantity: 2	\$125.00	\$250.00
Commercial Toilets Quantity: 1	\$325.00	\$325.00
Labor		\$3,240.00
Labor Quantity: 24	\$135.00	\$3,240.00
Countertop And Cabinetry		
Cabinet Material Quantity: 8	\$40.00	\$320.00
Cabinet Installation Quantity: 1	\$425.00	\$425.00
Countertop And Cabinetry		
Material		\$1,365.00
Countertop Adhesive And Sealant Quantity: 1	\$45.00	\$45.00
Commercial Countertop Quantity: 8	\$165.00	\$1,320.00
Labor		\$780.00
Labor Quantity: 12	\$65.00	\$780.00
Flooring		
Labor		\$2,400.00
Labor Quantity: 32	\$75.00	\$2,400.00
Material		\$1,447.50

Item Description	Unit Price	Total
Thinset Mortar Quantity: 10	\$22.00	\$220.00
Base Cove Tile Quantity: 54	\$3.75	\$202.50
Grout Sealer Quantity: 1	\$35.00	\$35.00
Ceramic Floor Tile Quantity: 200	\$4.50	\$900.00
Grout Quantity: 5	\$18.00	\$90.00
Flooring		
Floor Demo Quantity: 1	\$1,800.00	\$1,800.00
Painting		
Material		\$371.00
Primer Quantity: 2	\$30.00	\$60.00
Ceiling Paint Quantity: 2	\$42.00	\$84.00
Painting Supplies Quantity: 1	\$75.00	\$75.00
Eggshell Paint Quantity: 4	\$38.00	\$152.00
Labor		\$720.00
Labor Quantity: 16	\$45.00	\$720.00
Other		
Markup Quantity: 1	10.00%	\$1,421.35
Subtotal		\$15,634.85
Total		\$15,634.85

Notes

Boys bathroom They want to update both women's and men's bathroom. I don't wanna do

urinals new counter top new sink new floor and new paint Men's bathroom 15 × 12

Request Changes

Approve

Disclaimer

This estimate is valid for 30 days. Prices are subject to change based on material availability, market conditions, project specifications, and other factors.

Estimate #EST-74e3

Issue Date: Nov 10, 2025

Client

City of freeport golf course
dan.pennington@freeporttx.gov
830 Slaughter Rd Freeport, TX, United States
+1 (979) 233-3526

Business Info

A+ Remodeling and Restoration
Aplusremodelingandrestoration@gmail.com
105 E. Wilkins Angelton, Tx
+1 (979) 997-5068

A+ Remodeling LLC is pleased to present you with this estimate/scope for repairs. If additional items are discovered during the construction process that are needed to complete the repairs, these items will be presented as a supplemental change order agreed to in writing prior to the additional work being completed. Any change orders will be paid in full upfront. A+ Remodeling does not handle or move any furniture or belongings of the homeowners in the vicinity of the work area. A+ Remodeling is not responsible for furniture or belongings damaged left in the vicinity of the work area. Once you have had a chance to review this proposal, please do not hesitate to contact me with any questions or concerns that you may have. We look forward to helping you with this remodeling project. Thank you!

Please note that this estimate excludes costs associated with: Electrical Plumbing HVAC And anything else not listed in this estimate. A+ Remodeling has masters for electrical, plumbing and HVAC if needed. All deposits are nonrefundable and must be paid upfront prior to the work starting in order to secure a spot in our schedule.

Project Breakdown

Plumbing Installation:

- Remove existing toilet and disconnect water supply and waste lines
- Install new standard floor-mounted toilet with wax ring, bolts, and water supply line
- Remove existing sink and faucet from current vanity counter
- Install new commercial sink with faucet in new counter location
- Connect hot and cold water supply lines to new sink
- Install proper drain connections for new sink
- Test all plumbing connections for leaks
- Install grab bars with proper backing and ADA compliance mounting

Carpentry and Counter Installation:

- Remove existing vanity counter and base cabinet (approximately 4 feet wide)
- Install new commercial counter with integrated or drop-in sink (approximately 4-5 feet wide)
- Ensure counter is mounted at proper ADA height (34 inches)
- Install any necessary backing or support structure for counter mounting
- Cut counter opening for sink if not pre-cut
- Install any trim or edge banding as needed
- Coordinate with plumber for sink and faucet installation

Ceramic Tile Flooring Installation:

- Remove existing blue tile flooring throughout 90 sq ft bathroom
- Prepare subfloor and ensure level surface for new tile installation
- Install ceramic tile flooring throughout entire bathroom (90 sq ft plus 10% waste)
- Install proper tile underlayment/backer board as needed
- Apply tile adhesive and install tiles with proper spacing
- Install grout and clean excess from tile surface
- Install transition strips at doorway as needed
- Seal grout lines for moisture protection

Wall Painting:

- Prepare all wall surfaces by cleaning and light sanding
- Apply primer to all wall surfaces (approximately 420 sq ft of wall area)
- Paint all walls with soft pastel color paint using commercial-grade paint
- Apply two coats of paint for even coverage and durability
- Paint ceiling if needed to match or complement wall color
- Protect all fixtures, flooring, and surfaces during painting

Item Description	Unit Price	Total
Quantity: 1		
Ceramic Floor Tile	\$4.50	\$450.00
Quantity: 100		
Labor		\$1,080.00
Labor	\$12.00	\$1,080.00
Quantity: 90		
Ceramic Tile Flooring Installation		
Floor Demo	\$1,000.00	\$1,000.00
Quantity: 1		
Wall Painting		
Material		\$380.00
Painting Supplies	\$125.00	\$125.00
Quantity: 1		
Paint	\$55.00	\$165.00
Quantity: 3		
Primer	\$45.00	\$90.00
Quantity: 2		
Labor		\$560.00
Labor	\$40.00	\$560.00
Quantity: 14		
Other		
Markup	10.00%	\$1,076.50
Quantity: 1		
Subtotal		\$11,841.50
Total		\$11,841.50

Notes

WOMENS BATHROOM PORTION They want to update women's restroom .. I don't wanna go over the top, but they want to make their customers more comfortable.. New sink and commercial counter new floor paint walls new toilet Women's bathroom 15 × 6

[Request Changes](#)

Approve

Disclaimer

This estimate is valid for 30 days. Prices are subject to change based on material availability, market conditions, project specifications, and other factors.



Master Touch Remodeling

101 Richwood Dr
Richwood, TX 77531 USA
+19793738776
mastertouchremodeling1@gmail.com

Estimate

ADDRESS
Freeport Golf Course
830 Slaughter Road
Freeport, Texas 77541
Dan Pennington 979-480-2621

SHIP TO
Freeport Golf Course
830 Slaughter Road
Freeport, Texas 77541

ESTIMATE 1587
DATE 11/05/2025

DATE	DESCRIPTION	QTY	RATE	AMOUNT
	WOMEN'S RESTROOM			
Demo	Remove tile from floor and walls Remove partition, toilet and vanity (leave current toilet paper and paper towel holders in same location Dispose of all materials	1	2,475.00	2,475.00
Carpentry	Install bracing in wall at toilet for grab bar. Supply and install 36" grab bar at toilet.	1	375.00	375.00
Drywall	Repair all drywall on walls and ceiling Tape, float and texture (orange peel)	1	1,675.00	1,675.00
Paint	Paint ceiling walls and trim	1	1,875.00	1,875.00
Carpentry	Build and install custom ADA compliant counter top with one sink and faucet. Install solid surface remnant counter top (\$500.00 material allowance)	1	3,975.00	3,975.00
Electrical	Install 4 each recessed LED lights	1	975.00	975.00
Carpentry	Supply and install partition for toilet with 36" out swing door for ADA compliant.	1	2,875.00	2,875.00
Tile	Install tile floors (\$2.50 sqft tile material allowance) Install tile base	1	1,791.70	1,791.70
MISC.	Supply and install mirror	1	475.00	475.00
MISC.	Re-install all toilet paper and paper towel dispensers	1	325.00	325.00
Toilet	Supply and install ADA toilet	1	675.00	675.00
Cover & Protect	Cover and protect	1	65.00	65.00
P&O	Profit & Overhead	1	1,755.67	1,755.67

TOTAL

\$19,312.37

Accepted By

Accepted Date



Master Touch Remodeling

101 Richwood Dr
Richwood, TX 77531 USA
+19793738776
mastertouchremodeling1@gmail.com

Estimate

ADDRESS
Freeport Golf Course
830 Slaughter Road
Freeport, Texas 77541

SHIP TO
Freeport Golf Course
830 Slaughter Road
Freeport, Texas 77541

ESTIMATE 1588
DATE 11/06/2025

DATE		DESCRIPTION	QTY	RATE	AMOUNT
		MENS RESTROOM			
	Demo	demo tile floors, tile on walls, vanity, two urinals, toilet and partition. dispose of all materials	1	2,875.00	2,875.00
	Carpentry	Install bracing for grab bar in toilet room. Supply and install 36" grab bar	1	375.00	375.00
	Electrical	Install 5 Recessed LED lights	1	1,175.00	1,175.00
	Drywall	Repair all drywall. on ceiling and walls Tape, float and texture (orange peel)	1	1,875.00	1,875.00
	Paint	Paint ceiling, walls and trim	1	1,875.00	1,875.00
	Carpentry	Build and install custom ADA compliant counter top with two sinks and faucets. Install solid surface remnant on counter top (\$700 material allowance)	1	4,875.00	4,875.00
	Carpentry	Supply and install partition for toilet area	1	3,875.00	3,875.00
	Tile	Install tile floors. Install tile base on sheetrock walls (3x12) Install hardi backer and tile on wall behind the toilets . (\$2.50 sqft allowance for tile materials)	1	5,860.16	5,860.16
	Toilet	Supply and install two each urinals and one ADA toilet	1	2,550.00	2,550.00
	MISC.	Supply and install mirror	1	575.00	575.00
	MISC.	Re-install all toilet paper and paper towel dispensers	1	325.00	325.00
	Cover & Protect	Cover and protect	1	65.00	65.00
	P&O	Profit & Overhead	1	2,630.00	2,630.00

TOTAL

\$28,930.16

Accepted By

Accepted Date















AGREEMENT FOR GOLF COURSE RESTROOM RENOVATION

This Agreement for RESTROOM RENOVATION Services ("Agreement") is effective as of the ____ day of _____, 2025 is entered into by and between the CITY OF FREEPORT, TEXAS ("Government"), located at 1201 N. Avenue H, Freeport, Texas 77541 BOTTOM DOLLAR CARPET ("Contractor"), located at 1915 N. Brazosport Blvd, Freeport, Texas 77541. For purposes of this Agreement, Government and Contractor may be referred to individually as the "Party" or collectively as the "Parties".

WHEREAS, Contractor possesses extensive experience in providing general renovation services and shall provide said services in a professional manner in accordance with the terms and conditions of this Agreement, and the standards of care practiced by professionals performing similar services; and

WHEREAS, Contractor submitted a proposal to Government dated November 4, 2025, to provide material and labor for Renovation Services ("Contractor Proposal"); and,

WHEREAS, Government desires to utilize Contractor's renovation services as provided for herein;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties hereto agree as follows:

1. Recitals. The above-referenced recitals are true and correct and are incorporated herein.

2. Scope of Work. Contractor's responsibility under this Agreement is to provide Renovation Services (hereafter "Services"), as more specifically set forth in Contractor Proposal and/or Scope of Services detailed in Appendix "A", as applicable, which is incorporated into and forms part of this Agreement.

3. Contract Documents. The "Contract Documents" consist of:

- (a) Contractor's Proposal submitted to the Government; and,
- (b) the terms and agreements contained herein.

All of the above documents are contained herein or attached to this document as Exhibit A, which is incorporated herein for all purposes.

4. Period of Performance of Repairs/Renovations. Contractor shall initiate the work for renovations within ____ days of the execution of this agreement. Contractor shall complete all repairs and renovations within ____ weeks of the start of work. Contractor shall immediately notify Government of any delays, and request written extension of the time of performance, such extension shall not be reasonably denied.

5. Completion/Acceptance of Work. Government is entitled to monitor and inspect the goods and services provided by Contractor at all times during the performance by Contractor. Contractor shall notify Government when repair and renovation services are completed and request inspection by Government. Government shall make payment upon acceptance.

6. Fees. In consideration of Services performed hereunder, Government shall pay Contractor in accordance with the terms set forth in Appendix "A", which is incorporated into and forms part of this Agreement. Invoices are to be sent to the following address:

CITY OF FREEPORT, TEXAS
1201 N. Avenue H
Freeport, Texas 77541

8. Contractor's Responsibilities. Contractor shall perform services under this Agreement with the degree of skill and diligence normally practiced by professional engineers or Contractor performing the same or similar services and Contractor shall, at no additional cost to the Government, re-perform services which fail to satisfy the foregoing standard of care.

9. Government's Responsibilities. Government shall provide site access to the site or facility at which the Services are to be performed at such times as may reasonably be required by Contractor, and shall make timely payments in accordance with the terms and conditions of this Agreement. To the extent Government has access to information relating to the Services to be performed, Government shall provide such information as is reasonably available and appropriate for the efficient performance of the Services ("Information"). Such Information includes, but is not limited to, available site history and the identification, location, quantity, concentration and character of known or suspected hazardous conditions, wastes, substances or materials that are likely to pose a significant risk to human life, health, safety or to the environment (Hazardous Waste). Contractor shall be entitled to rely upon the Information provided by the Government or the Government's agents without independent verification except to the extent set forth herein and shall bear no liability arising from such reasonable reliance.

10. Funding clause. The payment of money by the Government under any provisions hereof by the availability of appropriated funds to pay the sums pursuant to this contract. In the event funds for this contract become unavailable, the Government shall have the right to terminate this contract without penalty, except for services already provided.

11. Safety and Security: Contractor has established and maintains programs and procedures for the safety of its employees. Unless specially included as a service to be provided under this Agreement, Contractor specially disclaims any authority or responsibility for job site safety and safety of persons other than Contractor's or Contractor's employees, subcontractors or representatives.

12. LIABILITY AND INDEMNIFICATION

12.1 CONTRACTOR AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS GOVERNMENT, FOR WHOSE BENEFIT THIS AGREEMENT IS ENTERED, FROM AND AGAINST ANY AND ALL LOSS, DAMAGE, LIABILITY, CLAIMS, DAMAGES, LIABILITIES, PENALTIES, FINES AND EXPENSES (INCLUDING REASONABLE ATTORNEY'S FEES) AND CAUSES OF ACTION OF WHATSOEVER CHARACTER WHICH GOVERNMENT MAY INCUR, SUSTAIN OR BE SUBJECTED TO, DIRECTLY RELATED TO THE SERVICES PERFORMED BY THE CONTRACTOR UNDER THIS AGREEMENT. THIS INDEMNIFICATION CLAUSE IS NOT INTENDED TO CONVERT A CLAIM BASED SOLELY UPON A BREACH OF CONTRACT THEORY INTO A TORT CLAIM.

12.2 NOTWITHSTANDING 14.1 ABOVE, CONTRACTOR SHALL NOT BE REQUIRED TO INDEMNIFY, DEFEND, OR HOLD GOVERNMENT HARMLESS FOR DEMANDS, CLAIMS, LOSSES, COSTS, DAMAGES, LIABILITIES, PENALTIES, FINES AND EXPENSES (INCLUDING COURT COSTS AND REASONABLE FEES OF ATTORNEY'S) WHICH ARE PREMISED, IN WHOLE OR IN PART, ON ANY CLAIM, LOSS, DAMAGE, INJURY, EXPENSE OR LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF GOVERNMENT OR ITS OFFICERS, EMPLOYEES OR AGENTS OR BASED ON THE ALLEGED ACTS AND/OR OMISSIONS OF GOVERNMENT OR ITS EMPLOYEES, AGENTS, AND/OR OFFICERS.

12.3 IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY EXEMPLARY, PUNITIVE, INCIDENTAL, SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PROFITS OR REVENUE, LOSS OF USE OF PROPERTY OR EQUIPMENT AND BUSINESS INTERRUPTION LOSSES, REGARDLESS OF THE CAUSE OF SUCH DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY NEGLIGENCE (WHETHER ACTIVE, PASSIVE, SOLE, CONCURRENT OR GROSS), BREACH OF DUTY (WHETHER STATUTORY, CONTRACTUAL OR OTHERWISE) OR ANY OTHER FAULT OF EITHER PARTY OR ANY OTHER PERSON OR ENTITY, AND REGARDLESS OF WHETHER THE CLAIM IS BASED IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE.

12.4 NOTWITHSTANDING ANY CONTRARY PROVISION IN THIS AGREEMENT, CONTRACTOR'S LIABILITY FOR ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT OR THE SERVICES SHALL NOT EXCEED, IN THE AGGREGATE, TWO TIMES THE FEES ACTUALLY PAID BY GOVERNMENT TO CONTRACTOR WITHIN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE CLAIM UNDER THIS AGREEMENT. SUCH LIMITATION OF LIABILITY SHALL APPLY EVEN IF THE LIABILITY ASSERTED IS BASED ON NEGLIGENCE (WHETHER ACTIVE, PASSIVE, SOLE, CONCURRENT OR GROSS), BREACH OF DUTY (WHETHER STATUTORY, CONTRACTUAL OR OTHERWISE) OR ANY OTHER FAULT OF CONTRACTOR OR ANY OTHER PERSON OR ENTITY, AND REGARDLESS OF WHETHER THE CLAIM IS BASED IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE; PROVIDED, HOWEVER, FOR THE AVOIDANCE OF DOUBT, THAT SUCH LIMITATION OF LIABILITY SHALL NOT APPLY IF THE LIABILITY ASSERTED IS BASED ON FRAUD OR WILLFUL MISCONDUCT.

13. Payment Terms. Contractor will provide two (2) sets of invoices, separating the hourly rate invoice and the reimbursable expense invoice for each calendar month. Contractor will submit end of month invoice within a reasonable time frame, but no later than 45 days. Payment of any undisputed amount is due 30 days after receipt of each invoice. If Government disputes any portion of the invoice, the undisputed portion will be paid and Contractor will be notified in writing, of the exceptions taken. Contractor and Government will attempt to resolve the payment dispute within sixty (60) days or the matter may be submitted to mediation or arbitration, if agreed upon by the parties. A good faith payment dispute by Government with regard to any invoice or portion of an invoice shall not relieve Contractor from continued performance under this agreement, and Contractor shall not be entitled to stop work.

All invoices shall be delivered to:

CITY OF FREEPORT, TEXAS
1201 N. Avenue H
Freeport, Texas 77541

All invoices shall include information required to comply with the Federal laws, regulations, and policies governing Federal reimbursement of disaster recovery-related expenditures. Invoices are considered accepted by Government unless a written notice explaining rejection of specific charges is provided to Contractor within thirty (30) days from date electronically submitted. A service charge equivalent to 1.5% (per month) of invoice amount may be assessed by Contractor and will be paid by Government for invoices aging beyond 30 days until invoice is paid in full

14. Not-To-Exceed Amount. For time and material or unit price contracts with a Not-To-Exceed Amount, if at any time Contractor has reason to believe that an increase in such limitation will be necessary, it will give prior notice to that effect and propose a new limitation figure with appropriate supporting data so that Government may, at its sole discretion, increase such limitation by written notice to Contractor. Contractor shall be entitled to an equitable adjustment to the price, due to Government's failure to provide a timely increase of the Not-To-Exceed amount.

15. Currency of Payment. Unless otherwise set forth in this Agreement, all payments shall be made in United States Dollars (USD). Where exchange rates are involved, the rate of exchange between USD and the other currency involved in the transaction shall be the rate of exchange as of the date of invoice. The date of each invoice shall be clearly marked on each invoice.

16. Health & Safety. Government shall notify Contractor of any known or suspected hazards existing at any site where the Services are to be provided, including but not limited to, Hazardous Waste, substances or materials and underground utilities.

17. Conflict of Interest. The Government acknowledges that the Contractor provides similar services for a broad range of other Governments and agrees that Contractor shall be free to work for other Governments in matters that do not involve the use of any Proprietary

Information that has been disclosed by the Government under the terms of this Agreement or do not directly relate to the specific Services provided by the Contractor to the Government under this Agreement.

18. Force Majeure. Neither Party shall be responsible for any delay or failure in performance, other than the obligation to make payments for work previously performed, to the extent that such delay or failure was caused by a force majeure event including Act of God, war, civil disturbance, governmental action, labor dispute unrelated to and without fault or negligence of the Party claiming the force majeure event, computer virus, or denial of access to the site or any other event beyond the reasonable control of the claiming Party. However, as a limitation to this paragraph, the Parties acknowledge that the services provided by Contractor are disaster related services, and Contractor cannot claim Force Majeure for the disaster the subject of this Agreement. Further, Contractor agrees that pandemic is not included in these provisions of Force Majeure. Performance under this Agreement shall resume promptly once the cause of delay or failure ceases and an equitable adjustment shall be made to the price and/or schedule of the Services including any mobilization or demobilization costs of Contractor.

19. Notice. Any notice given by either Party shall be in writing and shall be given by email with delivery confirmation and registered or certified mail, return receipt requested, postage prepaid, or Federal Express or DHL courier, shipped prepaid, addressed to the Parties at the addresses herein designated for each Party or at such other addresses as they may hereafter designate in writing.

To:	Bottom Dollar Contract
Attention:	Attention: Director of Contracts
Address:	
Phone:	Phone: Alternate Phone:
Email:	

To: City of Freeport
Attention City Manager
1201 N. Ave. H
Freeport, Texas 77541

Phone:

Email:

20. Changes to The Services. The Government may direct changes within the general Scope of Work. Upon notification of such direction, the Contractor shall prepare an estimate of the additional costs and time required, if any, to perform the change. Upon mutual written agreement, Contractor shall perform the change and an equitable adjustment shall be made to the price and/or time schedule as appropriate.

21. Performance Bond. Contractor shall furnish a Performance Bond to the Owner in the amount of one hundred percent (100%) of the Contract Price. The bond shall be in a form acceptable to the Owner and issued by a surety company authorized to do business in the State of Texas. The Performance Bond shall be solely for the protection of the governmental entity and conditioned upon the faithful performance of the work in accordance with the plans, specifications, and contract documents. This bond is executed and delivered pursuant to the requirements of Chapter 2253, Texas Government Code, and all rights and liabilities under this bond shall be determined in accordance with the provisions of said chapter, as if fully set forth herein. The Surety agrees to pay the State of Texas all loss and expense, including attorney's fees, incurred by the State of Texas because of any breach of this obligation by the Surety.

22. Governing Law. The validity, enforceability and interpretation of this Agreement will be governed by the laws of the State of Texas, without reference to its rules relating to choice of law to the contrary. Government consents to the exclusive jurisdiction of state and courts located in Brazoria County, State of Texas, with respect to any claim arising under or by reason of the Agreement.

24. Independent Contractor. Contractor is an independent contractor and shall not be deemed to be an employee or agent of the Government. Government shall not be deemed a joint employer of the other Party's employees. Contractor shall indemnify and hold Government harmless against all liability and loss resulting from i) claims made by Contractor's employees that they are co-employed by Government, ii) Contractor's failure to pay wages to its employees, and iii) Contractor's failure to pay all taxes and fees imposed by the government under employment insurance, social security and income tax laws with regard to Contractor's employees engaged in the performance of this Agreement.

26. Nonwaiver. No waiver of any breach of this Agreement shall operate as a waiver of any similar subsequent breach or any breach of any other provision of this Agreement.

27. Severability. If any provision of this Agreement is held invalid by a court of competent jurisdiction, such provision shall be severed from this Agreement and to the extent possible, this Agreement shall continue without affect to the remaining provisions.

28. Assignment/Subcontracts. Neither Party may assign this Agreement without the written consent of the other Party, which shall not unreasonably be withheld; provided, however, that Contractor may assign this Agreement in connection with a sale of all or substantially all of its assets without Government's consent, or to a parent, subsidiary, or affiliate.

29. Drafting Party. Each Party has reviewed this Agreement and any question of interpretation shall not be resolved by any rule of interpretation providing for interpretation against the drafting Party. This Agreement shall be construed as though drafted by both Parties.

30. Captions. The captions and headings of this Agreement are intended for convenience and reference only, do not affect the construction or meaning of this Agreement and further do not inform a Party of the covenants, terms or conditions of this Agreement or give full notice thereof.

31. Additional Instruments. The Parties agree to provide the other with any and all documents required to carry out any and all obligations in connection with the Agreement as set forth herein.

32. No Agency. Except as specifically set forth otherwise, it is agreed and understood that neither Party hereto is, by this Agreement or anything herein contained, constituted or appointed agent or representative of the other for any purpose whatsoever, nor shall anything in this Agreement be deemed or construed as granting either Party any right or authority to assume or to create any obligation, warranty or responsibility, express or implied, for or in behalf of the other.

33. Compliance with Laws. In performance of the Services, Contractor will comply with applicable regulatory requirements including federal, state, special district, and local laws, rules, regulations, orders, codes, criteria and standards, and shall obtain all permits and licenses necessary to perform the Services under this Agreement at CONSULTANT's own expense.

34. Entire Agreement. Both Parties acknowledge that they have read this Agreement, understand it, and agree to be bound by its terms and further agree that it is the entire Agreement between the Parties which supersedes all prior agreements, written or oral, relating to the subject matter hereof. No modification or waiver of any provision shall be binding unless in writing signed by the Party against whom such modification or waiver is sought to be enforced.

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, execute this Agreement to be effective as of the date set forth above.

CITY OF FREEPORT, TEXAS	BOTTOM DOLLAR CARPET
Name:	Name:
Title:	Title:



City Council Agenda Item #[3.H]

Title: Consideration and possible action to approve Resolution No. 2025-3004 to Authorize approval of Individual Project Order (IPO) 2025-03 with Kimley-Horn and Associates, Inc.

Date: December 1, 2025

From: Dan Pennington, Interim City Manager

Staff Recommendation: Authorize approval of Individual Project Order (IPO) 2025-03 with Kimley-Horn and Associates, Inc. to perform a Multi-Way Stop Control Analysis at the intersection of W. 4th Street and Pecan Street.

Item Summary: City staff is requesting council authorization for Kimley-Horn to conduct a traffic engineering analysis to determine whether the intersection of W. 4th St. and Pecan St. warrants a multi-way stop installation under the Texas Manual on Uniform Traffic Control Devices (TMUTCD). This work includes traffic counts, full warrant evaluation, and preparation of a technical memorandum documenting findings and recommendations. The proposal is a lump-sum amount of \$7,000.

Background Information: Residents and staff have raised safety concerns regarding traffic volume, turning movements, and driver behavior at the intersection of W. 4th St. and Pecan St. To ensure that any future traffic control decision complies with state standards, the City's continuing services traffic engineer, Kimley-Horn, has prepared IPO 2025-03.

The consultant will conduct 16-hour turning-movement counts during a typical weekday, evaluate the intersection under current (not future) conditions, and apply TMUTCD criteria for multi-way stop control. A preliminary memo will be provided to staff for review prior to finalization.

Special Considerations:

- The study is limited only to existing conditions; projected/future traffic scenarios are not included in this task.
- One round of comments from the City is included in the fee.
- Any additional services not listed in the IPO will be billed separately.
- The project schedule will be mutually coordinated between the City and the consultant.
- The work is issued under the Master Agreement for Continuing Professional Services dated February 15, 2024



Financial Impact:

- Total Cost: \$7,000 (lump-sum)
- Reimbursable direct expenses, if incurred, will be billed at 1.15x cost, and administrative time will be billed hourly as noted in the proposal.
- Funding will come from the appropriate traffic engineering or street operations budget.

Board or 3rd Party Recommendation: Not applicable.

Supporting Documentation:

1. RESOLUTION TRAFFIC STUDY 2025 DUNCAN
2. Kimley-Horn IPO 2025-06 W 4th St & Pecan St Multi-Way Stop Analysis

RESOLUTION NO. 2025-3004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH KIMLEY HORN AND ASSOCIATES TO PROVIDE TO PROVIDE A MULTI-WAY STOP CONTROL ANALYSIS AT THE INTERSECTION OF FOURTH STREET AND PECAN STREET.

WHEREAS, a member of the public has brought to the attention of council that there may be a dangerous traffic condition at the intersection of Fourth Street and Pecan Street; and

WHEREAS, the above-referenced intersection is within the jurisdictional limits of the City of Freeport; and

WHEREAS, best practices requires a professional analysis of the traffic condition prior to making any recommendations to council; and

WHEREAS, state law requires a qualified traffic analysis prior to making changes to regulate intersections and traffic conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

The City Council specifically finds that the factual statements contained in the preamble above are true and correct.

The City Manager is hereby authorized to execute, on behalf of the City of Freeport, Texas, an Agreement with Kimley Horn and Associates to provide a Multi-Way Stop Control Analysis at the intersection of Fourth Street and Pecan Street within the jurisdictional limits of the City of Freeport

This resolution was heard and considered by the Freeport City Council in open session and in accordance with the Texas Open Meetings Act.

READ, PASSED, AND ADOPTED THIS ____ DAY OF DECEMBER, 2025.

Jerry Cain, Mayor

ATTEST:

Approved as to form:

Clarisa Fernandez, City Clerk,
City of Freeport, Texas

Christopher Duncan, City Attorney
City of Freeport, Texas

INDIVIDUAL PROJECT ORDER NUMBER 2025-03

Describing a specific agreement between Kimley-Horn and Associates, Inc. (the Consultant or Kimley-Horn), and the City of Freeport, Texas (the Client) in accordance with the terms of the Master Agreement for Continuing Professional Services dated **February 15, 2024**, which is incorporated herein by reference.

Identification of Project: Perform a Multi-Way Stop Control Analysis for the intersection of W 4th St at Pecan St. in Freeport, Texas.

Specific scope of basic Services: The objective of this project is to evaluate the intersection of W 4th St at Pecan St. for consideration of multi-way stop-control (MWSC) in accordance with guidance in the latest edition of the Texas Manual on Uniform Traffic Control Devices (TMUTCD).

Task 1: Multi-Way Stop Control Analysis & Memo

The Consultant will complete an analysis of the intersection of W 4th St at Pecan St. to evaluate the need for MWSC. 16-hour turning movement counts at the study intersection for a typical weekday will be collected using a subconsultant. MWSC analysis will be performed using the collected data. Evaluation for MWSC for future/projected conditions is not included as part of this task. The Consultant will perform MSWC analysis in accordance with guidance in the latest edition of the TMUTCD. The results of the analysis will be documented in a technical memo. A preliminary version of this technical memo will be submitted to the Client for review. The Consultant will address one round of appropriate Client comments prior to resubmittal to the Client.

Additional Services if required: Any services not specifically provided for in the above scope will be billed as additional services and performed at our then current hourly rates.

Schedule: The Consultant will work with the Client to develop a mutually acceptable project schedule.

Deliverables: The Consultant will submit the results of the analysis in a technical memorandum format.

Terms of compensation: The Consultant will perform the Services in Task 1 on lump sum basis.

Task 1: Multi-Way Stop Control Analysis & Memo	\$7,000	Lump Sum
Total:	\$7,000	Lump Sum

Lump sum fees will be invoiced monthly based upon the overall percentage of services performed. Payment will be due within 25 days of your receipt of the invoice and should include the invoice number and Kimley-Horn project number.

Direct reimbursable expenses such as express delivery services, fees, air travel, and other direct expenses will be billed at 1.15 times cost. A percentage of labor fee will be added to each invoice to cover certain other expenses such as telecommunications, in-house reproduction, postage, supplies, project related computer time, and local mileage. Administrative time related to the project will be billed hourly. All permitting, application, and similar project fees will be paid directly by the Client.

Other special terms of Individual Project Order: None.

ACCEPTED:
CITY OF FREEPORT, TEXAS

KIMLEY-HORN AND ASSOCIATES, INC.



BY: _____

BY: Stephen Kelly, P.E.

TITLE: _____

TITLE: Associate

DATE: _____

DATE: 11/19/2025



City Council Agenda Item #[3.I]

Title: Consideration and possible action approving Resolution No. 2025-3005 to allow assignment of a tax abatement agreement.

Date: December 1, 2025

From: Christopher Duncan

Staff Recommendation: I recommend that the City pass the resolution to allow assignment of the tax abatement agreement.

Item Summary: Assignment of Tax Abatement Agreement requested by new sub-landlord of the Volkswagen operation.

Background Information: Pursuant to approval by City Council, the City of Freeport signed a seven (7) year Tax Abatement Agreement with PRP KDC Freeport Development LLC. The seven (7) year abatement period began approximately June, 2024.

Port Freeport is the Landlord. PRP is the former Tenant and sub-landlord over Volkswagen. Volkswagen was the sub-tenant of PRP. Woodbranch owns TIC I, II, and III. They bought the interest from PRP, and now TIC is the sub-landlord in place of PRP. Woodbranch has acquired the interest held by PRP, and now requests the Tax Abatement Agreement be assigned to TIC, I, II, and III, (basically its subsidiary).

Despite some complicated maneuvers by these large companies the fundamentals remain the same: Volkswagen is the ultimate tenant and continues to operate as anticipated by the Tax Abatement Agreement.

Under paragraph 5(g), the PRP agreed that they need city permission to assign the agreement to another entity. Freeport agreed that it would not unreasonably withhold permission to assign. Further, Freeport agreed that assignment could be made without permission as long as the Tenant remained in possession of the property and responsible for paying taxes as a term of their lease.

Brazoria County has already approved the assignment of their tax abatement agreement in this matter.

Special Considerations: N/A

Financial Impact: N/A

Board or 3rd Party Recommendation: N/A



Supporting Documentation:

1. RESOLUTION TAX ABATEMENT 2025 DUNCAN

RESOLUTION NO. 2025-3005

A RESOLUTION OF THE CITY COUNCIL OF FREEPORT, TEXAS CONSENTING TO ASSIGNMENT OF THE TAX ABATEMENT AGREEMENT FROM PRP KDC FREEPORT DEVELOPMENT LLC, TO TIC I, TIC II, AND TIC III CURRENT OWNERS OF THE LEASEHOLD INTERESTS IN THE DEVELOPED PROPERTY.

WHEREAS, on July 18, 2022 the City of Freeport READ, PASSED AND ADOPTED Ordinance 2022-2667 authorizing the mayor to execute a Tax Abatement Agreement and granting ad valorem taxes according to the terms of the agreement to PRP KDC Freeport Development, LLC; and

WHEREAS, TIC I, TIC II, and TIC III, are current owners of the leasehold interests in the developed property and successors to in interest to PRP KDC Freeport Development, LLC; and

WHEREAS, Woodbranch Manager LLC, sole manager of TIC I, TIC II, and TIC III has requested that the City consent to assignment of the tax abatement benefit held by PRP KDC Freeport Development, LLC to TIC I, TIC II, and TIC III; and

WHEREAS, in the original Tax Abatement Agreement agreed to consent to assignment of said tax abatement benefit under certain conditions and such assignment would not be unreasonably withheld; and

WHEREAS, assignment of the tax abatement benefit is within the terms of the Tax Abatement Agreement.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, THAT:

Section 1. That the facts and recitations set forth in the preamble of this resolution be, and they are hereby, adopted, ratified, and confirmed.

Section 2. The City Council approves the requested assignment of tax abatement benefit under the Tax Abatement Agreement, to TIC I, TIC II, and TIC III.

Section 3. The mayor is authorized to sign any documents required to execute said assignment of tax abatement benefit.

Section 4. Notice of the agenda and conduct of this city council meeting were made in compliance with state law, including the Texas Open Meetings Act.

PASSED, ADOPTED AND APPROVED this ____ day of _____, 2025.

Jerry Cain, Mayor
City of Freeport, Texas

ATTEST:

APPROVED AS TO FORM:

Clarisa Fernandez, City Secretary
City of Freeport, Texas

Christopher Duncan, City Attorney
City of Freeport, Texas



City Council Agenda Item #[3.J]

Title: Discuss and take possible action to amend Resolution 2022-2672, Section 9. [Ordinance No. 2025-2742]

Date: December 1, 2025

From: Councilman Pena

Staff Recommendation: N/A

Item Summary: Council seeks to discuss and take action on specific “agenda related sections” that have hamstrung the Council and public from speaking — specifically **Section 9** of Resolution 2022-2672, which restricts the reintroduction of agenda items previously defeated or left without action.

Background Information: With the recent findings at the Pena Agenda Trial, it was revealed that the City of Freeport has been conducting agenda and Council procedures in violation of City ordinances and state laws. Section 9, as currently written, has been identified as a key barrier to effective governance, limiting the Council’s ability to revisit and correct issues in a timely manner. The proposed amendment would provide greater flexibility, transparency, and responsiveness in addressing city business.

Special Considerations: The transcript from the trial can be obtained from the County upon request to help detail the illegal activities and procedural inconsistencies as they relate to agenda and Council meetings that have been performed by City management and Council.

Financial Impact: The financial impact of this matter is in the **millions of dollars**, as the restrictions directly affect the time-sensitive nature of contracts, City operations, and liabilities to the general public.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. copier@freeport.tx.us_20251106_102000 (1)

ORDINANCE NO. 2025- 2742

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, AMENDING ORDINANCE 2022-2672 ESTABLISHING SPECIFIC PROCEDURES AND DEADLINES FOR ITEMS TO BE PLACED ON THE CITY COUNCIL AGENDA; CONTAINING A SEVERANCE CLAUSE, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY UPON SUCCESSFUL PASSAGE AND EXECUTION BY THE MAYOR AND CITY SECRETARY.

WHEREAS, the City Council desires to ensure equal access by each Council member to bring items for consideration to the City Council as a whole; and

WHEREAS, the City Council recognizes that City staff must gather information, draft proposed resolutions and ordinances, and organize documents for each agenda item, and adequate time should be provided for City staff to perform those functions; and

WHEREAS, the City Council seeks to amend and modify Ordinance 2022-2672; and

WHEREAS, the City Council of the City of Freeport, Texas, has determined and does here now declare that the adoption of this ordinance is necessary to the fair and orderly administration of its constitutional and statutory powers as a home-rule municipality.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

FIRST, the City Council specifically finds that all items contained in the preamble above are true and correct.

SECOND, Ordinance is amended so that all agenda items shall be placed on the agenda of a regular or special Council meeting upon the request of the Mayor or a single council member and said ordinance shall read as follows:

"The City Council adopts the following rules, procedures and deadlines for items requested by the Mayor or Council member to be placed on a City Council Agenda:

1. Any request made by the Mayor or a single (1) Council member for an item to be placed on the agenda of a REGULAR Council meeting must be made in writing, to the City Manager, on or before noon (12:00 p.m.) on the Tuesday prior to the meeting.
2. Any request made by the Mayor or a single (1) Council member for an item to be placed on the agenda of a SPECIAL Council meeting must be made in writing, to the City Manager, at least ninety-six (96) hours prior to the meeting.
3. Any request made by the Mayor or a single (1) member under Section 1 or 2 above must be submitted with supporting documentation, including a completed agenda memo form that includes sufficient information for Council to clearly understand the issue to be discussed; and, if

the item is being placed on a City Council agenda for action, the recommendation of the Mayor or council member making the request. Individual Council members are limited to add (4) number of items to any single City Council agenda.

4. The City Manager shall place the requested item on the agenda as requested within the timeframe above.

5. The City Manager shall place the requested item in open session or executive session as requested and shall use the exact language as requested.

6. The City Manager and City staff shall contact the requesting Council member should they have any questions or require more information to prepare the necessary documents for the item prior to the posting deadline.

7. The City Manager shall be responsible to have all necessary resolutions, ordinances, supporting documentation prepared and in the City Council packets delivered to Council members on the day the agenda is posted, and, if the City Manager chooses, the City Manager may prepare a Council memorandum with a recommendation regarding the requested action.

8. The Council may table any agenda item upon motion and majority vote during the open session of the Council meeting of which the item is on the agenda.

9. If an item is placed on a City Council agenda for action and such item is defeated by vote or inaction, that item may not be reintroduced on a future City Council agenda for (3) months unless requested by the Mayor or another single Council member who did not sponsor the original agenda item.

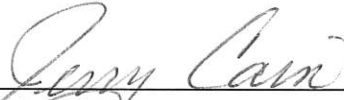
10. Any items discussed during a council member's workshop presentation, other than general announcements, shall be requested in compliance with this Ordinance.

THIRD, in the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

FOURTH, this ordinance shall take effect immediately upon its passage and execution by the Mayor and the City Secretary.

FIFTH, the City Council specifically finds and determines that the meeting at which this ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

READ, PASSED, AND ADOPTED this 18th day of August, 2025.



Jerry Cain, Mayor

ATTEST:



Clarrisa Fernandez, Secretary

APPROVED AS TO FORM ONLY:



Christopher Duncan, City Attorney



City Council Agenda Item #[3.K]

Title: Discuss and take possible action to amend Resolution 2022-2672, Section 3. [Ordinance No. 2025-2742]

Date: December 1, 2025

From: Councilman Pena

Staff Recommendation: N/A

Item Summary: Council seeks to discuss and take action on specific “agenda related sections” that have hamstrung the Council and public from speaking — specifically **Section 3** of Resolution 2022-2672, regarding the timing of memo and supporting document submissions.

Background Information: With the recent findings at the Pena Agenda Trial, it was revealed that the City of Freeport has been conducting agenda and Council procedures in violation of City ordinances and state laws. Section 3 has been identified as unnecessarily restrictive, often preventing full and transparent presentation of agenda items. The proposed amendment would allow supporting memos and documents to be submitted **prior to the posting deadline**, ensuring completeness and compliance without obstructing the submission of valid agenda requests.

Special Considerations: The transcript from the trial can be obtained from the County upon request to help detail the illegal activities and procedural inconsistencies as they relate to agenda and Council meetings that have been performed by City management and Council.

Financial Impact: The financial impact of this matter is in the **millions of dollars**, as the existing restrictions directly affect the timeliness and accuracy of City operations, contracts, and public transparency.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. copier@freeport.tx.us_20251106_102000 (1)

ORDINANCE NO. 2025- 2742

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, AMENDING ORDINANCE 2022-2672 ESTABLISHING SPECIFIC PROCEDURES AND DEADLINES FOR ITEMS TO BE PLACED ON THE CITY COUNCIL AGENDA; CONTAINING A SEVERANCE CLAUSE, AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT IMMEDIATELY UPON SUCCESSFUL PASSAGE AND EXECUTION BY THE MAYOR AND CITY SECRETARY.

WHEREAS, the City Council desires to ensure equal access by each Council member to bring items for consideration to the City Council as a whole; and

WHEREAS, the City Council recognizes that City staff must gather information, draft proposed resolutions and ordinances, and organize documents for each agenda item, and adequate time should be provided for City staff to perform those functions; and

WHEREAS, the City Council seeks to amend and modify Ordinance 2022-2672; and

WHEREAS, the City Council of the City of Freeport, Texas, has determined and does here now declare that the adoption of this ordinance is necessary to the fair and orderly administration of its constitutional and statutory powers as a home-rule municipality.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

FIRST, the City Council specifically finds that all items contained in the preamble above are true and correct.

SECOND, Ordinance is amended so that all agenda items shall be placed on the agenda of a regular or special Council meeting upon the request of the Mayor or a single council member and said ordinance shall read as follows:

"The City Council adopts the following rules, procedures and deadlines for items requested by the Mayor or Council member to be placed on a City Council Agenda:

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2. Any request made by the Mayor or a single (1) Council member for an item to be placed on the agenda of a SPECIAL Council meeting must be made in writing, to the City Manager, at least ninety-six (96) hours prior to the meeting.
3. Any request made by the Mayor or a single (1) member under Section 1 or 2 above must be submitted with supporting documentation, including a completed agenda memo form that includes sufficient information for Council to clearly understand the issue to be discussed; and, if

the item is being placed on a City Council agenda for action, the recommendation of the Mayor or council member making the request. Individual Council members are limited to add (4) number of items to any single City Council agenda.

4. The City Manager shall place the requested item on the agenda as requested within the timeframe above.

5. The City Manager shall place the requested item in open session or executive session as requested and shall use the exact language as requested.

6. The City Manager and City staff shall contact the requesting Council member should they have any questions or require more information to prepare the necessary documents for the item prior to the posting deadline.

7. The City Manager shall be responsible to have all necessary resolutions, ordinances, supporting documentation prepared and in the City Council packets delivered to Council members on the day the agenda is posted, and, if the City Manager chooses, the City Manager may prepare a Council memorandum with a recommendation regarding the requested action.

8. The Council may table any agenda item upon motion and majority vote during the open session of the Council meeting of which the item is on the agenda.

9. If an item is placed on a City Council agenda for action and such item is defeated by vote or inaction, that item may not be reintroduced on a future City Council agenda for (3) months unless requested by the Mayor or another single Council member who did not sponsor the original agenda item.

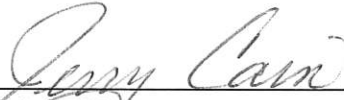
10. Any items discussed during a council member's workshop presentation, other than general announcements, shall be requested in compliance with this Ordinance.

THIRD, in the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

FOURTH, this ordinance shall take effect immediately upon its passage and execution by the Mayor and the City Secretary.

FIFTH, the City Council specifically finds and determines that the meeting at which this ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

READ, PASSED, AND ADOPTED this 18th day of August, 2025.



Jerry Cain, Mayor

ATTEST:



Clarrisa Fernandez, Secretary

APPROVED AS TO FORM ONLY:



Christopher Duncan, City Attorney



City Council Agenda Item #[3.L]

Title: Discuss and take possible action to designate City Representation for Industrial District Agreement negotiations.

Date: December 1, 2025

From: Councilman Pena

Staff Recommendation: N/A

Item Summary: Council seeks to discuss and take possible action to designate City Representation for Industrial District Agreement negotiations. This action is intended to ensure that the City of Freeport is properly represented in discussions that have direct and long-term financial implications for the City.

Background Information: Industrial District Agreements (IDAs) are essential components of the City's economic foundation and have a direct impact on revenue, industrial partnerships, and community development. To ensure transparency and effective negotiation, Council aims to formally designate appropriate City Representation to include the City Manager, City Attorney, and two City Council Members to be selected by Council.

The designation of these representatives ensures that negotiations are conducted with both administrative and legal oversight, while maintaining Council accountability and public confidence.

Special Considerations: Proper Representation is vital to maintaining the City's interests and ensuring that all negotiations are conducted ethically, transparently, and strategically. Council's involvement will ensure direct oversight and prevent unilateral decision-making that could expose the City to unnecessary risks or unfavorable terms.

Financial Impact: Industrial District Agreements significantly affect City revenue streams and future financial planning. Strong Representation will safeguard Freeport's fiscal interests, ensuring fair and advantageous agreements for the City and its residents.

Board or 3rd Party Recommendation: N/A

Supporting Documentation:

1. copier@freeport.tx.us_20251113_150502

Industrial District Agreement Between

NALCO COMPANY
and

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are Nalco 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 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 Nalco 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 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:	Nalco Company Attn: Tax Dept. 370 Wabash Street North St. Paul, MN 55102	City:	City of Freeport C/O CITY Manager 200 West Second 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

By [Signature]

Title CITY MANAGER

Attest: [Signature]

Title: FINANCE DIRECTOR

Nalco Company

By [Signature]

Title Plant Manager

Attest: _____

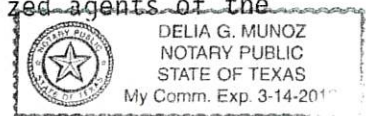
Title: _____

This instrument was acknowledged before me on the 24th day of January, 2013, by Jeff Pynes and Bob Welch representatives and authorized agents of the City of Freeport, Texas

The State of Texas

County of Brazoria

[Signature]
Notary Public in and for
the State of Texas



This instrument was acknowledged before me on the 17 day of January ~~2012~~ ²⁰¹³ by Chris Boyd a representative and authorized signature agent of the company Nalco



[Signature]

Notary Public, State of Texas

CITY OF FREEPORT

NALCO CHEMICAL COMPANY TRACT
SEPTEMBER 16, 2002

A 137.2603 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 = 0.9998431) as follows:

BEGINNING at the position $x = 3,168,966.65$ and $y = 427,735.58$ which is the point of intersection of the north line of County Road 229 with the easterly line of Texas Farm to Market Road 1495;

THENCE Azimuth $135^{\circ} 13' 58.5''$ along and with said FM 1495 right-of-way a distance of 1,116.82 feet to the point of curve (P.C.) at the position $x = 3,168,180.24$ and $y = 428,528.41$;

THENCE with said R.O.W. along and with a curve to the right and northerly a distance on curve of 872.25 feet to the point of tangency at the position $x = 3167804.45$ and $y = 429298.26$, said curve having a radius of 1332.97 feet, and a central angle of $37^{\circ} 29$ minutes 32.8 seconds;

THENCE Azimuth $172^{\circ} 43$ minutes 31.3 seconds continuing along said R.O.W. a distance of 294.52 feet to a point of curve at the position $x = 3167767.16$ and $y = 429590.38$;

THENCE continuing with said R.O.W. along a curve to the left and northwesterly a distance on curve of 866.55 feet to the point of tangency at the position $x = 3167426.68$ and $y = 430374.66$, said curve having a radius of 1535.55 feet and a central angle of $32^{\circ} 20$ minutes 00.2 seconds;

THENCE Azimuth $140^{\circ} 23$ minutes 31 seconds along said F.M. 1495 R.O.W. a distance of 102.88 feet to the position $x = 3167361.10$ and $y = 430453.91$ for the northwesterly corner of this parcel;

THENCE Azimuth $231^{\circ} 32$ minutes 06 seconds a distance of 272.12 feet to the position $x = 3167574.12$ and $y = 430623.14$ for the most north corner;

THENCE Azimuth $291^{\circ} 00$ minutes 09 seconds a distance of 486.48 feet to the position $x = 3168028.23$ and $y = 430448.80$;

THENCE Azimuth $297^{\circ} 39$ minutes 13 seconds a distance of 300.64 feet to the position $x = 3168294.50$ and $y = 430309.28$;

THENCE Azimuth $304^{\circ} 23$ minutes 31 seconds a distance of 246.59 feet to the position $x = 3168497.96$ and $y = 430170.01$;

THENCE Azimuth $307^{\circ} 19$ minutes 36 seconds at 2,278.023 feet pass the position $x = 3,170,309.21$ and $y = 428,788.87$ which is the point of intersection with a south line of the Maurice Henry ¼ League and the north line of the Alexander Calvit Labor No. 12, at 3,326.33 feet pass the position $x = 3,171,142.73$ and $y = 428,153.29$, the point of intersection with the east line of Labor No. 12 and an interior west line of the Maurice Henry ¼ League, continuing Azimuth $307^{\circ} 19' 36''$ in all a distance of 4,946.868 feet to the position $x = 3,172,431.22$ and $y = 427,170.78$ for the northern most east corner of said tract of land herein described;

THENCE Azimuth $33^{\circ} 27' 16''$, 80.00 feet to the position $x = 3,172,387.13$ and $y = 727,104.04$;

THENCE Azimuth $307^{\circ} 19' 36''$, 225.00 feet to the position $x = 3,172,566.03$ and $y = 426,967.63$ for the eastern most corner of said tract of land;

Thence Azimuth $213^{\circ}27'16''$, 212.465 feet to the position $x = 3,172,448.92$ and $y = 426,790.38$ to an intersection with the northeast ROW line of said County Road (CR) # 229, said point of intersection being on a curve having a radius of curvature of 1,353.43 feet;

THENCE along said CR #229 northeast line in a northwesterly direction around said curve to the right an arc distance of 649.75 feet to the point of curve at the position $x = 3,171,843.13$ and $y = 427,007.30$;

THENCE Azimuth $123^{\circ}27'06''$, 706.74 feet to the position $x = 3,171,253.53$ and $y = 427,396.83$, the point of tangency at Station $119 + 26.4$ of said CR #229 for corner;

THENCE continuing with said 229 ROW line, in a northeasterly direction around said curve to the left, said curve having a radius of 1,983.13 feet, at an arc distance of 96.68 feet pass the position $x = 3,171,171.61$ and $y = 427,448.13$, a point on curve, the point of intersection of said ROW line with the east liner of Labor No. 12 and an interior west line of the Maurice Henry $\frac{1}{4}$ League, continuing with said ROW line and curve, in all a distance of 1,141.024 feet to the position $x = 3,170,177.31$ and $y = 427,725.27$, and the point of curve of said curve for corner;

THENCE continuing with said CR #229 ROW line in a westerly direction, Azimuth $90^{\circ}29'17''$, at 39.183 feet pass position $x = 3,170,138.13$ and $y = 427,725.60$, and the point of intersection of said ROW line with the common line between Tracts No. 1 & 2 in said Alexander Calvit Labor No. 12, at 64.183 feet pass the center line of ROW (50.00 feet in width) of the Union Pacific Railroad (Missouri Pacific) Company "Nalco Spur", at 1,062.138 feet pass the west line of said Labor no. 12, a distance in all of 1,210.848 feet to the position $x = 3,168,966.65$ and $y = 427,735.58$ and the PLACE OF BEGINNING containing 137.2603 acres of land, more or less, including the aforesaid rights-of-way in favor of the Union Pacific Railroad (Missouri Pacific) Company, and this description is subject to said rights-of-way.

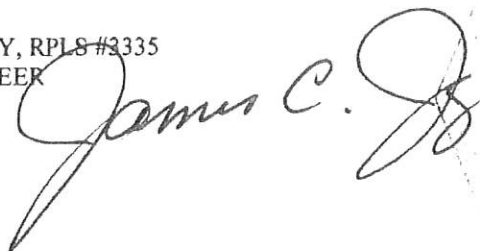
The following described tract of land is excepted and reserved from the 137.2603 acre tract of land described first above, a strip of land fifty (50') feet in width, twenty-five (25.00') feet on each side of the following described center line:

BEGINNING at the position $x = 3,169,873.89$ and $y = 427,727.85$, a point-on-curve in the center line of this easement, and the point of intersection of same with the south boundary line of the Nalco tract 2, 25.000 acres, in the Alexander Calvit Labor No. 12, Abstract No. 50, Brazoria County, Texas, from which the southwest corner of said 25.000 acres bears Azimuth $90^{\circ}29'17''$ a distance of 120.772 feet;

THENCE, with said center line along a curve to the right, said curve having a central angle of $45^{\circ}03'49''.5$, a radius of 480.043 feet, and its radius point fixed at the position $x = 3,170,246.18$ and $y = 428,030.82$, in all an arc distance of 308.268 feet to the position $x = 3,169,766.59$ and $y = 428,011.18$ and the point of tangency of said curve, which point is situated at 25.000 feet, measured at right angles, from the west boundary line of said Nalco Tract 2;

THENCE, at 25.000 feet from and parallel to the west boundary line of said Nalco Tract 2, Azimuth $177^{\circ}39'18''$, pass the north line of the Alexander Calvit Labor No. 12 and a south line of the Maurice Henry $\frac{1}{4}$ League, Abstract No. 74, pass the common line between Tracts No. 1 and 2 in said $\frac{1}{4}$ League, pass the center line of the Houston Lighting & Power Company's power line easement, and in all a distance of 1231.025 feet to the position $x = 3,169,716.23$ and $y = 429,241.04$, which is the point of intersection of said center line with the north boundary of said Nalco Tract 2, and the terminus of this easement, from which the north corner of said Nalco Tract 2 bears Azimuth $127^{\circ}19'36''$ a distance of 32.480 feet.

Prepared By: JAMES C. JOY, RPLS #3335
CITY ENGINEER



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

By [Signature]

Title CITY MANAGER

Attest: Bona Wilh

Title: FINANCE DIRECTOR

Chemical Specialties, Inc.

By [Signature]

Title PCT. mgr

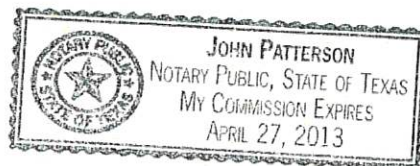
Attest: _____

Title: _____

The State of Texas

County of Brazoria

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



[Signature]
Notary Public, State of Texas

Melissa Farmer for Jeff Pynes



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 ($f=0.9998847777$), 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 $46^{\circ} 52' 41''$ 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
2015 # 373
JAMES C. JOY

Industrial District Agreement Between

**DSM NUTRITIONAL PRODUCTS, LLC
and**

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The Parties to this agreement are DSM Nutritional Products, LLC, a Delaware Limited Liability 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 DSM Nutritional Products, 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:

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:

^{LLP}
DMS Nutritional Products, Inc.
Attn: Tax Dept.
1000 C.R. 227A
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

DSM Notarizing Prostate LLC

By _____

By _____

Title _____

Title _____

Attest: _____

Attest: _____

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

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
By [Signature]
Title CITY MANAGER
Attest: BOB WELCH
Title: FINANCE DIRECTOR

GCMC
By [Signature]
Title CEO
Attest: Emeric Burin du Raziers
Title: _____

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the 31ST day of January, 2017 by [Signature] a representative and authorized signature agent of the company Gulf Chemical & Metallurgical Company



[Signature]
Notary Public, State of Texas

Melissa Farmer for Jeff Pyne.



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 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 $y = 426,904.89$ 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, 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, GILLY 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 the OFFICIAL RECORD at the time and date as stamped herein by me.



Gilly Bailey
County Clerk of Brazoria Co., TX

FILED FOR RECORD
94 MAY -3 PM 3:23

Gilly Bailey
COUNTY CLERK
BRAZORIA COUNTY, TEXAS

Exhibit "A"
Page 4 of 4 Pages

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 $\frac{1}{4}$ 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 $270^{\circ}29'32''$, 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 $32^{\circ}57'49''$, the long chord which bears Azimuth $286^{\circ}58'11''$ 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 $303^{\circ}27'06''$ 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 $201^{\circ}09'42''$ a distance of 297.05 feet to the position $x = 3,171,198.81$ and $y = 426,905.43$;

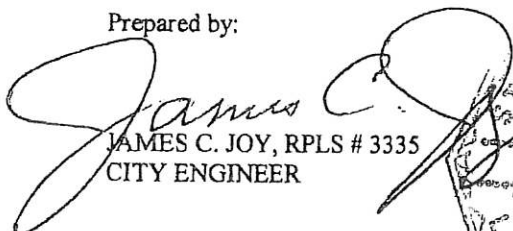
THENCE Azimuth $357^{\circ}39'18''$ a distance of 1,217.31 feet to the position $x = 3,171,243.64$ and $y = 425,689.08$ for the southeast corner of this tract, said corner being at the point of intersection with the northerly ROW line of a Private 70.0' wide roadway;

THENCE with said northerly ROW line, Azimuth $103^{\circ}52'41''$ 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 $177^{\circ}31'38''$ 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

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

By [Signature]

Title CITY MANAGER

Attest: Bob Wells

Title: FINANCE DIRECTOR

Phillips 66 Company

By [Signature]

Title Attorney in Fact

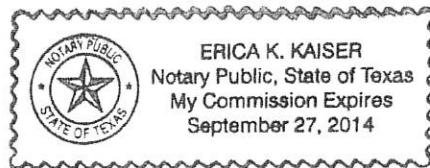
Attest: Erica K. Kaiser

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

Melissa Farmer for Jeff Pynes.

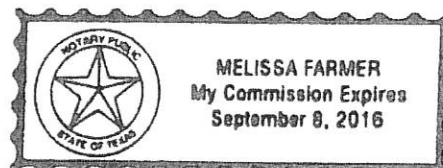


EXHIBIT A
TRACT 1

DESCRIPTION

A 150.56 acre tract of land located partially in the John G. McNeel Survey, A-335 and partially in the Stephen F. Austin Survey, A-28 in Brazoria County, Texas, and being comprised of tracts 8, 15 and 16 as described in a Deed of Liquidation from Phillips Oil Company to Phillips Petroleum Company, effective as of February 29, 1952, and recorded in Volume 533, Page 225 of the Deed Records of Brazoria County, and including also a 9.83 acre tract conveyed to Phillips Petroleum Company by Freeport Sulphur Company by deed dated March 31, 1952 and recorded in Volume 536, Page 399 of said deed records, said 150.56 acre tract being more particularly described as follows:

Beginning at a 4" x 4" concrete monument having Texas Plane Coordinate South Central Zone values of $X = 3,168\ 778.35$ ft. and $Y = 417\ 343.22$ ft. for the Northwest corner of the herein described tract, said monument being located S $47^{\circ}\ 24'\ 58''$ E 168.09 ft. and S $58^{\circ}\ 13'\ 38''$ W 2049.27 ft. from a 6 inch iron pipe filled with concrete set to mark the most westerly southwest corner of the S. F. Austin survey, A-28;

Thence N $58^{\circ}\ 13'\ 38''$ E, at 2049.27 feet pass the common line between the said McNeel and Austin Surveys and continue for a total distance of 2792.12 feet to the most westerly corner of the said 9.83 acre tract;

Thence N $15^{\circ}\ 13'$ E 936 feet more or less to a point on the southwesterly boundary of Freeport Harbor.

Thence southeasterly with the said Freeport Harbor boundary 3250 feet more or less to the most easterly corner of the herein above referred to tract 16;

Thence S $58^{\circ}\ 13'\ 02''$ W 1929 feet more or less to the most southerly corner of the said tract 16;

Thence N $31^{\circ}\ 46'\ 55''$ W at 280.0 feet the common corner to said tracts 8 and 16 and continue for a total distance of 609.8 feet to a point on the southwesterly line of tract 8, being also the most westerly southeast corner of said tract 15;

Thence S $72^{\circ}\ 48'\ 33''$ W 3134.95 feet to the most westerly southwest corner of the herein described tract and being also the most southerly corner of said tract 15;

Thence N $31^{\circ}\ 46'\ 25''$ W 680.72 feet to the place of beginning, containing 150.56 acres net, more or less, exclusive of that portion of the H. & B. V. Railroad and 60 ft. county road located within the herein described tract

NOTE: Bearings are on Lambert Grid South Central Zone, Texas with $\theta = + 1^{\circ}\ 48'\ 00''$.

EXHIBIT A
TRACT 2

35 AC
Old River area

DESCRIPTION

A tract of land in the S. F. Austin 1/3 League Grant, Abstract No. 28, Brazoria County, Texas bounded on the north and west by the southeasterly boundary of that certain 30.957 acre parcel described and platted by Baker & Lawson, Consulting Engineers, as required additional right-of-way for widening of the Freeport Harbor Channel, bounded on the southeast by the Wave Barrier R/W along the Intracoastal Waterway, bounded on the southwest by a line connecting said 30.957 acre parcel and said Wave Barrier R/W, the tract herein described beginning at a point on the curved boundary of said 30.957 acre tract; said point being 600.00 feet southwesterly along said curve from the northeastern terminum thereof and having coordinates of X = 3,176,449.43 feet and Y = 418,931.44 feet on the Texas Plane Coordinate System, South Central Zone;

Thence northeasterly along said curve to the left having a radius of 3039.34 feet and central angel of 11°18'39" for an arc length of 600.00 feet to the P.T. of said curve;

Thence along the southeasterly boundary of the said 30.957 acre parcel as follows: (1) N 21°05'04" E 569.94 feet, (2) N 35°35'38" E 758.32 feet, (3) N 66°19'49" E 759.84 feet and (4) N 81°24'55" E 392.05 feet to a point on the northwest boundary of the aforesaid Wave Barrier Right-of-Way and being 9.78 feet from the most northerly corner of said R/W;

Thence with the Wave Barrier Right-of-Way line as follows: (1) S 35°49'56" W 170.22 feet, (2) S 54°10'04" E 30.00 feet, and (3) S 35°49'56" W 2641.05 feet;

Thence N 56°32'50" W 453.13 feet to the point of beginning, containing 35.00 acres, more or less.

EXHIBIT A

TRACT 3

DESCRIPTION

182.63 acres of land, being a part of the Stephen F. Austin 7 1/3 League Grant, Abstract 20, and a part of the Stephen F. Austin Survey, Abstract No. 27, Brazoria County, Texas, and being more particularly described as follows:

BEGINNING at a car axle marking the most westerly corner of the herein described tract, said pipe is located SOUTH 67°59'23" EAST - 663.02 feet from a concrete monument located at the most easterly corner of Tract 18, Division 18 of the aforesaid Stephen F. Austin 7 1/3 League Grant, Tract 18, Division 18 also being described as a 265.0 acre tract in Volume 264, page 342, Deed Records of Brazoria County, Texas;

THENCE NORTH 86° 48' 09" EAST along the south right-of-way line of Houston Pipe Line Company and 75.0 feet south of the most southerly Brazos Oil and Gas Line a distance of 1727.70 feet to a car axle at angle point;

THENCE NORTH 83° 17' 41" EAST - 1115.36 feet to another angle point;

THENCE NORTH 87° 54' 37" EAST - 138.25 feet to a car axle set at another angle point;

THENCE NORTH 84° 28' 06" EAST - 71.82 feet to a point for corner on the westerly bank of Jones Creek;

THENCE in a southerly direction along the west bank of Jones Creek as follows:

SOUTH 01° 32' 07" WEST - 143.41 feet;

SOUTH 04° 44' 04" WEST - 500.1 feet;

SOUTH 20° 25' 30" EAST - 33.9 feet;

SOUTH 53° 05' 06" EAST - 508.97 feet;

SOUTH 66° 41' 06" EAST - 218.11 feet;

SOUTH 42° 23' 28" EAST - 422.96 feet to a concrete monument set on the west bank of Jones Creek in the common line between the Stephen F. Austin 7 1/3 League Grant and the Stephen F. Austin Survey, Abstract No. 27;

THENCE NORTH 57° 01' East along said Common League Line 192.4 feet to a point in the center of Jones Creek;

THENCE Southeasterly along the said center of Jones Creek, having a chord bearing S 26° 44' E 671.18 feet;

THENCE SOUTH 70° 58' 05" WEST at 147.84 feet, a car axle on the west bank of said Creek and continue for a total distance of 3593.34 feet to a car axle set for the most southwest corner of the herein described tract;

THENCE NORTH 19° 01' 55" WEST - 2968.08 feet to the PLACE OF BEGINNING and containing 182.63 acres of land.

EXHIBIT A
TRACT 4

DESCRIPTION

A 110.12 acre tract in the S.F. Austin 7 1/3 League Grant, A-20, and the S.F. Austin Prairie League A-27, Brazoria County, Texas, being out of a 8,849.53 acre tract conveyed by Warranty Deed from Johnson-Loggins Company to Seadock, Inc., dated November 18, 1974, recorded in Volume 1227, Page 307, Brazoria County Deed Records, said 110.12 acre tract being described more particularly as follows:

Beginning at a car axle set in concrete at the Southwester corner of a 182.63 acre tract conveyed by deed from Seadock, Inc. to Seaway Pipeline, Inc. dated December 15, 1975 and recorded in Volume 1272, Page 452, Brazoria County deed records, and shown on a Survey Map thereof by D.H. Adams dated December, 1974;

Thence South 19 deg. 01 min. 55 sec. E on a Southerly extension of the Westerly line of said 182.63 acre tract 1160 feet to a 1-1/2 inch galvanized iron pipe set in concrete, with an aluminum cap stamped "SW PL CO";

Thence North 70 deg. 58 min. 05 sec. E parallel with the Southerly line of said 182.63 acre tract, at 3964.90 feet pass a 1-1/2 inch galvanized iron pipe set in concrete, with an aluminum cap stamped "SE PL CO", in all 4249.03 feet to the centerline of Jones Creek, Being a point on the East line of Said Seadock, Inc. property;

Thence North 11 deg. 59 min. W with the centerline of Jones Creek and the East line of Said Seadock, Inc. Property 752.06 feet;

Thence North 88 deg. 44 min. W with the centerline of Jones Creek and the East line of said Seadock, Inc. Property 776.71 feet;

Thence North 26 deg. 44 min. W with the centerline of Jones Creek and the East line of said Seadock, Inc. Property 145.49 feet to the Southeast corner of said Seaway 182.63 acre tract;

Thence South 70 deg. 58 min. 05 sec. W with the South line of said 182.63 acre tract, 3593.34 feet to the point of beginning, containing 110.12 acres.

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

By

Title

Attest:

Title:

SI Group, Inc.

By

Title

Attest:

Title:

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

Melissa Farmer
for Jeff Pynes

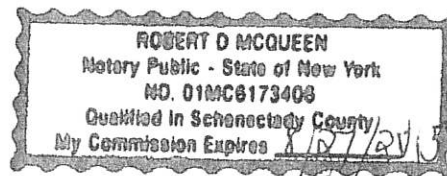


EXHIBIT "A"

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 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, 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 $357^{\circ} 24' 24.2''$ in all a distance of 3046.571 feet to the position $X = 3,170,099.05$ and $Y = 431,153.55$ for the south corner;

THENCE, azimuth $126^{\circ} 48' 45.93''$ in all a distance of 2237.155 feet to the position $X = 3,168,209.18$ 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 $8^{\circ} 21' 41.35''$ and a radius of 5639.58 feet, in all a distance of 623.015 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 $225^{\circ} 35' 59''$ 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

By [Signature]

Title CITY Manager

Attest: [Signature]

Title: FINANCE DIRECTOR

Shintech, Inc.

By [Signature]

Title SITE MGR

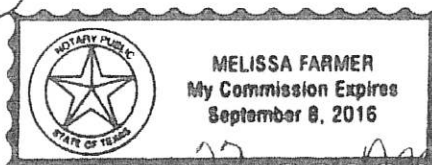
Attest: [Signature]

Title: Admin Assist

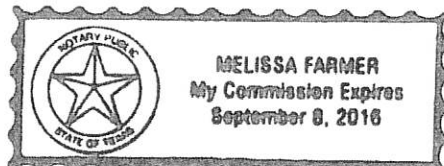
Melissa Farmer for Jeff Pynes

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 Jarmer

Notary Public, State of Texas

Shirley

EXHIBIT "A" -1

dated 11/8/73

Attached to and is a part of deed from
THE DON CHEMICAL COMPANY TO SHIRLEY INCORPORATED

16.72060 acres of land, of which 4.99910 acres are in Tract No. 4, 99910 acres are in Tract No. 50, 4.77850 acres are in Tract No. 1, 94106 acres are in Tract No. 52 and 0.00234 acre is in Tract No. 13 in the Brazos Coast Investment Company's Subdivision No. 13 in H. H. 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 $X = 3,163,915.19$ and $Y = 439,452.1$ 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 common line between Tracts Nos. 50 and 63, 49 and 64 and 49 and 51 in all a distance of 800.806 feet to the position $X = 3,163,4$ and $Y = 440,251.89$, which is the northwest corner of said Tract No. 49, for the northwest corner;

THENCE, with the common line between said Tract No. 49 and Tract No. 48, azimuth $266^{\circ} 49' 38.3''$ in all a distance of 720.551 feet 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 is also the east line of Tracts Nos. 49, 50, 51, 52 and 53, azimuth $357^{\circ} 09' 37.6''$, at approximately 206.66 feet begin certain improvements in said roadway, in all a distance of 1220.875 feet to 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 northeasterly 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 $Y = 439,452.1$ which is the point of beginning, locating and enclosing 16.72 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 Texas State Highway No. 332 and the eastern boundary to extend to the center of said 30-foot subdivision roadway.

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Attached to and made a part of the Deed from THE POW
CHEMICAL COMPANY to SHINTech, INCORPORATED dated the 12th
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 $x=3,163,809.67$ 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 $x=3,164,594.88$ 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 $86^{\circ} 49' 33.39''$ in all a distance of 50,001 feet pass the center line of right-of-way of herein above mentioned Shintech Lead tract, in all a distance of 720.551 feet to the position $x=3,165,875.12$ and $y=440,251.69$, which is the point of beginning, lineating and enclosing 24.99592 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 Ell 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 Ell 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 570.541 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 $757^{\circ} 09' 37''$ 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 $x=3,165,299.29$ and $y=441,233.74$, which is the common corner of Tracts No. 18, 19, 41 and 42 in said subdivision No. 14 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 $y=441,198.37$, 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 $y=441,500.63$, 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 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 ($f=.99988306$), 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

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x=3,161,639.81 and y=439,991.61, which is the common west corner of Tracts No. 37 and 38 marked with a concrete monument, for the northeast corner;

THENCE, with the common line between said Tracts No. 37 and 38, Azimuth $266^{\circ} 49' 53''$ on all a distance of 720.554 feet to the position x=3,161,559.17 and y=440,031.19, which is the point of beginning, lineating and enclosing 4.99913 acres of land.

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EXHIBIT "A"-3

Attached to and made a part of the Deed from THE DOW
CHEMICAL COMPANY to SUMMITT INCORPORATED dated the 3rd day
of January, 1972.

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=.99980308), 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 $x=3,164,594.89$ 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 $y=441,198.1$
which is the common west corner of said Tracts No. 41 and
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=.99980308), as follows:

BEGINNING at the point where $x = 3,165,374.14$ and $y = 439,729.68$, which is the common corner of Tracts No. 32, 34, 36, and 37 in said Subdivision No. 12, for the northwest corner

THENCE, with the common line between said Tracts No. 24 and 36, Azimuth $267^{\circ}09'37.76$ in all a distance of 202.21 feet to the position $x = 3,165,383.16$ 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 $86^{\circ}42'38.73$ in all a distance of 720.555 feet to the position $x = 3,164,664.79$ and $y = 439,187.85$, 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 $177^{\circ}09'37.76$ in all a distance of 202.218 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 northwest corner;

THENCE, with the common line between said Tracts No. 36 and 37, Azimuth $266^{\circ}49'38.73$ 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 3.344 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 situated 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° 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° 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° 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° 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° 50' 17.39" a distance
of 0.072 foot;

THENCE Azimuth 177° 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° 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° 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,

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;

EXHIBIT "A" 5 cont.

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

p 282

Industrial District Agreement Between

RHODIA, INC.
and

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

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.	City: City of Freeport
	Attn: Tax Dept.	C/O City Manager
	P.O. Box 7500	200 W. 2 nd Street
	Cranbury, New Jersey 08512-75	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. ***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

By Jeff Pynes

Title CITY MANAGER

Attest: Bob Will

Title: FINANCIAL DIRECTOR

Rhodia, Inc.

By [Signature]

Title PLANT MANAGER, RHODIA INC.

Attest: [Signature]

Title: HR Coordinator

The State of Texas

County of Brazoria

This instrument was acknowledged before me on the 8 day of January ~~2012~~ ²⁰¹³ by _____ a representative and authorized signature agent of the company _____

Notary Public, State of Texas

Melissa Farmer for Jeff Pynes



EXHIBIT "A"

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;

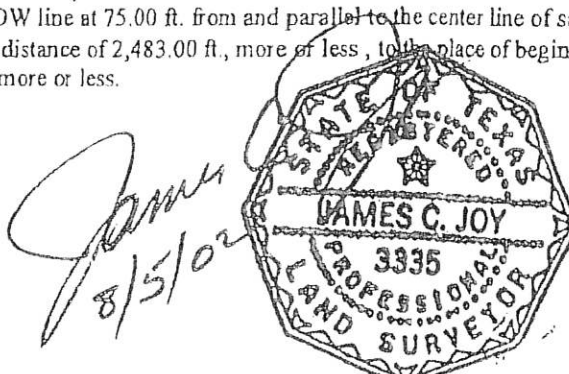
THENCE, Azimuth $277^{\circ} 09' 10.9''$, 1,175.369 ft. to a point of intersection with the east line of a 35.29716 acre tract described in Vol. 1191, Page 761, which was conveyed from The Dow Chemical Co. to RHODIA by deed of record in Brazoria County, Texas, said intersection point being at the position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



COPY

Industrial District Agreement Between

Vencorex US, Inc.

and

THE CITY OF FREEPORT, TEXAS

(Collectively referred to as the "Parties")

The parties to this agreement are Vencorex US, 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 Exhibits "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 describe in Exhibits "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 instrument contract 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 contract, and to treat such areas and additions thereto, if any, as a part of the Vencorex US, 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 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".

In consideration of the guarantee by the City of the continuation of the extraterritorial status of the area described in Exhibits "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, during the existence of this contract. The agreement for the annual payments shall be as follows:

1. The City shall retain the services of an industrial valuation engineer to set the value of each year for the assets identified within this agreement and Exhibit A within the Industrial District.
2. The minimum semi-annual IDA combined payment value shall not fall below the floor value of \$89,155.82, which is based on 2011 valuations at .55 per 100.
3. Payments will be calculated based upon the greater of the growth factor using the most recent Consumer Price Index – All Urban Consumers as compiled by the U.S. Bureau of Labor Statistics ("CPI-U") or value based formula (Industrial District assessed value) at .55 per 100 of valuation, as shown in the sample calculations attached hereto as Exhibit B.

4. 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.
5. Natural disaster or terrorist attack – in the event of a natural disaster (i.e., a hurricane) or other weather related incident or terrorist attack (as determined by the Department of Homeland Security or the Federal Bureau of Investigation) in which the Land Owner suffers major physical damage that results in values (including properties receiving tax abatements from Brazoria County) being negatively affected by 50% or more the following shall apply:
 - a. The first calendar year after a natural disaster (i.e., hurricane) or other weather related incident or terrorist attack affecting the plants, the payment to the City will drop to the baseline floor value if the value formula would result in a payment equal to or below the baseline payment.
 - b. The second and third calendar year payments may drop below the established baseline floor value and will be based on the Industrial District assessed value at .55 per \$100, including properties receiving tax abatements from Brazoria County.
 - c. The fourth calendar year, the payment amount will return to the pre-disaster payment annual value and the years to follow remaining in this agreement will be based on the terms of the agreement.

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, police and fire/EMS responses or police patrols. Provided, however, any of such services may be provided pursuant to a separate written agreement between the City and the Land Owner. Any use of such services outside a negotiated agreement will result in billing for service, time and equipment at industry standard rates.

As an additional consideration, the City agrees that, except for plats and the subdivision of land provided for in Chapter 212 of the Local Government Code, the City' 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.

In the event that a fine is assessed against any person, partnership, corporation or other entity operating a manufacturing plant or any other industry or business of any kind on any part of the Industrial District, or any addition thereto, is assessed a fine by a state or federal environmental agency for an environmental violation during the term of this Industrial District Agreement, the Land Owner shall pay to the City, within sixty (60) days after notice of such assessment is given by such agency, an administrative fee equal and commensurate to any fine assessed by such state or federal agency.

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 Exhibits "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 only 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.

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 Exhibits "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.

**V.
EFFECTIVE DATE AND TERM**

This agreement shall be effective as of January 1, 2013 and shall endure until December 31, 2017. 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, the Existing Industrial District Contract shall expire as listed. Each year's payments shall be based on the January 1st valuation for the previous calendar year and calculated as provided in Article II Paragraph 3 above.

**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: Vencorex US, Inc.
 6213 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 contract 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 contract 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 contract 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 as 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 Amendment as of the date set forth above.

The City of Freeport, Texas

Vencorex US, Inc.

By _____

By _____

Title _____

Title _____

Attest: _____

Attest: _____

Title: _____

Title: _____

EXHIBIT "A"

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 centerline 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
8/5/02



EXHIBIT B

II Consideration

3. Example of comparable calculations

Comparison 1: $\text{Current Value} / 100 \times .55 = \text{Comparison 1 Value}$

Example: $\$ 16,710,150.00 / 100 \times .55 = \$ 91,906.00$

Comparison 2: $\pm \text{difference between current value and previous year value} \times \text{CPIU} = \text{Change Value}$

$\text{Change value} + \text{initial floor value or most recent payment value} = \text{Comparison 2 Value}$

Example:	Previous year value	\$16,210,150.00			
	Current value	<u>\$16,710,150.00</u>			
	Difference	+ \$500,000.00	x	1% = \$5,000.00	
				(CPIU)	(change value)
	\$5,000.00	+ \$89,155.00			= \$94,155.00
	(change value)	(recent payment value)			(comparison value 2)

Example conclusion:

Comparison 1 value	\$ 91,906.00
Comparison 2 value	\$ 94,155.00

Example payment due: \$ 94,155.00

Execution Version 11-03-14

Industrial District Agreement Between
FREEPORT LNG DEVELOPMENT, L.P. AND OTHERS
and
THE CITY OF FREEPORT, TEXAS
and
THE CITY OF OYSTER CREEK, TEXAS
(Collectively referred to as the "Parties")

I. PREAMBLE

A. The parties to this agreement are as stated in this section:

(1) The term "Land Owner", "FLNG", or the "FLNG Companies" shall mean the following parties, jointly and severally:

a. FLNG Land II, LLC, a Delaware limited liability company, duly authorized and licensed to do business in the State of Texas;

b. Freeport LNG Development, L.P., a Delaware limited partnership, duly authorized and licensed to do business in the State of Texas;

c. FLNG Liquefaction, LLC, a Delaware limited liability company, duly authorized and licensed to do business in the State of Texas;

d. FLNG Liquefaction 2, LLC, a Delaware limited liability company, duly authorized and licensed to do business in the State of Texas; and

e. FLNG Liquefaction 3, LLC, a Delaware limited liability company, duly authorized and licensed to do business in the State of Texas.

(2) the City of Freeport (hereinafter "Freeport"), a Texas municipal corporation; and

(3) the City of Oyster Creek (hereinafter "Oyster Creek"), a Texas municipal corporation.

Jointly Freeport and Oyster Creek hereinafter will be referred to as the "Cities", and both entities are situated in Brazoria County, Texas ("the County").

B. Freeport and Oyster Creek each have extraterritorial jurisdiction contiguous to their respective corporate boundaries, and each City's extraterritorial jurisdiction overlaps the land (which land's metes and bounds description is provided in Exhibit "A") where FLNG plans an industrial development.

C. All parties to this agreement hereby agree to treat all of FLNG's land described in Exhibit "A" as within the extraterritorial jurisdiction of Freeport or Oyster Creek for purposes of this agreement, regardless whether any of that land is actually outside of both Cities' extraterritorial jurisdiction or is so described in Exhibit "A". However, regardless of any other provision, if any portion of the Property (as defined below) is for any reason now outside the extraterritorial jurisdictions of both Freeport and Oyster Creek, then the Cities' obligation to preserve the extraterritorial status of the Property shall not apply to that portion of the Property, but the Cities shall still be obligated to refrain from annexing any portion of the Property described in Exhibit "A". Regardless of any other provision, a City is not obligated to prevent annexation by an entity other than that City or its successors and assigns, of any portion of the Property in Exhibit "A;" provided, however, that this sentence shall not impair a City's obligation to maintain the extraterritorial status of property to the extent provided by this agreement.

D. The uncertainty presented to FLNG by the possibility of present or future annexation, attempted annexation, and extension of corporate boundaries of the Cities and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and its present or future amendments, hereinafter "the Act") has prompted FLNG to contract with the Cities for the establishment of this industrial district

agreement for such land in order to provide a stable environment for the industrial development of such land.

E. FLNG desires to contract with the Cities by way of this single instrument to guarantee to FLNG, and its successors and assigns, the continued extraterritorial jurisdiction status of the area described in Exhibit "A" ("the Property" or "the Industrial District"), while this agreement is in effect, subject to the terms of this agreement.

F. The Cities on one side and FLNG on the other 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.

G. NOW, THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth herein, FLNG and the Cities, by this agreement agree as follows:

II. GENERAL

A. **RECITALS.** Except for Subsection I.C above, which is an agreement between the Parties, 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.

B. **OPTION TO PURCHASE LAND.** At least one of the FLNG Companies has an option to purchase the Property described in Exhibit "A" hereto. If the FLNG Companies, or any of them, acquire ownership of any undivided interest in the fee title to the surface estate of land in Exhibit "A", then FLNG shall record each deed granting that title to any of the FLNG

Companies in the Official Records of Brazoria County, Texas, at the same time (or promptly after) such title is acquired and before the grantee in each such deed conveys any portion of that fee title to any of the land described in Exhibit "A" to any person other than another of the FLNG Companies, but this section does not apply to any lien or security interest (including any deed of trust) conveyed by FLNG with respect to the Property. FLNG shall promptly send each City a copy of each deed described in this subsection.

However, if the FLNG Companies do not acquire an aggregate of 100% of the undivided fee title to the surface estate of the Property described in Exhibit "A" hereto on or before March 1, 2015, then FLNG shall have the right, but not the obligation, to terminate this agreement by giving written notice of such termination to the Cities on or before March 1, 2015. FLNG's right to terminate this agreement upon the conditions in this paragraph shall expire if FLNG does not provide written notice of such termination to the Cities on or prior to March 1, 2015. If FLNG terminates this agreement under the conditions of this paragraph prior to March 1, 2015, it shall incur no obligation or liability to make any payments contemplated under this agreement, except the payments due upon signing this agreement.

C. TERMINATION FOR LACK OF FINANCING. This agreement shall be effective as of November 7, 2014, *provided that*, if FLNG has not yet closed on its non-recourse debt financing and related equity commitments for the development of two (2) natural gas pretreatment and liquefaction facilities (which is the primary planned industrial development underlying the need for this agreement) as of March 1, 2015, then FLNG shall have the right, but not the obligation, to terminate this agreement upon providing written notice to the Cities on or prior to March 1, 2015. FLNG's right to terminate this agreement upon the conditions in this

provided in Subsection II.D concerning rights and obligations running with the land and persons bound or benefitted.

III. CONSIDERATION

A. **NONANNEXATION.** In consideration of the payments to be made to the Cities by FLNG and the other terms of this agreement, all as set forth herein, the Cities agree with FLNG 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 subject to Subsection I.C of this agreement, 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. The term "additions thereto" in any part of this agreement shall mean any land not within the corporate limits of the Cities that is hereafter acquired by FLNG and added to the Industrial District and to Exhibit "A" by mutual consent of all parties to this agreement. No land subject to this agreement may be removed from this agreement without the mutual consent of all parties hereto. Any reference in this agreement to the "Property" or to "the Industrial District" shall also include any "additions thereto," as herein defined.

B. **PAYMENTS.** In consideration of the guarantee, subject to Subsection I.C of this agreement, by the Cities of the continuation while this agreement is in effect of the extraterritorial status of the area described in Exhibit "A", and additions thereto, if any, FLNG agrees jointly and severally to make payments without demand to Freeport and Oyster Creek on or before the following dates in the following amounts in U. S. dollars in Brazoria County, Texas:

Date	<u>Payment to Freeport</u>	<u>Payment to Oyster Creek</u>
------	----------------------------	--------------------------------

Upon signing	\$ 15,000*	\$ 15,000*
March 1, 2015	\$4,985,000	\$1,435,000
March 1, 2016	\$1,300,000	\$ 300,000
March 1, 2017	\$ 850,000	\$ 350,000
March 1, 2018	\$ 850,000	\$ 400,000
March 1, 2019	\$1,775,000	\$ 450,000
March 1, 2020	\$1,775,000	\$ 530,000
March 1, 2021	\$2,000,000	\$ 580,000
March 1, 2022	\$2,000,000	\$ 630,000
March 1, 2023	\$2,000,000	\$ 680,000
March 1, 2024	\$2,000,000	\$ 680,000
March 1, 2025	\$3,000,000	\$ 680,000
March 1, 2026	\$3,000,000	\$ 680,000
March 1, 2027	\$3,000,000	\$ 680,000
March 1, 2028	\$2,000,000	\$ 680,000
March 1, 2029	<u>\$2,000,000</u>	<u>\$ 680,000</u>
Total	\$32,550,000	\$9,450,000

*The payments upon signing this agreement in the amounts of \$15,000 to Oyster Creek and \$15,000 to Freeport are not refundable, even if this agreement is voided or terminated pursuant to Subsection II.B or II.C of this agreement.

C. MUNICIPAL SERVICES. As an additional consideration, the Land Owner agrees that it will not require the Cities to furnish to or in the Industrial District or any additions thereto during the term of this agreement, municipal services, such as potable water, other water, waste collection and disposal, sewage treatment, drainage, police services, fire protection, emergency medical services or any other municipal services. However, the Cities will use reasonable efforts to provide police, fire and EMS responses to emergency situations subject to the applicable City's determination as to whether it can safely respond to such situation; *provided that*, any failure to so respond, or limitations in making a response, shall not be considered a breach of the obligations under this agreement and shall not subject the Cities or their respective personnel to liability under any grounds or theory whatsoever. Unless such services are rendered pursuant to a separate agreement, FLNG shall pay for the services at the usual, customary and reasonable industrial rates. In addition, if the parties choose to agree for

the Cities, or either of them, to provide any municipal services, then in that event those services will be subject to a separate agreement.

D. MUNICIPAL REGULATIONS. As an additional consideration, the Cities agree that to the fullest extent allowed by law, each city's respective codes, laws, and ordinances, as now existing or as amended, regulating construction, such as building codes, electrical codes, plumbing codes, and mechanical codes, as well as any impact fees imposed by either City or the Cities' respective ordinances on zoning and air and water quality regulations, shall not be or become applicable to the Industrial District or any additions thereto during the term of this agreement; provided, however, that this section shall not apply to ordinances regulating the following matters in the respective extraterritorial jurisdictions of the Cities: subdivisions, fireworks, sexually oriented businesses, and regulations of a City's own utility system.

E. ENVIRONMENTAL MATTERS. If, during the term of this agreement, FLNG is charged with violating any state or federal environmental law or regulation; and, as a consequence, the relevant criminal or civil enforcement authority assesses a fine or penalty and such fine or penalty is eligible for a Supplemental Environmental Project ("SEP") or a local specified project in lieu of a fine or other penalty, FLNG will use reasonable efforts to negotiate with the Cities and the enforcement authority to develop a SEP or other permissible project which will benefit the corporate boundaries of the Cities jointly based on the divided percentages detailed for each City herein. The parties acknowledge that FLNG's obligation under this paragraph to use reasonable efforts is not a guaranty of results of such negotiations.

IV. REMEDIES UPON DEFAULT

A. NOTICE AND OPPORTUNITY TO CURE. Upon a breach of this agreement, other than a failure to pay money when due, the other party shall give the breaching party written

notice describing the breach, and the breaching party shall have ninety days opportunity to cure the breach; however, if it is not reasonably practicable to cure that breach within ninety days after that notice, then the breaching party must begin reasonable efforts to cure the breach within that ninety days and must continue those reasonable efforts until the breach is cured and in any event must cure the breach within one hundred eighty days after said written notice of breach. If a party cures a breach within the time allowed by this paragraph, then such breach shall be deemed cured, and the other party shall not be entitled to any remedies for that breach.

B. NO ADEQUATE REMEDY AT LAW FOR FLNG. Subject to Subsection I.C of this agreement, the Parties recognize that the obligation, as provided herein, of the Cities to FLNG to guarantee the continued extraterritorial jurisdiction status, while this agreement is in effect, 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 FLNG no adequate remedy at law.

C. NO ADEQUATE REMEDY AT LAW FOR THE CITIES. Subject to Subsection III.C, the Parties further recognize that the obligations of FLNG to the Cities to refrain from requiring municipal services from either city as provided in this agreement during the entire term of this agreement are likewise unique and valuable obligations, and that the breach of any such obligation is not compensable in money damages and affords the Cities no adequate remedy at law.

D. SPECIFIC PERFORMANCE AND OTHER REMEDIES. THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by either Party for any cause during the term stated in Article V; provided, however, that upon breach of the provisions of this agreement, the Land Owner and the Cities shall nevertheless 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, including but not limited to annexation by the Cities of their respective extraterritorial jurisdictions within the Property upon breach of this Agreement by FLNG.

E. PENALTIES, INTEREST, AND ATTORNEY'S FEES. Regardless of the specific performance provisions or any other provision, a City may obtain a judgment for any unpaid amount due from FLNG hereunder. In the event either City obtains a judgment for the collection of any sum due from FLNG under this agreement, the City shall be entitled to collect either: (1) penalties, interest and attorney's fees in such litigation and collection in the same manner as provided for in the Property Tax Code for the collection of delinquent taxes; or at the option of the City to which the debt is owed (2) reasonable attorney's fees, prejudgment interest at the rate of six percent per year, and post-judgment interest at the maximum rate provided by law for interest on judgments.

F. NOTICE AND ANNEXATION. Regardless of any other provision, a failure to pay when due any amount hereunder to any of the Cities shall authorize each of the Cities, at their respective options and after giving FLNG written notice of nonpayment and fifteen days to cure same, to annex the portion of the Property described in Exhibit "A" and any additions thereto in their respective extraterritorial jurisdictions.

V. INTENT OF PARTIES AND SEVERABILITY

A. PRIMARY CONSIDERATION. It is expressly recognized and agreed by the Parties hereto that the primary consideration to the Cities from FLNG is the payment by FLNG to the Cities of the entire sum due pursuant to Article III of this agreement. Furthermore, the primary consideration to FLNG from the Cities is the prevention of present or future annexation

by the Cities or their respective successors or assigns of all or any part of the area described in Exhibit "A" and any additions thereto, at any time during the term of this Agreement, and subject to Subsection I.C, 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.

B. FULL CONTRACT TERM. 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; provided, however, that no portion of any payment from FLNG to a City hereunder shall be refundable unless that City annexes any portion of the Property or any addition thereto in violation of this Agreement. For purposes of clarity, nothing in this section shall be construed as authorizing any annexation of any portion of the Property contrary to this agreement or any other breach of this agreement.

C. TRANSFER OF PROPERTY. Except as otherwise provided in this agreement, any land or improvements sold, leased, or otherwise conveyed 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, lease, or other conveyance had taken place. Nothing in this paragraph shall impair the provisions of this agreement in Subsection II.D, concerning rights and obligations that run with the land and concerning persons bound.

D. PUBLIC INFORMATION. This agreement is public information under the Texas Public Information Act, Any party may record this agreement in the Official Records of the Brazoria County Clerk.

E. SEVERANCE. 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.

VI. TERM

This agreement shall expire on December 31, 2029, unless otherwise terminated earlier in accordance with the terms herein.

VII. NOTICES

A. Any notice required or permitted under this agreement shall be written and 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:

The FLNG Companies:
Freeport LNG Development, L.P.
333 Clay Street, Suite 5050
Houston, Texas 77002
Attention: General Counsel

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

With a copy to:
City of Freeport
C/O City Secretary
200 W. 2nd Street
Freeport, Texas 77541

City: City of Oyster Creek
C/O City Administrator
3210 FM 523
Oyster Creek, Texas 77541

With a copy to:
City of Oyster Creek
C/O City Secretary
3210 FM 523
Oyster Creek, Texas 77541

Notice to Freeport LNG Development, L.P. shall be deemed notice to each of the FLNG Companies.

B. A party may designate a different address by giving each other party ten days written notice, as herein provided.

VIII. MISCELLANEOUS

A. **HEADINGS.** 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.

B. **CONSTRUCTION AND INTERPRETATION.** This agreement has been mutually negotiated between the parties and their respective attorneys, and this Agreement shall not be construed in favor of or against either Party on the basis that the Party did or did not author this agreement. Concerning this agreement, the City of Freeport is represented by its City Attorney, and the City of Oyster Creek is represented by its City Attorney, and FLNG is represented by its in-house counsel. Each party acknowledges that the other parties' attorneys are acting only on behalf of their separate clients in this matter and are not representing any other parties herein.

C. **JURISDICTION AND VENUE.** 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 law 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 if there is federal jurisdiction, in the United States District Court for the Southern District of Texas, Galveston Division, which includes Brazoria County, Texas. The Parties agree that these courts shall have exclusive jurisdiction over the Parties and venue of any action arising under this agreement.

D. IMMUNITIES. Regardless of any other provision or source, nothing in this agreement and no act or omission pursuant to this agreement or concerning this agreement shall in any way waive or impair any governmental immunity, official immunity or other immunity that either of the Cities' respective personnel would have in the absence of this agreement; provided, however, that the Cities themselves, as municipal corporations, shall not have immunity for breaching this agreement.

E. WHOLE AGREEMENT. This agreement constitutes the entire agreement between FLNG and the Cities, 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.

F. AMENDMENTS. The parties wish to avoid any uncertainty as to whether this agreement is ever amended. Therefore, the parties agree that this agreement may not be amended except by a written agreement, signed by both parties, and specifically and clearly stating that it amends this agreement.

G. OTHER PROPERTY. 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.

H. MULTIPLE ORIGINALS. This agreement shall be executed in multiple counterparts, each of which when fully executed shall be deemed to be original.

[Signature page follows.]

FLNG Land II, LLC

By: Freeport LNG Expansion, L.P.,
its sole member

By: Freeport LNG Expansion GP, Inc.,
its general partner

1.0 By: S. Z. Carl
Title: President

Attest: [Signature]
Title: Senior Counsel

FLNG Liquefaction, LLC

By: FLIQ 1 Holdings, LLC,
its sole member

By: Freeport LNG Expansion, L.P.,
its sole member

By: Freeport LNG Expansion GP, Inc.,
its general partner

1.0 By: S. Z. Carl
Title: President

Attest: [Signature]
Title: Senior Counsel

FLNG Liquefaction 3, LLC

By: FLIQ3 Holdings, LLC, its sole member

By: Freeport LNG Expansion, L.P., its sole member

By: Freeport LNG Expansion, its general partner

1.0 By: S. Z. Carl
Title: President

Attest: [Signature]
Title: Senior Counsel

The City of Freeport, Texas

By: Norma Moreno Garcia
Norma Moreno Garcia, Mayor

Attest: [Signature]
Delia Munoz, City Secretary

Freeport LNG Development, L.P.

By: Freeport LNG-GP, Inc.,
its general partner

1.0 By: S. Z. Carl
Title: President

Attest: [Signature]
Title: Senior Counsel

FLNG Liquefaction 2, LLC

By: FLIQ2 Holdings, LLC,
its sole member

By: Freeport LNG Expansion, L.P.,
its sole member

By: Freeport LNG Expansion GP, Inc.,
its general partner

1.0 By: S. Z. Carl
Title: President

Attest: [Signature]
Title: Senior Counsel

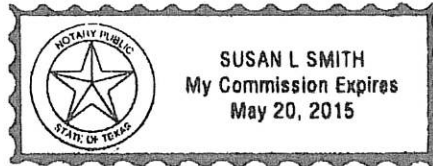
The City of Oyster Creek, Texas

By: Clifford Louis Guidry
Clifford Louis Guidry, Mayor

Attest: [Signature]
Carmen M. Moon, City Secretary

The State of Texas §
County of Harris §

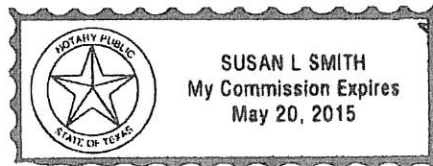
This instrument was acknowledged before me on the 4 day of November, 2014, by S. L. Cornelius, as President of Freeport LNG Expansion GP, Inc., the general partner of Freeport LNG Expansion, L.P, which is the sole member of FLNG Land II, LLC.



Susan Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

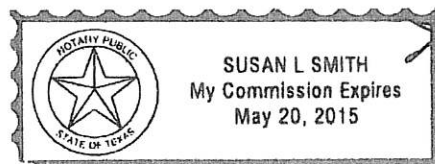
This instrument was acknowledged before me on the 4 day of November, 2014, by Shaw Ottis, as Senior Counsel to Freeport LNG Expansion, L.P., the sole member of FLNG Land II, LLC.



Susan Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

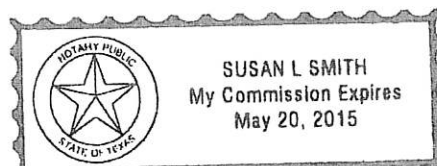
This instrument was acknowledged before me on the 4 day of November, 2014, by S. L. Cornelius, as President of Freeport LNG-GP, Inc., the general partner of Freeport LNG Development, L.P.



Susan Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

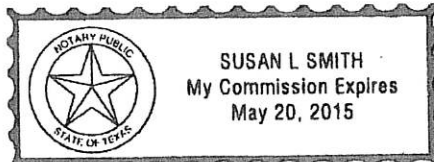
This instrument was acknowledged before me on the 4 day of November, 2014, by Shaw Ottis, as Senior Counsel to Freeport LNG Development, L.P.



Susan Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

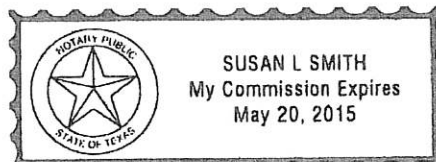
This instrument was acknowledged before me on the 4 day of November, 2014, by S. L. Cornelius, as President of Freeport LNG Expansion GP, Inc., the general partner of Freeport LNG Expansion, L.P., which is the sole member of FLIQ1 Holdings, LLC, which is the sole member of FLNG Liquefaction, LLC.



Susan L. Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

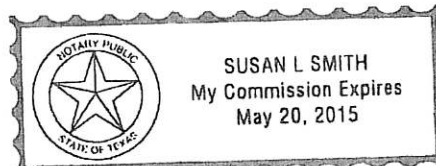
This instrument was acknowledged before me on the 4 day of November, 2014, by Shaw Ottis, as Senior Counsel to Freeport LNG Expansion, L.P., which is the sole member of FLIQ1 Holdings, LLC, which is the sole member of FLNG Liquefaction, LLC.



Susan L. Smith
Notary Public in and for the State
of Texas

The State of Texas §
County of Harris §

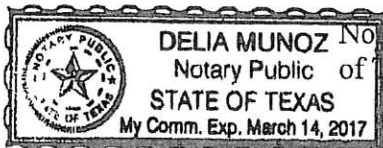
This instrument was acknowledged before me on the 4 day of November, 2014, by S. L. Cornelius, as President of Freeport LNG Expansion GP, Inc., which is the general partner of Freeport LNG Expansion, L.P., which is the sole member of FLIQ2 Holdings, LLC, which is the sole member of FLNG Liquefaction 2, LLC.



Susan L. Smith
Notary Public in and for the State
of Texas

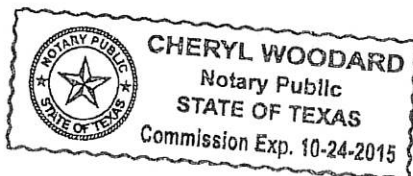
The State of Texas §
County of Brazoria §

This instrument was acknowledged before me on the 18th day of November, 2014, by Norma Moreno Garcia, as Mayor, on behalf of the City of Freeport, Texas.



The State of Texas §
County of Brazoria §

This instrument was acknowledged before me on the 18th day of November, 2014, by Delia Munoz, as City Secretary, on behalf of the City of Freeport, Texas.



The State of Texas §
County of Brazoria §

This instrument was acknowledged before me on the 19th day of November, 2014, by Clifford Louis Guidry, as Mayor, on behalf of the City of Oyster Creek, Texas.



The State of Texas §
County of Brazoria §

This instrument was acknowledged before me on the 19th day of November, 2014, by Carmen M. Moon, as City Secretary, on behalf of the City of Oyster Creek, Texas.



EXHIBIT A
“THE PROPERTY”
“THE INDUSTRIAL DISTRICT”

Tract 1:

Being a 305.672 acre tract of land in the Frederick J. Calvit League, Abstract No. 51, Brazoria County, Texas; said 305.672 acre tract being a part of the following Two tracts: (1) a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori E. Sorrell from Katherine Cullen Burton, et al, trustees of the Roy G. Cullen trust for the benefit of Roy Henry Cullen, the Roy G. Cullen trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen trust for the benefit of Cornelia Cullen long recorded under County Clerk's File (C.C.F.) No, 01-011002 of the official records of Brazoria County, Texas (O.R.B.C.T.); and (2) a 9.495 acre tract of land conveyed to Michael J. Sorrell from J. T. Suggs, JR, by Deed dated August 28, 1986 and recorded in Volume (86)320, Page 391 of the O.R.B.C.T.; the bearings stated in this description are grid bearings and are based on the Texas Coordinate System, South Central Zone, North American Datum of 1983; distances are horizontal ground level lengths and may be converted to grid distances using the combined factor of 0.9998819; said 305.672 acre tract of land being more particularly described by metes and bounds as follows:

Beginning at a three-eighths inch iron rod with cap found at the Southwest corner of said 346.909 acre tract and on the East line of the Brazos Coast Investment Company(B.C.I.C.) Subdivision (S/D)) No. 10 recorded in Volume 2, Page 141 of the Plat records of Brazoria County, Texas(P.R.B.C.T.); Same being the Northwest corner of the remainder of a 105.52 acre tract conveyed to Blue Dolphin Pipe Line Company from MCNIC Offshore Pipeline & Processing Company by Deed dated February 20, 2002 and recorded under C.C.F. No. 2002041510 of the O.R.B.C.T.; from which a one and one-half inch iron pipe found at the Southwest corner of said 105.52 acre tract bears South 09°44'50" East, 1,309.41 feet (called South 09°45'00" East, 1,308.5 feet);

Thence North 09°44'50 West (called North 09°45'00" West), along the common line of said 346.909 acre tract and said B.C.I.C. S/D No. 10, a distance of 834.38 feet to a five-eighths inch iron rod set for corner,

Thence North 86°48'42' East a distance of 40.85 feet to a five-eighths inch iron rod set for corner;

Thence North 53°05'23" East a distance of 102.73 feet to a five-eighths inch iron rod set for corner;

thence North 37°28'56" East a distance of 97.87 feet to a five-eighths inch iron rod set for corner;

Thence North 19°44'43" East a distance of 104.60 feet to a five-eighths inch iron rod set for corner;

Thence North 12°33'00" East a distance of 323.47 feet to a five-eighths inch iron rod set for corner;

Thence North 19°08'27" East a distance of 111.23 feet to a five-eighths inch iron rod set for corner;

Thence North 33°56'34" East a distance of 109.84 feet to a five-eighths inch iron rod set for corner;

Thence North 49°13'02" East a distance of 109.35 feet to a five-eighths inch iron rod set for corner;

Thence North 49°45'48" East a distance of 223.28 feet to a five-eighths inch iron rod set for corner;

Thence South 09°57'26" East a distance of 46.57 feet to a five-eighths inch iron rod set for corner;

Thence North 71°06'16" East a distance of 90.18 to a five-eighths inch iron rod set for corner;

Thence North 82°11'52" East a distance 118.26 feet to a five-eighths inch iron rod set for corner;

Thence North 63°32'46" East a distance of 102.96 feet to a five-eighths inch iron rod set or corner;

Thence North 74°53'41" East a distance of 100.36 feet to a five-eighths inch iron rod set for corner;

Thence North 78°01'29" East a distance of 318.85 feet to a five-eighths inch iron rod set for corner;

Thence North 86°22'03" East a distance of 237.67 feet to a five-eighths inch iron rod set for corner;

Thence South 82°49'08" East a distance of 136.31 feet to a five-eighths inch iron rod set for corner;

Thence North 03°12'38" West a distance of 1,659.52 feet to a five eighths inch iron rod set for corner on the most Northerly North line of said 346.909 acre tract and the South line of tract 180 of the BCIC S/D No. 9, also recorded in Volume 2, Page 141 of the P.R.B.C.T.;

Thence North 86°47'22" East (called North 86°48'00" East), along the most Northerly North line of said 346.909 acre tract and the South line of said tract 180; a distance of 545.01 feet to a five-eighths inch iron rod found in concrete at the most Northerly Northeast corner of said 346.909 acre tract; same being the Southeast corner of said tract 180;

Thence South 03°00'11" East, along the most Northerly East line of said 346.909 acre tract and a West line of said B.C.I.C, S/D No. 9, a distance of 140.30 feet (called South 03°00'00" East,

140.08 feet) to a three-eighths inch iron rod found in concrete at an interior ell corner of said 346.909 acre tract and a Southwest corner of said B.C.I.C. S/D No 9;

Thence North $86^{\circ}59'22''$ East (called North $87^{\circ}00'00''$ East), along the North line of said 346.909 acre tract and a Northerly South line of said B.C.I.C. S/D No 9, at 1,728.87 feet (called 1,728.70 feet) pass a three-eighths inch iron rod found on line, at 1,933.20 feet (called 1,933.00 feet) pass a railroad bridge bolt found on line, and continuing for a total distance of 2,246.40 feet to a five-eighths inch iron rod set at the Northeast corner of said 346.909 acre tract; same being an interior ell corner of said S/D B.C.I.C. No. 9;

Thence South $02^{\circ}44'33''$ East along the East line of said 346.909 acre tract and a West line of said B.C.I.C. S/D No.9, a distance of 3,944.26 feet (called South $03^{\circ}44'30''$ East, 3,945.41 feet) to a point in water at the Southeast corner of said 346.909 acre tract; same being the Northeast corner of said 105.52 acre tract; from which a one-half inch, iron rod with cap found at the Southeast corner of said 105.52 acre tract bears South $02^{\circ}44'33''$ East, 701.23 feet (called South $02^{\circ}44'$ East, 700,0 feet);

Thence South $86^{\circ}45'14''$ West, along the most Easterly South line of said 346.909 acre tract and the most Easterly North line of said 105.52 acre tract, at 147.78 feet (called 148.0 feet) pass a one-half inch iron pipe found on line, at 592.38 feet (called 592.43 feet) pass a three-eighths inch iron rod with cap found 1.15 feet South of this line, and continuing for a total distance of 1,897.21 feet (called South $86^{\circ}47'33''$ West, 1,897.10 feet) to a three-fourths inch iron pipe found at the most Southerly Southwest corner of said 346.909 acre tract and an interior ell corner of said 105.52 acre tract;

Thence North $03^{\circ}13'55''$ West, along the most Southerly West line of said 346.909 acre tract and a Northerly East line of said 105.52 acre tract, a distance of 600.13 feet (called North $03^{\circ}14'14''$ West, 600.34 feet), to a one-half inch iron pipe found at an interior ell corner of said 346.909 acre tract and a Northerly Northeast corner of said 105.52 acre tract;

Thence South $86^{\circ}44'09''$ West, along a South line of said 346.909 acre tract and a North line of said 105.52 acre tract, a distance of 1,249.82 feet (called South $86^{\circ}44'37''$ West, 1,249.80 feet) to a five-eighths inch iron rod found for corner;

Thence North $03^{\circ}46'27''$ East, along a West line of said 346.909 acre tract and an East line of said 105.52 acre tract, a distance of 88.61 feet (called north $04^{\circ}01'00''$ East, 88.56 feet) to a five-eighths inch iron rod found for corner;

Thence North $85^{\circ}19'09''$ West, along a South line of said 346.909 acre tract and a North line of said 105.52 acre tract, a distance of 379.91 feet (called North $85^{\circ}14'23''$ West, 380.60 feet) to a five-eighths inch iron rod found for corner;

Thence South $47^{\circ}42'38''$ West, along a Southeast line of said 346.909 acre tract and a Northwest line of said 105.52 acre tract, a distance of 221.91 feet (called South $47^{\circ}19'09''$ West 221.27 feet) to a five-eighths inch iron rod found for corner;

Thence South 86°50'56" West, along the most Westerly South line of said 346.909 acre tract and the most Westerly North line of said 105.52 acre tract, a distance of 760.83 feet (called South 86°51'33" West, 761.31 feet) to the point of beginning and containing 305.672 acres of land, more or less. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson".

Tract 2:

Lots 177, 178, 179 and 180 all in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 20.301 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 20.301 ACRE TRACT BEING TRACTS 177 THROUGH 180 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 177 THROUGH 180 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 20.301 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod found in concrete at the southeast corner of said Tract 180 and at the most northerly northeast corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being on the west line of a 30 feet wide platted, unimproved road;

THENCE South 86° 47' 22" West, along the south line of said Tract 180 and the north line of said 346.909 acre tract, at 545.01 feet pass a five-eighths inch iron rod set on line, at 892.16 feet pass a five-eighths inch iron rod set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 907.16 feet to a point for corner at the right descending water's edge of the cut off portion of Oyster Creek;

THENCE in a northerly direction along the right descending water's edge of the cut off portion of Oyster Creek and the west lines of said Tracts 177 through 180 with the following five (5) meanders:

1. North 14° 44' 30" East a distance of 12.11 feet;

2. North 03° 02' 56" East a distance of 234.93 feet;
3. North 01° 59' 52" East a distance of 250.25 feet;
4. North 03° 16' 02" West a distance of 270.32 feet; and

5. North 02° 28' 36" West a distance of 255.61 feet to a point for the common west corner of Tracts 176 and 177 of said B.C.I.C. S/D No. 9;

THENCE North 86° 59' 49" East along the common line of said Tracts 176 and 177, at 15.00 feet pass a five-eighths inch iron rod set on the set on the right descending bank of the cut off portion of Oyster Creek, and continuing for a total distance of 855.78 feet to a five-eighths inch iron rod found at the common east corner of said Tracts 176 and 177 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 00' 11" East along the east lines of said Tracts 177 through 180 and the west line of said 30 feet wide road, at 255.60 feet pass a five-eighths inch iron rod found at the common east corner of said Tracts 177 and 178, at 506.26 feet (called 524.6 feet) pass a five-eighths inch iron rod set to replace the rusty remains of an iron rod found at the common east corner of said Tracts 178 and 179, at 775.21 feet (called 775.3 feet) pass a five-eighths inch iron rod found at the common east corner of said Tracts 179 and 180, and continuing for a total distance of 1,017.08 feet (called 1,017.3 feet) to the POINT OF BEGINNING and containing 20.301 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Tract 3:

Lot 156 in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 5.103 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.103 ACRE TRACT BEING TRACT 156 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 156 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.103 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one-half inch iron rod found at the common corner of Tracts 155, 156, 163 and 164 of said B.C.I.C. S/D No. 9;

THENCE North 86° 46' 44" East along the common line of said Tracts 155 and 156, a distance of 730.04 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 155 and 156 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 10' 44" East along the east line of said Tract 156 and the west line of said 30 feet wide road, a distance of 304.84 feet (called 304.75 feet) to a five-eighths inch iron rod with cap found at the common east corner of Tracts 156 and 157 of said B.C.I.C. S/D No. 9;

THENCE South 86° 49' 33" West along the common line of said Tracts 156 and 157, a distance of 729.86 feet (called 730 feet) to a two inch iron pipe found at the common corner of Tracts 156, 157, 162 and 163 of said B.C.I.C. S/D No. 9;

THENCE North 03° 12' 49" West along the common line of said Tracts 156 and 163, a distance of 304.24 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 5.103 acres of land. The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Tract 4:

Lots 158, 159, 160 and 161 all in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 20.595 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 20.595 ACRE TRACT BEING TRACTS 158, 159, 160, AND 161 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACTS 158, 159, 160, AND 161 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 20.595 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a one-half inch iron pipe found at the common west corner of Tracts 161 and 162 of said B.C.I.C. S/D No. 9 and on the east line of a 30 feet wide platted, unimproved road;

THENCE North 86° 50' 02" East along the common line of said Tracts 161 and 162, a distance of 732.52 feet (called 732 feet) to a three inch iron pipe found at the common corner of Tracts 157, 158, 161 and 162 of said B.C.I.C. S/D No. 9;

THENCE North 86° 47' 59" East along the common line of said Tracts 157 and 158, a distance of 729.78 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 157 and 158 and on the west line of a platted, unimproved road;

THENCE South 03° 10' 44" East along the east line of said Tracts 158 and 159 and the west line of said 30 feet wide road, at 609.04 feet (called 609.5 feet) pass a five-eighths inch iron rod with cap found at the monumented southeast corner of said Tract 159, and continuing for a total distance of 615.92 feet to a five-eighths inch iron rod set for the southeast corner of said Tract 159 and on the north line of a 30 feet wide platted, unimproved road; said set five-eighths inch iron rod being situated 30 feet north of and at right angles to the north line of that 346.909 acre tract conveyed to Michael J. Sorrell and Wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the Benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the Benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the Benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; from said set five-eighths inch iron rod a five-eighths inch iron rod set at the northeast corner of said 346.909 acre tract bears South 03° 10' 44" East, 30.00 feet and North 86° 59' 22" East, 7.79 feet;

THENCE South 86° 59' 22" West along the south line of said Tract 159, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 729.30 feet (called 730 feet) to a five-eighths inch iron rod set for the common south corner of said Tracts 159 and 160; from which a found one inch iron pipe (laid over) bears North 03° 13' 21" West, 4.15 feet;

THENCE South 86° 59' 22" West along the south line of said Tract 160, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 732.54 feet (called 732 feet) to a five-eighths inch iron rod set for the southwest corner of said Tract 160; same being at the intersection with the east line of another 30 feet wide platted, unimproved road;

THENCE North 03° 13' 20" West along the west line of said Tracts 160 and 161 and the east line of said 30 feet wide road, a distance of 611.52 feet (called 609.5 feet) to the POINT OF BEGINNING and containing 20.595 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Tract 5:

Lot 140 in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 4.976 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 4.976 ACRE TRACT BEING TRACT 140 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 140 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 4.976 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a one and one-fourth inch iron pipe found at the northwest corner of Tract 166 of said B.C.I.C. S/D No. 9; same being at the intersection of the south and east lines of a 30 feet wide platted, unimproved road; thence as follows:

North 87° 11' 05" East along the north line of said Tract 166 and the south line of said 30 feet wide road, a distance of 311.59 feet to a five-eighths inch iron rod set at an interior ell corner of said Tract 166 and at the intersection with the east line of another 30 feet wide platted, unimproved road;

North 03° 11' 51" West along the east line of said 30 feet wide road and along the west lines of Tracts 137 through 139 of said B.C.I.C. S/D No. 9, a distance of 814.11 feet to a five-eighths inch iron rod set for the common west corner of said Tracts 139 and 140 and the POINT OF BEGINNING of the herein described tract;

THENCE North 03° 11' 51" West along the west line of said Tract 140 and the east line of said 30 feet wide road, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 140 and 141 of said B.C.I.C. S/D No. 9;

THENCE North 87° 11' 05" East along the common line of said Tracts 140 and 141, a distance of 827.00 feet to a concrete monument with a brass disk stamped SE 141 SUBD 9 found at the common corner of Tracts 140, 141, 148 and 149 of said B.C.I.C. S/D No. 9;

THENCE South 03° 11' 51" East along the common line of said Tracts 140 and 149, a distance of 262.09 feet (called 262.1 feet) to a five-eighths inch iron rod with cap found at the common corner of Tracts 139, 140, 149 and 150 of said B.C.I.C. S/D No. 9;

THENCE South 87° 11' 05" West along the common line of said Tracts 139 and 140, a distance of 827.00 feet to the POINT OF BEGINNING and containing 4.976 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Tract 6:

Lot 154 in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 5.112 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.112 ACRE TRACT BEING TRACT 154 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 154 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS; THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.112 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a five-eighths inch iron rod with cap found at the southeast corner of said Tract 154, at the northeast corner of 155 of said B.C.I.C. S/D No. 9 and on the west line of a 30 feet wide platted, unimproved road;

THENCE South 86° 45' 39" West along the common line of said Tracts 154 and 155, a distance of 729.96 feet (called 730 feet) to a one-half inch iron rod found at the common corner of 154, 155, 164 and 165 of said B.C.I.C. S/D No. 9; from which a one and one-fourth inch iron pipe found at the common west corner of said Tracts 164 and 165 bears South 86° 50' 14" West, 733.02 feet;

THENCE North 03° 10' 52" West along the common line of said Tracts 154 and 165, a distance of 305.31 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common corner of Tracts 153, 154, 165 and 166 of said B.C.I.C. S/D No. 9;

THENCE North 86° 47' 59" East along the common line of said Tracts 153 and 154, a distance of 729.97 feet (called 730 feet) to a five-eighths inch iron rod with cap found at the common east corner of said Tracts 153 and 154 and on the west line of said 30 feet wide road;

THENCE South 03° 10' 44" East along the east line of said Tract 154 and the west line of said 30 feet wide road, a distance of 304.81 feet (called 304.75 feet) to the POINT OF BEGINNING and containing 5.112 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Tract 7:

Lot 173 in Division 9 of Brazos Coast Investment Company Subdivision, F. J. Calvit League, Abstract 51, Brazoria County, Texas, according to the recorded Map or Plat thereof in Volume 2, Page 145 of the Plat records, Brazoria County, Texas.

BEING A 5.039 ACRE TRACT OF LAND IN THE FREDERICK J. CALVIT LEAGUE, ABSTRACT NO. 51, BRAZORIA COUNTY, TEXAS; SAID 5.039 ACRE TRACT BEING TRACT 173 OF THE BRAZOS COAST INVESTMENT COMPANY SUBDIVISION (B.C.I.C.) SUBDIVISION (S/D) NO. 9 RECORDED IN VOLUME 2, PAGE 141, et seq, OF THE PLAT RECORDS OF BRAZORIA COUNTY, TEXAS; SAID TRACT 173 BEING CONVEYED TO MIKE SORRELL FROM DAVID MELASS BY DEED DATED APRIL 24, 2006 AND RECORDED UNDER COUNTY CLERK'S FILE (C.C.F.) NO. 2006024870 OF THE OFFICIAL RECORDS OF BRAZORIA COUNTY, TEXAS (O.R.B.C.T.); THE BEARINGS STATED IN THIS DESCRIPTION ARE GRID BEARINGS AND ARE BASED ON THE TEXAS COORDINATE SYSTEM, SOUTH CENTRAL ZONE, NORTH AMERICAN DATUM OF 1983; DISTANCES ARE HORIZONTAL GROUND LEVEL LENGTHS AND MAY BE CONVERTED TO GRID DISTANCES USING THE COMBINED FACTOR OF 0.9998819; SAID 5.039 ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING at a three-eighths inch iron rod found in concrete at a southwest corner of said B.C.I.C. S/D No. 9 and at an interior ell corner of a 346.909 acre tract of land conveyed to Michael J. Sorrell and wife, Lori E. Sorrell from Katherine Cullen Burton, et al, Trustees of the Roy G. Cullen Trust for the benefit of Roy Henry Cullen, the Roy G. Cullen Trust for the benefit of Harry Holmes Cullen and the Roy G. Cullen Trust for the benefit of Cornelia Cullen Long recorded under C.C.F. No. 01-011002 of the O.R.B.C.T.; same being at the intersection of the west and south lines of two 30 feet wide platted, unimproved roads; thence as follows:

North 03° 00' 11" West along a west line of said B.C.I.C. S/D No. 9 and a northerly east line of said 346.909 acre tract, a distance of 30.00 feet and North 86° 59' 22" East across said 30 feet wide road, a distance of 30.00 feet to a five-eighths inch iron rod set for the southwest corner of said Tract 173 and the POINT OF BEGINNING of the herein described tract of land and on east line of said 30 feet wide road;

THENCE North 03° 00' 11" West along the west line of said Tract 173 and the east line of said 30 feet wide road, a distance of 305.87 feet (called 304.75 feet) to a five-eighths inch iron rod set for the common west corner of Tracts 172 and 173 of said B.C.I.C. S/D No. 9;

THENCE North 86° 52' 47" East along the common line of said Tracts 172 and 173, a distance of 715.51 feet (called 723.4 feet) to a five-eighths inch iron rod set for the common east corner of said Tracts 172 and 173 on the west line of a 30 feet wide platted, unimproved road;

THENCE South 03° 13' 20" East along the east line of said Tract 173 and the west line of said 30 feet wide road, a distance of 307.24 feet (called 304.75 feet) to a five-eighths inch iron rod set for the southeast corner of said Tract 173 and at the intersection of the west line of said 30 feet

wide road with the north line of another 30 feet wide platted, unimproved road; said corner being situated 30 feet north of and at right angles to the north line said 346.909 acre tract;

THENCE South $86^{\circ} 59' 22''$ West along the south line of said Tract 173, the north line of said 30 feet wide road, and 30 feet north of and parallel to the north line of said 346.909 acre tract, a distance of 716.68 feet (called 723.4 feet) to the POINT OF BEGINNING and containing 5.039 acres of land. Each five-eighths inch iron rod described as set in this description has a plastic cap marked "Baker & Lawson". The description herein is based on a survey made in March, April, and May, 2012 by Baker & Lawson, Inc.

Industrial District Agreement

December 2011

by and among

BASF CORPORATION

and

THE DOW CHEMICAL COMPANY

and

THE BROCK INTERESTS

consisting of

JAMES E. B. BERRY, JR.

THOMAS STRATTON BERRY

ALICE BERRY HILL

CARRIE CAMILLE BROCK

FREDERICK BASCOM BROCK

CAMILLE BROCK BERRY TRUST – Lavinia B. Bircher as Trustee

and

THE CITY OF LAKE JACKSON, TEXAS

and

THE CITY OF FREEPORT, TEXAS

and

THE CITY OF CLUTE, TEXAS

(Collectively referred to as the "Parties")

The parties to this agreement are all of the industries contained in the Brazosport Industrial District, being the owners of land and property as described in Exhibits "A", "B", "C", and "D" including BASF, a Delaware corporation duly authorized and licensed to do business in the State of Texas ("BASF"); The Dow Chemical Company a Delaware corporation duly authorized and licensed to do business in the State of Texas ("DOW"); and the Brock Interests, consisting of James E. B. Berry, Jr., Thomas Stratton Berry, Alice Berry Hill, Carrie Camille Brock, Frederick Bascom Brock, Lavinia B. Bircher as Trustee for the Camille Brock Berry Trust, collectively ("the Land Owners") on the one hand, and the City of Lake Jackson ("Lake Jackson"), the City of Freeport ("Freeport"), and the City of Clute ("Clute"), collectively ("the Cities"), all municipal corporations operating under the Constitution and laws of the State of Texas and their respective home rule charters, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the Cities have corporate boundaries and extraterritorial jurisdictions within the County forming as a whole a contiguous body of land encircling substantial areas of industrial development on land owned by the Land Owners; and

Whereas, the uncertainty presented to the Land Owners by the possibility of annexations, attempted annexations, extensions of corporate boundaries and apportionments of extraterritorial jurisdiction of the Cities 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 Owners to contract with the Cities collectively for the establishment of a single industrial district for all of 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 Owners and Cities have previously entered into an Industrial District contract involving the area described in Exhibits "A", "B", "C", and "D", and such contract will expire on November 30, 2011, and it is the mutual desire of both the Land Owners and the Cities to renew and extend the status of such areas as a single 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 Owners desire to contract with the Cities on behalf of the Land Owners and their respective affiliates, successors and assigns, and by way of this single instrument to guarantee to the Land Owners and their respective affiliates, successors and assigns, the continued extraterritorial jurisdiction status of the area describe in Exhibits "A", "B", "C", and "D"; and

Whereas, the Cities on the one hand and the Land Owners 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 Owners and the Cities, each and separately, by this instrument contract 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 Cities by the Land Owners and the other terms of this agreement, all as set forth below, the Cities agree with the Land Owners to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibits "A", "B", "C", and "D", and any additions thereto and to guarantee the continuation of the extraterritorial status of such areas and additions thereto, if any, to the extent authorized by law, during the term of this contract, and to treat such areas and additions thereto, if any, as a part of a single Brazosport Industrial District. The term "additions thereto" shall mean any land that is added to the Brazosport Industrial District and to Exhibits "A", "B", "C", and "D" upon the written designation by BASF, Dow, or the Brock interests, respectively, during the term of this agreement and agreed to by each of the Cities.

In consideration of the guarantee by the Cities of the continuation of the extraterritorial status of the area described in Exhibits "A", "B", "C", and "D", and additions thereto, if any, the Land Owners agree to make to the Cities semiannual payments due on the last days of June and December of each calendar year during the existence of this contract, beginning on the last day of December 2011, and ending on the first day of December 2026. Dow shall make such payments on behalf of the Brazosport Industrial District (BASF, Dow, Brock Interests, and any owners or lessees of other property listed in Exhibits "A", "B", "C", and "D"). The agreement for the semiannual payments shall be as follows:

1. The total floor payment for each year shall be \$9,000,000. The payment for the first and second year shall be limited to \$9,000,000.
2. The actual payments per city in the first and second year shall be:

City	Yearly Payment
Clute	\$1,400,000
Freeport	\$3,500,000
Lake Jackson	\$4,100,000

1. The Cities shall retain the services of the contract appraiser hired by the Brazoria County Appraisal District to set the values of each year for the assets of the Land Owners contained within the Brazosport Industrial District. Starting in the third year, payments to each city shall be made in accordance with the application of the growth factor as shown in the sample calculations attached hereto as Exhibit E (see Section II 4) applied to each city's previous year's payment. Provided, however, the percentage of the total of any payment to be received in any year shall not be less than 15.55% for Clute, 38.89% for Freeport and 45.56% for Lake Jackson.
2. The growth factor shall be the higher percentage growth of the most recent annual Consumer Price Index – All Urban Consumers as compiled by the U.S. Bureau of Labor Statistics ("CPI-U") or value based formula (Brazosport Industrial District assessed value less abatements granted by Brazoria County/\$100 x \$.55 @ 50% or 27.5 cents).
3. Starting in the fourth year, the growth factor shall be based on the prior year's payment, not on the \$9,000,000 floor, except as provided herein.

4.Ceiling – payments will rise or fall based on the most recent annual CPI-U or value-based formula but in no case would fall below the \$9,000,000 floor, except as provided herein. Payments also cannot exceed a CAP formula of (Brazosport Industrial District assessed value less abatements granted by Brazoria County /\$100 x \$.55 @ 80% or 44 cents).

5. In no case would the Land Owners ever pay more than would be due if the Brazosport Industrial District was annexed (including properties receiving tax abatements from Brazoria County) and they were paying taxes based on the Brazosport Industrial District “tax rate” of 55 cents @ 100% value. Such rate of 55 cents shall be fixed for the term of this Agreement.

6.Natural disaster or terrorist attack – in the event of a natural disaster (i.e., a hurricane) or other weather related incident or terrorist attack (as determined by the Department of Homeland Security or the Federal Bureau of Investigation) in which the Land Owners suffer major physical damage that results in values (including properties receiving tax abatements from Brazoria County) being negatively affected by 50% or more the following shall apply:

- a. The first calendar year after a natural disaster (i.e., hurricane) or other weather related incident or terrorist attack affecting the plants, the payment to the Cities will drop to the floor value if the value formula would result in a payment equal to or below the floor payment.
- b. The second and third calendar year payments may drop below the \$9 million floor and will be based on the Brazosport Industrial District assessed value/\$100, including properties receiving tax abatements from Brazoria County, x \$.55 @ 80%.
- c. The fourth calendar year, the payment amount will return to the pre-disaster payment unless it would exceed the CAP formula. In that event the payment would be based on the CAP formula or the \$9,000,000 floor payment, whichever is greater.
- d. From the calendar fifth year forward the payment will resume based on the greater of the most recent annual CPI-U or the value based formula.

The payment to the Cities shall be allocated between the industries comprising the Brazosport Industrial District in a separate agreement between the parties that comprise the Land

Owners. For administrative convenience, Dow shall be the responsible party for making the semi-annual payments to each city.

As an additional consideration, the Land Owners agree that they will not require the Cities to furnish to the Brazosport Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage, police, or fire protection services, except in the event of emergency situations and then only by mutual agreement.

As an additional consideration, the Cities agree that, except for plats and the subdivision of land provided for in Chapter 212 of the Local Government Code, the Cities' respective 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 Brazosport Industrial District or any additions thereto during the term of this agreement.

III.

REMEDIES UPON DEFAULT

Whereas, the parties recognize that the obligation of each of the Cities to BASF, Dow, and the Brock Interests to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibits "A", "B", "C", and "D" and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and afford the Land Owners no adequate remedy at law; and

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

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by any party for any cause, but that upon breach of the provisions of this agreement, the Land Owners and each of the Cities may avail themselves of all remedies at law and in equity, except termination, and that the Land Owners and each of the Cities 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.

In addition, the Land Owners shall have the right and option to the following liquidated damages:

- (i) In the event that any of the Cities fails to actively oppose any encroachment into its extraterritorial jurisdiction that affect the Brazosport Industrial District, during the term of this agreement by any municipality that is not a party to this agreement, then the Land Owners shall have the right and option to cease and refrain from making any payments to such City called for under Article II above for so long a period as such City fails to actively oppose such encroachment.
- (ii) In the event that any encroachment into extraterritorial jurisdiction of any of the Cities, whether opposed by such City or otherwise, results in the Land Owners paying taxes to any municipality not a party to this agreement, the Land Owners shall have the right and option to deduct the amount so owed from all future payments under Article II due such City whose breached extraterritorial jurisdiction resulted in such tax.

In the event any of the Cities is required to institute judicial proceedings for the collection of any sum due from the Land Owners under this agreement, such 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.

Except as otherwise provided in this agreement, any sale or lease of land within the Brazosport 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 Owners to the Cities is the payment by the Land Owners to the Cities of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the Cities to the Land Owners is the obligation of the Cities to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibits "A", "B", "C", and "D" and any additions thereto, to guarantee the continued extraterritorial status of

such areas, and to treat such areas as part of the Brazosport 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.

V.

EFFECTIVE DATE AND TERM

This agreement shall be effective as of December 1, 2011 and shall endure until December 1, 2026. Upon execution of this agreement on behalf of all the parties, this agreement shall be effective as of December 1, 2011 regardless of whether execution by all parties shall not have occurred by December 1, 2011. When this agreement becomes effective, the Existing Industrial District Contract shall terminate effective as of such last 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. The first payment under this agreement (\$4,500,000) will be for the period July 1, 2011 through December 31, 2011.

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: Land Owners
 c/o Dow Tax Department
 APB Building
 Freeport, Texas 77541

Cities:	City of Lake Jackson	City of Clute	City of Freeport
	25 Oak Drive	108 E. Main	200 W. 2 nd Street
	Lake Jackson, TX 77566	Clute, TX 77531	Freeport, TX 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 any party on the basis that the party did not author this agreement.

Venue for any lawsuit involving this agreement shall be in Brazoria County, Texas and this agreement is governed by the laws of the State of Texas

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owners and their respective heirs, executors, administrators, successors and assigns, and the Cities or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of each of the Cities.

This agreement constitutes the entire agreement between Land Owners and Cities, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this contract 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 Brazosport Industrial District any real property or assets owned or leased by any other company or industry within the Industrial Complex of the BASF and Dow plants during the time periods December 1, 2011 to December 1, 2026, as identified in Exhibits "A", "B", "C", and "D". However, Exhibit D contains outlying tracts of property that are not physically attached to the industrialized areas of Exhibits A, B, and C. If tracts of property in Exhibit D are sold, then such tracts will be removed from the Brazosport Industrial District upon mutual written consent of the cities, and such consent shall not be unreasonably withheld.

It is specifically agreed by the Cities that the covenants, promises, and guarantees of the Cities made to the Land Owners in this agreement extend, in the case of BASF and Dow, to its affiliates, and their respective successors and assigns and to all of the lands included within the area described as Exhibits "A", "B", "C", and "D" and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such lands or

properties may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in multiple copies, each of which when 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 DOW CHEMICAL COMPANY

By

Earl Shupp

Title

VICE PRESIDENT

BASF CORPORATION

By

Christa P. PNTW

Title

Sp. V.P. Export

James E.B. Berry, Jr.
JAMES E.B. BERRY, JR.

Alice Berry Hill
ALICE BERRY HILL

Frederick Bascom Brock
FREDERICK BASCOM BROCK

Lavinia B. Bircher
CAMILLE BROCK BERRY TRUST – Lavinia B. Bircher as Trustee

Thomas Stratton Berry
THOMAS STRATTON BERRY

Carrie Camille Brock
CARRIE CAMILLE BROCK

Lavinia Bircher
LAVINIA BIRCHER

CITY OF LAKE JACKSON

By

[Signature]

Title

MAYOR

ATTESTED AND COUNTERSIGNED

[Signature]
City Secretary

CITY OF FREEPORT

By Norma Maeno Arce

Title Mayor

ATTESTED AND COUNTERSIGNED

Diana Munoz
City Secretary

CITY OF CLUTE

By Col. Shipt

Title Mayor

ATTESTED AND COUNTERSIGNED

Carol Oake
City Secretary

EXHIBIT "A"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by BASF (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

BASF CORPORATION **Property Description**

Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

Subdivision 15

Tract Numbers:

Part 14, part 15, 16, 17, 18, 19, 20, 50, 51, 52, 53, 54, Part 55, Part 56

Stephen F. Austin 1/3 League, Abstract 28

Tract 3K

PLUS:

ALL THAT CERTAIN 3.7714 ACRE tract of land lying and situated in the John G. McNeel Survey, Abstract 335, Brazoria County, Texas, being a portion of all that certain residual Tract 7, a called 1384.40 acre tract of land convey by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the Brazoria County Deed Records (B.C.D.R.), said 3.7714 acre tract of land hereby conveyed being more particularly described by metes and bounds, using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD27), in which the directions are Lambert grid bearings and the distances are surface level horizontal lengths (S.F.= 0.9998870) as follows:

BEGINNING at a set 5/8" iron rod with survey cap marked "WPD 4467" marking the southwest corner of the aforementioned all that certain residual Tract 7, a called 1384.40 acre tract of land convey by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the B.C.D.R., same being the northwest corner of all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the B.C.D.R., located in the eastern curved right-of-way boundary line of Texas State Highway Farm to Market #1495, said curve having a central angle of 5°25'15" and

a radius of 1562.02 feet, from which a found 1" iron pipe bears North 83°21'19" West, a distance of 0.82 feet, for the southwest corner of the herein described 3.7714 acre tract, said Point of Beginning being located at Texas State Plane coordinate position X=3167715.87 and Y=418968.32;

THENCE in a northerly direction along said curve to the right, coincident with the western boundary line of the said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the eastern right-of-way of said F.M. #1495, an arc distance of 147.78 feet, central angle of 5°25'15", radius of 1562.02 feet, chord bearing of North 1°40'55" East and a chord distance of 147.73 feet to a 1" iron pipe found marking the northwest corner of the herein described 3.7714 acre tract, at position X=3167720.21 and Y=419115.97;

THENCE South 83°33'24" East, a distance of 2217.67 feet to a 1" iron pipe found marking the eastern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the western boundary line of said Badische Corporation called 75.00 acre tract, for the northeast corner of the herein described 3.7714 acre tract, at position X=3169923.62 and Y=418867.12;

THENCE South 15°15'44" West, coincident with the eastern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the western boundary line of the said Badische Corporation called 75.00 acre tract, a distance of 0.81 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", for the southeast corner of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being an interior corner of the said Badische Corporation called 75.00 acre tract and the southeast corner of the herein described 3.7714 acre tract, at position X=3169923.41 and Y=418866.35;

THENCE North 87°21'19" West, coincident with the northern boundary line of the said Badische Corporation called 75.00 acre tract, same being the southern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, a distance of 2210.14 feet to the **POINT OF BEGINNING**, containing 3.7714 acres of land, more or less.

BUT LESS AND EXCEPT:

ALL THAT CERTAIN 3.7714 ACRE tract of land lying and situated in the John G. McNeel Survey, Abstract 335, Brazoria County, Texas, being a portion of all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the Brazoria County Deed Records (B.C.D.R.), said 3.7714 acre tract of land hereby conveyed being more particularly described by metes and bounds, using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD27), in which the directions are Lambert grid bearings and the distances are surface level horizontal lengths (S.F.= 0.9998870) as follows:

COMMENCING at a 5/8" iron rod in concrete found marking the southeast corner of the aforementioned all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the B.C.D.R., same being an interior corner of all that certain Tract 15, a called 108.72 acre tract of land convey by deed on April 28, 1952 from Phillips Oil Company to Phillips Petroleum Company, as recorded in Volume 533, Page 225 of the B.C.D.R., said Point of Commencement being located at Texas State Plane coordinate position X=3171151.73 and Y=418813.75;

THENCE South 58°13'01" West, coincident with the southeastern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northwestern boundary line of the said Phillips Petroleum Company called 108.72 acre tract, at a distance of 743.97 feet pass the southwestern boundary line of the Stephen F. Austin Survey, Abstract 28, same being the northeastern boundary line of the John G. McNeel Survey, Abstract 335, continuing for a total distance of 1338.07 feet to the **POINT OF BEGINNING** at a 1" iron pipe found marking the northeast corner of all that certain 150 foot wide pipeline easement and strip of land conveyed on March 4, 1986 from Brazos River Harbor Navigation District to Phillips Petroleum Company, as recorded in Volume (86)249, Page 341 of the Brazoria County Official Records (B.C.O.R.), for the northeast corner of the herein described 3.7714 acre tract, said Point of Beginning at Texas State Plane coordinate position X=3170014.44 and Y=418109.07;

THENCE South 58°13'01" West, coincident with the southeastern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northwestern boundary line of the said Phillips Petroleum Company called 108.72 acre tract, a distance of 125.27 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", from which the West corner of said Phillips Petroleum Company called 108.72 acre tract bears South 58°13'01" West, a distance of 1329.65 feet, for an exterior corner of all that certain residual Tract 7, a called 1384.40 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the B.C.D.R., the southeast corner of the said Badische Corporation called 75.00 acre tract and the southeast corner of the herein described 3.7714 acre tract, at position X=3169907.96 and Y=418043.09;

THENCE North 83°35'48" West, coincident with the southern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, a distance of 2025.51 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", located in the northeastern curved right-of-way boundary line of Texas State Highway Farm to Market #1495, said curve having a central angle of 3°25'57" and a radius of 1562.02 feet, for the northwest corner of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the southwest corner of said Badische Corporation called 75.00 acre tract and the southwest corner of the herein described 3.7714 acre tract, at position X=3167895.31 and Y=418268.97;

THENCE in a northwesterly direction along said curve to the right, coincident with the southwestern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northeastern right-of-way of said F.M. #1495, an arc distance of 93.58 feet, central angle of 3°25'57", radius of 1562.02 feet, chord bearing of North 26°02'14" West and a chord distance of 93.57 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", located at the northwest corner of said Phillips Petroleum Company 150 foot wide pipeline easement, for the northwest corner of the herein described 3.7714 acre tract, at position X=3167854.25 and Y=418353.03;

THENCE South 83°33'24" East, coincident with the northern boundary line of said Phillips Petroleum Company 150 foot wide pipeline easement, a distance of 2174.17 feet to the **POINT OF BEGINNING**, containing 3.7714 acres of land, more or less.

Alexander Calvit League, Abstract 49

Subdivision 14

Tract Numbers:

Part 155, Part 156, Part 157, Part 185, Part 186, 187, 188, Part 189, Part 190,
Part 191, Part 192, Part 218, Part 219, 220, 221, 222, 223, 224, Part 225, Part
231, Part 232, 233, 234, 235, 236, 237, Part 238, Part 239, Part 269, Part 270,
271, 272, 273, 274, 275, Part 276, Part 277, Part 321, Part 322, 323, 324, 325,
326, 327, Part 328, Part 329, Part 361, Part 362, 363, 364, 365, 366, 367, Part
368, Part 369, Part 390, Part 391, 392, 393, 394, 395, 396, Part 397, Part 398,
Part 429, 430, 431, 432, 433, 434, 435, 436, Part 437, Part 458, 459, 460, 461,
462, 463, 464, Part 465, Part 466

Non-Industrial Complex Property

None

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EXHIBIT "B"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by Dow (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

The Dow Chemical Company **Property Description**

Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

3557.04 acres, Brazoria Reservoir Tract

Frances J. Calvit League, Abstract 51

Subdivision 5

Tract Numbers:

Part 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, Part 28, 29, 30, 31, 32, 33, 34, 38

Subdivision 6

Tract Numbers:

1, 2, 3, 4, 5, Part 6, 20, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, Part 49, 59, 60, 61, 64, 66

Subdivision 7

Tract Numbers:

40, 41, 42, 43, 44, 45, 46, 47, 48, Part 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, Part 67, 68, Part 69, Part 70, 71, 72, 73, Part 74, Part 75, Part 76, Part 77, Part 93, Part 113, Part 114, Part 115, Part 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, Part 132, Part 133, Part 134, Part 135, Part 136, Part 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, Part 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, Part 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, Part 188, Part 189

Subdivision 10

Tract Numbers:

Part 9, Part 10, Part 11, Part 12, 13, 14, 15, Part 16, Part 17, Part 18, Part 19

Subdivision 11

Tract Numbers:

Part 1, Part 2, Part 3, Part 5, Part 6, Part 7, Part 8, Part 9, Part 10, Part 15, Part 17, Part 18, Part 19, 24, 30, 32, 38, Part 39

J.A. Wharton, Abstract 383

Subdivision 6

Tract Numbers:

Part 6, 7, 8, 9, 50, 51, 52, 53, 54, 55, 56, 57, 58, Part 66, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, Part 114, 115, Part 116, 117

Subdivision 7

Tract Numbers:

150, Part 151, Part 152, Part 153, Part 168, Part 169, 170, Part 171, 172, 173, 174, 175, 176, 177, 178, Part 179, 180, Part 181, 182, 183, Part 184, Part 185

A.B. Langerman, Abstract 589

Subdivision 11

Tract Numbers:

Part 1, Part 2, Part 3, Part 4, Part 5, Part 6, Part 7, Part 8, Part 9, Part 10, Part 15, Part 17, Part 19

Subdivision 6

Tract Number 117

Eli Mitchell, Abstract 99

Subdivision 12

Tract Numbers:

15, 16, 17, 18, 19, 20, 21, 22, 37, 38, 39, 40, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, Part 68, Part 70

Alexander Calvit League, Abstract 49

Subdivision 13

Tract Numbers:

Part 230, 231, 232, 233, 234, 235, 239, 240, 241, Part 242, Part 243, Part 297, Part 298, Part 299, Part 300, Part 301, Part 302, Part 303, Part 304, Part 309, Part 310, 321, 323, 335, 336, 337, 338, 351, 352, Part 376, Part 378, Part 381, Part 382, Part 388

Subdivision 14

Tract Numbers:

28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, Part 160, Part 161, Part 162, Part 163, Part 308

The Dow Chemical Company Plant A

1571 acres within:

Maurice Henry $\frac{1}{4}$ League, Abstract 74
Alexander Calvit League 12, Abstract 50
John A. Wharton $\frac{1}{3}$ League, Abstract 383
Fredrick J. Calvit, Abstract 51
Asa Mitchell 17, Abstract 98

The Dow Chemical Company Plant B

3077 acres within:

Alexander Calvit League, Abstract 62
J.F. Fields League 6, Abstract 62
Peter Bertrand League 5, Abstract 42
J.E.A. Phelps League 4, Abstract 116
J.E.A. Phelps League 3, Abstract 115
A.R. Clark League2, Abstract 54
Stephen F. Austin 5 Leagues, Abstract 19

The Dow Chemical Company Oyster Creek Site

825 and 904 acres within:

Alexander Calvit League, Abstract 49
Eli Mitchell $\frac{1}{4}$ League, Abstract 99
Maurice Henry $\frac{1}{4}$ League, Abstract 74
A.B. Langerman Survey, Abstract 589
Fredrick J. Calvit, Abstract 51
John A. Wharton $\frac{1}{3}$ League, Abstract 383

The Dow Chemical Stratton Ridge Storage Facility

Stevens Tract 2178 acres within:

Jared E. Groce 5 leagues, Abstract 66

EXHIBIT "C"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by Brock (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

The Dow Chemical Company - Brock Lease Property Description

Industrial Complex Property

The Dow Chemical Company Stratton Ridge Storage Facility

Brock Lease 1510 acres within:

Jared E. Groce 5 Leagues, Abstract 66

Non-industrial Complex Property

none

EXHIBIT "D"

Non-Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

Lake Jackson Farms Subdivision
Re-Plat Tract 1A, 12, 12A

John G. McNeel Survey, Abstract 89

Tracts:
F, G, G1, K, J1, J2A, J2B, J3D, J14

Branch T. Archer League, Abstract 9

Subdivision 9
Tract Numbers:
8, 9, 10, 15, 16, 17

Frances J. Calvit League, Abstract 51

Subdivision 7
Tract Numbers:
13, 28, 30, 31, 34, 35 Part 36, 63, 64, Part 80, 82, 83, 84, 85, 86, 87, Part 92, 93, 93B, Part 94, Half 99, 102, 106, Part 109, Part 110

Subdivision 10
Tract Numbers:
3B, 4, 5, 7A, 20A1, 21A2, 22B, 25A, 26, 27A, 28A, Part 32, 33, Part 34, Part 35, Part 36, 57, 58, Part 59, 104, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119,

Stephen F. Austin league, Abstract 20

Tract Numbers:
1F2, North ½ 2, 2C, 2A2, 3, 3A, 3B, 3C, 4, 4A1A, 4A2A, 4A3, 5, 5C, 7, 8, 9A, 12

Brazos Oaks Subdivision

Tract Numbers:
1, 2, 2A, 2A1, 6, 6A, 6B, 8, 9, 11, 11A, 12A

J.G & G.W. McNeel Survey, Abstract 90

Tract Number:
C, C1, D, E, D1, F Lot 1C, F Lot 1B, F Lot 1A1, F Lot 1D, F Lot 3F, F Lot 3D, F Lot 3B2, F Lot 3A, G, I1, I2, I3, North I, I5, J1, J2, J3, J4, J10, J15, J16

River Heights Subdivision

Tract Numbers
East 174, 175, North 176

1
2
3
4

CTA increases by 2.5% per year.

1	2
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Answer: Vario Costurkin

Итого:

- 21

Clute, Freeport, Lake Jackson Industrial District - December 2024

Payment Invoice

10/06/24

<u>City</u>	<u>Lake Jackson</u>	<u>Clute</u>	<u>Freeport</u>	
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	<u>Totals</u>
Air Liquide Values	22,263,930	-	4,641,740	26,905,670
Air Liquide Payment	\$ 14,815.71	\$ 5,056.72	\$ 12,646.69	\$ 32,519.12
BASF Values	273,273,600	-	6,696,110	279,969,710
BASF Payment	\$ 142,087.63	\$ 48,495.67	\$ 121,285.95	\$ 311,869.25
Braskem Values	-	-	49,660,410	49,660,410
Braskem Payment	\$ 39,276.14	\$ 13,405.27	\$ 33,526.10	\$ 86,207.51
Brock Values	-	1,544,012	-	1,544,012
Brock Payment	\$ 1,103.85	\$ 376.75	\$ 942.24	\$ 2,422.85
CFSL-Cosmos SPV	17,935,990	-	17,935,990	35,871,980
CFSL Payment	\$ 23,163.64	\$ 7,905.94	\$ 19,772.47	\$ 50,842.05
Corteva Agriscience	-	-	152,306,940	152,306,940
Corteva Payment	\$ 108,887.62	\$ 37,164.23	\$ 92,946.43	\$ 238,998.28
Dow Values	1,898,149,653	141,259,740	1,902,667,570	3,942,076,963
Dow Payment	\$ 2,561,949.74	\$ 875,366.52	\$ 2,186,757.80	\$ 5,624,074.06
Freeport Ammonia	48,582,380	-	-	48,582,380
Frpt. Amm. Payment	\$ 24,318.73	\$ 8,300.18	\$ 20,758.46	\$ 53,377.37
Freeport Energy	40,948,200	-	-	40,948,200
Frpt. Ergy. Payment	\$ 20,497.31	\$ 6,995.90	\$ 17,496.50	\$ 44,989.71
Huntsman Values	-	-	24,152,370	24,152,370
Huntsman Payment	\$ 19,101.97	\$ 6,519.66	\$ 16,305.44	\$ 41,927.07
INEOS Values	1,349,880	-	-	1,349,880
INEOS Payment	\$ 675.71	\$ 230.62	\$ 576.78	\$ 1,483.11
Kinder Morgan	-	110,080	-	110,080
K-M Payment	\$ 78.70	\$ 26.86	\$ 67.18	\$ 172.74
MEGlobal Americas	-	-	13,122,060	13,122,060
MEGlobal Payment	\$ 10,378.16	\$ 3,542.15	\$ 8,858.80	\$ 22,779.11

Hugh L. Landrum & Associates, Inc.

Neuag LLC	7,547,160	-	-	7,547,160
Neuag Payment	\$ 3,777.86	\$ 1,289.41	\$ 3,224.78	\$ 8,292.05
Olin Corporation	860,374,070	35,000,990	305,157,680	1,200,532,740
Olin Corp. Payment	\$ 702,616.35	\$ 238,856.55	\$ 599,874.67	\$ 1,541,347.56
Oyster Creek LTD	-	-	47,650,440	47,650,440
Oyster Creek Pymt.	\$ 37,686.47	\$ 12,862.70	\$ 32,169.15	\$ 82,718.32
Praxair Inc	-	-	1,836,420	1,836,420
Praxair Payment	\$ 1,452.41	\$ 495.72	\$ 1,239.78	\$ 3,187.92
Vopak Industries	45,137,015	-	45,137,015	90,274,030
Vopak Payment	\$ 58,292.71	\$ 19,895.78	\$ 49,758.64	\$ 127,947.12
Yara Freeport	267,997,580	-	-	267,997,580
Yara Payment	\$ 134,150.71	\$ 45,786.73	\$ 114,511.00	\$ 294,448.45
Initial Payment	\$ 3,904,311.43	\$ 1,332,573.37	\$ 3,332,718.86	\$ 8,569,603.66

Less Refund Credit \$ (318,314.17) \$ (108,643.24) \$ (271,712.88) \$ (698,670.29)

Total Payment \$ 3,585,997.26 \$ 1,223,930.13 \$ 3,061,005.98 \$ 7,870,933.37

↓
 Dec Payment
 - Credit
 Cathay Budgeted - \$ 5,814,300
 Increase over Budget - \$ 851,137.72
 Credit - \$ (271,712.88)
 Total Increase After Credit - \$ 579,424.84

December 2024 - Clute, Freeport, Lake Jackson Industrial District

Estimated Payment Invoice

09/24/24

City	Lake Jackson	Clute	Freeport	Totals
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	
Air Liquide Values	19,995,003	-	4,308,957	24,303,960
Air Liquide Payment	\$ 15,641.96	\$ 5,338.73	\$ 13,351.97	\$ 34,332.67
BASF Values	298,608,615	-	10,803,321	309,411,936
BASF Payment	\$ 153,441.66	\$ 52,370.89	\$ 130,977.75	\$ 336,790.30
Braskem Values	-	-	53,489,484	53,489,484
Braskem Payment	\$ 42,285.17	\$ 14,432.27	\$ 36,094.60	\$ 92,812.05
Brock Values *	-	1,410,434	-	1,410,434
Brock Payment	\$ 976.17	\$ 333.17	\$ 833.26	\$ 2,142.60
CFSL-Cosmos SPV	16,552,715	-	16,552,715	33,105,429
CFSL Payment	\$ 21,117.74	\$ 7,207.66	\$ 18,026.10	\$ 46,351.50
Corteva Agriscience	-	-	140,337,918	140,337,918
CFSL Payment	\$ 110,941.67	\$ 37,865.30	\$ 94,699.77	\$ 243,506.73
Dow Values	1,846,640,978	161,922,470	697,627,360	2,706,190,808
Dow Payment	\$ 1,696,439.54	\$ 579,008.69	\$ 1,448,080.20	\$ 3,723,528.43
Freeport Ammonia	60,727,980	-	-	60,727,980
Frpt. Amm. Payment	\$ 32,052.98	\$ 10,939.94	\$ 27,360.41	\$ 70,353.33
Freeport Energy	42,815,520	-	-	42,815,520
Frpt. Ergy. Payment	\$ 22,598.56	\$ 7,713.07	\$ 19,290.12	\$ 49,601.75
Huntsman Values	-	-	24,240,360	24,240,360
Huntsman Payment	\$ 20,843.39	\$ 7,114.02	\$ 17,791.91	\$ 45,749.32
INEOS Values	1,403,060	-	-	1,403,060
INEOS Payment	\$ 740.55	\$ 252.76	\$ 632.14	\$ 1,625.45
Kinder Morgan	-	112,900	-	112,900
K-M Payment	\$ 84.99	\$ 29.01	\$ 72.55	\$ 186.55
MEGlobal Americas	-	-	11,691,580	11,691,580
MEGlobal Payment	\$ 10,053.16	\$ 3,431.22	\$ 8,581.37	\$ 22,065.75

✓ numbers to verify
Totals seem right
But #s not

Hugh L. Landrum & Associates, Inc.

December 2024 - Clute, Freeport, Lake Jackson Industrial District

Estimated Payment Invoice

09/24/24

City	Lake Jackson	Clute	Freeport	Totals
1/2 Year Payment	50.0%	50.0%	50.0%	
Neuag LLC	-	-	-	-
Neuag Payment	\$ -	\$ -	\$ -	\$ -
Olin Corporation	971,668,025	36,070,780	337,138,155	1,344,876,960
Olin Corp. Payment	\$ 829,905.18	\$ 283,253.41	\$ 708,406.77	\$ 1,821,565.36
Oyster Creek LTD	-	-	49,852,020	49,852,020
Oyster Creek Pymt.	\$ 42,865.91	\$ 14,630.48	\$ 36,590.32	\$ 94,086.71
Praxair Inc	-	-	4,251,640	4,251,640
Praxair Payment	\$ 3,655.83	\$ 1,247.76	\$ 3,120.61	\$ 8,024.20
Vopak Industries	48,416,640	-	48,416,640	96,833,280
Vopak Payment	\$ 67,186.58	\$ 22,931.33	\$ 57,350.44	\$ 147,468.35
Yara Freeport	280,860,580	-	-	280,860,580
Yara Payment	\$ 148,241.67	\$ 50,596.09	\$ 126,539.04	\$ 325,376.80
Total Payment	\$ 3,869,961.78	\$ 1,320,849.56	\$ 3,303,398.02	\$ 8,494,209.36

Last Years Pmnt = \$ 3,246,160.34 \$ 1,107,941.02 \$ 2,770,921.31 \$ 7,125,022.68
(After Refund)

1/2 Payment Inc. = \$ 623,801.44 \$ 212,908.53 \$ 532,476.71 \$ 1,369,186.68

Dec. & June Pmts. x 2 x 2 x 2 x 2

Total Increase = \$ 1,247,602.88 \$ 425,817.07 \$ 1,064,953.41 \$ 2,738,373.36

% Increase = 19.22% 19.22% 19.22% 19.22%

Discussed Refund either
2 1/2 or 1 full payment
Increase from chlorine
off of 2nd payment 2024

Correction Included in figures
Refund net Included - Refund in push to 13-14%
Refund is full payment

December 2023 - Clute, Freeport, Lake Jackson Industrial District

Revised Invoice 2023

Payment Invoice

09/24/24

<u>City</u>	<u>Lake Jackson</u>	<u>Clute</u>	<u>Freeport</u>	
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	<u>Totals</u>
Air Liquide Values	22,216,670	-	4,787,730	27,004,400
Air Liquide Payment	\$ 15,641.96	\$ 5,338.73	\$ 13,351.97	\$ 34,332.67
BASF Values	331,787,350	-	12,003,690	343,791,040
BASF Payment	\$ 183,089.55	\$ 62,489.96	\$ 156,285.18	\$ 401,864.69
Braskem Values	-	-	59,432,760	59,432,760
Braskem Payment	\$ 50,455.48	\$ 17,220.87	\$ 43,068.78	\$ 110,745.13
Brock Values	-	1,567,149	-	1,567,149
Brock Payment	\$ 1,164.78	\$ 397.55	\$ 994.26	\$ 2,556.59
CFSL-Cosmos SPV	18,391,905	-	18,391,905	36,783,810
CFSL Payment	\$ 25,198.10	\$ 8,600.32	\$ 21,509.09	\$ 55,307.50
Corteva Agriscience	-	-	155,931,020	155,931,020
Corteva Payment	\$ 132,377.74	\$ 45,181.60	\$ 112,997.59	\$ 290,556.93
Dow Values	1,846,640,978	161,922,470	697,627,360	2,706,190,808
Dow Payment	\$ 1,674,910.27	\$ 571,660.55	\$ 1,429,702.81	\$ 3,676,273.63
Freeport Ammonia	60,727,980	-	-	60,727,980
Frpt. Amm. Payment	\$ 31,646.20	\$ 10,801.11	\$ 27,013.18	\$ 69,460.48
Freeport Energy	42,815,520	-	-	42,815,520
Frpt. Ergy. Payment	\$ 22,311.76	\$ 7,615.19	\$ 19,045.31	\$ 48,972.27
Huntsman Values	-	-	24,240,360	24,240,360
Huntsman Payment	\$ 20,578.87	\$ 7,023.74	\$ 17,566.12	\$ 45,168.72
INEOS Values	1,403,060	-	-	1,403,060
INEOS Payment	\$ 731.15	\$ 249.55	\$ 624.11	\$ 1,604.82
Kinder Morgan	-	112,900	-	112,900
K-M Payment	\$ 83.91	\$ 28.64	\$ 71.63	\$ 184.18
MEGlobal Americas	-	-	11,691,580	11,691,580
MEGlobal Payment	\$ 9,925.57	\$ 3,387.68	\$ 8,472.47	\$ 21,785.72

Hugh L. Landrum & Associates, Inc.

December 2023 - Clute, Freeport, Lake Jackson Industrial District

Revised Invoice 2023

Payment Invoice

09/24/24

<u>City</u>	<u>Lake Jackson</u>	<u>Clute</u>	<u>Freeport</u>	
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	<u>Totals</u>
Neuag LLC	-	-	-	-
Neuag Payment	\$ -	\$ -	\$ -	\$ -
Olin Corporation	971,668,025	36,070,780	337,138,155	1,344,876,960
Olin Corp. Payment	\$ 819,372.97	\$ 279,658.69	\$ 699,416.48	\$ 1,798,448.14
Oyster Creek LTD	-	-	49,852,020	49,852,020
Oyster Creek Pymt.	\$ 42,321.90	\$ 14,444.81	\$ 36,125.96	\$ 92,892.68
Praxair Inc	-	-	4,251,640	4,251,640
Praxair Payment	\$ 3,655.83	\$ 1,247.76	\$ 3,120.61	\$ 8,024.20
Vopak Industries	48,416,640	-	48,416,640	96,833,280
Vopak Payment	\$ 66,333.92	\$ 22,640.31	\$ 56,622.61	\$ 145,596.85
Yara Freeport	280,860,580	-	-	280,860,580
Yara Payment	\$ 146,360.36	\$ 49,953.99	\$ 124,933.15	\$ 321,247.50
Total Payment	\$ 3,246,160.34	\$ 1,107,941.02	\$ 2,770,921.31	\$ 7,125,022.68

Clute - Freeport - Lake Jackson Industrial District 2023

Original Payment Calculation 2023

Payment Invoice

11/06/23

City	Lake Jackson	Clute	Freeport	Totals
1/2 Year Payment	50.0%	50.0%	50.0%	
Air Liquide Payment	\$ 15,641.96	\$ 5,338.73	\$ 13,351.97	\$ 34,332.67
BASF Payment	\$ 183,089.55	\$ 62,489.96	\$ 156,285.18	\$ 401,864.69
Braskem Payment	\$ 50,455.48	\$ 17,220.87	\$ 43,068.78	\$ 110,745.13
Brock Payment	\$ 1,164.78	\$ 397.55	\$ 994.26	\$ 2,556.59
CFSL Payment	\$ 25,198.10	\$ 8,600.32	\$ 21,509.09	\$ 55,307.50
Corteva Payment	\$ 132,377.74	\$ 45,181.60	\$ 112,997.59	\$ 290,556.93
Dow Payment	\$ 1,674,910.27	\$ 571,660.55	\$ 1,429,702.81	\$ 3,676,273.63
Frpt. Armm. Payment	\$ 31,646.20	\$ 10,801.11	\$ 27,013.18	\$ 69,460.48
Frpt. Ergy. Payment	\$ 22,311.76	\$ 7,615.19	\$ 19,045.31	\$ 48,972.27
Huntsman Payment	\$ 20,578.87	\$ 7,023.74	\$ 17,566.12	\$ 45,168.72
INEOS Payment	\$ 731.15	\$ 249.55	\$ 624.11	\$ 1,604.82
K-M Payment	\$ 83.91	\$ 28.64	\$ 71.63	\$ 184.18
MEGlobal Payment	\$ 9,925.57	\$ 3,387.68	\$ 8,472.47	\$ 21,785.72
Neuag Payment	\$ -	\$ -	\$ -	\$ -
Olin Corp. Payment	\$ 819,372.97	\$ 279,658.69	\$ 699,416.48	\$ 1,798,448.14
Oyster Creek Pymt.	\$ 42,321.90	\$ 14,444.81	\$ 36,125.96	\$ 92,892.68
Praxair Payment	\$ 162,812.92	\$ 55,569.38	\$ 138,977.05	\$ 357,359.34
Vopak Payment	\$ 66,333.92	\$ 22,640.31	\$ 56,622.61	\$ 145,596.85
Yara Payment	\$ 146,360.36	\$ 49,953.99	\$ 124,933.15	\$ 321,247.50
Total 1/2 Payment	\$ 3,405,317.43	\$ 1,162,262.64	\$ 2,906,777.75	\$ 7,474,357.82
Dec. & June Pmts. x 2				
Total Payments =	\$ 6,810,634.86	\$ 2,324,525.28	\$ 5,813,555.50	\$ 14,948,715.64

Rate x Tax factor =
used

1/2 Dec
1/2 Jan
Working Credit
not issuing check

Clute - Freeport - Lake Jackson Industrial District 2023

Revised Payment Calculation 2023

Payment Invoice

09/24/24

City	Lake Jackson	Clute	Freeport	Totals	Difference
1/2 Year Payment	50.0%	50.0%	50.0%		
Air Liquide Payment	\$ 15,641.96	\$ 5,338.73	\$ 13,351.97	\$ 34,332.67	\$ -
BASF Payment	\$ 183,089.55	\$ 62,489.96	\$ 156,285.18	\$ 401,864.69	\$ -
Braskem Payment	\$ 50,455.48	\$ 17,220.87	\$ 43,068.78	\$ 110,745.13	\$ -
Brock Payment	\$ 1,164.78	\$ 397.55	\$ 994.26	\$ 2,556.59	\$ -
CFSL Payment	\$ 25,198.10	\$ 8,600.32	\$ 21,509.09	\$ 55,307.50	\$ -
Corteva Payment	\$ 132,377.74	\$ 45,181.60	\$ 112,997.59	\$ 290,556.93	\$ -
Dow Payment	\$ 1,674,910.27	\$ 571,660.55	\$ 1,429,702.81	\$ 3,676,273.63	\$ -
Frpt. Armm. Payment	\$ 31,646.20	\$ 10,801.11	\$ 27,013.18	\$ 69,460.48	\$ -
Frpt. Ergy. Payment	\$ 22,311.76	\$ 7,615.19	\$ 19,045.31	\$ 48,972.27	\$ -
Huntsman Payment	\$ 20,578.87	\$ 7,023.74	\$ 17,566.12	\$ 45,168.72	\$ -
INEOS Payment	\$ 731.15	\$ 249.55	\$ 624.11	\$ 1,604.82	\$ -
K-M Payment	\$ 83.91	\$ 28.64	\$ 71.63	\$ 184.18	\$ -
MEGlobal Payment	\$ 9,925.57	\$ 3,387.68	\$ 8,472.47	\$ 21,785.72	\$ -
Neuag Payment	\$ -	\$ -	\$ -	\$ -	\$ -
Olin Corp. Payment	\$ 819,372.97	\$ 279,658.69	\$ 699,416.48	\$ 1,798,448.14	\$ -
Oyster Creek Pymt.	\$ 42,321.90	\$ 14,444.81	\$ 36,125.96	\$ 92,892.68	\$ -
Praxair Payment	\$ 162,812.92	\$ 55,569.38	\$ 138,977.05	\$ 357,359.34	\$ (349,335.14)
Vopak Payment	\$ 66,333.92	\$ 22,640.31	\$ 56,622.61	\$ 145,596.85	\$ -
Yara Payment	\$ 146,360.36	\$ 49,953.99	\$ 124,933.15	\$ 321,247.50	\$ -
Total 1/2 Payment	\$ 3,246,160.34	\$ 1,107,941.02	\$ 2,770,921.31	\$ 7,125,022.68	\$ (349,335.14)
Dec. & June Pmts. x 2					
Total Payments =	\$ 6,492,320.69	\$ 2,215,882.04	\$ 5,541,842.63	\$ 14,250,045.36	\$ (698,670.28)
Refund Amount =	\$ (318,314.17)	\$ (108,643.24)	\$ (271,712.88)	\$ (698,670.28)	\$ (698,670.28)

-4.90%

-4.90%

-4.90%

-4.90%

2-1/2 payments
Total

9/24/25

December 2023 - Clute, Freeport, Lake Jackson Industrial District

Payment Invoice

11/12/23

<u>City</u>	<u>Lake Jackson</u>	<u>Clute</u>	<u>Freeport</u>	
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	<u>Totals</u>
Air Liquide Values	22,216,670	-	4,787,730	27,004,400
Air Liquide Payment	\$ 15,641.96	\$ 5,338.73	\$ 13,351.97	\$ 34,332.67
BASF Values	331,787,350	-	12,003,690	343,791,040
BASF Payment	\$ 183,089.55	\$ 62,489.96	\$ 156,285.18	\$ 401,864.69
Braskem Values	-	-	59,432,760	59,432,760
Braskem Payment	\$ 50,455.48	\$ 17,220.87	\$ 43,068.78	\$ 110,745.13
Brock Values	-	1,567,149	-	1,567,149
Brock Payment	\$ 1,164.78	\$ 397.55	\$ 994.26	\$ 2,556.59
CFSL-Cosmos SPV	18,391,905	-	18,391,905	36,783,810
CFSL Payment	\$ 25,198.10	\$ 8,600.32	\$ 21,509.09	\$ 55,307.50
Corteva Agriscience	-	-	155,931,020	155,931,020
CFSL Payment	\$ 132,377.74	\$ 45,181.60	\$ 112,997.59	\$ 290,556.93
Dow Values	1,846,640,978	161,922,470	697,627,360	2,706,190,808
Dow Payment	\$ 1,674,910.27	\$ 571,660.55	\$ 1,429,702.81	\$ 3,676,273.63
Freeport Ammonia	60,727,980	-	-	60,727,980
Frpt. Amm. Payment	\$ 31,646.20	\$ 10,801.11	\$ 27,013.18	\$ 69,460.48
Freeport Energy	42,815,520	-	-	42,815,520
Frpt. Ergy. Payment	\$ 22,311.76	\$ 7,615.19	\$ 19,045.31	\$ 48,972.27
Huntsman Values	-	-	24,240,360	24,240,360
Huntsman Payment	\$ 20,578.87	\$ 7,023.74	\$ 17,566.12	\$ 45,168.72
INEOS Values	1,403,060	-	-	1,403,060
INEOS Payment	\$ 731.15	\$ 249.55	\$ 624.11	\$ 1,604.82
Kinder Morgan	-	112,900	-	112,900
K-M Payment	\$ 83.91	\$ 28.64	\$ 71.63	\$ 184.18
MEGlobal Americas	-	-	11,691,580	11,691,580
MEGlobal Payment	\$ 9,925.57	\$ 3,387.68	\$ 8,472.47	\$ 21,785.72

Hugh L. Landrum & Associates, Inc.

December 2023 - Clute, Freeport, Lake Jackson Industrial District

Payment Invoice

11/12/23

<u>City</u>	<u>Lake Jackson</u>	<u>Clute</u>	<u>Freeport</u>	
<u>1/2 Year Payment</u>	<u>50.0%</u>	<u>50.0%</u>	<u>50.0%</u>	<u>Totals</u>
Neuag LLC Neuag Payment	\$ - -	\$ - -	\$ - -	\$ - -
Olin Corporation Olin Corp. Payment	971,668,025 \$ 819,372.97	36,070,780 \$ 279,658.69	337,138,155 \$ 699,416.48	1,344,876,960 \$ 1,798,448.14
Oyster Creek LTD Oyster Creek Pymt.	- \$ 42,321.90	- \$ 14,444.81	49,852,020 \$ 36,125.96	49,852,020 \$ 92,892.68
Praxair Inc Praxair Payment	- \$ 162,812.92	- \$ 55,569.38	191,781,370 \$ 138,977.05	191,781,370 \$ 357,359.34
Vopak Industries Vopak Payment	48,416,640 \$ 66,333.92	- \$ 22,640.31	48,416,640 \$ 56,622.61	96,833,280 \$ 145,596.85
Yara Freeport Yara Payment	280,860,580 \$ 146,360.36	- \$ 49,953.99	- \$ 124,933.15	280,860,580 \$ 321,247.50
Total Payment	\$ 3,405,317.42	\$ 1,162,262.64	\$ 2,906,777.76	\$ 7,474,357.82



Jerry Cain
Mayor

Lance Petty
City Manager

Dow Industrial Contract Memorandum

On September 24, 2024, Hugh Landrum with Hugh Landrum & Associates (Manages our Industrial Contracts) contacted the city with anticipated percentage increases in the 2024/2025 biannual payments to the city. These payments are issued in December and June each year. Mr. Landrum also informed me that he had made a mistake and had remove a property off abatement a year earlier than it was scheduled to and that Freeport, Lake Jackson and Clute owe a refund back to DOW. A meeting was scheduled with the City Managers from Freeport, Lake Jackson, Clute and Mr. Landrum to discuss the error created by Hugh Landrum and Associates. During discussions with Mr. Landrum, we were informed that his firm had removed a property off abatement one year early pertaining to PraxAir. The cities received funds for this property and now DOW is requesting a refund from that payment. The refund amount from the cities are as follows:

Freeport \$271,712.88

Lake Jackson \$ 318,314.17

Clute \$108,643.24

All cities agreed that we would prefer DOW receive a credit for this refund for the upcoming December payment. Mr. Landrum will be discussing this credit with DOW and will notify the cities if this is accepted.

The bad news is that there was this mistake, but the good news is that we did not budget an increase to the 2024/2025 industrial payment and the payment percent is increasing 15-19% which totals an additional \$1,064,953.41 for the upcoming fiscal year. With that being said the credit owed would leave a net increase of \$793,240.53. Total payment for upcoming fiscal year is projected at \$3,031,685.14.

DOW has agreed to the credit on the first payment in December.

19.22%



Clute - Freeport - Lake Jackson IDA Abatements

Property ID	Geo ID	Type	Owner Name	Owner ID	Legal Description	Appraised	Expired
635651	ABAT-ADOW-015	R	OLIN CHLORINE #7 LLC	1127310	TAX ABATEMENT LOT STRATTON RIDGE, 7 (PT), IMP ONLY (CHLORINE 7) (2013-2019) ACRE	\$411,030	Expired
695607	ABAT-BASF-016	R	NEUAG LLC	1208471	TAX ABATEMENT BLK VARIOUS TRACTS - IMP ONLY (2021-2028) WAREHOUSE DISTRIBUTIO	\$39,706,880	Taxable 2029
670580	ABAT-BASF-015	R	BASF CORPORATION CHEMICALS DIVISION	23942	TAX ABATEMENT BLK VARIOUS TRACTS - IMP ONLY (2016-2022) ACRES 423.397 ACRES .0	\$58,500,760	Expired
661535	ABAT-BASF-014	R	YARA FREEPORT LLC	1140539	TAX ABATEMENT LOT VARIOUS TRACTS (IMP ONLY) (2016-2022)	\$261,184,910	Expired
649866	ABAT-BASF-013	R	BASF CORPORATION CHEMICALS DIVISION	23942	TAX ABATEMENT LOT VARIOUS TRACTS (IMP ONLY) (2014-2020) ACRES 1.129	\$57,804,890	Expired
705002	ABAT-ODOW-023	R	DOW CHEMICAL COMPANY	10015	TUSCON PROJECT FREEPORT TX 77541 (2022-2028)	\$133,643,980	Taxable 2029
695608	ABAT-ODOW-021	R	DOW CHEMICAL COMPANY	10015	TAX ABATEMENT LOT VARIOUS TRACTS - IMP ONLY (2021-2028) POLYETHYLENE PLANT ACI	\$125,000,000	Taxable 2029
677589	ABAT-ODOW-020	R	MEGLOBAL AMERICAS INC	1124333	TAX ABATEMENT BLK VARIOUS TRACTS - IMP ONLY (2018-2027)	\$764,685,040	Taxable 2028
655277	ABAT-ODOW-019	R	DOW CHEMICAL COMPANY	10015	TAX ABATEMENT LOT VARIOUS TRACTS - IMP ONLY (2015-2021) ACRES 242.00 ACRES .0	\$642,835,530	Expired
649869	ABAT-ODOW-017	R	DOW CHEMICAL COMPANY	10015	TAX ABATEMENT LOT VARIOUS TRACTS (IMP ONLY) (2014-2023) ACRES 22.300	\$1,285,299,870	Expired
635650	ABAT-ODOW-015	R	OLIN CHLORINE #7 LLC	1127310	TAX ABATEMENT, VARIOUS TRACTS, IMP ONLY (CHLORINE 7) (2013-2019), BCIC DIV 14 AC	\$555,194,390	Expired
670578	ABAT-FRAM-001	R	FREEPORT AMMONIA LLC	1139464	TAX ABATEMENT LOT VARIOUS TRACTS - IMP ONLY (2016-2022) ACRES 423.397	\$48,582,380	Expired
649870	ABAT-ODOW-016	R	DOW AGROSCIENCES	269907	TAX ABATEMENT LOT VARIOUS TRACTS (IMP ONLY) (2014-2020) ACRES 1.403	\$148,260,510	Expired
670579	ABAT-PRAX-001	R	PRAXAIR INC	290869	TAX ABATEMENT BLK VARIOUS TRACTS - IMP ONLY (2019-2025) ACRES 423.397	\$87,226,980	Taxable 2026
684730	ABAT-PRAX-0A1	R	PRAXAIR INC	290869	TAX ABATEMENT LOT VARIOUS TRACTS - ASU LOCATED AT DOW (2019-2025)	\$95,614,510	Taxable 2026

Hugh L. Landrum Associates, Inc.

RESOLUTION NO. 2025-3006

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS APPROVING A PROPOSED AGREEMENT WITH VEOLIA WATER NORTH AMERICA-CENTRAL, LLC TO OPERATE THE CITY WATER AND WASTEWATER UTILITY AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT.

WHEREAS, the City of Freeport previously entered an agreement with Veolia Water North America - Central, LLC (Veolia) to operate the city water and wastewater utility; and

WHEREAS, the City provided notice to terminate the prior agreement; and

WHEREAS, the City and Veolia have entered into agreement for Veolia to continue to operate the City utility until December 31, 2025 allowing for time to negotiate a new agreement ; and

WHEREAS, the City and Veolia have negotiated a new agreement for Veolia to operate the City water and wastewater utility, that has been presented to the City Council, duly reviewed and considered by the City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

The City Council specifically finds that the factual statements contained in the preamble above are true and correct.

The City Council hereby approves the Agreement attached to this resolution as Exhibit A and incorporated herein for all purposes.

The City Manager is hereby authorized to execute, on behalf of the City of Freeport, Texas, the attached Agreement with Veolia to operate the water and wastewater utility on behalf of the City under the terms and conditions contained therein.

This resolution was heard and considered by the Freeport City Council in open session and in accordance with the Texas Open Meetings Act.

READ, PASSED, AND ADOPTED THIS ____ DAY OF DECEMBER, 2025.

Jerry Cain, Mayor

ATTEST:

Approved as to form:

Clarisa Fernandez, City Clerk,
City of Freeport, Texas

Christopher Duncan, City Attorney
City of Freeport, Texas