

STATE OF TEXAS §

COUNTY OF BRAZOS §

**LAWSON PROPERTIES V, LLC
CHAPTER 381 ECONOMIC DEVELOPMENT AGREEMENT
WITH THE BRAZOS COUNTY, TEXAS**

This Chapter 381 Agreement (“Agreement”) is entered into on this the ____ day of _____, 2022 by and between **BRAZOS COUNTY, TEXAS**, (“County”) political subdivision organized under the laws of Texas, acting herein by and through its duly elected Commissioners Court, and **LAWSON PROPERTIES V, LLC**, (“Company”) a limited liability company created and operating under the laws of the State of Texas; collectively referred to as **“PARTIES.”**

WHEREAS, the Texas Constitution prohibits any County, or other political subdivision, from lending its credit or granting public money to any individual, association, or corporation whatsoever without a valid public purpose for doing so; and

WHEREAS, the Texas Constitution specifically states that economic development programs created pursuant to Chapter 381 of the Texas Local Government Code serve the public purpose of alleviating poverty, joblessness, economic blight, and provide other intangible benefits incidental to the development of the local economy; and

WHEREAS, approximately thirty (30) years ago the Bryan Industrial Foundation, Inc. (predecessor to Bryan Business Council, Inc.), began developing three hundred twenty-seven (327) acres of land as the Bryan Industrial Park to spur economic growth, and presently there remains approximately eighty (80) acres left undeveloped; and

WHEREAS, Company is a local manufacturer that is looking to expand its operation and construct a new manufacturing facility and Company has a contract to purchase the majority of the remaining undeveloped acreage from the Bryan Business Council; and

WHEREAS, Company desires to construct a new manufacturing facility that will add upwards of \$10,000,000 in taxable value on the property, including both improvements to the real property as well as taxable personal property, and approximately one hundred fifty (150) New Full-time Employment Positions, but Company is unable to meet this goal without assistance from the County; and

WHEREAS, the County strongly desires to keep this employer in Bryan, increase the tax base, and generate the New FTE Positions that would come with this project, and is therefore willing to provide a Chapter 381 Agreement that will ease the costs associated with the project and offset the purchase price of a portion of the property; and

WHEREAS, the Commissioners Court determines that it is in the best interest of the community to offer the incentives set forth herein in exchange for the economic development benchmarks set forth herein, and that the overall benefits of this project outweigh the costs associated with it; and

NOW, THEREFORE IT IS AGREED BY THE PARTIES AS FOLLOWS

I. GENERAL TERMS

1. Definitions. As used herein, the terms listed below shall be defined as follows:

- a. BCAD – the Brazos Central Appraisal District
 - b. County – Brazos County, Texas, a political organized under the laws of Texas.
 - c. Company – LAWSON PROPERTIES V, LLC. acting by and through its Chief Executive Officer, Kenny Lawson.
 - d. Development Codes – the Building Code, Mechanical Code, Plumbing Code, and National Electric Code, as adopted by the City of Bryan and as may be later amended. The term also applies to the City’s Subdivision Ordinance, Chapter 110 of the Bryan Code of Ordinances.
 - e. Dry-in – the stage of construction of a building where the building’s shell has been completed, which is further defined as the completion of the roof, walls, windows, and doors in a manner sufficient to protect the interior of the structure from exposure to the elements (rain, wind, etc.).
 - f. Effective Date – the date above written, which shall be after all parties have signed, and dated the date the last party signs.
 - g. Manufacturing Facility – a new manufacturing facility containing a minimum of 150,000 sf. heated interior space to be constructed on a portion of the Property within the Bryan Industrial Park.
 - h. New Full-time Employment Position or New FTE Position – means an employment position for a forty (40) hour work week at the Manufacturing Facility that is over and above the positions maintained by Company prior to January 1, 2021 when hiring for the Manufacturing Facility began. A New FTE Position can be filled by a current employee, provided that the current employee’s position is refilled and not eliminated.
 - i. Property – all that real property to be purchased by Company from the Bryan Business Council, Inc., including nine (9) tracts of land more particularly described in **Exhibit A**.
2. Term. This term of this Agreement shall be from the Effective Date through March 30, 2027, unless earlier terminated as provided herein.

II. COMPANY’S OBLIGATIONS

- 1. Company agrees to begin construction on a Manufacturing Facility within twelve (12) months of the Effective Date. This shall be evidenced by obtaining permits required by the City of Bryan Development Codes for the construction of the Manufacturing Facility.
- 2. Company agrees to comply with the requirements of the Development Codes throughout the construction of the Manufacturing Facility. This includes but is not limited to, obtaining a re-plat of the Property as necessary, as well as all necessary permits, prior to beginning construction, as well as complying with the standards for construction set forth in the Development Codes.
- 3. Company shall complete the Dry-in for the Manufacturing Facility within twenty-four (24) months of the Effective Date. Within thirty (30) months of the Effective Date, Company shall get a certificate of occupancy for the Manufacturing Facility. If the construction of the Manufacturing Facility is done in phases, Company must have completed all phases.
 - a. In the event of weather delays that slow completion of the Dry-in, the Company may request an extension of these deadlines. Company shall make the request within a reasonable time, but not more than ninety (90) days, after the weather delay, or any claim

for an extension related to same is waived. Company shall make the request in writing and shall provide documentation of the weather event(s) in question, a reasonable explanation for the delay, and the amount of time for the delay/extension.

- b. If the County Judge approves the request, which approval shall not be unreasonably withheld, the deadlines shall each be extended, as reasonably necessary.
 - c. There is a rebuttable presumption that, after Dry-in has been completed, further weather delays are not reasonable.
4. The Company agrees that by 2026, the combined taxable appraised value of the improvements on the real property (excluding the value of the real property itself) as well as the business personal property shall be \$10,000,000.00 or higher.
5. The Company agrees that by 2026, it will have one hundred fifty (150) New FTE Positions filled with an average wage rate of \$18.50/hour on the payroll. Prior to the expiration of the term of this Agreement, Company shall provide the County with documentation verifying the positions filled and the wages paid for same.

III. COUNTY'S OBLIGATIONS

1. Subject to the Company's compliance with the terms and conditions of this Agreement, County agrees to pay to Company annually, not later than October 30 of each year, an amount equal to fifty percent (50%) of Maintenance and Operations Rate portion of the Real Property Taxes collected and attributable to the Incremental Taxable Value of the Property for the preceding tax year. These payments will terminate five (5) years after the effective date of this agreement.
2. In no event will the Chapter 381 Payment paid in connection with a tax year exceed fifty percent (50%) of the Maintenance and Operations portion of ad valorem taxes actually collected by the County from the Property.
3. The County's obligation to make the Chapter 381 Payment(s) hereunder is subject to annual appropriation by the Brazos County Commissioners Court, which the County agrees to use best efforts to appropriate such funds annually during the Term of this Agreement. Under no circumstances shall County's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.
4. During the term of this Agreement, Company shall be subject to all taxation, including but not limited to, sales tax and ad valorem taxation provided, this Agreement does not prohibit Company from claiming any exemptions from tax provided by applicable law.
5. The County's obligation to make the Chapter 381 Payment(s) hereunder is subject to Company's filing of a Payment Request on or before September 1 of each calendar year, requesting payment for the previous year's taxes. The request shall be made on the form attached hereto as Exhibit "B", together with all supporting documentation.

IV. DEFAULT & TERMINATION

1. Breach by Company. It is a breach of this Agreement if the Company
 - a. fails to comply with the Development Codes, provided that Company has the right to cure such failure within thirty (30) days of receiving notice of same from the County; or

if a longer period of time is necessary to cure such breach, Company has a reasonable amount of time agreed to in writing by the County, which shall not be longer than ninety (90) days from notice of such breach;

- b. allows the M&O portion of ad valorem property taxes (either real property or personal property accounts) on the Property and any other property owned by Company in the County to become delinquent, provided that it is understood that a tax is not delinquent if it is the subject of an on-going appeal under Tax Code Chapter 42);
 - c. fails to reach the \$10,000,000.00 valuation, per BCAD, for the Property and the personal property accounts at that location; and/or
 - d. fails to maintain one hundred fifty (150) full time positions during calendar year 2025, at the pay rate required by Section II (5) of this Agreement.
2. Default. If a breach is not cured as provided in Section 1(a), or if the breach is described by section 1(b)-(d) and cannot be cured, the County may declare the Company in default. In the event of a default, the County is entitled to terminate the Agreement, and may seek any other remedies available at law or in equity.

V. MISCELLANEOUS

1. Texas Government Code Chapter 2264. In accordance with Chapter 2264 of the Texas Government Code, Company agrees not to employ any person who is not lawfully admitted for permanent residence to the United States or who is not authorized under law to be employed in the United States ("*Undocumented Worker*"). During the term of this Agreement, Company shall notify County of any complaint brought against Company alleging that Company has employed Undocumented Workers. If Company is convicted of a violation under 8 U.S.C. Section 1324a(f), the total amount of economic development grants it has received pursuant to this Agreement, together with interest at the rate of five percent (5%) per annum from the date of each payment of an economic development grant, shall be repaid by Company to the County not later than the 120th day after the date the County notifies Company of the violation. Company shall not be liable for a violation of Chapter 2264 by a subsidiary, affiliate, or franchisee, or by a person with whom Company contracts.
2. Foreign Business Engagements. Developer represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Company, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Company, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is an Owner listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this clause has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.
3. HB 1295 Compliance. Section 2252.908 of the Texas Government Code requires that for certain types of contracts, Company must fill out a conflict of interest form ("*Disclosure of Interested Parties*") at the time you submit your signed contract to the County. Company bears the responsibility of determining if this Agreement requires such a form and to comply.
4. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. Company shall not assign this Agreement without the written approval of

the Commissioners Court. An assignment to a subsidiary or affiliate company of Company shall not be prohibited under the section.

5. Severability. If any term of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective while this Agreement is in effect, such term shall be automatically deleted from this Agreement and the legality, validity and enforceability of the remaining terms of this Agreement shall not be affected thereby, and in lieu of such deleted terms, there shall be added as part of this Agreement a term that is legal, valid and enforceable and that is as similar as possible in terms and substance as possible to the deleted term.
6. Texas law to apply. This Agreement shall be construed under and in accordance with the laws of the State of Texas and the obligations of the parties created hereunder are performable by the parties in Brazos County, Texas. Venue for any litigation arising under this Agreement shall be in a court of appropriate jurisdiction in Brazos County, Texas.
7. Sole Agreement. This Agreement constitutes the sole and only Agreement of the Parties hereto respecting the subject matter covered by this Agreement and supersedes any prior understandings or written or oral agreements between the parties.
8. Amendments. No amendment, modification or alteration of the terms hereof shall be binding unless the same shall be in writing and dated subsequent to the date hereof and duly executed by the parties hereto.
9. Rights and Remedies Cumulative. The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy by either party shall not preclude or waive its right to use any and all other legal remedies. Said rights and remedies are provided in addition to any other rights the parties may have by law, statute, ordinance or otherwise.
10. No Waiver. Failure of any party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in anyway affect the validity of this Agreement, any part hereof, or the right of either party thereafter to enforce each and every provision hereof. No term of this Agreement shall be deemed waived, or breach excused unless the waiver shall be in writing and signed by the party claimed to have waived. Furthermore, any consent to or waiver of a breach will not constitute consent to or waiver of or excuse of any other different or subsequent breach.
11. Notices. Any notices required to be provided pursuant to this Agreement are deemed provided upon personal delivery or within three (3) days after being sent via U.S. Certified Mail, Return Receipt Requested to the addresses provided herein. County and Company hereby designate the following individuals to receive any notices required to be submitted pursuant to the terms of this Agreement:

COUNTY

Brazos County, Texas
Attn: County Judge
200 S. Texas Ave., Ste. 332
Bryan, Texas 77803

COMPANY

LAWSON PROPERTIES V, LLC
Attn: Kenny Lawson, CEO
114 Holleman Dr.
College Station, Texas 77840

12. Incorporation of Recitals. The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

13. Incorporation of Exhibits. The exhibits attached hereto are included as if fully set forth herein for all purposes.
14. Headings. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs.
15. Duplicate Originals. The parties may execute this Agreement in duplicate originals, each of equal dignity. If the parties sign this Agreement on different dates, the later date shall be the effective date of this Agreement for all purposes.
16. Gender and Number. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural and vice versa, unless the context requires otherwise

Executed to be effective this ____ day of _____, 2022.

ATTEST:

BRAZOS COUNTY, TEXAS

Karen McQueen, County Clerk

Duane Peters, County Judge

APPROVED AS TO FORM:

Bruce Erratt, General Counsel

LAWSON PROPERTIES V, LLC

Kenny Lawson, CEO

EXHIBIT "A"
Property

1. The approximately 6.12-acre tract described in the attached survey
2. The approximately 21.05-acre tract described in the attached survey
3. Lots 1-4, Block 6, Bryan Industrial Park Phase #2 according to the re-plat thereof recorded in Volume 847, Page 403 of the Official Property Records of Brazos County, Texas
4. Lot 3B, Block 3, Bryan Industrial Park Phase #2, according to the re-plat thereof recorded in Volume 11652, Page 176 of the Official Public Records of Brazos County, Texas.
5. Lot 4, Block 3, Bryan Industrial Park Phase #2, according to the amending plat recorded in Volume 8784, Page 33 of the Official Property Records of Brazos County, Texas
6. Lot 1AR, Block 4, Bryan Industrial Park Phase #2 according to the re-plat thereof recorded in Volume 3288, Page 133 of the Official Property Records of Brazos County, Texas

EXHIBIT “B”