

STATE OF TEXAS §
 §
COUNTY OF BRAZOS §

TAX ABATEMENT AND INCENTIVE AGREEMENT

This TAX ABATEMENT AND INCENTIVE AGREEMENT (this "Agreement") is entered into by and between the CITY OF BRYAN, TEXAS, ("CITY"), a home rule municipality, acting herein by and through its duly elected City Council, and LUBRIZOL SPECIALTY PRODUCTS, INC., ("OWNER"), a Delaware corporation legally authorized to do business in the State of Texas, acting herein by and through its authorized officers. The CITY and OWNER may also be referred to herein collectively as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, the encouragement of new and existing development and investment in the CITY is paramount to the CITY'S continued economic development; and

WHEREAS, on August 25, 2015, the City Council of CITY (the "City Council") adopted Resolution Number 3627, establishing the guidelines and criteria for commercial-industrial tax abatement agreements, and the City Council finds that this Agreement meets those guidelines and criteria; and

WHEREAS, on the 27th day of October, 2015, the City Council held a public hearing regarding the establishment of Reinvestment Zone Number 32 for Commercial-Industrial Tax Abatement, City of Bryan, Texas (hereinafter referred to as the "Zone"), as required by Chapter 312 of the Texas Tax Code, as amended (the "Tax Code"); and

WHEREAS, on the 24th day of November, 2015, the City Council adopted Ordinance No. [2129] establishing the Zone, as authorized by Chapter 312 of the Tax Code; and

WHEREAS, OWNER is a specialty chemical company currently operating in the CITY and in other locations in the U.S.; and

WHEREAS, OWNER currently owns approximately 7.083 acres of real property located in the Zone and desires to expand its operations thereon; and

WHEREAS, OWNER informed the CITY that financial and other development incentives from the CITY will induce OWNER to invest at least Twenty Five Million Dollars (\$25,000,000) in Real Property Improvements, in the CITY, and to employ at least twenty-four (24) New Permanent Employees with an annual Payroll of at least One Million Five Hundred Thousand Dollars (\$1,500,000) and annual Wages, excluding bonuses and employee benefit costs, of at least One Million One Hundred Fifty Thousand Dollars (\$1,150,000); and

WHEREAS, by locating its activities in the CITY, OWNER will create New Jobs, generate sales tax revenues, and add the Real Property Improvements, the Tangible Personal Property, and inventory, which is subject to ad valorem tax assessments; and

WHEREAS, the City Council finds that no member of the City Council or the Planning and Zoning Commission has any ownership, leasehold or other interest in the Premises for which tax abatements are granted in this Agreement; and

WHEREAS, a copy of this Agreement has been furnished by the CITY, in the manner prescribed by the Tax Code, to the presiding officers of the governing bodies of each of the taxing units in which the Premises is located; and

WHEREAS, the CITY is authorized under Chapter 380 of the Texas Local Government Code to offer certain economic development incentives for public purposes, including the promotion of local economic development and the stimulation of business and commercial activity within the CITY; and

WHEREAS, the City Council has determined that providing economic development incentives to OWNER in the form of a Chapter 380 rebate of development fees to locate the Project in the CITY will promote local economic development and stimulate business and commercial activity within the CITY and Brazos County; and

WHEREAS, to ensure that the benefits the CITY provides under this Agreement are utilized in a manner consistent with Texas Local Government Code, Chapter 380, and the Tax Code, Chapter 312, and other laws, OWNER agrees to comply with certain conditions for receiving those benefits, including conditions relating to property development, as set forth herein.

NOW THEREFORE, for the reasons stated in these Recitals and in consideration of the mutual benefits to and promises of the Parties set forth below, the Parties do mutually agree as follows:

I. DEFINITIONS

Wherever used in this Agreement, the following capitalized terms shall have the meanings ascribed to them in this Article I. Other capitalized terms used herein, but not defined in this Article I, shall have the meanings ascribed to such terms elsewhere in this Agreement.

Section 1.01. "Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with, OWNER.

Section 1.02. "Business" means the operation by OWNER of a manufacturing, storage, packaging, laboratory and office facility from the Real Property Improvements to be used by OWNER for the purposes of producing specialty chemicals for supply to its customers, together with all related activities on the Land.

Section 1.03. “Chapter 380 Payment” means that amount of the Development Fee rebate paid by CITY to OWNER as a grant under TEXAS LOCAL GOVERNMENT CODE, Chapter 380.

Section 1.04. “City” shall mean the City of Bryan, Texas, a home-rule municipal corporation of the State of Texas.

Section 1.05. “City Manager” means the CITY’S city manager or any person designated or authorized to act for the City Manager.

Section 1.06. “Completion of Construction” or “Complete Construction” shall mean that the Real Property Improvements are substantially complete and a final certificate of occupancy has been received from the City.

Section 1.07. “Development Fees” means certain fees imposed by the CITY upon OWNER, including OWNER’S contractors and subcontractors, after the Effective Date in connection with constructing the Real Property Improvements. Development fees shall include, without limitation, fees for building permits, site plans, and replat fees, but shall not include re-inspection fees or water and sewer tap fees.

Section 1.08. “District” means the Brazos Central Appraisal District or its successor agency.

Section 1.09. “Effective Date” means the date this Agreement is signed by both Parties.

Section 1.10. “Eligible Personal Property” means any property classified as tangible personal property under State law, excluding inventory and supplies, and that is located on the Land or within the Real Property Improvements.

Section 1.11 “Force Majeure” means lightning, earthquakes, hurricanes, storms, floods, and other natural occurrences; strikes, lockouts, riots, wars, or other civil disturbances; and explosions, fires or similar accidents not reasonably within the control of OWNER or OWNER’S agents or contractors. In no event shall Force Majeure include OWNER’S financial inability to perform or Developer’s inability to perform as a result of changes in market conditions.

Section 1.12. “Job” means a paid permanent position of employment that requires the physical presence of the Permanent Employee on the Premises or other location of OWNER within the CITY for a majority of the hours worked in order to carry out the employee’s essential job functions, which shall be related to the Business (*e.g.*, the employee’s position may require travel, but the Premises or other location within the CITY is the home base at which the employee performs the majority of his or her work).

Section 1.13. “Land” means the real property located in the Zone within the City limits of the CITY upon which the Real Property Improvements shall be constructed, which is more

particularly described by metes and bounds along with a map, plat or survey attached hereto collectively, as Exhibit "A", attached hereto and made a part hereof.

Section 1.14. "New Job" means a Job created after the Effective Date of this Agreement.

Section 1.15. "New Permanent Employee" means a Permanent Employee hired after the Effective Date of this Agreement to fill a New Job.

Section 1.16. "Owner" means Lubrizol Specialty Products, Inc., a Delaware corporation legally authorized to do business in the State of Texas, or permitted assignees in accordance with the terms of this Agreement.

Section 1.17. "Payroll" shall mean the sum of (a) the Wages and bonuses paid by OWNER for the Permanent Employees, and (b) all employee benefit costs incurred by OWNER for the Permanent Employees.

Section 1.18. "Permanent Employee" means an individual who works for, and is an employee of, the Owner who performs work related to the Business at least thirty-seven (37) hours in a seven day period, and who reports to work at the Premises or other location of OWNER within the CITY, excluding any contract employee, seasonal employee or part-time employee.

Section 1.19. "Premises" collectively means the Land and Real Property Improvements constructed thereon.

Section 1.20. "Project" means the construction of the Real Property Improvements, the addition of Eligible Personal Property, and the creation of twenty-four (24) New Jobs by OWNER , as described herein.

Section 1.21. "Real Property Improvements" means a building or buildings and all related facilities containing a minimum of sixty thousand square feet (60,000 sq. ft.) of manufacturing, storage, packaging, laboratory and office space for the operation of the Business on the Land, including all sidewalks, parking lots, outdoor lighting, landscaping and other improvements to serve the building(s) and facilities, but excluding the Land and Tangible Personal Property, constructed in substantial conformity with the specifications shown in Exhibit "B", which are attached hereto and made a part hereof.

Section 1.22. "Real Property" has the meaning ascribed to such term in the Tax Code.

Section 1.23. "Reinvestment Zone" or "Zone" means Reinvestment Zone No. 32, created by the City.

Section 1.24. "Start Date" means the earlier of January 1 of the calendar year immediately following the Completion of Construction, or January 1, 2019.

Section 1.25. "Tangible Personal Property" has the meaning ascribed to such term in the Tax Code, but excluding inventory and/or supplies and any tangible personal property that was located in the Reinvestment Zone at any time before the execution of this Agreement.

Section 1.26. "Value" means the appraised value for property tax purposes, as certified by the District and shown on the records of the District.

Section 1.27. "Wages" means the remuneration for personal services the OWNER pays to Permanent Employees that is included as the total gross wages in the "Reimbursing Employer's Quarterly Report" (or similar report) required to be filed with the Texas Workforce Commission (or successor agency) for purposes of administering the Texas Unemployment Compensation act (Tex. Labor Code, Chapter 201 et seq.); *provided, however*, if OWNER is no longer required to report Wages to the Texas Workforce Commission during the term of this Agreement, the CITY may use other information or a reporting source that defines Wages in the same or similar manner.

II. TERM OF AGREEMENT

Section 2.01. This Agreement shall become effective and enforceable on the Effective Date, and shall terminate upon completion of the last year OWNER is entitled to an Abatement (as defined below in Section 5.01) pursuant to the Tax Abatement Schedule set forth in Section 5.07 (the "Term"), unless sooner terminated pursuant to other provisions of this Agreement.

Section 2.02. The Abatements shall be provided by the CITY to OWNER for a period of eight (8) successive years beginning on the Start Date under the terms of this Agreement.

III. REPRESENTATIONS AND WARRANTIES OF OWNER

Section 3.01. The OWNER represents and warrants that it owns the Land.

Section 3.02. The OWNER represents and warrants that it is authorized to execute this Agreement and has all corporate authorizations necessary to complete the Real Property Improvements described in Exhibit "B", which is attached hereto and made a part hereof.

Section 3.03. The OWNER represents and warrants that construction of the Real Property Improvements described in Exhibit "B" will occur after the Effective Date.

Section 3.04. The OWNER represents that after the Effective Date and through the duration of this Agreement, it will create at least twenty-four (24) New Jobs and employ at least twenty-four New Permanent Employees, with an annual Payroll of at least One Million Five Hundred Thousand Dollars (\$1,500,000) and annual Wages, excluding bonuses and employee benefit costs, of at least One Million One Hundred Fifty Thousand Dollars (\$1,150,000).

Section 3.05. The OWNER represents that after the Effective Date it will invest at least Twenty Five Million Dollars (\$25,000,000) in Real Property Improvements in the Zone.

Section 3.06. The OWNER represents and warrants that the Real Property Improvements will be designed and constructed to meet all applicable federal, state, and local environmental laws and regulations, including those relating to protection of the environment.

Section 3.07. The OWNER represents that, to its knowledge, no interest in the Land or Tangible Personal Property is held or leased by a member of the City Council or Planning and Zoning Commission.

IV. OWNER'S OBLIGATIONS

Section 4.01. In order for OWNER to receive an Abatement with respect to a particular tax year in the Tax Abatement Schedule set forth in Section 5.07 (each, a "Tax Year"), OWNER shall have complied with each of the following :

a. After the Effective Date, OWNER shall create at least twenty-four New Jobs, employing at least twenty-four (24) New Permanent Employees, with an annual Payroll of at least One Million Five Hundred Thousand Dollars (\$1,500,000) and annual Wages, excluding bonuses and employee benefit costs, of at least One Million One Hundred Fifty Thousand Dollars (\$1,150,000) and shall continue to maintain same at a minimum, during such Tax Year.

b. OWNER shall complete construction of the Real Property Improvements and obtain a final certificate of occupancy from the CITY by December 31, 2017, subject to events of Force Majeure.

c. OWNER shall submit a site plan, exterior design drawings and specifications (the "Plans") for the Real Property Improvements to the CITY for approval prior to construction. City agrees to use best efforts to timely and expeditiously respond to all submissions and requests of the OWNER its Engineers, Architects or the General Contractor.

d. OWNER shall construct the Real Property Improvements in substantial conformity with the description and specifications described in Exhibit "B" and in accordance with the Plans approved by the City.

e. OWNER shall construct the Real Property Improvements in accordance with all applicable laws, ordinances, codes, rules, requirements and regulations of the CITY, the State of Texas, and the United States, and any applicable subdivision, agency or authority thereof in effect at the time of the development.

f. OWNER shall obtain a certified appraisal from the District for the Real Property Improvements and the Eligible Personal Property, in the CITY of at least Twenty Million Dollars (\$20,000,000.00) by January 1, 2018 subject to an event of Force Majeure, but in no event later than December 31, 2018.

g. Upon completion of the Real Property Improvements, OWNER agrees to limit its use of the Premises to the uses described in Section 1.02; *provided, however*, the City Manager may approve a change from such uses in writing if the City Manager determines that a change is consistent with the CITY'S general purpose of encouraging development or redevelopment within Reinvestment Zone Number 32.

h. OWNER shall maintain in operation its current manufacturing facility located on real property adjacent to the Land (the "Current Facility") throughout the duration of the Term of this Agreement. In the event, all or a material part of the Current Facility is destroyed or substantially and materially damaged by fire or any other casualty during the Term of this Agreement, OWNER shall notify the City Manager in writing within ninety (90) days of the casualty and whether OWNER intends to undertake the repair, remodel, or renovation of the damaged Current Facility. The notice shall either set forth the dates OWNER will commence and complete the repair or renovation of the Current Facility or state that the OWNER will not undertake repair, remodeling or renovation of the Current Facility. If OWNER notifies CITY that it will not undertake repair, remodeling or renovation of the Current Facility, or if OWNER fails to complete the repair, remodeling or renovation by the completion date set forth in OWNER'S notice to CITY, then CITY shall have the right to terminate the Agreement. No abatement of taxes under this Agreement shall be permitted for the tax year in which the casualty occurred.

i. OWNER agrees to use all reasonable efforts to employ residents of the CITY to satisfy its obligation to employ twenty-four (24) New Permanent Employees under this Agreement.

V. ABATEMENT

Section 5.01. In consideration of OWNER constructing the Real Property Improvements and complying with all other conditions in this Agreement, the CITY hereby grants to OWNER ad valorem property tax abatements on the Value of the Real Property Improvements and the Eligible Personal Property for a period of eight (8) successive tax years commencing on the Start Date in accordance with the Tax Abatement Schedule set forth in Section 5.07, and under the terms of this Agreement (collectively, the "Abatements"). Nothing in this Agreement shall obligate Owner to construct the Real Property Improvements or to locate Personal Property on the Land, but said actions are conditions precedent to tax abatement pursuant to this Agreement.

Section 5.02. OWNER shall Complete Construction of the Real Property Improvements, subject to events of Force Majeure, on or before December 31, 2017. If OWNER Completes Construction of the Real Property Improvements on or before December 31, 2017 or such later date as results from a day-for-day extension for events of Force Majeure, the abatement shall commence on the Start Date under the Tier One Tax Abatement Schedule set forth below, *provided however*, if OWNER does not Complete Construction of the Real Property Improvements on or before December 31, 2018, this Agreement shall terminate.

Section 5.03 If an event of Force Majeure occurs and the OWNER Completes Construction between January 1, 2018 and December 31, 2018, but beyond the time period resulting from a day-for-day extension for events of Force Majeure, the tax abatement shall commence upon the Start Date under the Tier Two schedule.

Section 5.04 The property tax abatement provided in this Agreement shall extend only to City ad valorem taxes on the Real Property Improvements and the Eligible Personal Property located on the Land within the Reinvestment Zone.

Section 5.05. For the purposes of this Agreement, the Parties agree the Base Year Value shall be the equivalent of the Value of the Premises as of January 1, 2016. The Parties further agree that no Real Property Improvements or Eligible Personal Property shall be added to the Land from the Effective Date of this Agreement until January 2, 2016.

Section 5.06 The partial abatement from ad valorem taxation during each tax year covered by this Agreement shall be computed by taking the increase in the Value of the Real Property Improvements and Eligible Personal Property over the Base Year Value of the Premises, multiplied by the following abatement percentage for each year.

Section 5.07. Tax Abatement Schedule.

<u>Tax Year</u>	<u>Tier One Abated Percentage</u>	<u>Tier Two Abated Percentage</u>
Year 1	100%	80%
Year 2	70%	70%
Year 3	60%	60%
Year 4	50%	50%
Year 5	40%	40%
Year 6	30%	30%
Year 7	20%	20%
Year 8	10%	10%

Section 5.08. The Abatements granted herein do not apply to the Value of the Land, increases in the Value of the Land, or to inventory or supplies.

Section 5.09. The Abatements granted herein do not apply in any Tax Year where the Value of the Real Property Improvements and Eligible Personal Property is less than Twenty Million Dollars (\$20,000,000) on December 31 of such year.

Section 5.10. The District's determination of Value of the Premises and the Eligible Personal Property applies. If OWNER protests the District's determination of Value, the Value after the protest is resolved under State law applies.

Section 5.11. OWNER agrees to pay all ad valorem taxes and assessments (except as abated pursuant to this Agreement or otherwise exempt) owed to the CITY prior to such taxes and/or assessments becoming delinquent. OWNER shall have the right to contest in good faith the validity or application of any such taxes or assessment and shall not be considered in default hereunder so long as such contest is diligently pursued to completion. In the event OWNER contests such taxes or assessment, all uncontested taxes and assessments, shall be promptly paid to the CITY prior to delinquency. If OWNER undertakes any such contest, it shall notify the CITY and keep the CITY apprised of the status of such contest. Should OWNER be unsuccessful in any such contest, OWNER shall promptly pay all taxes, penalties, and interest thereon.

VI. EVENTS OF FORCE MAJEURE

Section 6.01 If OWNER claims a delay in Completion of Construction of the Real Property Improvements (or in the performance of any other obligation of Owner under this Agreement) as a result of an event of Force Majeure, OWNER shall deliver written notice of the event of Force Majeure and the commencement of such delay within ten (10) calendar days after the OWNER becomes aware of the same. By doing so, the obligation of OWNER shall be suspended, to the extent and for the period of time necessary to allow the OWNER to overcome the Force Majeure event and resume performance thereof. If the OWNER fails to so notify the CITY of delay caused by a Force Majeure event, the OWNER shall not be entitled to extend the time for performance as provided herein. Owner shall endeavor to remove or overcome the inability with all reasonable effort.

Section 6.02 If there is a Force Majeure Event, then the City Manager shall also adjust the time period to which the Tax Abatements apply to this Agreement, if necessary to provide OWNER with the full benefit of the Tax Abatements that OWNER would have received in the absence of the Force Majeure Event, so long as the adjusted time period of exemption does not exceed ten (10) years.

VII. Insurance and Casualty

Section 7.01. OWNER shall keep the Premises insured throughout the Term against loss or damage by fire or other casualty by purchasing insurance with reasonable limits and deductibles and/or self-insured retentions. OWNER shall furnish the CITY's Risk Manager with a certificate of insurance or other reasonable evidencing of such coverage or self-insurance.

Section 7.02. OWNER shall submit written notice to the CITY within ninety (90) days after the Premises are substantially damaged by fire or other casualty. The notice shall set forth either the dates OWNER will commence and complete any necessary repair, remodeling or

renovation of the substantially damaged Premises or indicate that OWNER will not undertake such repair, remodeling or renovation of the damaged Premises. If OWNER fails to complete or diligently pursue the repair, remodeling or renovation by such date set forth in OWNER's notice to the CITY, OWNER shall no longer be entitled to any further Abatements.

VIII.
Verification of Compliance

Section 8.01. OWNER agrees to provide to the CITY and its designees reasonable access to the Premises during OWNER'S regular business hours throughout the Term for the purposes of inspection and examination of books, records, construction, workmanship, materials, and installations, but only to the extent necessary to determine if OWNER has complied with any of OWNER'S obligations hereunder.

Section 8.02. OWNER agrees to submit to the CITY, no later than February 1, 2018 and on first day of February of each year thereafter during the Term, a Statement of Compliance in the form attached hereto as Exhibit "C", indicating whether OWNER has complied with each applicable provision of this Agreement.

VIX
Waiver & Indemnity

Section 9.01. OWNER agrees that the CITY assumes no liability or responsibility by approving the Plans, issuing building permits or making inspections in the event there is a defect in the Real Property Improvements. The relationship between the CITY, OWNER and any taxing unit shall not be deemed to be a partnership or joint venture for purposes of this Agreement.

Section 9.02. **OWNER AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND CITY, ITS EMPLOYEES, OFFICIALS, AND AGENTS FROM AND AGAINST ANY AND ALL OBLIGATIONS, CLAIMS, SUITS, DEMANDS AND LIABILITY OR ALLEGED LIABILITY, INCLUDING COSTS OF SUIT, ATTORNEY'S FEES, DAMAGES, JUDGMENTS, OR SETTLEMENTS AND RELATED EXPENSES ARISING IN ANY MANNER FROM OWNER'S CONSTRUCTION OF THE REAL PROPERTY IMPROVEMENTS, AND/OR ITS USE AND OPERATION OF THE BUSINESS AND PREMISES, PROVIDED, HOWEVER, THAT OWNER SHALL NOT BE REQUIRED TO INDEMNIFY AND HOLD CITY HARMLESS FOR INJURY OR HARM CAUSED BY CITY'S NEGLIGENCE OR WILLFUL MISCONDUCT.**

X.
Default, Termination & Recapture

Section 10.01. OWNER agrees that a “default” occurs under this if during the Term:

- a. OWNER does not maintain the Premises in good condition, ordinary wear and tear excepted.
- b. OWNER fails to provide notice of any substantial casualty or substantial loss to the Real Property Improvements, or fails to repair, remodel or renovate such casualty or loss if OWNER has elected to do so following such a casualty or loss.
- c. OWNER fails to use the Premises as described in Section 1.02 without approval from the City Manager or allows the same to become vacant.
- d. OWNER does not pay all uncontested non-abated taxes as required by this Agreement.
- e. OWNER fails to comply with all applicable statutes, administrative regulations, or ordinances of the United States, the State of Texas and the CITY governing the operations or maintenance of the Premises or the conduct of the Business.
- f. OWNER fails to timely perform its obligations under Article IV of this Agreement.
- g. OWNER fails to comply with any of its other duties or obligations under this Agreement.
- h. If the OWNER fails to comply with the requirement set forth in Section 4.01(a) of this Agreement for more than one consecutive 90-day period during the Term of this Agreement, the failure is an event of default for which the City may terminate this Agreement and to which the right of the OWNER to cure the default, as provided for in Section 10.02, does not apply.

Section 10.02. The CITY shall notify OWNER in writing of a default under this Agreement, and OWNER shall have sixty (60) calendar days from its receipt of such written notice to cure such default if the default is capable of being cured. If OWNER has not cured such default within sixty (60) days after said written Notice, this Agreement may be terminated by the CITY. If the CITY terminates this Agreement in event of default, OWNER shall pay to the CITY as liquidated damages all taxes which otherwise would have been paid to the CITY without the benefit of abatement during the Term of this Agreement, together with the statutory rate for delinquent taxes as determined by the Texas Tax Code (but without the addition of the penalty), reasonable attorney’s fees, and costs.

Such amounts shall be due, owing, and payable to the CITY within sixty (60) days after the expiration of the above mentioned sixty (60) day period. The Parties acknowledge that the CITY will suffer damages in the event of OWNER's default under this Agreement. The Parties acknowledge that actual damages in the event of default and termination would be speculative and difficult to determine. OWNER's obligation to pay any amounts hereunder shall survive termination of this Agreement.

XI.

Annual Application for Tax Exemption

Section 11.01. It shall be the responsibility of OWNER, pursuant to the Tax Code, to file an annual exemption application form with the Brazos Central Appraisal District (or its successor in the county in which the eligible taxable property has situs) to qualify for the Abatements. A copy of the respective exemption application shall be submitted to the CITY upon request.

XII.

Chapter 380 Payments from the CITY

Section 12.01. The CITY will provide up to Seventy Five Thousand Dollars (\$75,000) in rebates for Development Fees. After receipt of the final certificate of occupancy for the Real Property Improvements, Owner may request in writing to the City Manager payment of a rebate of all Development Fees, incurred after the Effective Date of this Agreement. The issuance to OWNER by the CITY of a final certificate of occupancy for the Real Property Improvements is a condition precedent to the CITY'S obligation to make the Chapter 380 Payment, and the CITY'S obligation to make the Chapter 380 payment shall be subject to annual appropriation of funds. The CITY shall make the Chapter 380 Payment to OWNER within thirty (30) days of receipt of OWNER'S written request. The CITY'S obligation to make the Chapter 380 Payment shall be subject to annual appropriation of funds and the Offset provisions of Section 13.01.

Section 12.02. The City's obligation to make the Chapter 380 Payment(s) hereunder is subject to annual appropriation by the Bryan City Council. Under no circumstances shall City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision.

XIII.

Right of Offset

Section 13.01. CITY may at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the CITY from OWNER, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due to the CITY has been reduced to judgment by a court; *provided, however*, (a) the CITY shall provide OWNER notice within thirty (30) days of determining that any debt is believed lawfully due to the CITY from OWNER; (b) OWNER shall have an opportunity to resolve or pay such debt to the CITY within thirty (30) days after receipt of notice before any offset to amounts payable under this Agreement may occur; and (c)

OWNER retains all rights to timely and properly contest whether or in what amount any debt is owed to the CITY, and the CITY may not offset any asserted amount of debt owed by OWNER against amounts due and owing under this Agreement during any period during which OWNER is timely and properly contesting whether such debt is due and owing.

XIV. Miscellaneous

Section 14.01. Incorporation of Recitals. The determinations recited and declared in the Recitals to this Agreement are hereby incorporated herein as part of this Agreement.

Section 14.02. Entire Agreement. This Agreement, including any exhibits hereto, contains the entire agreement between the Parties with respect to the subject matter of this Agreement.

Section 14.03. Amendments. This Agreement may only be amended, altered, or modified by written instrument signed by the Parties.

Section 14.04. Assignment. OWNER may not assign this Agreement without the prior written consent of the City Manager, except that OWNER may assign this Agreement in whole or in part to an Affiliate or in connection with any merger, reorganization, sale of all or substantially all of its assets or any similar transaction; *provided, however,* that OWNER provides the City Manager with written notice promptly after any such assignment. The Agreement will be binding upon, inure to the benefit of, and be enforceable by the Parties and their respective successors and assigns.

Section 14.05. No Waiver. Failure of either Party, at any time, to enforce a provision of this Agreement, shall in no way constitute a waiver of that provision, nor in any way 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 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 of this Agreement will not constitute consent to or waiver of or excuse of any other different or subsequent breach.

Section 14.06. Notices. Notices under this Agreement are sufficient if given by nationally recognized overnight courier service, certified mail (return receipt requested), facsimile with electronic confirmation, or personal delivery to the other Party at the address below. If no address is listed for a Party, notice to such Party will be effective if given to the last known address. Notice is effective: (a) when delivered personally, (b) three business days after sending by certified mail, (c) on the business day after sending by a nationally recognized overnight courier service, or (d) on the business day after sending by facsimile with electronic confirmation to the sender. Each Party may update its contact information by notice to the other. Routine business and technical correspondence must be in English, and may be in electronic form. The contact information for each Party is as follows:

CITY:
City of Bryan, Texas
Attn: City Manager

P.O. Box 1000
Bryan, Texas 77805-1000
Telephone: (979) 209-5100
Facsimile: (979) 209-5003

OWNER:
Lubrizol Specialty Products, Inc.
Attn: Gabriela Ring
Director-Manufacturing Operations
1331 Independence Avenue
Bryan, Texas 77803
Telephone: 979-361-2151
Facsimile: 979-361-2132
E mail: gabriela.ring@lubrizol.com

With a copy to:
The Lubrizol Corporation
Attn: Ginny Schmitz, Manager
Transactional Taxes
29400 Lakeland, Boulevard
Wickliffe, Ohio 44092
Telephone: 440-347-5958
Facsimile: 440-347-6587
Email: ginny.schmitz@lubrizol.com

Section 14.07. Applicable Law and Venue. This Agreement is made, and shall be construed and interpreted under the laws of the State of Texas. Venue for any legal proceedings shall lie in State courts located in Brazos County, Texas. Venue for any matters in federal court will be in the United States District Court for the Southern District of Texas, Houston Division.

Section 14.08. Severability. In the event any provision of this Agreement is illegal, invalid, or unenforceable under the applicable present or future laws, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby, and it is also the intention of the Parties that in lieu of each clause or provision that is found to be illegal, invalid, or unenforceable a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision deemed to be illegal, invalid or unenforceable.

Section 14.09. Third Parties. The CITY and OWNER intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any third-party beneficiary, or any individual or entity other than the CITY and OWNER or permitted assignees of the CITY and OWNER, except that the indemnification and hold harmless obligations of OWNER provided for in this Agreement shall inure to the benefit of the indemnitees identified herein.

Section 14.10. No Joint Venture. Nothing contained in this Agreement is intended by the Parties to create a partnership or joint venture between the Parties, and any implication to the contrary is hereby expressly disavowed. It is understood and agreed that this Agreement does not create a joint enterprise, nor does it appoint either Party as an agent of the other for any purpose whatsoever. Neither Party shall in any way assume any of the liability of the other for acts of the other or obligations of the other.

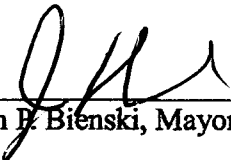
Section 14.11 Employment of Undocumented Workers. This paragraph is required by Chapter 2264, Texas Government Code and supersedes any conflicting provision of this Agreement. Owner is prohibited from knowingly employing undocumented workers as that term is defined in Section 2264.001, Texas Government Code. If Owner is convicted of a violation under 8 U.S.C. Section 1324(f), the conviction shall be considered default of this Agreement, from which no cure provisions shall apply. In such event, City shall provide written notice to Owner of any default and this Agreement shall automatically terminate on the 30th day after the date of notice of default from City to Owner. In the event of termination under this paragraph, Owner shall repay to City the amount of all property taxes abated under this Agreement, plus interest on the abated amount at the rate provided for in the Texas Tax Code for delinquent taxes, and the amount of all rebates of development fees provided by the City, plus interest thereon at the rate of 5% simple interest from the date of OWNER'S receipt of such rebates until repaid.

Section 14.12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which constitute one instrument.

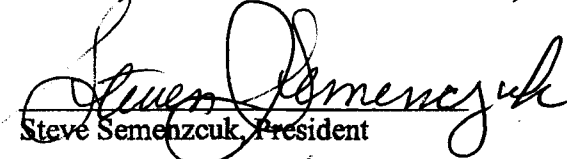
EXECUTED as of the dates set forth below.

CITY OF BRYAN, TEXAS

LUBRIZOL SPECIALTY PRODUCTS, INC.



Jason B. Bienski, Mayor



Steve Semenczuk, President

Date: 12-6, 2015

Date: Nov 24, 2015

ATTEST:



Mary Lynne Stratta, City Secretary

APPROVED AS TO FORM:



Janis K. Hampton, City Attorney

EXHIBIT A

The Land

(See attached.)

NOTES AND GENERAL INFORMATION:
 1. THIS SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING ACT OF 1909 AND THE SURVEYING ACT OF 1929.
 2. THE SURVEY WAS MADE BY MEANS OF THE FOLLOWING INSTRUMENTS:
 3. THE SURVEY WAS MADE ON THE FOLLOWING DATE:
 4. THE SURVEY WAS MADE BY THE FOLLOWING SURVEYOR:
 5. THE SURVEY WAS MADE FOR THE FOLLOWING PURPOSE:
 6. THE SURVEY WAS MADE FOR THE FOLLOWING TRACT:

GENERAL NOTES:
 1. THE SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING ACT OF 1909 AND THE SURVEYING ACT OF 1929.
 2. THE SURVEY WAS MADE BY MEANS OF THE FOLLOWING INSTRUMENTS:
 3. THE SURVEY WAS MADE ON THE FOLLOWING DATE:
 4. THE SURVEY WAS MADE BY THE FOLLOWING SURVEYOR:
 5. THE SURVEY WAS MADE FOR THE FOLLOWING PURPOSE:
 6. THE SURVEY WAS MADE FOR THE FOLLOWING TRACT:

GENERAL NOTES:
 1. THE SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING ACT OF 1909 AND THE SURVEYING ACT OF 1929.
 2. THE SURVEY WAS MADE BY MEANS OF THE FOLLOWING INSTRUMENTS:
 3. THE SURVEY WAS MADE ON THE FOLLOWING DATE:
 4. THE SURVEY WAS MADE BY THE FOLLOWING SURVEYOR:
 5. THE SURVEY WAS MADE FOR THE FOLLOWING PURPOSE:
 6. THE SURVEY WAS MADE FOR THE FOLLOWING TRACT:

NOTES AND GENERAL INFORMATION:
 1. THIS SURVEY WAS MADE IN ACCORDANCE WITH THE SURVEYING ACT OF 1909 AND THE SURVEYING ACT OF 1929.
 2. THE SURVEY WAS MADE BY MEANS OF THE FOLLOWING INSTRUMENTS:
 3. THE SURVEY WAS MADE ON THE FOLLOWING DATE:
 4. THE SURVEY WAS MADE BY THE FOLLOWING SURVEYOR:
 5. THE SURVEY WAS MADE FOR THE FOLLOWING PURPOSE:
 6. THE SURVEY WAS MADE FOR THE FOLLOWING TRACT:

SURVEYOR CERTIFICATE:
 I, THE UNDERSIGNED, JERRY L. FRENCH, DO HEREBY CERTIFY THAT I AM A LICENSED SURVEYOR IN THE STATE OF TEXAS AND THAT I HAVE PERSONALLY AND INDEPENDENTLY MADE THE SURVEY AND MEASUREMENTS HEREIN SET FORTH AND THAT I AM A MEMBER OF THE SURVEYING BOARD OF TEXAS.

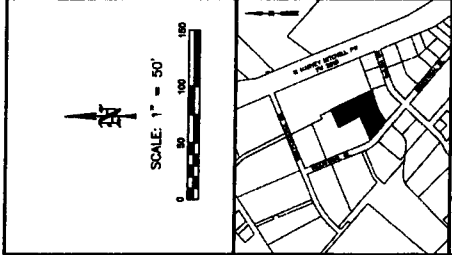
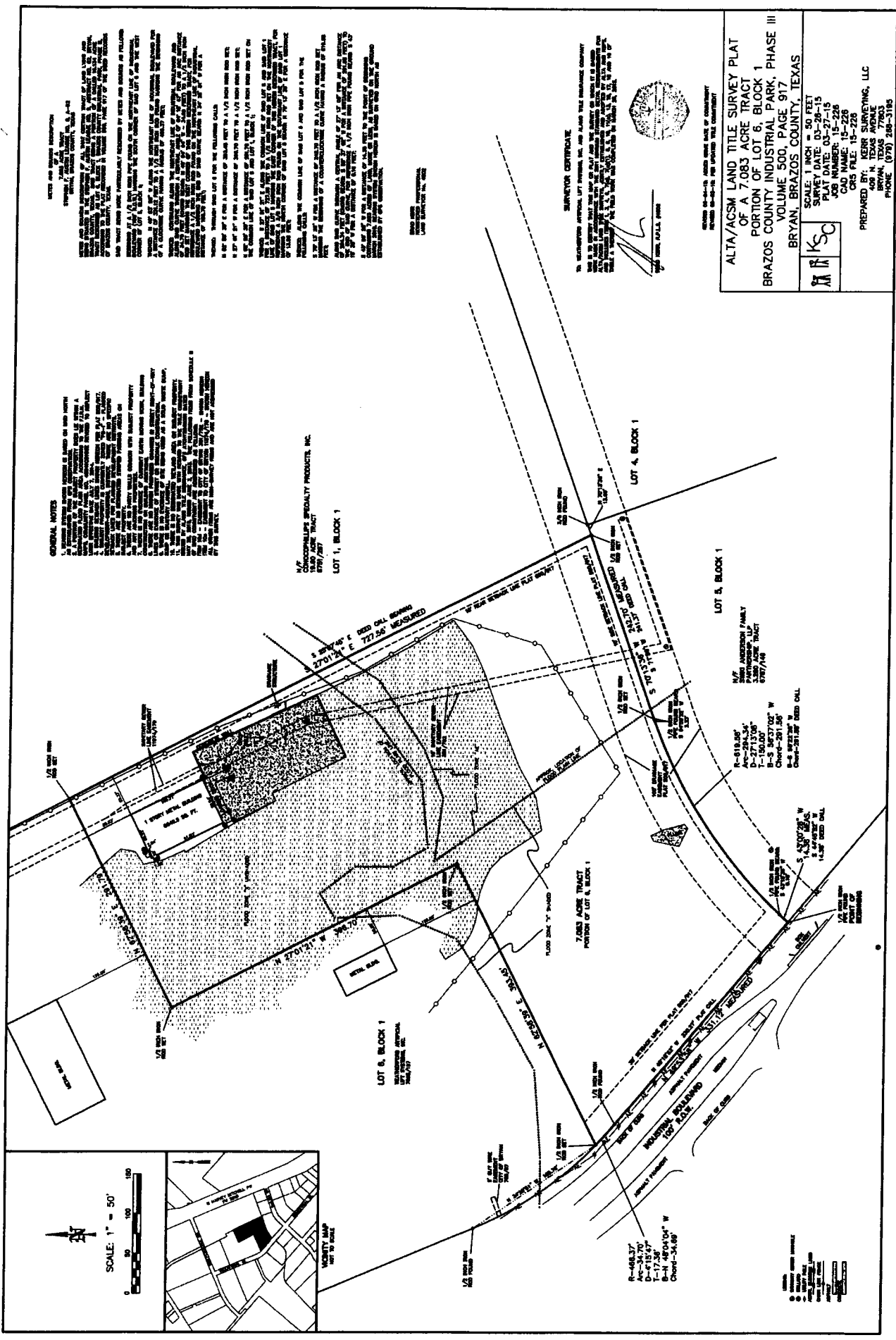


EXEMPT FROM PUBLIC RECORDS ACT OF 1979
 EXEMPT FROM PUBLIC RECORDS ACT OF 1979

ALTA/ACSM LAND TITLE SURVEY PLAT
 OF A 7.083 ACRE TRACT
 PORTION OF LOT 6, BLOCK 1
 BRAZOS COUNTY INDUSTRIAL PARK, PHASE III
 VOLUME 500, PAGE 917
 BRYAN, BRAZOS COUNTY, TEXAS

SCALE: 1" = 50' FEET
 SURVEY DATE: 03-27-15
 PLAT DATE: 03-27-15
 JOB NUMBER: 15-226
 CAD NUMBER: 15-226
 CDS FILE: 15-226

PREPARED BY: KERR SURVEYING, LLC
 1000 W. 15TH ST.
 BRYAN, TEXAS 77803
 PHONE: (979) 288-3185

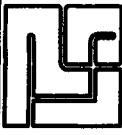


- BOUNDARY LINE
- MEASURED
- CALCULATED
- ADJUSTED
- CORRECTION
- BEARING
- DISTANCE
- AREA
- PERIMETER
- ANGLE
- CURVATURE
- ELEVATION
- TEMPERATURE
- PRESSURE
- WIND
- HUMIDITY
- SOIL
- VEGETATION
- OBSTRUCTIONS
- REFLECTIONS
- INTERFERENCE
- VIBRATIONS
- SHADOWS
- REFRACTION
- DIFFRACTION
- SCATTERING
- ABSORPTION
- EMISSION
- TRANSMISSION
- REFLECTANCE
- TRANSMITTANCE
- OPTICAL DEPTH
- OPTICAL THICKNESS
- OPTICAL DENSITY
- OPTICAL ABSORPTION
- OPTICAL TRANSMISSION
- OPTICAL REFLECTANCE
- OPTICAL TRANSMITTANCE
- OPTICAL ABSORPTANCE
- OPTICAL TRANSMITTANCE

EXHIBIT B

Real Property Improvements Specifications

(See attached.)



LOUIS PERRY & ASSOCIATES, INC.
 401 W. UNIVERSITY AVENUE, SUITE 200
 HOUSTON, TEXAS 77002
 PHONE (713) 865-7000
 FAX (713) 865-7001
 WWW.LP-ASSOCIATES.COM

CONSULTANTS

PRELIMINARY
 NOT FOR CONSTRUCTION

LUBRIZOL SPECIALTY
 PRODUCTS INC.

LIQUID POWER
 PLANT EXPANSION
 BRYAN, TEXAS

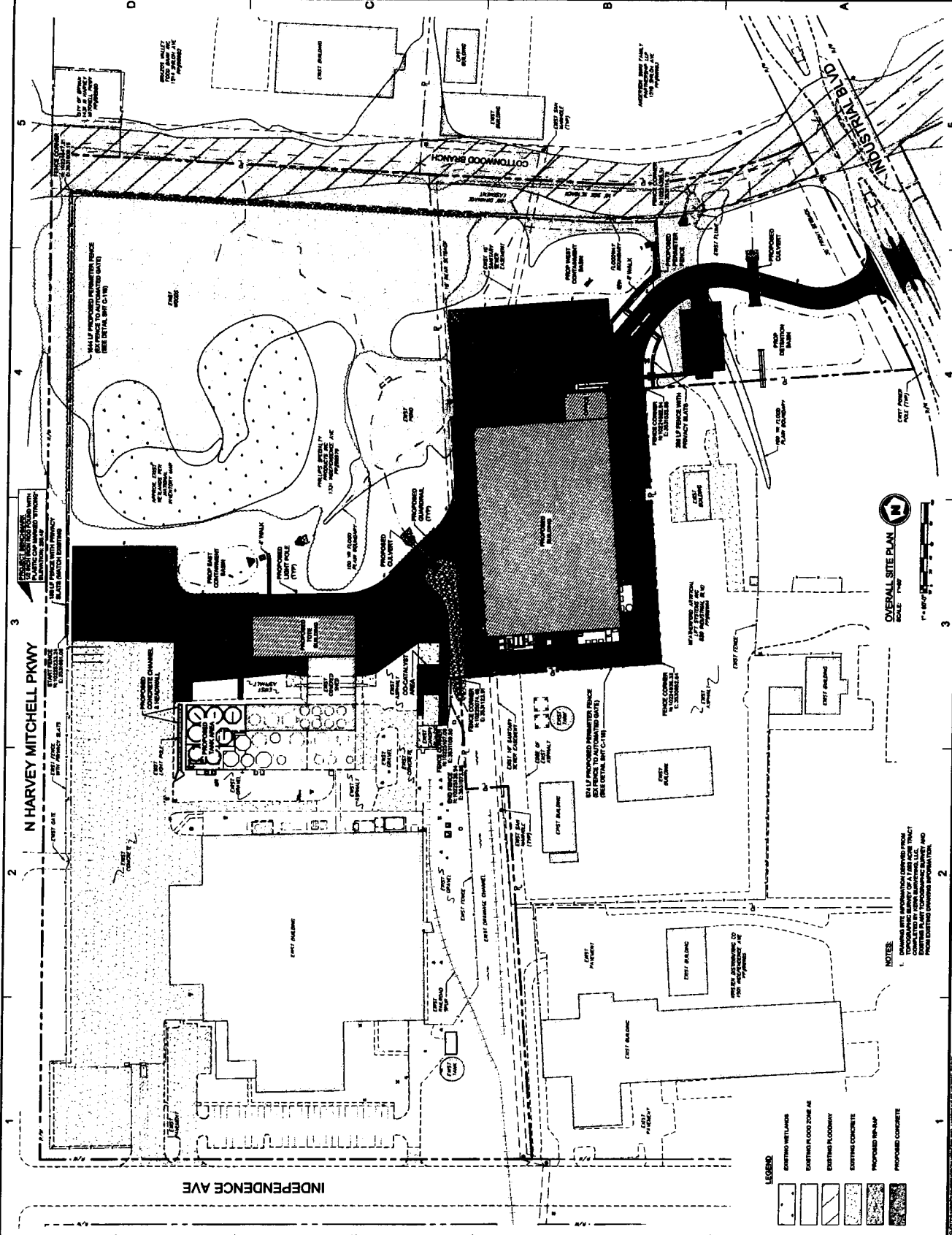


NO.	DATE	DESCRIPTION
1	10/15/08	ISSUE FOR CONSTRUCTION
2	04/27/09	REVISED PER COMMENTS
3	04/27/09	REVISED PER COMMENTS
4	04/27/09	REVISED PER COMMENTS
5	04/27/09	REVISED PER COMMENTS
6	04/27/09	REVISED PER COMMENTS
7	04/27/09	REVISED PER COMMENTS
8	04/27/09	REVISED PER COMMENTS
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99	04/27/09	REVISED PER COMMENTS
100	04/27/09	REVISED PER COMMENTS

CHECKED BY: LPH
 DRAWN BY: CSM
 APPROVED BY: JPD
 CONTRACTOR:
 COLLECTIVE & ASSOCIATES, INC. 315

CIVIL
 OVERALL SITE PLAN

PROJECT: 4853 SHEET: C-101 OF: A



LEGEND

	EXISTING WETLANDS
	EXISTING FLOOD ZONE AE
	EXISTING FLOODWAY
	EXISTING CONCRETE
	PROPOSED IN-PAV
	PROPOSED CONCRETE

NOTES:

1. EXISTING SITE INFORMATION DERIVED FROM COMPACTION SURVEY OF A 1/2" SCALE TRACT CENTERED IN EAST CORNER AND WEST AND NORTH CORNERS OF THIS SHEET.



EXHIBIT C

**Statement of Compliance
(See attached.)**

EXHIBIT "C"

STATE OF TEXAS §

CITY OF BRAZOS §

**ANNUAL STATEMENT OF COMPLIANCE WITH
TAX ABATEMENT AGREEMENT BETWEEN THE
CITY OF BRYAN, TEXAS, AND [OWNER]**

_____ ("Owner") hereby certifies to the City Council of the City of Bryan, Texas ("City") that Owner is in compliance with the terms of the Agreement with the City, entered into on the ____ day of _____, 20__.

Attached to this statement of compliance are true and correct copies of documents that establish Owner's compliance with the terms of the Agreement (e.g. receipt from Brazos County Tax Office).

Signed this ____ day of _____, 20__.

Print Name	Signature	Title
------------	-----------	-------

ACKNOWLEDGMENT

This instrument was acknowledged before me on the ____ day _____, 20__, by _____, as the _____ of [Owner] on behalf of said company.

Notary Public, State of Texas