

TAX ABATEMENT AGREEMENT

STATE OF TEXAS

§

COUNTY OF JOHNSON

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WHEREAS, the Johnson County, Texas has designated the Project Mustang Reinvestment Zone under the provisions Title 3, Subtitle B, of Chapter 312 of Texas Tax Code; and

WHEREAS, Louis Vuitton U.S. Manufacturing, Inc. owns the properties located in said Zone; and

WHEREAS, Johnson County, herein after referred to as the County, has determined that the proposed capital improvements and additional employee positions, as described in this Agreement to be filled locally by LOUIS VUITTON U.S. MANUFACTURING, INC. meet the requirements for eligibility for tax abatement under Texas Tax Code; and

WHEREAS, it is reasonably likely that this Agreement will contribute to the retention, expansion and creation of primary employment and will attract major investment in the Zone that would be a benefit to property within the Zone and that would contribute to the economic development of the County; and

WHEREAS, the County has determined that the Improvements are practical and are of benefit to the area within the Zone and to the County; and

WHEREAS, Commissioners Court of Johnson County, Texas (the "Commissioners Court") finds that the terms of this Agreement meet the applicable requirements of the Guidelines and Criteria for the Johnson County Tax Abatement Policy Statement, adopted by the Commissioners Court pursuant to Court Order 2016-21; and

WHEREAS, this Agreement shall become effective upon the approval by Johnson County and the execution of said agreement by both the County and LOUIS VUITTON U.S. MANUFACTURING, INC.;

NOW, THEREFORE, the parties hereto, for and in consideration of the premises and mutual promises stated herein, agree as follows:

Section 1. The real property, improvements thereto, and related items of tangible personal property, which are described in Section 2 hereof, shall be those constructed on the property constituting the Zone as described by the following legal description; That tract or parcel of land more particularly described and shown on Exhibit "A" that is attached hereto and incorporated by reference herein for all purposes.

Section 2. The proposed project is development of the Property to include buildings, structures, fixed machinery and equipment, site improvements plus office space and related fixed improvements necessary to the operation and administration. The cost of the improvement or fixed machinery are as follows: buildings at approximately \$18,549, 000 and equipment at approximately \$8,258,000. Said buildings will be 100,000 sf. facility. LOUIS VUITTON U.S. MANUFACTURING, INC. anticipates that the improvements will be completed by December 31, 2019. LOUIS VUITTON U.S. MANUFACTURING, INC. also intends to create at least 226 new jobs in Johnson County over the course of the first five years with a projected eventual gross total payroll without benefits of \$4,821,420.

Section 3. For purposes of this Agreement:

- (a) the "Abatement Property" means the Premises, the Improvements and the related items of tangible personal property described in Sections 1 and 2 hereof,
- (b) the "Effective Date of Abatement" means January 1, 2019; and
- (c) the "Abatement Period" means that period commencing on the first day of the Effective Date of Abatement and ending ten (10) years thereafter.

Section 4. Subject to the terms and conditions of this Agreement, and subject to the rights of holders of any outstanding bonds of the County, a percentage as shown in the below table of the appraised value for property tax purposes of the Abated Property (to the extent the appraised value of the Abated Property for each year exceeds its value as of January 1, 2017) shall be abated and exempted from taxation for a period as shown on said table from the first day of the Effective Date of Abatement.

Tax Year	Projected Employment	Value	Percentage of Abatement
2019	-	\$20,000,001	45% (based on value)
2020	226	\$20,000,001	75%
2021	226+	\$20,000,001	75%
2022	226+	\$20,000,001	75%
2023	226+	\$20,000,001	75%
2024	226+	\$20,000,001	75%
2025	226+	\$20,000,001	75%
2026	226+	\$20,000,001	75%
2027	226+	\$20,000,001	75%
2028	226+	\$20,000,001	75%

It is the intent of the parties that the abatement granted hereby shall extend for a period of ten (10) years beginning with the first day of the Effective Date of Abatement, and shall apply only to all improvements and items of tangible personal property constructed or placed on the Premises that resulted from this project.

To the extent necessary, it is the intent of the parties that this Agreement shall not be amended to include such additional improvements and items of tangible personal property. A separate tax abatement agreement shall be entered into with respect to any additional property. It is also agreed that if the appraised value of the improvements or the number of employees hired should decline, the percent abated will be reduced per the table on page three (3) of the Guidelines and Criteria for Johnson County Tax Abatement Policy, if said reduction in value would result in a percent of abatement less than provided for by this Agreement.

Section 5.

It is agreed that employees of the County shall have access to the premises for inspection to ensure that the Improvements are made according to the conditions of this Agreement and that the Improvements are of substantially the same character as described in Section 2 hereof (subject to the right of LOUIS VUITTON U.S. MANUFACTURING, INC. to revise the plans and specifications for the Improvements prior to and during construction). All inspections will be made only after giving LOUIS VUITTON U.S. MANUFACTURING, INC. at least twenty-four (24) hours advance notice and will be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the project. All inspections will be made with one or more representatives of LOUIS VUITTON U.S. MANUFACTURING, INC., and in accordance with LOUIS VUITTON U.S. MANUFACTURING, INC.'s safety standards.

LOUIS VUITTON U.S. MANUFACTURING, INC. shall indemnify, hold harmless and defend the County, its members, agents, officials, employees, from and against any and all obligations, claims, suits, damages, and liability, or alleged liability, including, but not limited to liability without fault and liability by virtue of the obligations of LOUIS VUITTON U.S. MANUFACTURING, INC., pursuant to this Agreement or the acts or omissions of LOUIS VUITTON U.S. MANUFACTURING, INC., its agents, contractors, employees, licensees, or invitees, on or with respect to the Premises, Improvements and/or equipment, including costs of suit, attorney fees and other related costs and expenses of whatever kind or character arising directly or indirectly from any cause whatsoever in connection with or incidental to this Agreement or such acts or omissions, provided, however, that LOUIS VUITTON U.S. MANUFACTURING, INC., shall not be required to indemnify and hold harmless any indemnified party for any such injury or harm caused by the gross negligence or willful misconduct of any indemnified party. The indemnity set forth herein shall specifically include, without limitation all actions, damages, claims and liabilities for personal injury, death or property damage occurring on, or arising out of or resulting from the use of premises, improvements and/or equipment by LOUIS VUITTON U.S. MANUFACTURING, INC., its sub-lessee or representative, agents, contractors, employees, licensees or invitees.

Section 6.

- (a) During the Abatement Period, the County may declare a default hereunder by LOUIS VUITTON U.S. MANUFACTURING, INC., only if LOUIS VUITTON U.S. MANUFACTURING, INC., refuses or neglects to comply with any of the terms of this Agreement, or if any representation made by LOUIS VUITTON U.S. MANUFACTURING, INC., in this Agreement is false or misleading in any material respect, or if LOUIS VUITTON U.S. MANUFACTURING, INC., allows its ad valorem taxes owed the County to become delinquent and fails to timely and properly follow the legal procedures for their protest and/or contest.
- (b) Should the County determine LOUIS VUITTON U.S. MANUFACTURING, INC., to be in default of this agreement, the County shall notify LOUIS VUITTON U.S. MANUFACTURING, INC., in writing prior to the end of the abatement period, and if such default is not cured within sixty (60) days from the date of such notice (the "Cure Period"), then the Agreement may be terminated; provided, however, that in the case of a default that, for causes beyond LOUIS VUITTON U.S. MANUFACTURING, INC.'s reasonable control, cannot with due diligence be cured within such sixty day period, the "Cure Period" shall be deemed extended if LOUIS VUITTON U.S. MANUFACTURING, INC., (i) shall immediately, upon the receipt of such notice, advise the County of LOUIS VUITTON U.S. MANUFACTURING, INC.'s intention to institute all steps necessary to cure such default, and (ii) shall institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.
- (c) Except as provided in Subsection (d) below, if LOUIS VUITTON U.S. MANUFACTURING, INC., violates any of the terms and conditions of this Agreement and fails to cure during the Cure Period, this Agreement may then be terminated and all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination.
- (d) During the period of time when LOUIS VUITTON U.S. MANUFACTURING, INC., is constructing, renovating, repairing, or installing the improvements and/or equipment on the premises, and at all times thereafter, during the term of this Agreement, LOUIS VUITTON U.S. MANUFACTURING, INC., shall keep the improvements and equipment insured against all loss or damage by fire or any other casualty. LOUIS VUITTON U.S. MANUFACTURING, INC., shall furnish the County with all Certificates of Insurance that are required by this Agreement within thirty (30) days after the initiation of construction, repairs, or installation, and within thirty (30) days succeeding the renewal of each policy required herein.

In the event, improvements and/or equipment are damaged by fire or any other casualty, should LOUIS VUITTON U.S. MANUFACTURING, INC., decide not to repair, remodel, renovate or reinstall; or fails to begin repair, remodeling, renovation or reinstallation on the damaged Improvements and/or equipment within six (6) months of the fire and/or other casualty, then the abatement shall terminate and all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination.

Section 7. For purposes of this Agreement, the value of the Premises, the Improvements and all items of tangible personal property situated on the Premises shall be the same as the value of such property as determined annually by the Chief Appraiser of the Johnson County Appraisal District, subject to the appeal procedures set forth in the Texas Property Tax Code (Texas Tax Code).

Prior to October 1st of each year that this Agreement is in effect, LOUIS VUITTON U.S. MANUFACTURING, INC., shall certify to the County that LOUIS VUITTON U.S. MANUFACTURING, INC., is in compliance with each applicable term of this Agreement. This annual certification shall include a rendition of the property value and a sworn statement as to the number of local employees with notation as to full time/part time status.

LOUIS VUITTON U.S. MANUFACTURING, INC., is solely responsible for meeting any and all additional requirements for the completion of this Agreement. These additional requirements include the application for the Abatement which will need to be filed with the Central Appraisal District of Johnson County, Texas.

Section 8. If the County terminates this Agreement upon an event of default as defined in Section 6 hereof, it shall provide LOUIS VUITTON U.S. MANUFACTURING, INC., written notice of such termination. If LOUIS VUITTON U.S. MANUFACTURING, INC., believes that such termination was improper, LOUIS VUITTON U.S. MANUFACTURING, INC., may file suit in Johnson County District Courts appealing such termination within one hundred twenty (120) days after receipt from the County of written notice of the termination. If an appeal suit is filed, LOUIS VUITTON U.S. MANUFACTURING, INC., shall remit to the County, within one hundred twenty (120) days after receipt of the notice of termination, any additional and/or recaptured taxes as may be payable pursuant to Section 6 of this Agreement during the pendency of the litigation pursuant to the payment provisions of section 42.08, Texas Tax Code. If the final determination of the appeal increases LOUIS VUITTON U.S. MANUFACTURING, INC., tax liability above the amount of tax paid, LOUIS VUITTON U.S. MANUFACTURING, INC., shall remit the additional tax to the County pursuant to section 42.42, Texas Tax Code and this agreement. If the final determination of the appeal decreases LOUIS VUITTON U.S. MANUFACTURING, INC.'s tax liability, the County shall refund to LOUIS VUITTON U.S. MANUFACTURING, INC., the difference between the amount of tax paid and the amount of tax for which LOUIS

VUITTON U.S. MANUFACTURING, INC., is liable pursuant to section 42.43, Texas Tax Code, and this agreement.

Section 9.

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be duly served when it shall have been deposited, enclosed in a wrapper with the proper postage prepaid thereon, and duly registered or certified, return receipt requested, in a United States Post Office, addressed to the County or LOUIS VUITTON U.S. MANUFACTURING, INC., at the following addresses. If mailed, any notice or communication shall be deemed to be received three days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

To LOUIS VUITTON U.S. MANUFACTURING, INC:

Carlos Sousa
General Manager
Louis Vuitton U.S. Manufacturing, Inc.
321 W. Covina Blvd.
San Dimas, CA 91773

To the County:

Johnson County Courthouse
2 Main Street
Cleburne, Texas 76033
Attention: Roger Harmon
County Judge

Any party may designate a different address by giving the other parties ten days' written notice.

Section 10. All provisions of this Agreement shall be executed in compliance with the Order of the Commissioners Court. A copy of the Order is attached hereto as Attachment I and incorporated herein by reference for all purposes.

Section 11. LOUIS VUITTON U.S. MANUFACTURING, INC., warrants to the best of its knowledge that the Premises do not include any property that is owned by a member of the Commissioners Court or any board, commission or other governmental body approving, or having responsibility for the approval of this Agreement.

Section 12. If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, and such invalidity or unenforceability does not destroy the basis of the bargain between the parties, then the remainder of this Agreement and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

Section 13. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto.

Section 14. This Agreement was authorized by the Order adopted by the Commissioners Court of Johnson County, Texas, at a meeting open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Texas Open Meetings Act, Texas Government Code, Chapter 551, and such Order authorizes the County Judge to execute this Agreement on behalf of the County. This Agreement shall constitute a valid and binding agreement between the County

and LOUIS VUITTON U.S. MANUFACTURING, INC., upon (i) execution by the County and LOUIS VUITTON U.S. MANUFACTURING, INC.. This Agreement may not be assigned to any third party without written consent of Johnson County. This Agreement shall be recorded upon execution in the Real Property Records of Johnson County, Texas. This agreement is performable in Johnson County, Texas, and venue over any action to enforce any of the provisions hereof shall lie exclusively in Johnson County, Texas. The laws of the State of Texas shall apply in all respects to interpretation of this Agreement.

Section 15. This Agreement has been executed by the parties in multiple originals, each having full force and effect.

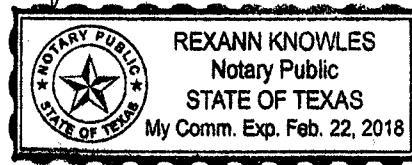
EXECUTED THE 18, DAY OF October, 2017.

JOHNSON COUNTY, TEXAS

By: Roger Harman
Roger Harman
County Judge

This instrument was acknowledged before me on the 18 day of October, 2017, by Roger Harman as County Judge.

Reann Knowles
Notary Public Signature
My commission expires: 2-22-2018



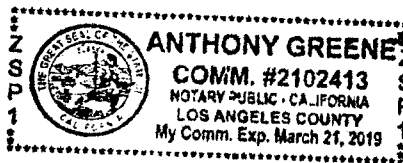
LOUIS VUITTON U.S. MANUFACTURING, INC.

By: H.M.M.
Title: GENERAL MANAGER

State of CA
County of LOS ANGELES

This instrument was acknowledged before me on the 13 day of OCTOBER, 2017, by CARLOS SOUSA as GENERAL MANAGER

[Signature]
Notary Public Signature
My commission expires: 03-21-2019



CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

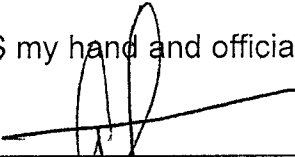
County of LOS ANGELES }

On 10-13-2017 before me, ANTHONY GREENE, Notary Public,
(Here insert name and title of the officer)

personally appeared CARLOS SOUSA
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

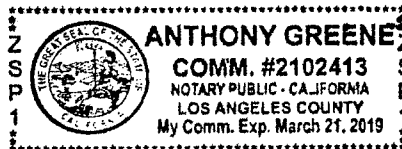
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public Signature

(Notary Public Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

TAX ABATEMENT
(Title or description of attached document)

AGREEMENT
(Title or description of attached document continued)

Number of Pages 8 Document Date 10-13-2017

CAPACITY CLAIMED BY THE SIGNER

- Individual (s)
- Corporate Officer

(Title)

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he/she/they~~, is /are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

EXHIBIT A

STATE OF TEXAS I
 COUNTY OF JOHNSON I

DK 2672 PG 0923

FIELD NOTES

A survey of all that certain 200.0 acre tract of land out of the Maria Turner Survey, Abst. No. 825, Johnson County, Texas, being a portion of that 116.858 acre tract and a portion of that 126.823 acre tract conveyed by deed to Harold Collum, et ux, as recorded in Volume 915, Page 124 and in Volume 915, Page 129, respectively, Deed Records of Johnson County, Texas, and being more particularly described as follows:

- BEGINNING at a nail found in place in County Road No. 316, for a corner, said corner being the Most Northerly Northeast corner of said Collum 116.858 acre tract;
- THENCE -- S 01°30'E with an EAST line of said 116.858 acre tract, at 17.6 feet pass a steel rod found in place at a corner fence post for a reference, in all 964.1 feet with a fence line to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- S 88°33'E 386.5 feet with a fence line and a NORTH line of said 116.858 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- S 26°34'E 1517.8 feet with a fence line and an EAST line of said 116.858 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- N 55°53'E 533.4 feet with a fence line and a SOUTH line of said 116.858 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- S 25°15'E 1691.57 feet with a fence line and the EAST lines of said 116.858 acre tract and of said 126.823 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- S 59°14'W 2190.3 feet with a fence line and a SOUTH line of said 126.823 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- S 23°38'E 21.9 feet with a fence line to a steel rod found in place, for a corner;
- THENCE -- S 60°08'W 358.8 feet with a fence line and a SOUTH line of said 126.823 acre tract to a steel rod found in place, for a corner;
- THENCE -- N 36°47'19"W 4293.93 feet with a fence line and a WEST line of said 126.823 acre tract to a steel rod found in place, for a corner;
- THENCE -- N 56°26'36"E 649.6 feet with a fence line and a NORTH line of said 126.823 acre tract to a steel rod found in place at a corner fence post, for a corner;
- THENCE -- N 30°45'W with a WEST line of said 126.823 acre tract and a fence line, at 926.03 feet pass a steel rod found in place at a corner fence post for a reference, in all 970.03 feet to a steel rod found in place on the NORTH side of said road, for a corner;
- THENCE -- EAST 116.38 feet with the NORTH line of said 126.823 acre tract and said road to a nail set, for a corner;
- THENCE -- S 30°45'E, at 18.0 feet pass a steel rod set in a fence line for a reference, in all 1011.41 feet to a steel rod set, for a corner;
- THENCE -- S 56°26'36"W 349.8 feet to a steel rod set, for a corner;
- THENCE -- S 30°48'E 1297.23 feet to a steel rod set, for a corner;
- THENCE -- N 60°03'31"E 1146.05 feet to a steel rod set, for a corner;
- THENCE -- N 30°48'W 761.23 feet to a steel rod set, for a corner;
- THENCE -- N 07°30'48"W, at 942.7 feet pass a steel rod set in a fence line and in the SOUTH line of said road for a reference, in all 959.2 feet to a nail set in said road and in the NORTH line of said 116.858 acre tract, for a corner;
- THENCE -- EAST 500.0 feet with said road and the NORTH line of said 116.858 acre tract to the place of BEGINNING, containing 200.0 acres of land, of which approximately 0.28 acre lies within the county road.

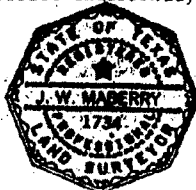
I do hereby certify that this represents the results of a survey made on the ground by me and that there are no encroachments, conflicts or protrusions apparent on the ground except as shown hereon.

LEGEND

- Steel Rod
- ⊙ Steel Post
- Iron Pipe
- Conc. Mon.

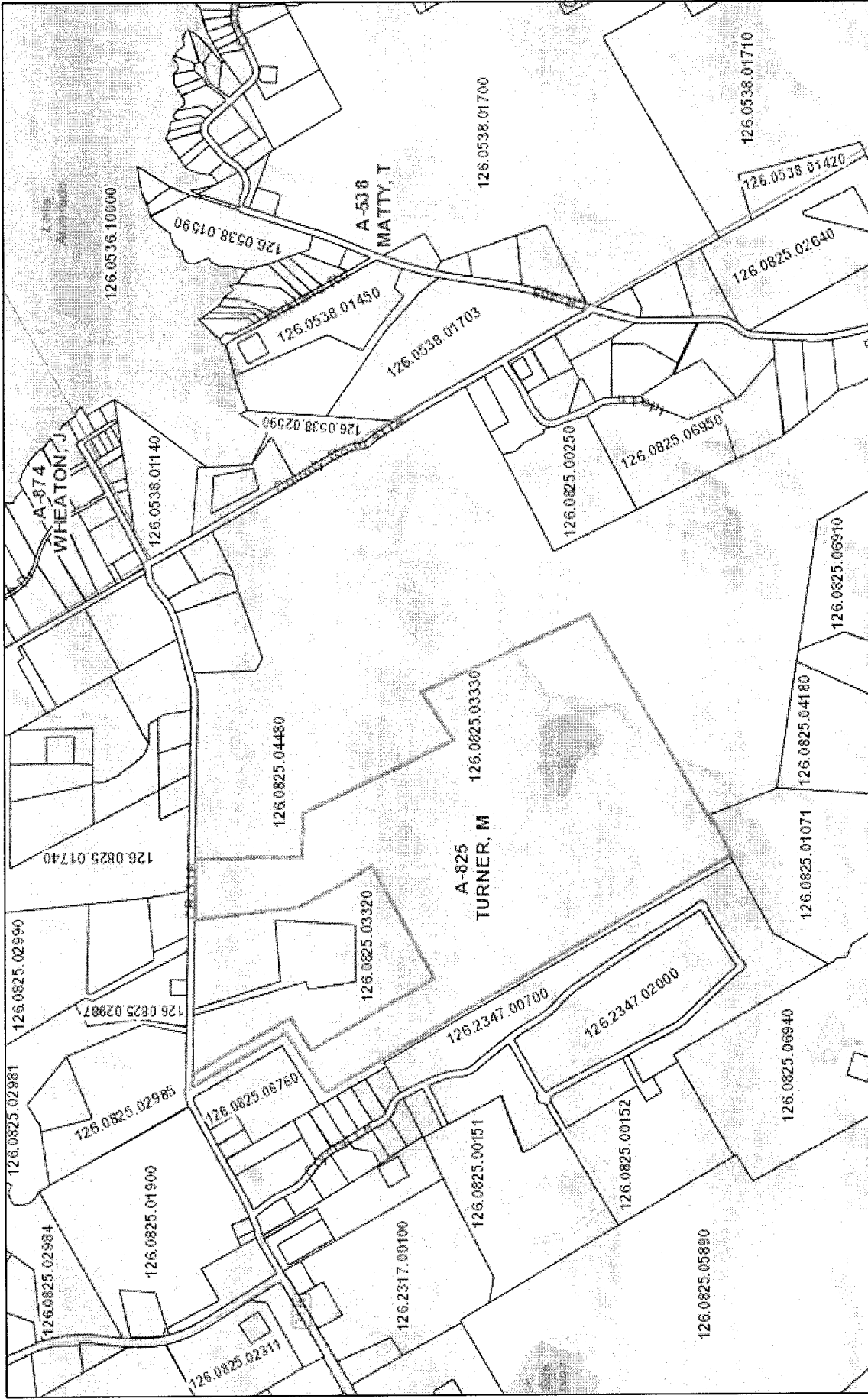
Witness my hand and seal of office this 10th day of July 2001.

J.W. Maberry
 J.W. Maberry
 Registered Professional
 Land Surveyor No. 1734



J.W. MABERRY
 REGISTERED PROFESSIONAL LAND SURVEYOR
 5900 Pecan Circle Alvarado, Texas 76009
 Phone No. 817-790-8534 Job No. 2001-127

Project Mustang Zone

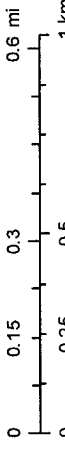


September 5, 2017

- Parcels
- Abstracts

Disclaimer: This product is for informational purposes only and has not been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of boundaries

1:18,056



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand).

Central Appraisal District of Johnson County & BIS Consulting - www.bisconsultants.com
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