

TAX ABATEMENT AGREEMENT

STATE OF TEXAS

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COUNTY OF JOHNSON

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WHEREAS, the Johnson County, Texas has designated the AM Fabrication Reinvestment Zone (the "Zone") under the provisions Title 3, Subtitle B, of Chapter 312 of V.T.C.A., Tax Code; and

WHEREAS AMPD Industries, LLC (consisting of subsidiary and affiliated companies CTJ Energy Services, AM Fabrication, and Environmental Compliance Solutions all hereinafter collectively referred to as "AMPD") owns the properties located in said Zone; and

WHEREAS Johnson County, hereinafter referred to as the "County," has determined that the proposed additional employee positions, as described in this Agreement to be filled locally by AMPD, meet the requirements for eligibility for tax abatement under the 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 Johnson County, adopted by the Commissioners Court; and

WHEREAS this Agreement shall become effective upon the approval by Johnson County and the execution of said agreement by both the County and AMPD;

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 property owned by AMPD Industries, LLC at 7908 Cotton Trail within the AM Fabrication Reinvestment Zone and described in that certain Deed of record in Document Number 2021-21003 in the Deed Records of Johnson County, TX.

Section 2. The proposed project is expansion of the Property to include buildings, structures, fixed machinery and equipment, site improvements plus related fixed improvements necessary to the operation and administration of the facility. The cost of the improvement or fixed machinery is \$750,000. AMPD also intends to create 30 to 60 new jobs at that location with an eventual gross total payroll for all jobs of \$2.6 million to 5.2 million.

In consideration of this Agreement, AMPD agrees to the following covenants that must be fulfilled in order to receive tax abatement: AMPD covenants to create and maintain at least 10 new jobs within the reinvestment zone.

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, 2022; and
- (c) the "Abatement Period" means that period commencing on the first day of the Effective Date of Abatement and ending two (2) 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, thirty-five (35%) 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, 2021) shall be abated and exempted from taxation for a period of two (2) years beginning with the first day of the Effective Date of Abatement. As a result, said abatement shall result in a reduction by thirty-five (35%) of the taxes that would otherwise be assessed upon that portion of the appraised value of the Abated Property that for each year of abatement exceeds its value as of January 1, 2021. It is the intent of the parties that the abatement granted hereby shall extend for a period of two (2) 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 expansion. 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.

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 AMPD to revise the plans and specifications for the Improvements prior to and during construction). All inspections will be made only after giving AMPD 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 AMPD and in accordance with AMPD's safety standards.

AMPD 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 AMPD, pursuant to this Agreement or the acts or omissions of AMPD, 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 AMPD 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 AMPD, 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 AMPD, only if AMPD refuses or neglects to comply with any of the terms of this Agreement, or if any representation made by AMPD in this Agreement is false or misleading in any material respect, or if AMPD 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 AMPD to be in default of this agreement, the County shall notify AMPD 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 AMPD's reasonable control, cannot with due diligence be cured within such sixty day period, the "Cure Period" shall be deemed extended if AMPD (i) shall immediately, upon the receipt of such notice, advise the County of AMPD'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 AMPD 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 AMPD 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, AMPD shall keep the improvements and equipment insured against all loss or damage by fire or any other casualty. AMPD 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 AMPD 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 (V.T.C.A. Tax Code).

Prior to October 1st of each year that this Agreement is in effect, AMPD shall certify to the County that AMPD is in compliance with each applicable term of this Agreement. This annual certification shall include a rendition of the property value and a certification as to number of employees.

AMPD 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 AMPD written notice of such termination. If AMPD believes that such termination was improper, AMPD 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, AMPD 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, V.T.C.A. Tax Code. If the final determination of the appeal increases AMPD tax liability above the amount of tax paid, AMPD shall remit the additional tax to the County pursuant to section 42.42, V.T.C.A. Tax Code and this agreement. If the final determination of the appeal decreases AMPD's tax liability, the County shall refund to AMPD the difference between the amount of tax paid and the amount of tax for which AMPD is liable pursuant to section 42.43, V.T.C.A. 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 AMPD 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 AMPD:

AMPD
c/o CTJ Energy Solutions
8932 South Freeway
Fort Worth, TX 76140
Attn: Micah Martin
Telephone: (817) 992-7600

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.

AMPD 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, with the understanding that any assignment of this agreement must be consented to by the Johnson County Commissioners Court.

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, V.T.C.A., 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 AMPD upon (i) execution by the County and AMPD. This Agreement shall constitute a covenant running with the land and 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 8, DAY OF October, 2021.

JOHNSON COUNTY, TEXAS

By: 
Roger Harmon
County Judge

This instrument was acknowledged before me on the 8 day of October, 2021, by Roger Harmon as County Judge


Notary Public Signature

My commission expires: 12-12-22



AMPD

By: AMPD

Title: President

State of
County of

This instrument was acknowledged before me on the 8 day of October, 2021, by
Anna Martin as President.

Paula Reid

Notary Public Signature

My commission expires: 12-12-22

