AGENDA ITEM
A 4

AGENDA PLACEMENT FORM

Send to: ccagenda@johnsoncountytx.org

Date: _____

Meeting Date: 8.24.2026

Submitted By: County Judge's Office

Department: _____

Signature of Elected Official/Department Head:

_____

Court Decision:
This section to be completed by County Judge's Office



8.24.2026

Description:

Consider and Approve Tax Abatement Agreement with LOCKE SOLUTIONS - Owner: LOCKE SOLUTIONS, Applicant: LOCKE SOLUTIONS, Reinvestment Zone: Operation Concrete Reinvestment Zone located mostly in in the G. L. HICKEY SURVEY, ABSTRACT NUMBER (NO.) 344 IN JOHNSON COUNTY, TEXAS located at 602 CR 607, Alvarado, TX, Improvements: A manufacturing and distribution facility for precast concrete products; Estimated Cost/Investment: Between $17,000,000 and $20,000,000 with a projected 90 permanent full-time jobs-County Judge's Office

(May attach additional sheets if necessary)

Person to Present: _____

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) ☑ PUBLIC ☐ CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: _____ minutes

Session Requested: (check one)

☑ Action Item ☐ Consent ☐ Workshop ☐ Executive ☐ Public Announcement

Check All Departments That Have Been Notified:

☑ County Attorney ☐ IT ☑ Purchasing ☑ Auditor

☐ Personnel ☐ Development Services ☐ Facilities Management

Other Department/Official (list) _____

Please List All External Persons Who Need a Copy of Signed Documents In Your Submission Email

Approved in CC on 9/11/2023

TAX ABATEMENT AGREEMENT

STATE OF TEXAS §
§
COUNTY OF JOHNSON §

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

WHEREAS Locke Solutions, LLC (hereinafter referred to as "LOCKE SOLUTIONS") owns the properties located in said Zone; and

WHEREAS Johnson County, hereinafter referred to as the "County," has determined that the proposed improvements and personal property, as described in this Agreement to be added by LOCKE SOLUTIONS to the property within the zone, 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 as were in effect at time of application; and

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

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: A 24.085 ACRE TRACT OF LAND SITUATED IN THE G. L. HICKEY SURVEY, ABSTRACT NUMBER (NO.) 344 IN JOHNSON COUNTY, TEXAS LOCATED AT 602 CR 607, ALVARADO, 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 projected cost of the improvement or fixed machinery is between $17,000,000 and $20,000,000. LOCKE SOLUTIONS also intends to create 90 new jobs over the course of the abatement at that location with an eventual gross total payroll for all jobs of $6,750,000.

In consideration of this Agreement, LOCKE SOLUTIONS agrees to the following covenants that must be fulfilled to receive tax abatement: LOCKE SOLUTIONS covenants to increase the improvement and personal property in the zone by at least $5,000,001.

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, 2027; and

(c) the "Abatement Period" means that period commencing on the first day of the Effective Date of Abatement and ending in the last year of abatement in 2029, being a total of three years.

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, 2026) shall be abated and exempted from taxation for a period of three (3) 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, 2026. It is the intent of the parties that the abatement granted hereby shall extend for a period of three (3) 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. . It is also agreed that if the appraised value of the improvements as above described for any year during the abatement period should fall below $5,000,001.00, the percent abated for that year will be reduced per the table in the Guidelines and Criteria For Johnson County Tax Abatement Policy.

It is further Agreed as conditions of this Agreement that:

- a development permit will be issued with construction started by 12/31/2026, and
- the facility will be operational by March 1, 2028, and

- an annual certification of at least 25 full-time employees (as evidenced by the attached Annual Tax Abatement Evaluation Report to be submitted to the County by April 30 each year), and
- LOCKE SOLUTIONS will provide to the County copies of any reports, studies, or applications submitted to TCEQ and any determinations provided to LOCKE from TCEQ as to this project

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

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

By April 30th of each year that this Agreement is in effect, LOCKE SOLUTIONS shall certify to the County that LOCKE SOLUTIONS is in compliance with each

applicable term of this Agreement. This certification shall be in the Form attached and titled "Johnson County Annual Tax Abatement Evaluation Report.

LOCKE SOLUTIONS 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 LOCKE SOLUTIONS written notice of such termination. If LOCKE SOLUTIONS believes that such termination was improper, LOCKE SOLUTIONS 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, LOCKE SOLUTIONS 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 LOCKE SOLUTIONS tax liability above the amount of tax paid, LOCKE SOLUTIONS 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 LOCKE SOLUTIONS's tax liability, the County shall refund to LOCKE SOLUTIONS the difference between the amount of tax paid and the amount of tax for which LOCKE SOLUTIONS 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 LOCKE SOLUTIONS 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 LOCKE SOLUTIONS:

LOCKE SOLUTIONS
700 Almeda Genoa Road
Houston, TX 77047
Attn: David Espino
Telephone: (281) 253-6602

To the County:

Johnson County Courthouse
2 Main Street
Cleburne, Texas 76033
Attention: Christopher Boedeker
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.

Section 11. LOCKE SOLUTIONS 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 LOCKE SOLUTIONS upon (i) execution by the County and LOCKE SOLUTIONS. 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. This Agreement is not transferrable to any other entity without the written consent of the Johnson County Commissioners Court.

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 24th **DAY OF** August, 2026.

JOHNSON COUNTY, TEXAS

By: _____
Christopher Boedeker
County Judge

This instrument was acknowledged before me on the 24th day of August, 2026, by Christopher Boedeker as County Judge

Paula Reid
Notary Public Signature
My commission expires: 12-12-26

PAULA REID NOTARY PUBLIC STATE OF TEXAS ID 13005234-2 Exp. 12/12/26

LOCKE SOLUTIONS

By: Adam Bergman

Title: General Manager

State of Texas
County of Johnson

This instrument was acknowledged before me on the 24th day of August, 2026, by Adam Bergman as General Manager

Paula Reid
Notary Public Signature
My commission expires: 12-12-26

PAULA REID NOTARY PUBLIC STATE OF TEXAS ID 13005234-2 Exp. 12/12/26