

MUNICIPAL SERVICE PLAN FOR 182.73 ACRES OF PROPERTY OWNED BY AXIS PIPE AND TUBE INC ANNEXED TO THE CITY OF BRYAN, TEXAS ON OCTOBER 8, 2024

A. SERVICES PROVIDED UPON THE EFFECTIVE DATE OF ANNEXATION

1. POLICE PROTECTION

The City of Bryan, Texas and its Police Department will continue to provide police protection to the newly annexed territory at the same or similar service now being provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area. The City's adopted ordinances extend to the newly annexed area and are applied equally to all areas of the City based on the policy and wording of such ordinances. The average dispatch and delivery time, equipment dedication to service areas, and staffing requirements are comparable to the average provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area.

2. FIRE PROTECTION AND EMERGENCY MEDICAL SERVICE

The City of Bryan, Texas and its Fire Department will continue to provide fire protection and ambulance service to the newly annexed territory at the same or similar level of service now being provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area. Furthermore, the City of Bryan Fire Department will respond to all dispatched calls (including emergency medical services) and other requests for service or assistance within the newly annexed area, the same as it would within other areas inside the City limits of Bryan. The City's adopted Fire Code shall extend to the newly annexed area and is equally applicable to all areas of the City.

3. SOLID WASTE COLLECTION

The City of Bryan, Texas and its Environmental Services Department will provide solid waste collection and disposal service to the newly annexed territory at the same or similar level of service now being provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area. As a fee-for-service the providing of this service shall be applied to the newly annexed area on an equal basis to that provided to the average and typical comparable area of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area.

4. WATER DISTRIBUTION SERVICE

The City of Bryan, Texas and its Water Services Department will continue to provide water distribution service to the newly annexed territory at the same or similar level of service now being provided to other areas of the City of Bryan, Texas, which exhibit land use and population densities similar to that of the newly annexed area.

Existing City of Bryan water mains will be available for point-of-use extension based on applicable utility extension polices and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. Residents and businesses in the newly annexed area will be subject to the same service policies and procedures as apply to other areas of the City of Bryan. As applied to all properties within the City, the owner(s) of the newly annexed property will be responsible for costs to install water service to their property. All such water service facilities under

the City of Bryan's direct jurisdiction, including new facilities which may be installed by developers of land within this newly annexed territory, will be operated, maintained, monitored and inspected in accordance with established policies and procedures. The comparable nature of any areas are at the discretion of the City of Bryan but are evaluated based on the characteristics of the newly annexed area on the date of annexation.

5. WASTEWATER SERVICE

The City of Bryan, Texas and its Water Services Department will provide wastewater service to the newly annexed territory at the same or similar level of service now being provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area. The comparable nature of any areas are at the discretion of the City of Bryan but are evaluated based on the characteristics of the newly annexed area on the date of annexation.

Existing City of Bryan sewer mains at their present locations shall be available for point-of-use connections, based on applicable utility extension policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. The City of Bryan will assess the adequacy of existing septic systems for accommodating raw sewage in less developed areas and will determine the need to provide centralized wastewater collection and treatment service to particular areas, along with lift stations or any other necessary capital improvements, pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. As applied to all properties within the City, residents and/or developers will be responsible for costs to install sewer service to their property.

All sewer service facilities that may come under the City of Bryan's direct jurisdiction in the future, including new facilities which may be installed by developers of land within this newly annexed territory, will be operated, maintained, monitored and inspected pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended.

6. STORM WATER MANAGEMENT

City of Bryan regulations concerning storm water management will extend to the newly annexed territory, pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended, and in accordance with similarly situated properties within the City.

7. BUILDING SERVICES

The Development Services Department's responsibility for regulating building construction will extend to the newly annexed territory, pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. This includes issuing building, electrical and plumbing permits for any new construction and remodeling, and enforcing all other applicable codes which regulate building construction within the City of Bryan.

8. PLANNING AND DEVELOPMENT

The Development Services Department's responsibility for regulating development and land use through the administration of the City of Bryan Zoning Ordinance, Land and Site Development Ordinance and all other development-related ordinances will extend to the newly annexed territory.

The newly annexed area will also continue to be regulated under the requirements of the City of Bryan Subdivision Ordinance.

9. ELECTRICITY SERVICE

Bryan Texas Utilities (BTU), a municipal electric utility, will provide electricity service to the newly annexed territory at the same or similar level of service now being provided to other areas of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area. As a fee-for-service the providing of this service shall be applied to the newly annexed area on an equal basis to that provided to the average and typical comparable area of the City of Bryan, Texas which exhibit land use and population densities similar to that of the newly annexed area.

10. ROADS, STREETS, ALLEYWAYS AND TRAFFIC ENGINEERING

Any and all roads, streets or alleyways in the newly annexed territory which have been dedicated to the public shall be maintained to the same degree and extent that other roads, streets and alleyways are maintained in areas of the City of Bryan, Texas with similar land use, population density and topography. Construction of new roads and streets is the responsibility of the developer or property owner desiring them and must be designed and built in accordance with applicable City of Bryan codes and standards.

Municipal maintenance of properly dedicated roads, streets and alleyways (which may be installed by developers of land within this newly annexed territory) will be consistent with such maintenance provided by the City of Bryan to other roads, streets and alleyways in areas exhibiting land use, population densities and topography similar to that of the newly annexed area.

The City of Bryan Public Works Department will install traffic signs, street markings and other traffic control devices in the newly annexed area as the need is established by appropriate study, pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended.

The City of Bryan Public Works Department will install street name signs in the newly annexed area. Under current City of Bryan ordinances, developers are responsible for the cost of street name signs for new public and private streets.

Bryan Texas Utilities (BTU), a municipal electric utility, will install streetlights in accordance with the utility standards of BTU, pursuant to applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. Under current City of Bryan ordinances, developers are responsible for the cost of streetlights in new subdivisions.

11. PARKS AND RECREATION

The newly annexed territory does not include any known existing public parks, playgrounds or swimming pools which would come under the City of Bryan's jurisdiction as a result of annexation. Residents of the newly annexed territory may use any and all existing City of Bryan parks, playgrounds and recreational facilities and participate in any and all programs, events, activities and services of the City of Bryan Parks and Recreation Department. Expansion of recreational facilities and programs to the newly annexed territory would be governed by applicable policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended.

12. MAINTAINING OTHER PUBLICLY-OWNED FACILITIES OR BUILDINGS

The City of Bryan, Texas is not aware of the existence of any publicly-owned facility or building now located in the newly annexed territory. In the event any such publicly-owned facility or building does exist and are public facilities or buildings, the City of Bryan shall maintain such facilities or buildings to the same extent and degree that it maintains similar municipal facilities and buildings now incorporated in the City of Bryan, Texas.

B. CONSTRUCTION OF CAPITAL IMPROVEMENTS TO BEGIN WITHIN 2½ YEARS FOLLOWING THE EFFECTIVE DATE OF ANNEXATION

1. POLICE PROTECTION, FIRE PROTECTION AND SOLID WASTE COLLECTION

The City Council of the City of Bryan, Texas finds and determines it to be unnecessary to acquire or construct any capital improvement within 2½ years following the effective date of annexing the subject territory, for the purpose of providing police and fire protection, emergency medical services and solid waste collection. The City Council finds and determines that it has at the present time adequate facilities to provide comparable levels of protection and service to what is presently being provided to other areas already incorporated in the City of Bryan, Texas, having the same or similar land use, population density and topography as that of the newly annexed territory. The City of Bryan finds that the current level of services and facilities can sufficiently provide comparable services to the newly annexed area without reducing the fire, police, and emergency medical services currently provided to areas already within the municipal boundaries of the City of Bryan.

2. WATER AND WASTEWATER FACILITIES

The City Council of the City of Bryan, Texas finds and determines it to be unnecessary to acquire or construct any capital improvement within 2½ years following the effective date of annexing the subject territory, for the purpose of providing water and wastewater service.

During the next 2½ years, the City Council of the City of Bryan, Texas believes that adequate capacity and municipal water and sewer mains exist for point-of-use connections and serviceable extensions, to provide water and/or sewer service within the newly annexed territory, pursuant to applicable utility extension policies and/or ordinances of the City of Bryan, now existing or as such policies and/or ordinances may be amended. The development and expansion of facilities as the City grows are expected to use the City's Master Plan and/or Comprehensive Plan, as they are amended from time to time, as a guide to know when expansion facilities become necessary.

As applied to all properties within the City, residents and/or developers will be responsible for costs to install and/or connect water and/or sewer service to their property.

The area to be annexed is currently under City of Bryan wastewater CCN. Extension of existing wastewater mains to the property may be done at the developer's cost. The comparable nature of any areas are at the discretion of the City of Bryan.

As applied to all properties within the City, residents and/or developers will be responsible for costs to install water and/or sewer service to their property.

3. ROADS AND STREETS

Developers of land within the newly annexed territory will be required to provide internal streets (and to improve peripheral or boundary streets) in accordance with applicable ordinances of the City of Bryan, and such street improvements shall comply with specifications required by the City of Bryan, for properly dedicated streets.

4. PARKS, PLAYGROUNDS AND SWIMMING POOLS, AS WELL AS OTHER PUBLIC FACILITIES OR BUILDINGS

To the extent that it becomes necessary because of development demands, population growth and bona fide needs, the City Council of the City of Bryan, Texas will undertake to provide any such facility which it deems necessary to adequately provide for the health and safety of citizens in the newly annexed territory, based upon standard considerations of land use, population density and topography.

C. SPECIFIC FINDINGS

The City Council of the City of Bryan, Texas finds and determines that this Municipal Service Plan will not provide any fewer services nor will it provide a lower level of service, in the newly annexed territory, than were in existence at the time immediately preceding this territory's annexation to the City of Bryan, Texas.

As the development and growth of a municipality is not known but only anticipated conditions and subsequent occurrences may change making the current service plan unworkable or obsolete. In such a case, the City Council may amend the service plan to conform to the changed conditions and/or occurrences. Such amendments will be in conformity with state law.

Texas law does not require a uniform level of municipal services to an area if different characteristics of topography, land use, and population density constitute a sufficient basis for providing a different level of services. As a result, the levels of services provided in this plan are all linked to comparable services of areas similar in characteristic, topography, land use, and population density as the newly annexed area. For areas where no comparable location exists, the City Council finds that City staff utilized its best efforts to calculate a comparable level of serviced based on the known characteristics and incorporated such into this plan based on the characteristics of the newly annexed territory on the date of annexation.

**EXHIBIT 2: METES AND BOUNDS DESCRIPTION OF PROPERTY
TO BE ANNEXED INTO BRYAN CITY LIMITS**

TRACT 1 - LOT 1 IN BLOCK 1 OF THE AXIS PIPE AND TUBE SUBDIVISION

BEING 182.731 ACRES (7,959,755 SQUARE FEET), MORE OR LESS, LYING AND BEING SITUATED IN THE L. MCLAUGHLIN SURVEY, ABSTRACT NO. 38, BEING THE SAME AS THAT CERTAIN TRACT OF LAND CONVEYED TO AXIS PIPE AND TUBE, INC. BY DEED RECORDED IN VOLUME 11505, PAGE 1, OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2 INCH IRON ROD WITH CAP FOUND IN THE EASTERLY RIGHT-OF-WAY LINE OF LOUIS E. MIKULIN ROAD (BASED ON A 70 FOOT WIDE PUBLIC RIGHT-OF-WAY AS RECORDED IN VOLUME 11505, PAGE 76 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS), SAID POINT BEING THE MOST WESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 41°08'17" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 401.79 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE MOST WESTERLY CORNER OF A 1.2623 ACRE REMAINDER PORTION OF THAT CERTAIN 29.726 ACRE TRACT OF LAND CONVEYED TO THE CITY OF BRYAN BY DEED RECORDED IN VOLUME 307, PAGE 200 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS;

THENCE SOUTH 48°51'43" EAST, ALONG THE SOUTHWEST LINE OF SAID REMAINDER TRACT, A DISTANCE OF 200.00 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE SOUTHERLY CORNER OF SAID REMAINDER TRACT;

THENCE NORTH 41°08'17" EAST, ALONG THE SOUTHEAST LINE OF SAID REMAINDER TRACT, A DISTANCE OF 177.57 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR ANGLE POINT;

THENCE NORTH 07°21'46" EAST, ALONG THE EAST LINE OF SAID REMAINDER TRACT, A DISTANCE OF 147.29 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR ANGLE POINT;

THENCE NORTH 48°51'43" WEST, ALONG THE NORTH LINE OF SAID REMAINDER TRACT, A DISTANCE OF 118.12 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND IN THE EAST RIGHT-OF-WAY LINE OF SAID LOUIS E. MIKULIN ROAD FOR THE NORTH CORNER OF SAID REMAINDER TRACT;

THENCE NORTH 4°08'17" EAST, ALONG SAID EASTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 1,397.45 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE POINT OF BEGINNING OF A CURVE TO THE LEFT;

THENCE, ALONG SAID CURVE TO THE LEFT HAVING A RADIUS OF 470.87 FEET, AN ARC LENGTH OF 335.92 FEET, A CHORD BEARING OF NORTH 20°42'02" EAST AND A CHORD LENGTH OF 328.84 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE POINT OF TANGENCY;

THENCE NORTH 00°09'32" EAST, CONTINUING ALONG SAID EAST RIGHT-OF-WAY LINE AND THE EAST

LINE OF A CALLED 29.726 ACRE TRACT OF LAND CONVEYED TO THE CITY OF BRYAN BY DEED RECORDED IN VOLUME 307, PAGE 204 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, TEXAS, A DISTANCE OF 183.60 FEET TO A 1/2 IRON ROD WITH CAP FOUND MARKING THE POINT OF BEGINNING OF A CURVE TO THE RIGHT;

THENCE, ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 430.04 FEET, AN ARC LENGTH OF 263.14 FEET, A CHORD BEARING OF NORTH 17°41'17" EAST AND A CHORD LENGTH OF 259.05 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 65°41 '36" EAST, ALONG THE SOUTH LINE OF A 100 FOOT WIDE UNION PACIFIC RAILROAD RIGHT-OF-WAY, A DISTANCE OF 10.55 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE POINT OF BEGINNING OF A CURVE TO THE RIGHT;

THENCE, ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 2,814.93 FEET, AN ARC LENGTH OF 848.97 FEET, A CHORD BEARING OF SOUTH 57°03'17" EAST AND A CHORD LENGTH OF 845.76 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE POINT OF TANGENCY;

THENCE, SOUTH 48°24'53" EAST, CONTINUING ALONG SAID SOUTH RIGHT-OF-WAY LINE, A DISTANCE OF 2,763.10 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE EAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 62°10'53" WEST, ALONG THE WEST LINE OF A CALLED 100 ACRE TRACT OF LAND CONVEYED TO AXIS PIPE AND TUBE INC. BY DEED RECORDED IN VOLUME 12476, PAGE 47 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, A DISTANCE OF 3,110.67 FEET TO A 1/2 INCH IRON ROD WITH CAP FOUND FOR THE SOUTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, NORTH 48°23'43" WEST, ALONG THE NORTH LINE OF A CALLED 12.748 ACRE TRACT OF LAND CONVEYED TO THE CITY OF BRYAN BY DEED RECORDED IN VOLUME 11504, PAGE 293 OF THE OFFICIAL RECORDS OF BRAZOS COUNTY, A DISTANCE OF 2,155.03 FEET TO THE POINT OF BEGINNING AND CONTAINING WITHIN THESE CALLS 182.731 ACRES OF LAND.

OF BRYAN RECORDED IN VOLUME 291, PAGE 576 DEED RECORDS BRAZOS COUNTY.
TEXAS;

THENCE: NORTH 48 DEGREES 08 MINUTES 56 SECONDS WEST, ALONG THE NORTHEAST
LINE OF THE SAID 133.016 ACRE TRACT A DISTANCE OF 376.44 FEET TO THE PLACE OF
BEGINNING AND CONTAINING WITHIN THESE CALLS 48.314 SQUARE FEET OR 1.1091 ACRES
OF LAND.

STATE OF TEXAS §

COUNTY OF BRAZOS §

CHAPTER 212 TEXAS LOCAL GOVERNMENT CODE
NON-ANNEXATION AGREEMENT

This Agreement is entered into pursuant to Section 212.172 of the Texas Local Government Code by and between the City of Bryan, Texas (“City”) a Texas home-rule municipal corporation, and KUADRUM PIPE AND TUBE, INC., a Delaware corporation, together with its successors and assigns and any parent or any current or future affiliate or subsidiary authorized to operate in the State of Texas (“OWNER”).

WHEREAS, OWNER owns a parcel of real property (“Property”) in Brazos County, Texas, which is more particularly and separately described in the attached Exhibit “A” currently located in the extraterritorial jurisdiction (“ETJ”) of City; and

WHEREAS, OWNER intends to construct a facility for the manufacture of steel related products and services (“Manufacturing Facility”) which will be substantially as shown in the attached Exhibit “B”; and

WHEREAS, OWNER desires to have the Property remain in City’s ETJ for a period of years while the property is developed to support OWNER’S manufacturing processes; and

WHEREAS, OWNER still desires to have the support of City’s police and fire departments during the interim, and is willing to compensate City for providing such protection; and

WHEREAS, this Agreement is entered into pursuant to Section 212.172 of the Texas Local Government Code, to address the desires of OWNER and the procedures of City; and

WHEREAS, OWNER and City acknowledge that this Agreement is binding upon the City and OWNER and their respective successors and assigns for the Term (defined below) of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as follows:

I. Extraterritorial Status

City guarantees the continuation of the extraterritorial status of the Property, its immunity from annexation by City, and its immunity from City property taxes, for the Term, and subject to the provisions, of this Agreement. Except as provided in this Agreement, City agrees not to annex the Property, agrees not to institute involuntary proceedings to annex the Property, and further agrees not to include the Property in a statutory annexation plan for the Term of this Agreement. However, if the Property is annexed pursuant to the terms of this Agreement, then the City shall

provide services to the Property to the extent required by Chapter 43 of the Texas Local Government Code and in the manner provided by City's Code of Ordinances.

II. Police and Fire Protection

City will provide police and fire protection to the Property in the same manner as if it were inside the City limits. Nothing in this Agreement waives any governmental immunity from suit or from liability and nothing in this Agreement obligates the City to provide any greater degree of service to the Property or to OWNER than any other property or owner similarly situated inside the City limits.

III. Development Standards & Waiver of Fees

OWNER will comply with, and consents to City's enforcement of, the City's Code of Ordinances, including but not limited to Building Codes (Chapter 14), Fire Codes (Chapter 42), Development Codes (Chapter 62), and Utilities Codes (Chapter 122), as may be amended. The foregoing notwithstanding, Local Government Code Chapter 245 vested rights shall apply to OWNER in the same manner as to property owners in the City. Once a certificate of occupancy has been issued for a building or structure, the structure will not be required to be brought up to any amended or newly adopted codes unless materially damaged by fire or other casualty, materially altered, or there is a change of use to the extent that a new building permit would be required.

City will fast track the permitting process for any permits OWNER must obtain from City, and agrees to waive any fees that would otherwise be charged for such permits. Fee waivers will be for soft cost fees including Building, Mechanical, Electrical, and Plumbing Permits. Hard costs such as water meter vault assembly or water taps will be borne by OWNER.

IV. Water Supply

City will provide OWNER with a redundant water supply to Well 16, which is adjacent to the Property, as a back up in the event of a failure from a City water line.

V. Term

The term of this Agreement (the "**Term**") will be from the effective date of this Agreement until **December 31, 2023**, unless terminated sooner as provided herein.

VI. Economic Development Benchmarks

- a. OWNER will construct and maintain the Manufacturing Facility, in substantial compliance with Exhibit "B", adding at least \$120,000,000.00 in taxable value, inclusive of real and personal property, as valued by the Brazos County Appraisal District ("BCAD") by January 1, 2016. Taxable value, as determined by BCAD on January 1st of each calendar year, includes (i) the Land, Improvements and (ii) all personal property,

furniture, equipment (Industrial and office), fixtures, inventory (including work in progress, finished work and work owned by third parties but stored onsite) supplies, raw materials and automobiles as well as any and all Tangible Personal Property that is taxable, pursuant to the Texas Property Tax Code, to the Owner ("Tangible Personal Property"). It is the intent of the parties that the taxable value is to include all items of value located on the Premises on January 1st of each calendar year, even if not owned by the Owner (as herein defined), so long as such items are actually taxed by Brazos County. Beginning in 2016, and on an annual basis thereafter, at least 60 days prior to the end of the year OWNER will provide the City with sufficient documentation to establish the valuation.

- b. OWNER shall employ at least 285 full time employees at the Manufacturing Facility and shall maintain an annual gross salary of not less than \$10,545,000.00 (excluding benefits) beginning in 2016. By the end of January 2017, and the end of January for each year thereafter during the term of this Agreement, OWNER will provide the City with sufficient documentation to establish that the annual gross salary paid in the preceding year.
- c. OWNER shall use all reasonable efforts to encourage its employees to live in the City or Brazos County.

OWNER agrees to provide City, or its designees, access to the Manufacturing Facility during regular business hours throughout the term of this Agreement for the purposes of inspection and examination of books, records, construction, workmanship, materials, and installations to determine that OWNER has complied with any requirement of this Agreement.

VII. Voluntary Annexation

When this Agreement expires or terminates, OWNER, and its heirs, successors, and assigns shall be deemed to have filed a petition for voluntary annexation. OWNER'S execution of this Agreement constitutes a petition for voluntary annexation and the City may commence the annexation process prior to the expiration of this Agreement, provided that annexation will not be effective until after this Agreement expires. This provision shall survive expiration or termination of this Agreement.

VIII. Resale

This Agreement runs with the land, and OWNER agrees to bind itself, its heirs, successors, and assigns to the terms of this Agreement. Prior to the sale, exchange, or transfer of all or a portion of the Property, OWNER shall give written notice of this Agreement to the prospective purchaser or grantee, and shall give written notice of the sale or conveyance to City. This Agreement, as well as any amendments or supplements hereto, shall be filed in the Official Records of Brazos County, Texas.

IX. Payment in lieu of taxation

As compensation to City for providing fire and police services to the Property, in addition to the other consideration stated in this Agreement, OWNER will pay to City an amount equal to a portion of the ad valorem taxes that would have been collected were the Property inside the City limits. During the first 3 years of the Agreement (2013, 2014, and 2015), there will be no payment to the City. For each year thereafter, the payment is the equivalent of 50% of the amount the City would have collected in that year. Payments from the Owner to the City, under the terms of this Agreement are due on the same date and will be delinquent on the same date as tax payments to the City would be due had this Agreement not been entered into and had the Property otherwise been within the City limits of the City of Bryan. Payments must be directed to the City's Finance Department at 300 S. Texas Avenue, Bryan, Texas 77803.

In the event that OWNER fails to meet the economic development benchmarks set forth in Section VI, it shall not be a breach of this Agreement if OWNER makes an additional payment in lieu of taxation as set forth below. The additional payment in lieu of taxation is payable at the same time and in the same manner as set forth in the preceding paragraph. The additional payment shall be based on the percentage of the benchmark values not achieved. That percentage is calculated by

- o First: taking the sum of the taxable property value achieved and annual salary paid;
- o Second: dividing the sum by the combined benchmark value of 130,545,000;
- o Third: multiplying the resulting fraction by 100 to arrive at a percentage of value achieved; and
- o Fourth: subtracting the resulting percentage of value achieved from 100% to arrive at the percentage of benchmark values not achieved.

The formula for the percentage of benchmark not achieved is as follows:

$$100\% - ((\text{Valuation} + \text{Salary}) / 130,545,000) \times 100\%$$

X. Breach & Termination

In the event of a breach by either party of any of the terms and conditions of this Agreement, including but not limited to:

- a) failure to meet the economic development benchmarks set forth in Section VI, unless the exception in Section IX applies;
- b) failure to comply with the City's Codes as required by Section III;
- c) failure to make a payment in lieu of taxation as required by Section IX;
- d) failure to waive development fees as required by Section III; or
- e) annexation of the Property in violation of Section I

The non-breaching party shall give notice to the breaching party specifying (i) the nature of the breach; and (ii) the reasonable curative action required to cure the breach and the breaching party will have 60 days to cure the breach without penalty. If the breaching party has not cured same within 60 days of receiving notice, the non-breaching party may terminate this Agreement.

Notwithstanding the foregoing, neither Party shall be liable to the other Party for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Agreement due to an event of force majeure beyond their respective control, provided that the party gives written notice of such force majeure to the other party within 10 days following the event. The obligations of the party giving such notice, to the extent effected by the force majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and the party shall endeavor to remove or overcome such inability with all reasonable dispatch. An event of force majeure, as defined herein, shall not result in an extension of the Term of this Agreement.

The term “force majeure” as employed herein shall mean and refer to acts of God; acts of the public enemy, floods, riots, rebellion, sabotage, terrorism, or such other circumstance for which a party is not legally responsible or which is not reasonably within its power to control.

XI. Miscellaneous

A. Notices required to be sent under this agreement shall be sent to the following:

City of Bryan
Attn: City Manager and City Attorney
P.O. Box 1000
Bryan, Texas 77805

Owner
Attn: Jorge Garza, President
Kuadrum Pipe & Tube, Inc.
770 S. Post Oak Road, Ste. 200
Houston, Texas 77056

Parties agree to notify the other if this address and contact information changes.

- B. If a court of competent jurisdiction determines that any portion of this Agreement is void or unenforceable, the remainder of this Agreement shall remain in full force and effect. No subsequent change in the law regarding annexation shall affect the enforceability of this Agreement or the City’s ability to annex the properties covered herein pursuant to the terms of this Agreement.
- C. Failure to enforce any provision of this Agreement at any given time is not a waiver of the provisions thereafter.
- D. Venue for any lawsuit arising out of this Agreement shall be in a court of competent jurisdiction in Brazos County, Texas. This Agreement shall be governed in accordance with the laws of the State of Texas.
- E. This Agreement constitutes the sole and only Agreement of the Parties hereto respecting the subject matter covered by this Agreement, and supersedes any prior understandings or written or oral agreements between the parties. No amendment, modification or

alteration of the terms hereof shall be binding unless the same shall be in writing and dated subsequent to the date hereof and duly executed by the parties hereto.

- F. The recitals are incorporated into the body of this Agreement as if fully set forth herein for all purposes.
- G. This Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and permitted assigns. OWNER shall not assign this Agreement without the written approval of the City Council, except in the case of an assignment to a subsidiary or affiliate company. In this Agreement, an "affiliate", "parent", or "subsidiary" is any entity who or which, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, Kuadrum Pipe and Tube, Inc. The term "control" for these purposes means the ability, whether by ownership of shares or other equity interest, by contract or otherwise, to elect a majority of the directors of a corporation . . . or have the power to remove and then select, a majority of those persons exercising governing authority over an entity.

[Signatures to follow]



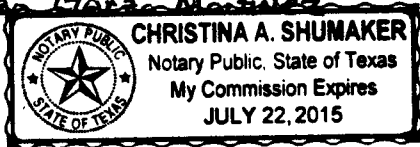
Entered into and effective this 26th day of April, 2013.

KUADRUM PIPE AND TUBE, INC.

by: [Signature]
Francisco Garza Martinez
Vice President - Kuadrum Pipe and Tube Inc.

STATE OF TEXAS §
 § **ACKNOWLEDGMENT**
COUNTY OF Brazos §

This instrument was acknowledged before me on the 26th day of April, 2013, by ~~Jorge Garza~~, in his capacity as ^{vice} President of Kuadrum Pipe and Tube, Inc.
~~Francisco Garza Martinez~~



[Signature]
Notary Public in and for
the State of Texas

CITY OF BRYAN:

[Signature]
Jason P. Dzienski, Mayor

ATTEST:
[Signature]
Mary Lynne Stratta, City Secretary

APPROVED AS TO FORM:

[Signature]
Janis K. Hampton, City Attorney

Exhibit A - Metes and Bounds Description

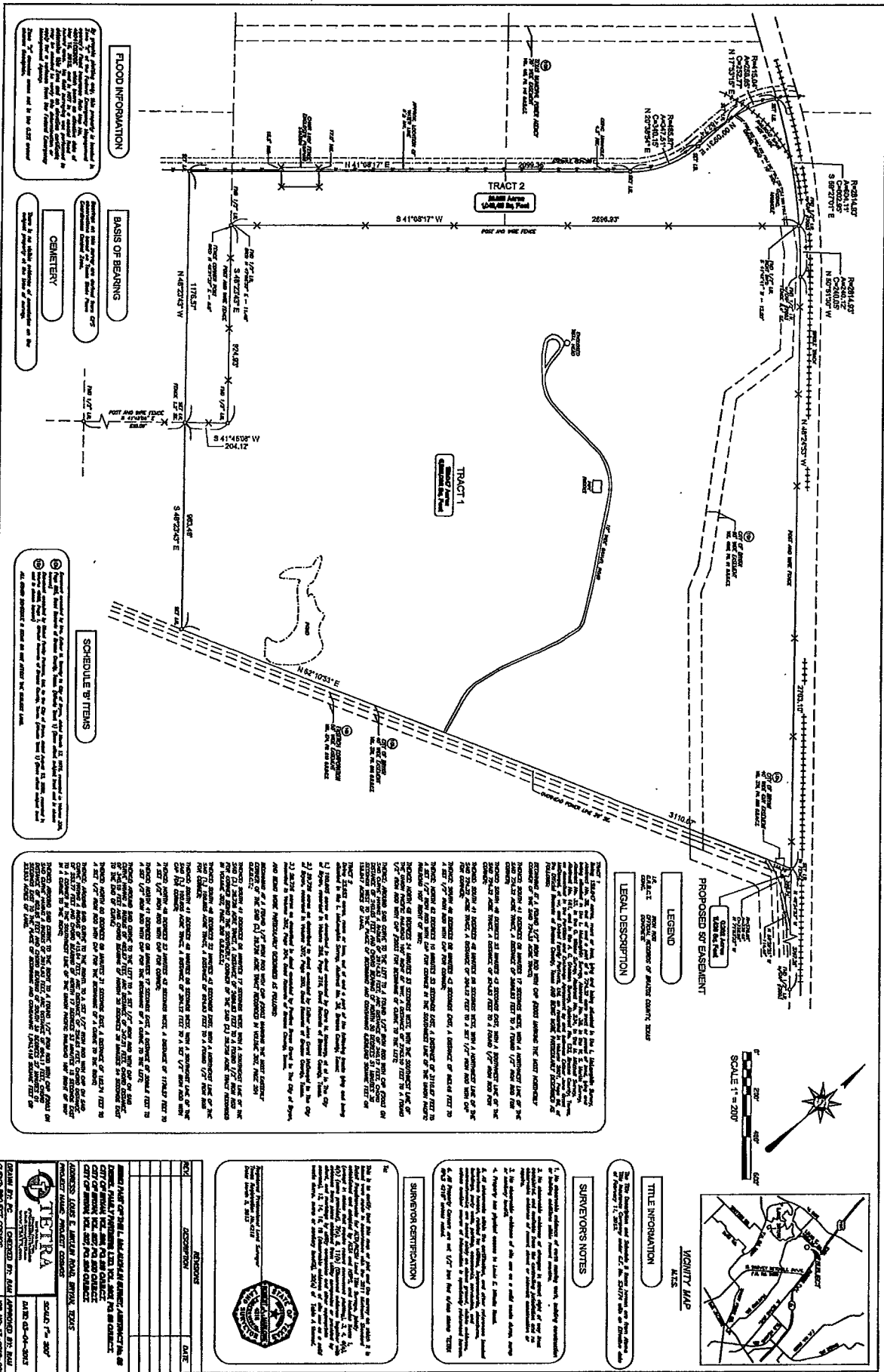
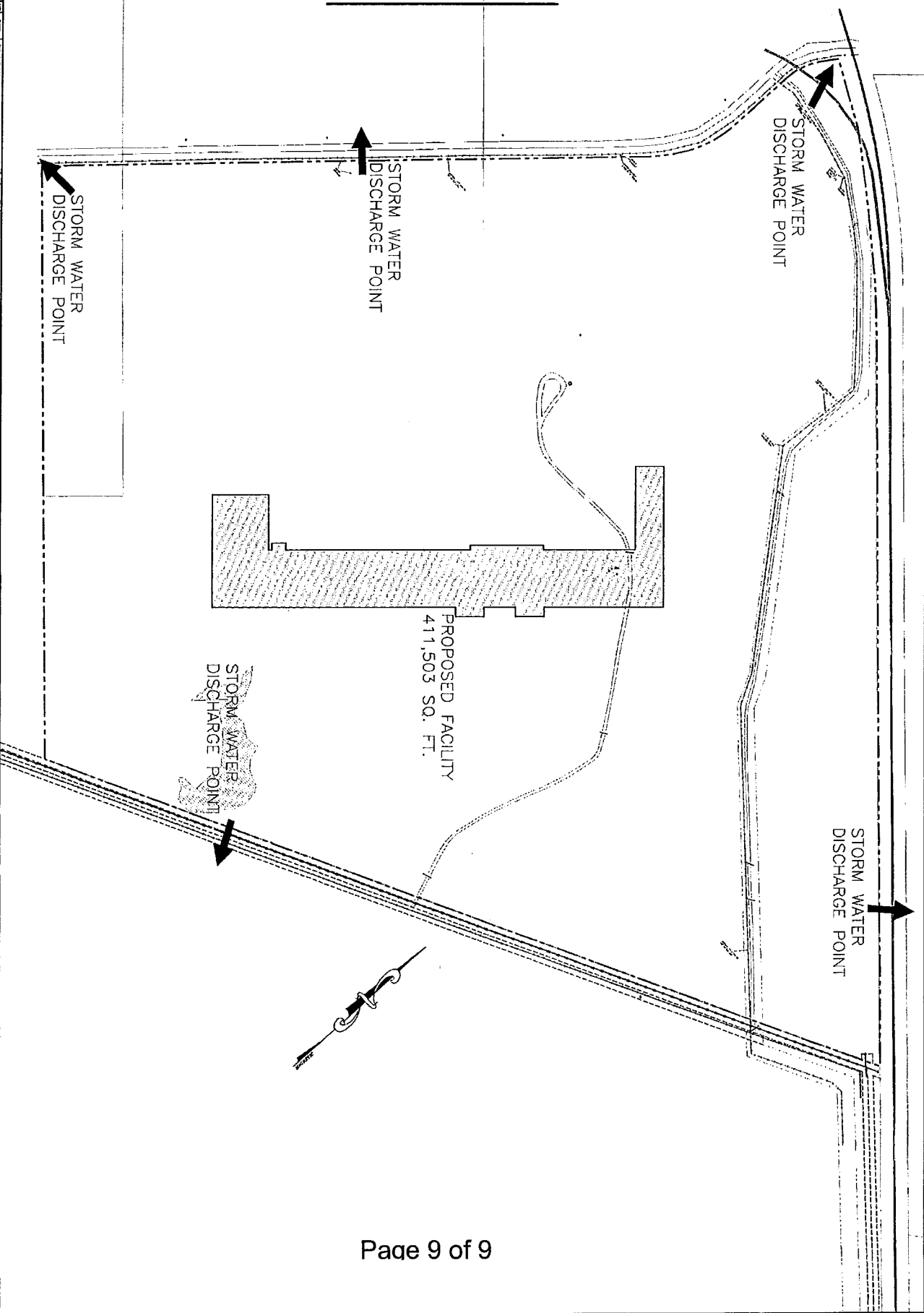


Exhibit B - Site Plan



NO.	DATE	REVISION DESCRIPTION	NO.	DATE	REVISION DESCRIPTION	NO.	DATE	REVISION DESCRIPTION	NO.	DATE	REVISION DESCRIPTION
<p>PRELIMINARY NOT FOR CONSTRUCTION</p>											
<p>Architects/Engineers, Inc. 5000 West Loop West, Suite 2000 Houston, Texas 77056 Tel: 713.865.2200 Fax: 713.865.2201 www.hmm.com</p>											
<p>PROJECT: NEW FACILITY FOR PROJECT COSMOS BR/AN, TEXAS</p>						<p>DATE: 11/11/11 DRAWN BY: [Signature] CHECKED BY: [Signature] PROJECT NUMBER: SHEET NUMBER: CE-1.1</p>					
<p>HORIZONTAL LAYOUT</p>											

Handwritten mark or signature.