

CITY OF FREEPORT

NOTICE OF PUBLIC MEETING
THE FREEPORT CITY COUNCIL
MONDAY, NOVEMBER 21ST, 2011, 6:00 P.M.
FREEPORT MUNICIPAL COURT ROOM
FREEPORT POLICE DEPARTMENT, 430 NORTH BRAZOSPORT BLVD.

AGENDA FORMAL SESSION

1. Call to Order.
2. Invocation.
3. Pledge of Allegiance.
4. Consideration of approving the November 7th, 2011 Council Minutes. Pg. 719-722
5. Attending citizens and their business.
6. Announcement: 2nd Annual Thanksgiving Day SuperFEAST
Thursday, November 24th, 2011. Pg. 723
7. Peoples's Choice Award presentation to the Freeport Fire/ EMS for their winning participation in the 2011 Freeport Haunted Museum.
8. Consideration of approving Ordinance No. 2011- 2294 ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act) providing tax incentives, designating a liaison for communication with interested parties, and nominating Dow Chemical Plant A project and the Dow Chemical Oyster Creek Project to the Office of the Governor Economic Development & Tourism (EDT) through the Economic Development Bank (bank) as an Enterprise Project (Project); and repealing Ordinance 2011-2284. Pg. 724-728
9. Consideration of approving Ordinance No. 2011-2295 amending the budget for fiscal year 2011-2012. Pg. 729-733
10. Consideration of approving Ordinance No. 2011-2296 designating and establishing an Industrial District to be known as the Brazosport Industrial District; authorizing the execution of agreement with said district between the City and the owners of the land; providing that all ordinances or parts of ordinances in conflict herewith shall be repealed. Pg. 734-757

11. Consideration of approving Resolution No. 2011-2272 nominating candidates for the Board of Directors of the Brazoria County Appraisal District Board of Directors Election 2012-2013. Pg. 758-760
12. Consideration of calling a public hearing for December 5th, 2011 to discuss whether or not to adopt an ordinance to continue to tax tangible personal property in transit which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253. Pg. 761-764
13. Consideration of a request from Will Brooks, Parade Chairman, of the 26th Annual Dr. Martin Luther King Jr. Celebration Parade to close portions of the following streets that intersect with East Park, Cherry Street, and 2nd Street to Hwy. 288 to the Freeport Municipal Park, Monday January 16th, 2012 from 10:00 a.m. to 2:00 p.m. Pg. 765

Executive Session:

Section 551.71, Government Code
Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matters in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code, to wit:

- Freeport Economic Development Corporation.

Adjourn

Items not necessary discussed in the order they appear on the agenda. The Council at its discretion may take action on any or all of the items as listed.

This notice is posted pursuant to the Texas Open Meeting Act. (Chapter 551, Government Code).

In compliance with the Americans with Disabilities Act, the City of Freeport will provide for reasonable accommodations for persons attending City Council Meetings. Request should be received 48 hours prior to the meeting. Please contact the City Secretary office at 979-233-3526.

I, Delia Munoz City Secretary for the City of Freeport, Texas certify that this agenda was posted on the official bulletin board/glass door of City Hall, facing the rear parking lot of the building, with 24 hours a day public access, 200 West 2nd Street, Freeport Texas, November 18th, 2011 at or before 5:00 p.m.

City Secretary - Delia Muñoz
City of Freeport, Texas

State of Texas

County of Brazoria

City of Freeport

BE IT REMEMBERED, that the City Council of the City of Freeport met on Monday, November 7th, 2011 at 6:00 p.m. at the Freeport Police Department, Municipal Court Room, 430 North Brazosport Boulevard, for the purpose of considering the following agenda items:

City Council: Norma Moreno Garcia
Michelle Kent
Fred Bolton
Nicolosa Mireles
Sandra Barbree

Staff: Jeff Pynes, City Manager
Gilbert Arispe, Asst. City Manager
Delia Munoz, City Secretary
Nat Hickey, Property Manager
Bob Welch, Finance Director
Ty Morrow, Chief of Police

Visitors: Annette Sanford
Gina Adams
Landis Adams
Lila Lloyd
Sandra Barnett
Jim Barnett
Dude Payne

Call to Order.

Mayor Norma Garcia called the meeting to order at 6:00 p.m.

Invocation.

A moment of silence was noted.

Pledge of Allegiance.

Mayor Norma Garcia led the Pledge of Allegiance.

Consideration of approving the October 17th, 2011 Council Minutes.

On a motion by Councilwoman Mireles, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved the October 17th, 2011 Council Minutes.

Attending citizens and their business.

There were none.

Peoples's Choice Award presentation to the Freeport Fire/ EMS for their winning participation in the 2011 Freeport Haunted Museum.

Reagenda to the next subsequent meeting.

Proclamation for John Stanford, Jr.

Mayor Norma Garcia proclaimed February 8th to be "John Stanford Jr. Day" in the City of Freeport and dedicated the Freeport Fire and Emergency Medical Services Station 1 to John Stanford, Jr.

Consideration of setting December 5th, 2011 for a Joint Public Hearing with the Planning Commission to consider a proposed amendment to the Comprehensive Zoning Ordinance of said City, codified as Chapter 155 of the Code of Ordinances of said City, adding provisions allowing a decorative fence in front yards, specifying regulations therefor and containing an exception for existing front yard fences.

On a motion by Councilwoman Kent, seconded by Councilwoman Mireles, with all present voting "aye", Council unanimously approved setting December 5th, 2011 for a Joint Public Hearing with the Planning Commission to consider a proposed amendment to the Comprehensive Zoning Ordinance of said City, codified as Chapter 155 of the Code of Ordinances of said City, adding provisions allowing a decorative fence in front yards, specifying regulations therefor and containing an exception for existing front yard fences.

Consideration of approving an engineering service agreement with John D. Mercer & Associates, Inc., for design of improvements to the Central Lift Station.

On a motion by Councilwoman Mireles, seconded by Councilman Bolton, with all present voting "aye", Council unanimously approved Gilbert Arispe's recommendation to approve the engineering service agreement with John D. Mercer & Associates Inc. for design of improvements to the Central Lift Station.

Consideration of approving Ordinance 2011-2293 amending the budget for fiscal year 2011-2012.

On a motion by Councilman Bolton, seconded by Councilwoman Kent, with all present voting "aye", Council unanimously approved Ordinance No. 2011-2293 amending the budget for fiscal year 2011-2012.

Consideration of signing the replats of Block 6, Lots 23 & 24, Southview Gardens Subdivision, known as Cortez and Garcia Subdivisions, 806 W. 11th Street.

On a motion by Councilwoman Mireles, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved signing the replats of Block 6, Lots 23 & 24, Southview Gardens Subdivision, known as Cortez and Garcia Subdivisions, 806 W. 11th Street.

Consideration of expending court funds to purchase 3 police radios.

On a motion by Councilwoman Barbree, seconded by Councilwoman Kent, with all present voting "aye", Council unanimously approved Mr. Pynes' recommendation to expend court funds to purchase 3 police radios.

Consideration of canceling the December 19th, 2011 council meeting.

On a motion by Councilwoman Mireles, seconded by Councilwoman Barbree, with all present voting "aye", Council unanimously approved canceling the December 19th, 2011 council meeting.

Consideration of the approval of any action to be taken as a result of closed executive session.

No action taken.

Mayor Norma Garcia closed the formal session to open the executive session at 6:16 p.m.

Executive Session:

Section 551.071, Government Code
Consultation with City Attorney concerning pending or contemplated litigation, settlement offers or other matter in which his duty to the City Council under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551, Government Code:

- Removal of members on board and commissions.

Mayor Garcia closed the Executive Session and reconvened the open session at 7:03 p.m.

Adjourn

On a motion by Councilwoman Kent, seconded by Councilman Bolton, with all present voting "aye", the meeting adjourned 7:03 p.m.

Delia Munoz
City Secretary

2011



Freeport
SuperFEAST

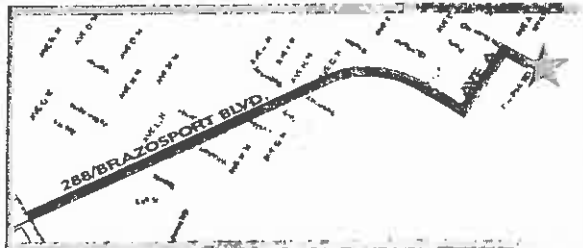
THANKSGIVING DAY

11:00AM - 2:00PM

THURSDAY, NOVEMBER 24TH
AT RIVERPLACE, FREEPORT, TEXAS

FREE TURKEY DINNER!
FOOTBALL ON LARGE SCREEN TVS
VISIT WITH YOUR COMMUNITY
EVERYONE IS WELCOME!

SPECIAL
NEEDS
CITIZENS
MAY
REQUEST
DELIVERY!!



PLEASE CONTACT YVETTE
TO SPONSOR OR VOLUNTEER
AT 979-233-3526



COAT DRIVE

NOVEMBER 24 - JANUARY 30



NEW OR GENTLY USED

COATS HATS SCARVES
GLOVES BLANKETS
FOR YOUTH 3-18 YEARS OLD

Pg. 723

BRING A COAT
FOR DONATION
TO SUPERFEAST!

ORDINANCE No. 2011-2294

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS, ORDAINING THE CITY'S PARTICIPATION IN THE TEXAS ENTERPRISE ZONE PROGRAM PURSUANT TO THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE (ACT), PROVIDING TAX INCENTIVES, DESIGNATING A LIAISON FOR COMMUNICATION WITH INTERESTED PARTIES, AND NOMINATING DOW CHEMICAL PLANT A PROJECT AND THE DOW CHEMICAL OYSTER CREEK PROJECT TO THE OFFICE OF THE GOVERNOR ECONOMIC DEVELOPMENT & TOURISM (EDT) THROUGH THE ECONOMIC DEVELOPMENT BANK (BANK) AS AN ENTERPRISE PROJECT (PROJECT); AND REPEALING ORDINANCE 2011-2284.

WHEREAS, the City Council of the City of Freeport, Texas (City) desires to create the proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas of the city and to provide employment to residents of such area; and

WHEREAS, the project or activity is not located in an area designated as an enterprise zone; and

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Act, DOW CHEMICAL PLANT A PROJECT AND THE DOW CHEMICAL OYSTER CREEK PROJECT have applied to the City for designation as an enterprise projects; and

WHEREAS, the City finds that DOW CHEMICAL PLANT A PROJECT AND THE DOW CHEMICAL OYSTER CREEK PROJECT meet the criteria for tax relief and other incentives adopted by the City on the grounds that it will be located at the qualified business site, will create a higher level of employment, economic activity and stability; and

WHEREAS, a public hearing to consider this ordinance was held by the City Council on August 15, 2011, notice of such hearing having been published on August 7, 2011, in the *Brazosport Facts*, a newspaper of general circulation throughout Brazoria County, Texas; and,

WHEREAS, on August 15, 2011, after such public hearing was held, Ordinance No. 2011-2284 was read, passed and adopted ordaining the City's participation in the Texas Enterprise Zone Program pursuant to the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code (Act); and,

WHEREAS, it has been determined that the Plant A project is indeed in an Enterprise zone and that Section 5 must be amended to read as hereinafter provided.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

Section 1: The City nominates both the DOW CHEMICAL PLANT A PROJECT AND THE DOW CHEMICAL OYSTER CREEK PROJECT for triple enterprise project status.

Section 2: The following local incentives, at the election of the governing body, are or will be made available to the nominated projects or activity of the qualified business:

1. 1) The City may abate taxes on the increase in value of real property improvements and eligible personal property that locate in a designated enterprise zone. The level of abatement shall be based upon the extent to which the business receiving the abatement creates jobs for qualified employees, in accordance with the City of Freeport Tax Abatement Policy, and with qualified employee being defined by the Act.
 - 2) Local Sales Tax Refund.
 - 3) Tax Increment Financing.
 - 4) Freeport Exemption.
- b) The City may provide regulatory relief to businesses, including:
 - 1) zoning changes or variances;
 - 2) exemptions from unnecessary building code requirements, impact fees, or inspection fees; or
 - 3) streamlined permitting.
- c) The City may provide enhanced municipal services to businesses, including:
 - 1) improved police and fire protection;
 - 2) institution of community crime prevention programs; or,
 - 3) special public transportation routes or reduced fares.
- d) The City may provide improvements in community facilities, including:

- 1) capital improvements in water and sewer facilities;
 - 2) road repair; or
 - 3) creation or improvement of parks.
- e) The City may provide improvements to housing, including:
- 1) low-interest loans for housing rehabilitation, improvement, or new construction; or
 - 2) transfer of abandoned housing to individuals or community groups.
- f) The City may provide business and industrial development services, including:
- 1) low-interest loans for business;
 - 2) use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
 - 3) provision of publicly owned land for development purposes, including residential, commercial, or industrial development;
 - 4) creation of special one-stop permitting and problem resolution centers or ombudsmen; or
 - 5) promotion and marketing services.
- g) The City may provide job training and employment services to businesses, including:
- 1) retraining programs;
 - 2) literacy and employment skills programs;
 - 3) vocational education; or
 - 4) customized job training
 - 5) Job Training and Employment Services

Section 3: The enterprise zone areas within the City are reinvestment zones in accordance with the Texas Tax Code, Chapter 312.

Section 4: The City of Freeport City Council directs and designates its City Manager as the City's liaison to communicate and negotiate with the EDT through the Bank and enterprise project(s) and to oversee zone activities and communications with qualified businesses and other entities in an enterprise zone or affected by an enterprise project.

Section 5: The City finds that DOW CHEMICAL PLANT A PROJECT AND THE DOW CHEMICAL OYSTER CREEK PROJECT meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

a) i. Dow Chemical Oyster Creek Project is a "qualified business: under Section 2303.402 of the Act since it will be engaging in the active conduct of a trade or business at a qualified business site within the governing body's jurisdiction, located outside of an enterprise zone and at least thirty-five percent (35%) of the business's new employees will be residents of an Enterprise zone or economically disadvantaged individuals;

ii. Dow Chemical Plant A project is a "qualified business" under section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located in an Enterprise zone and at least twenty-five (25%) of the business' new employees will be residents of an Enterprise zone or economically disadvantaged individuals.

b) There has been and will continue to be a high level of cooperation between public, private and neighborhood entities in the area.

c) The designation of the Dow Chemical Plant A Project and the Dow Chemical Oyster Creek Project as enterprise projects will contribute significantly to the achievement of the plans of the City for development and revitalization of the areas.

Section 6: The enterprise project shall take effect on the date of designation of the enterprise project by EDT and terminate five (5) years after the date of designation).

Section 7: Ordinance No. 2011-2284, read, passed and adopted on August 15, 2011, is hereby repealed.

Section 8: This ordinance shall take effect from and after its passage as the law and charter in such case provides.

READ, PASSED AND ADOPTED this 21st day of November, 2011.

Norma Moreno Garcia, Mayor

ATTEST:

Delia Munoz, City Secretary

Approved as to Form Only:

Wallace Shaw, City Attorney

ORDINANCE NO. 2011-2295

AN ORDINANCE OF THE CITY OF FREEPORT, TEXAS, CONTAINING A PREAMBLE; CONTAINING FINDINGS OF FACTS; AMENDING THE BUDGET FOR THE FISCAL YEAR 2011-2012; CONTAINING SAVINGS CLAUSES; CONTAINING A SEVERANCE CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, pursuant to the provisions of Subsection (a) of Section 102.007 of Chapter 102 of the Local Government Code and the provisions of Article 9 of the Home Rule Charter of the City of Freeport (hereinafter sometimes "the City"), the budget for the 2011-2012 fiscal year of the City was finally approved by the City Council, being the governing body thereof, by its Ordinance No. 2011-2286, read, passed and adopted on the 12th day of September, 2011, (hereinafter sometimes "the Budget"); and,

WHEREAS, Subsection (b) of Section 102.009 of the Local Government Code provides that, after final approval of the budget, the governing body of a municipality may spend municipal funds only in strict compliance with the budget, except in an emergency, but Section 102.010 of said Code provides that the provisions of Chapter 102 thereof do not prevent the governing body of such municipality from making changes in the budget for municipal purposes; and

WHEREAS, Subsection (c) of Section 102.009 of said Code provides that the governing body of a municipality may authorize an expenditure as an amendment to the original budget only in the case of grave public necessity to meet an unusual and unforeseen condition that could not have been included in the original budget through the use of reasonably diligent thought and attention; and,

WHEREAS, Section 9.16 of the City's Home Rule Charter provides that the budget may be amended and appropriations altered in accordance therewith in cases of public necessity, the actual fact of which shall have been declared by the City Council; and,

WHEREAS, the adoption of this ordinance and the amendment of the Budget is necessary for and in the best interest of the health, safety and general welfare of the inhabitants of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

SECTION ONE (1): FINDINGS OF FACT

In connection with the amendment and revision of the Budget, the City Council of the City makes the following findings:

(1) The amendments and revisions set forth in the Budget were the result of numerous public workshop meetings called and conducted in the manner required by the Texas Open Meetings Act, codified as Chapter 551, Government Code.

(2) A public hearing was held on the Budget on September 7, 2010, and conducted in the manner required by Section 102.006 of the Local Government Code and the City's Home Rule Charter.

(3) Notice of such public hearing was published in the Brazosport Facts, a newspaper of general circulation in and the official newspaper of the City in the manner and time required by Chapter 102 of said Code and the City's Home Rule Charter.

(4) A grave public necessity exists and to meet an unusual and unforeseen conditions that could not have been included in the original budget through the use of reasonably diligent thought and attention and the Budget must be amended and revised with respect of the new or additional expenditures set forth in Exhibit "A" attached hereto and made a part hereof, such unusual and unforeseen conditions also being set forth in said Exhibit "A".

(5) The proposed changes are set forth in Exhibit "A" attached hereto and made a part hereof.

(6) All of the changes set forth in Exhibit "A" are for municipal purposes.

(7) The several amounts stated in Exhibit "A" as the amended or revised expenditures are hereby appropriated to and for the objects and purposes therein named.

(8) The contingent appropriations, as amended and revised in said Exhibit "A", do not exceed three (3%) percent of the total amended and revised budget appropriations reflected therein.

(9) The amended and revised expenditures of the general fund and the debt service fund contained in the Budget, as amended by said Exhibit "A", do not exceed the resources of each fund, as amended and revised.

SECTION ONE (2):

The existing budget of the City of Freeport, Texas, for the fiscal year 2010-2011 is hereby amended and revised as reflected in said Exhibit "A".

SECTION THREE (3):

As required by Subsections (c) and (d) of Section 102.009 of the Local Government Code, upon the passage and adoption of this ordinance, the amended and revised budget adopted hereby shall be filed with the City Secretary of the City to be maintained in the official records of the City, and a certified copy of this ordinance, with Exhibit "A" attached thereto, shall be filed by the City Secretary with the County Clerk of Brazoria County, Texas, and the State Comptroller of Public Accounts for the State of Texas.

SECTION FOUR (4):

nothing contained in this ordinance shall cause any rights heretofore vested to be altered, affected or impaired in any way and all such rights may be hereafter enforced as if this ordinance had not been adopted.

SECTION FIVE (5):

In the event any section or provision of this ordinance is found to be unconstitutional, void or inoperative by the final judgment of a court of competent jurisdiction, such defective provision, if any, is hereby declared to be severable from the remaining sections and provisions of this ordinance and such remaining sections and provisions shall remain in full force and effect.

SECTION SIX (6):

This ordinance shall take effect and be in force from and after its passage and adoption.


READ, PASSED AND ADOPTED this _____ day of November, 2011.

Norma Moreno Garcia, Mayor,
City of Freeport, Texas

ATTEST:

Delia Muñoz, City Secretary,
City of Freeport, Texas

APPROVED AS TO FORM ONLY:



Wallace Shaw, City Attorney,
City of Freeport, Texas

C:\Freeport.Bud\2011-2012 Bud 2Amnd-Ord

Ordinance No. 2011-2296 _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS; DESIGNATING AND ESTABLISHING AN INDUSTRIAL DISTRICT TO BE KNOWN AS THE BRAZOSPORT INDUSTRIAL DISTRICT; AUTHORIZING THE EXECUTION OF AGREEMENT WITH SAID DISTRICT BETWEEN THE CITY AND THE OWNERS OF THE LAND; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith SHALL BE REPEALED; PROVIDING A SAVINGS CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FROM AND AFTER ITS PASSAGE AND ADOPTION.

WHEREAS, Section 42.044 of the Texas Local Government Code authorizes the governing body of a municipality to designate an area within its extraterritorial jurisdiction as an industrial district and authorizes the municipality to treat the designated area in a manner considered by the governing body to be in the best interest of the municipality; and

WHEREAS, the City Council of the City of Freeport, Texas desires to designate the land and property describe in Exhibits A, B, and C (attached to this ordinance and incorporated as if set forth herein) as comprising an industrial district, to be known as the Brazosport Industrial District and to execute an agreement with the owners of the land contained within the district.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FREEPORT, TEXAS:

SECTION 1. That all the lands and properties described in Exhibits A, B, and C (attached to this ordinance and incorporated as if set forth herein) are hereby designated as comprising the Brazosport Industrial District, as authorized by Section 42.044 of the Texas Local Government Code, to the extent, if any, that such land and properties lie within the extraterritorial jurisdiction of the City of Freeport, Texas. The fact that some of the land and properties do not lie within the extraterritorial jurisdiction of the City of Freeport, Texas does not invalidate or alter this ordinance.

SECTION 2. That any land within the Brazosport Industrial District that is sold or leased shall remain in such district and be subject to the terms of this ordinance and to the terms of the agreement described in Section 3 of this ordinance.

SECTION 3. That the City of Freeport, Texas is hereby authorized to enter into an industrial district agreement with all of the owners of the land and property described in Exhibits A, B, and C and the cities of Clute and Lake Jackson. Such agreement is attached hereto and incorporated as if set forth herein.

SECTION 4. That the Mayor of the City of Freeport, Texas, is hereby authorized to execute said agreement.

SECTION 5. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

SECTION 6. If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

SECTION 7. This Ordinance shall take effect and be in force from and after its passage and adoption.

READ, PASSED AND APPROVED this 21st day of November, 2011.

**Norma Moreno Garcia, Mayor
City of Freeport, Texas**

ATTEST:

**Delia Munoz
City Secretary
City of Freeport, Texas**

APPROVED AS TO FORM ONLY:

**Wallace Shaw
City Attorney
City of Freeport, Texas**

Industrial District Agreement

December 2011

by and among

BASF CORPORATION

and

THE DOW CHEMICAL COMPANY

and

THE BROCK INTERESTS

consisting of

JAMES E. B. BERRY, JR.

THOMAS STRATTON BERRY

ALICE BERRY HILL

CARRIE CAMILLE BROCK

FREDERICK BASCOM BROCK

CAMILLE BROCK BERRY TRUST – Lavinia B. Bircher as Trustee
and

THE CITY OF LAKE JACKSON, TEXAS

and

THE CITY OF FREEPORT, TEXAS

and

THE CITY OF CLUTE, TEXAS

(Collectively referred to as the “Parties”)

The parties to this agreement are all of the industries contained in the Brazosport Industrial District, being the owners of land and property as described in Exhibits "A", "B". and "C", including BASF, a Delaware corporation duly authorized and licensed to do business in the State of Texas ("BASF"); The Dow Chemical Company a Delaware corporation duly authorized and licensed to do business in the State of Texas ("DOW"); and the Brock Interests, consisting of James E. B. Berry, Jr., Thomas Stratton Berry, Alice Berry Hill, Carrie Camille Brock, Frederick Bascom Brock, Lavinia B. Bircher as Trustee for the Camille Brock Berry Trust, collectively ("the Land Owners") on the one hand, and the City of Lake Jackson ("Lake Jackson"), the City of Freeport ("Freeport"), and the City of Clute ("Clute"), collectively ("the Cities"), all municipal corporations operating under the Constitution and laws of the State of Texas and their respective home rule charters, lying and being situated in Brazoria County, Texas ("the County"), on the other hand.

PREAMBLE

Whereas, the Cities have corporate boundaries and extraterritorial jurisdictions within the County forming as a whole a contiguous body of land encircling substantial areas of industrial development on land owned by the Land Owners; and

Whereas, the uncertainty presented to the Land Owners by the possibility of annexations, attempted annexations, extensions of corporate boundaries and apportionments of extraterritorial jurisdiction of the Cities and the enactment of the Municipal Annexation Act (codified as all or part of Chapters 42 and 43 of the Local Government Code and hereinafter ("the Act")) has prompted the Land Owners to contract with the Cities collectively for the establishment of a single industrial district for all of such land in order to provide a stable environment for the industrial development of such land; and

Whereas, pursuant to the provisions of the Act, the Land Owners and Cities have previously entered into an Industrial District contract involving the area described in Exhibits "A", "B", and "C", and such contract will expire on November 30, 2011, and it is the mutual desire of both the Land Owners and the Cities to renew and extend the status of such areas as a single industrial district pursuant to the provision of §42.044 of the Local Government Code, by adopting a new Industrial District contract, for the term hereinafter set out in this agreement; and

Whereas, the Land Owners desire to contract with the Cities on behalf of the Land Owners and their respective affiliates, successors and assigns, and by way of this single

instrument to guarantee to the Land Owners and their respective affiliates, successors and assigns, the continued extraterritorial jurisdiction status of the area describe in Exhibits “A”, “B”, and “C”; and

Whereas, the Cities on the one hand and the Land Owners on the other hand have determined separately and individually that they are authorized to enter into this agreement pursuant to the provisions of the Act and their general powers to contract.

NOW THEREFORE, for and in consideration of the payments, promises, covenants, and obligations set forth below, the Land Owners and the Cities, each and separately, by this instrument contract and agree as follows:

I.

GENERAL STATEMENT

The matters and facts set forth in the foregoing preamble are true and correct to the best of the knowledge and belief of the appropriate officers of the parties hereto and such matters and facts constitute material representations by the parties hereto.

II.

CONSIDERATION

In consideration of the payments to be made to the Cities by the Land Owners and the other terms of this agreement, all as set forth below, the Cities agree with the Land Owners to refrain from instituting proceedings for the annexation of all or any part of the area designated in Exhibits “A”, “B”, and “C”, and any additions thereto and to guarantee the continuation of the extraterritorial status of such areas and additions thereto, if any, to the extent authorized by law, during the term of this contract, and to treat such areas and additions thereto, if any, as a part of a single Brazosport Industrial District. The term “additions thereto” shall mean any land that is added to the Brazosport Industrial District and to Exhibits “A”, “B”, and “C” upon the written designation by BASF, Dow, or the Brock interests, respectively, during the term of this agreement.

In consideration of the guarantee by the Cites of the continuation of the extraterritorial status of the area described in Exhibits “A”, “B”, and “C”, and additions thereto, if any, the Land Owners agree to make to the Cities semiannual payments due on the last days of June and

December of each calendar year during the existence of this contract, beginning on the last day of December 2011, and ending on the first day of December 2026. Dow shall make such payments on behalf of the Brazosport Industrial District (BASF, Dow, Brock Interests, and any owners or lessees of other property listed in Exhibits “A”, “B”, and “C”). The agreement for the semiannual payments shall be as follows:

1. The total floor payment for each year shall be \$9,000,000. The payment for the first and second year shall be limited to \$9,000,000.
2. The actual payments per city in the first and second year shall be:

City	Yearly Payment
Clute	\$1,400,000
Freeport	\$3,500,000
Lake Jackson	\$4,100,000

3. The Cities shall retain the services of the contract appraiser hired by the Brazoria County Appraisal District to set the values of each year for the assets of the Land Owners contained within the Brazosport Industrial District. Starting in the third year, payments to each city shall be made in accordance with the application of the growth factor as shown in the sample calculations attached hereto as Exhibit D (see Section II 4) applied to each city’s previous year’s payment.
4. The growth factor shall be the higher percentage growth of the most recent annual Consumer Price Index – All Urban Consumers as compiled by the U.S. Bureau of Labor Statistics (“CPI-U”) or value based formula (Brazosport Industrial District assessed value less abatements granted by Brazoria County/\$100 x \$.55 @ 50% or 27.5 cents).
5. Starting in the fourth year, the growth factor shall be based on the prior year’s payment, not on the \$9,000,000 floor, except as provided herein.
6. Ceiling – payments will rise or fall based on the most recent annual CPI-U or value-based formula but in no case would fall below the \$9,000,000 floor, except as provided herein. Payments also cannot exceed a CAP formula of (Brazosport Industrial District assessed value less abatements granted by Brazoria County /\$100 x \$.55 @ 80% or 44 cents).

7. In no case would the Land Owners ever pay more than would be due if the Brazosport Industrial District was annexed (including properties receiving tax abatements from Brazoria County) and they were paying taxes based on the Brazosport Industrial District "tax rate" of 55 cents @ 100% value. Such rate of 55 cents shall be fixed for the term of this Agreement.
8. Natural disaster or terrorist attack – in the event of a natural disaster (i.e., a hurricane) or other weather related incident or terrorist attack (as determined by the Department of Homeland Security or the Federal Bureau of Investigation) in which the Land Owners suffer major physical damage that results in values (including properties receiving tax abatements from Brazoria County) being negatively affected by 50% or more the following shall apply:
 - a. The first year after a natural disaster (i.e., hurricane) or other weather related incident or terrorist attack affecting the plants, the payment to the Cities will drop to the floor value if the value formula would result in a payment equal to or below the floor payment.
 - b. The second and third year payments may drop below the \$9 million floor and will be based on the Brazosport Industrial District assessed value/\$100, including properties receiving tax abatements from Brazoria County, x \$.55 @ 80%.
 - c. The fourth year, the payment amount will return to the pre-disaster payment unless it would exceed the CAP formula. In that event the payment would be based on the CAP formula or the \$9,000,000 floor payment, whichever is greater.
 - d. From the fifth year forward the payment will resume based on the greater of the most recent annual CPI-U or the value based formula.

The payment to the Cities shall be allocated between the industries comprising the Brazosport Industrial District in a separate agreement between the parties that comprise the Land Owners. For administrative convenience, Dow shall be the responsible party for making the semi-annual payments to each city.

As an additional consideration, the Land Owners agree that they will not require the Cities to furnish to the Brazosport Industrial District, or any additions thereto during the term of this agreement, municipal services such as waste disposal, drainage, police, or fire protection services, except in the event of emergency situations and then only by mutual agreement.

As an additional consideration, the Cities agree that, except for plats and the subdivision of land provided for in Chapter 212 of the Local Government Code, the Cities' respective codes, laws, and ordinances, as now or as amended, relating to building or construction, zoning, electrical, plumbing, health and safety regulation, air and water quality regulations and supervision and related matters shall not be applicable to the Brazosport Industrial District or any additions thereto during the term of this agreement.

III. REMEDIES UPON DEFAULT

Whereas, the parties recognize that the obligation of each of the Cities to BASF, Dow, and the Brock Interests to guarantee the continued extraterritorial jurisdiction status of the area described in Exhibits "A", "B", and "C" and any additions thereto, is a unique and valuable obligation and that the breach of such obligation is not compensable in money damages and afford the Land Owners no adequate remedy at law; and

Whereas, the parties further recognize that the obligations of the Land Owners to the Cities to make full and complete payments pursuant to Article II of this agreement, and to refrain from using or requiring municipal services from the Cities during the entire term of this agreement are likewise unique and valuable obligations and that the breach of such obligations is not compensable in money damages and affords the Cities no adequate remedy at law.

THEREFORE, IT IS AGREED AND UNDERSTOOD, that this agreement shall not be terminated by any party for any cause, but that upon breach of the provisions of this agreement, the Land Owners and each of the Cities may avail themselves of all remedies at law and in equity, except termination, and that the Land Owners and each of the Cities shall have the right and option to enforce the performance of obligations under this agreement by specific performance, mandamus, injunction, or such other lawful means as may be appropriate.

In addition, the Land Owners shall have the right and option to the following liquidated damages:

- (i) In the event that any of the Cities fails to actively oppose any encroachment into its extraterritorial jurisdiction that affect the Brazosport Industrial District, during the term of this agreement by any municipality that is not a party to this agreement, then the Land Owners shall have the right and option to cease and

refrain from making any payments to such City called for under Article II above for so long a period as such City fails to actively oppose such encroachment.

- (ii) In the event that any encroachment into extraterritorial jurisdiction of any of the Cities, whether opposed by such City or otherwise, results in the Land Owners paying taxes to any municipality not a party to this agreement, the Land Owners shall have the right and option to deduct the amount so owed from all future payments under Article II due such City whose breached extraterritorial jurisdiction resulted in such tax.

In the event any of the Cities is required to institute judicial proceedings for the collection of any sum due from the Land Owners under this agreement, such City shall be entitled, upon entry of a judgment in its favor by a court of competent jurisdiction, to collect penalties, interest and attorney's fees incurred in such collection in the same manner as provided for in the Property Tax Code in cases involving the collection of delinquent taxes.

Except as otherwise provided in this agreement, any sale or lease of land within the Brazosport Industrial District during the term of this agreement shall remain in such district and be subject to the terms of this agreement as if no sale or lease had taken place.

IV.

INTENT OF PARTIES AND SEVERABILITY

It is expressly recognized and agreed by the parties hereto that the primary consideration moving from the Land Owners to the Cities is the payment by the Land Owners to the Cities of the entire sum due pursuant to Article II of this agreement and that the primary consideration moving from the Cities to the Land Owners is the obligation of the Cities to refrain from instituting proceedings for the annexation of all or any part of the area described in Exhibits "A", "B", and "C" and any additions thereto, to guarantee the continued extraterritorial status of such areas, and to treat such areas as part of the Brazosport Industrial District throughout the entire term of this agreement.

It is further understood and agreed that this agreement and the contract it represents is not divisible as to each year of its duration and the covenants, agreements, and obligations of all of the parties are intended to be performed in full and throughout the entire term of this agreement.

V.

EFFECTIVE DATE AND TERM

This agreement shall be effective as of December 1, 2011 and shall endure until December 1, 2026. Upon execution of this agreement on behalf of all the parties, this agreement shall be effective as of December 1, 2011 regardless of whether execution by all parties shall not have occurred by December 1, 2011. When this agreement becomes effective, the Existing Industrial District Contract shall terminate effective as of such last mentioned date and be of no further effect between the parties except as to any rights or obligations which may have accrued to either or both parties prior to such date of termination. The first payment under this agreement (\$4,500,000) will be for the period July 1, 2011 through December 31, 2011.

VI.

NOTICES

Any notice required or permitted under this agreement shall be effective if delivered in person or sent by registered or certified mail, return receipt requested, to the other party, addressed as follows, or to such other address as either party hereafter shall designate in writing to the other party:

Land Owners: Land Owners
 c/o Dow Tax Department
 APB Building
 Freeport, Texas 77541

Cities:	City of Lake Jackson	City of Clute	City of Freeport
	25 Oak Drive	108 E. Main	200 W. 2 nd Street
	Lake Jackson, TX 77566	Clute, TX 77531	Freeport, TX 77541

VII.

MISCELLANEOUS

The article headings contained in this agreement are for convenience and reference and are not intended to define or limit the scope of any provision of this agreement.

This agreement shall not be construed in favor of or against any party on the basis that the party did not author this agreement.

Venue for any lawsuit involving this agreement shall be in Brazoria County, Texas and this agreement is governed by the laws of the State of Texas

The terms and provision of this agreement shall be binding upon and inure to the benefit of the Land Owners and their respective heirs, executors, administrators, successors and assigns, and the Cities or any municipal corporations or political subdivisions succeeding to the property and principal rights, powers and obligations of each of the Cities.

This agreement constitutes the entire agreement between Land Owners and Cities, and all negotiations and all understandings between the parties are merged herein. The terms and conditions of this contract specifically replace and supersede any prior discussions, terms, documents, correspondence, conversations, or other written or oral understanding not contained herein or specifically adopted by reference.

It is the intent of the parties to include in the Brazosport Industrial District any real property or assets owned or leased by any other company or industry within the Industrial Complex of the BASF and Dow plants during the time periods December 1, 2011 to December 1, 2026, as identified in Exhibits "A", "B", and "C". It is the further intent of the parties to exclude from the Brazosport Industrial District any properties as listed in Exhibits "A", "B", and "C" that are not part of the Industrial Complex if such properties are sold after the date of the agreement. The term "Industrial Complex" means those properties on Exhibits "A", "B" and "C".

It is specifically agreed by the Cities that the covenants, promises, and guarantees of the Cities made to the Land Owners in this agreement extend, in the case of BASF and Dow, to its affiliates, and their respective successors and assigns and to all of the lands included within the area described as Exhibits "A", "B", and "C" and any land added thereto, throughout the entire term of this agreement notwithstanding the fact that the legal title to such lands or properties may pass, in whole or in part, to successors or assigns during the term of this agreement.

This agreement shall be executed in multiple copies, each of which when fully executed shall be deemed to be an original.

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date set forth above.

THE DOW CHEMICAL COMPANY

BASF CORPORATION

By _____

By _____

Title _____

Title _____

JAMES E.B. BERRY, JR.

THOMAS STRATTON BERRY

ALICE BERRY HILL

CARRIE CAMILLE BROCK

FREDERICK BASCOM BROCK

LAVINIA BIRCHER

CAMILLE BROCK BERRY TRUST – Lavinia B. Bircher as Trustee

CITY OF LAKE JACKSON

ATTESTED AND COUNTERSIGNED

By _____

City Secretary

Title _____

CITY OF FREEPORT

ATTESTED AND COUNTERSIGNED

By _____

City Secretary

Title _____

CITY OF CLUTE

By _____

ATTESTED AND COUNTERSIGNED

City Secretary

TITLE _____

EXHIBIT "A"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by BASF (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

BASF CORPORATION **Property Description**

Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

Subdivision 15

Tract Numbers:

Part 14, part 15, 16, 17, 18, 19, 20, 50, 51, 52, 53, 54, Part 55, Part 56

Stephen F. Austin 1/3 League, Abstract 28

Tract 3K

PLUS:

ALL THAT CERTAIN 3.7714 ACRE tract of land lying and situated in the John G. McNeel Survey, Abstract 335, Brazoria County, Texas, being a portion of all that certain residual Tract 7, a called 1384.40 acre tract of land convey by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the Brazoria County Deed Records (B.C.D.R.), said 3.7714 acre tract of land hereby conveyed being more particularly described by metes and bounds, using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD27), in which the directions are Lambert grid bearings and the distances are surface level horizontal lengths (S.F.= 0.9998870) as follows:

BEGINNING at a set 5/8" iron rod with survey cap marked "WPD 4467" marking the southwest corner of the aforementioned all that certain residual Tract 7, a called 1384.40 acre tract of land convey by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the B.C.D.R., same being the northwest corner of all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the B.C.D.R., located in the eastern curved right-of-way boundary line of Texas State Highway Farm to Market #1495, said curve having a central angle of 5°25'15" and

a radius of 1562.02 feet, from which a found 1" iron pipe bears North 83°21'19" West, a distance of 0.82 feet, for the southwest corner of the herein described 3.7714 acre tract, said Point of Beginning being located at Texas State Plane coordinate position X=3167715.87 and Y=418968.32;

THENCE in a northerly direction along said curve to the right, coincident with the western boundary line of the said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the eastern right-of-way of said F.M. #1495, an arc distance of 147.78 feet, central angle of 5°25'15", radius of 1562.02 feet, chord bearing of North 1°40'55" East and a chord distance of 147.73 feet to a 1" iron pipe found marking the northwest corner of the herein described 3.7714 acre tract, at position X=3167720.21 and Y=419115.97;

THENCE South 83°33'24" East, a distance of 2217.67 feet to a 1" iron pipe found marking the eastern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the western boundary line of said Badische Corporation called 75.00 acre tract, for the northeast corner of the herein described 3.7714 acre tract, at position X=3169923.62 and Y=418867.12;

THENCE South 15°15'44" West, coincident with the eastern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the western boundary line of the said Badische Corporation called 75.00 acre tract, a distance of 0.81 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", for the southeast corner of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being an interior corner of the said Badische Corporation called 75.00 acre tract and the southeast corner of the herein described 3.7714 acre tract, at position X=3169923.41 and Y=418866.35;

THENCE North 87°21'19" West, coincident with the northern boundary line of the said Badische Corporation called 75.00 acre tract, same being the southern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, a distance of 2210.14 feet to the **POINT OF BEGINNING**, containing 3.7714 acres of land, more or less.

BUT LESS AND EXCEPT:

ALL THAT CERTAIN 3.7714 ACRE tract of land lying and situated in the John G. McNeel Survey, Abstract 335, Brazoria County, Texas, being a portion of all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the Brazoria County Deed Records (B.C.D.R.), said 3.7714 acre tract of land hereby conveyed being more particularly described by metes and bounds, using survey terminology which refers to the Texas State Plane Coordinate System, South Central Zone (NAD27), in which the directions are Lambert grid bearings and the distances are surface level horizontal lengths (S.F.= 0.9998870) as follows:

COMMENCING at a 5/8" iron rod in concrete found marking the southeast corner of the aforementioned all that certain called 75.00 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Badische Corporation, as recorded in Volume 1663, Page 67 of the B.C.D.R., same being an interior corner of all that certain Tract 15, a called 108.72 acre tract of land convey by deed on April 28, 1952 from Phillips Oil Company to Phillips Petroleum Company, as recorded in Volume 533, Page 225 of the B.C.D.R., said Point of Commencement being located at Texas State Plane coordinate position X=3171151.73 and Y=418813.75;

THENCE South 58°13'01" West, coincident with the southeastern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northwestern boundary line of the said Phillips Petroleum Company called 108.72 acre tract, at a distance of 743.97 feet pass the southwestern boundary line of the Stephen F. Austin Survey, Abstract 28, same being the northeastern boundary line of the John G. McNeel Survey, Abstract 335, continuing for a total distance of 1338.07 feet to the **POINT OF BEGINNING** at a 1" iron pipe found marking the northeast corner of all that certain 150 foot wide pipeline easement and strip of land conveyed on March 4, 1986 from Brazos River Harbor Navigation District to Phillips Petroleum Company, as recorded in Volume (86)249, Page 341 of the Brazoria County Official Records (B.C.O.R.), for the northeast corner of the herein described 3.7714 acre tract, said Point of Beginning at Texas State Plane coordinate position X=3170014.44 and Y=418109.07;

THENCE South 58°13'01" West, coincident with the southeastern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northwestern boundary line of the said Phillips Petroleum Company called 108.72 acre tract, a distance of 125.27 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", from which the West corner of said Phillips Petroleum Company called 108.72 acre tract bears South 58°13'01" West, a distance of 1329.65 feet, for an exterior corner of all that certain residual Tract 7, a called 1384.40 acre tract of land conveyed by deed on August 31, 1982 from Freeport Minerals Company to Brazos River Harbor Navigation District, as recorded in Volume 1663, Page 22 of the B.C.D.R., the southeast corner of the said Badische Corporation called 75.00 acre tract and the southeast corner of the herein described 3.7714 acre tract, at position X=3169907.96 and Y=418043.09;

THENCE North 83°35'48" West, coincident with the southern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northern boundary line of said Brazos River Harbor Navigation District called 1384.40 acre tract, a distance of 2025.51 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", located in the northeastern curved right-of-way boundary line of Texas State Highway Farm to Market #1495, said curve having a central angle of 3°25'57" and a radius of 1562.02 feet, for the northwest corner of said Brazos River Harbor Navigation District called 1384.40 acre tract, same being the southwest corner of said Badische Corporation called 75.00 acre tract and the southwest corner of the herein described 3.7714 acre tract, at position X=3167895.31 and Y=418268.97;

THENCE in a northwesterly direction along said curve to the right, coincident with the southwestern boundary line of the said Badische Corporation called 75.00 acre tract, same being the northeastern right-of-way of said F.M. #1495, an arc distance of 93.58 feet, central angle of 3°25'57", radius of 1562.02 feet, chord bearing of North 26°02'14" West and a chord distance of 93.57 feet to a set 5/8" iron rod with survey cap marked "WPD 4467", located at the northwest corner of said Phillips Petroleum Company 150 foot wide pipeline easement, for the northwest corner of the herein described 3.7714 acre tract, at position X=3167854.25 and Y=418353.03;

THENCE South 83°33'24" East, coincident with the northern boundary line of said Phillips Petroleum Company 150 foot wide pipeline easement, a distance of 2174.17 feet to the **POINT OF BEGINNING**, containing 3.7714 acres of land, more or less.

Alexander Calvit League, Abstract 49

Subdivision 14

Tract Numbers:

Part 155, Part 156, Part 157, Part 185, Part 186, 187, 188, Part 189, Part 190,
Part 191, Part 192, Part 218, Part 219, 220, 221, 222, 223, 224, Part 225, Part
231, Part 232, 233, 234, 235, 236, 237, Part 238, Part 239, Part 269, Part 270,
271, 272, 273, 274, 275, Part 276, Part 277, Part 321, Part 322, 323, 324, 325,
326, 327, Part 328, Part 329, Part 361, Part 362, 363, 364, 365, 366, 367, Part
368, Part 369, Part 390, Part 391, 392, 393, 394, 395, 396, Part 397, Part 398,
Part 429, 430, 431, 432, 433, 434, 435, 436, Part 437, Part 458, 459, 460, 461,
462, 463, 464, Part 465, Part 466

Non-Industrial Complex Property

None

EXHIBIT "B"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by Dow (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

The Dow Chemical Company **Property Description**

Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

3557.04 acres, Brazoria Reservoir Tract

Frances J. Calvit League, Abstract 51

Subdivision 5

Tract Numbers:

Part 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, Part 28, 29, 30, 31, 32, 33, 34, 38

Subdivision 6

Tract Numbers:

1, 2, 3, 4, 5, Part 6, 20, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, Part 49, 59, 60, 61, 64, 66

Subdivision 7

Tract Numbers:

40,41, 42, 43, 44, 45, 46, 47, 48, Part 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, Part 67, 68, Part 69, Part 70, 71, 72, 73, Part 74, Part 75, Part 76, Part 77, Part 93, Part 113, Part 114, Part 115, Part 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, Part 132, Part 133, Part 134, Part 135, Part 136, Part 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, Part 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, Part 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, Part 188, Part 189

Subdivision 10

Tract Numbers:

Part 9, Part 10, Part 11, Part 12, 13, 14, 15, Part 16, Part 17, Part 18, Part 19

Subdivision 11

Tract Numbers:

Part 1, Part 2, Part 3, Part 5, Part 6, Part 7, Part 8, Part 9, Part 10, Part 15, Part 17, Part 18, Part 19, 24, 30, 32, 38, Part 39

J.A. Wharton, Abstract 383

Subdivision 6

Tract Numbers:

Part 6, 7, 8, 9, 50, 51, 52, 53, 54, 55, 56, 57, 58, Part 66, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, Part 114, 115, Part 116, 117

Subdivision 7

Tract Numbers:

150, Part 151, Part 152, Part 153, Part 168, Part 169, 170, Part 171, 172, 173, 174, 175, 176, 177, 178, Part 179, 180, Part 181, 182, 183, Part 184, Part 185

A.B. Langerman, Abstract 589

Subdivision 11

Tract Numbers:

Part 1, Part 2, Part 3, Part 4, Part 5, Part 6, Part 7, Part 8, Part 9, Part 10, Part 15, Part 17, Part 19

Subdivision 6

Tract Number 117

Eli Mitchell, Abstract 99

Subdivision 12

Tract Numbers:

15, 16, 17, 18, 19, 20, 21, 22, 37, 38, 39, 40, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, Part 68, Part 70

Alexander Calvit League, Abstract 49

Subdivision 13

Tract Numbers:

Part 230, 231, 232, 233, 234, 235, 239, 240, 241, Part 242, Part 243, Part 297, Part 298, Part 299, Part 300, Part 301, Part 302, Part 303, Part 304, Part 309, Part 310, 321, 323, 335, 336, 337, 338, 351, 352, Part 376, Part 378, Part 381, Part 382, Part 388

Subdivision 14

Tract Numbers:

28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, Part 160, Part 161, Part 162, Part 163, Part 308

The Dow Chemical Company Plant A

1571 acres within:

Maurice Henry ¼ League, Abstract 74
Alexander Calvit League 12, Abstract 50
John A. Wharton 1/3 League, Abstract 383
Fredrick J. Calvit, Abstract 51
Asa Mitchell 17, Abstract 98

The Dow Chemical Company Plant B

3077 acres within:
Alexander Calvit League, Abstract 62
J.F. Fields League 6, Abstract 62
Peter Bertrand League 5, Abstract 42
J.E.A. Phelps League 4, Abstract 116
J.E.A. Phelps League 3, Abstract 115
A.R. Clark League2, Abstract 54
Stephen F. Austin 5 Leagues, Abstract 19

The Dow Chemical Company Oyster Creek Site

825 and 904 acres within:
Alexander Calvit League, Abstract 49
Eli Mitchell ¼ League, Abstract 99
Maurice Henry ¼ League, Abstract 74
A.B. Langerman Survey, Abstract 589
Fredrick J. Calvit, Abstract 51
John A. Wharton 1/3 League, Abstract 383

The Dow Chemical Stratton Ridge Storage Facility

Stevens Tract 2178 acres within:
Jared E. Groce 5 leagues, Abstract 66

Non-Industrial Complex Property

Stephen F. Austin 5 Leagues, Abstract 19

Lake Jackson Farms Subdivision

Re-Plat Tract 1A, 12, 12A

John G. McNeel Survey, Abstract 89

Tracts:

F, G, G1, K, J1, J2A, J2B, J3D, J14

Branch T. Archer League, Abstract 9

Subdivision 9

Tract Numbers:

8, 9, 10, 15, 16, 17

Frances J. Calvit League, Abstract 51

Subdivision 7

Tract Numbers:

13, 28, 30, 31, 34, 35 Part 36, 63, 64, Part 80, 82, 83, 84, 85, 86, 87, Part 92, 93, 93B, Part 94, Half 99, 102, 106, Part 109, Part 110

Subdivision 10

Tract Numbers:

3B, 4, 5, 7A, 20A1, 21A2, 22B, 25A, 26, 27A, 28A, Part 32, 33, Part 34, Part 35, Part 36, 57, 58, Part 59, 104, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119,

Stephen F. Austin league, Abstract 20

Tract Numbers:

1F2, North ½ 2, 2C, 2A2, 3, 3A, 3B, 3C, 4, 4A1A, 4A2A, 4A3, 5, 5C, 7, 8, 9A, 12

Brazos Oaks Subdivision

Tract Numbers:

1, 2, 2A, 2A1, 6, 6A, 6B, 8, 9, 11, 11A, 12A

J.G & G.W. McNeel Survey, Abstract 90

Tract Number:

C, C1, D, E, D1, F Lot 1C, F Lot 1B, F Lot 1A1, F Lot 1D, F Lot 3F, F Lot 3D, F Lot 3B2, F Lot 3A, G, 11, 12, 13, North I, 15, J1, J2, J3, J4, J10, J15, J16

River Heights Subdivision

Tract Numbers

East 174, 175, North 176

EXHIBIT "C"

Attached to and made a part of that one certain Industrial District Agreement by and between the industries located within the Brazosport Industrial District, et al. and the City of Lake Jackson, Texas, et al., dated effective December 1, 2011.

All of the land and properties in Brazoria County, Texas owned in part or in total by Brock (and/or other owners or lessees of properties listed in this exhibit), including but not limited to the land and properties listed below, which are now located or which during the term of this agreement become located within the extraterritorial jurisdiction of the cities of Clute, Texas; Freeport, Texas; and Lake Jackson, Texas, less and except those lands and properties which on the effective date of this agreement are lying and situated in the corporate boundaries of the cities of Clute, Texas; Freeport, Texas; or Lake Jackson, Texas.

The Dow Chemical Company - Brock Lease Property Description

Industrial Complex Property

The Dow Chemical Company Stratton Ridge Storage Facility

Brock Lease 1510 acres within:

Jared E. Groce 5 Leagues, Abstract 66

Non-industrial Complex Property

none

EXHIBIT "D"

Hypothetical Calculation of Annual Payment
 Yellow boxes indicate the "greater of" and the actual payment that would be made.

CPN Unincreased by 2.5% per year

Contract Year	3	4	5	6	7	8	9	10	11	12	13	14	15	
Calendar Year	7/1/11-6/30/12	7/1/12-6/30/13	7/1/13-6/30/14	7/1/14-6/30/15	7/1/15-6/30/16	7/1/16-6/30/17	7/1/17-6/30/18	7/1/18-6/30/19	7/1/19-6/30/20	7/1/20-6/30/21	7/1/21-6/30/22	7/1/22-6/30/23	7/1/23-6/30/24	7/1/24-6/30/25
Payment	9,000,000	9,000,000	9,435,625	9,892,016	10,377,201	10,885,606	11,412,748	11,965,606	12,540,763	13,140,950	13,768,783	14,424,869	15,109,809	

Actual Value Calculation

Value Change (%)	5.00	4.00	1.00	1.00	3.00	3.00	10.00	10.00	5.00	4.00	3.00	4.00	2.00
Market Value	2,887,752,157	3,034,485,015	3,154,430,815	3,247,536,664	3,325,078,434	3,393,825,443	3,454,810,680	3,509,291,748	3,558,536,336	3,602,802,589	3,642,421,567	3,676,863,573	3,706,612,885
Payment	7,941,232	8,330,399	8,671,915	9,022,251	9,284,173	9,552,070	9,823,279	10,098,552	10,377,248	10,659,807	10,946,812	11,238,869	11,535,573

Notes:

- 1) CPN Unincreased starts in Year 3
- 2) Value Change % is hypothetical
- 3) Year 1 market value Actual (7/1/2011)

*

Susie Patton wishes to decline a position of the Board of Directors at this time.

MEMBERS OF THE BOARD

Ro'Vin Garrett
William Hasse
Jesse Hibbetts
Rubye Jo Knight
Glenn Salyer
Patricia Taylor

CHIEF APPRAISER

Cheryl Evans
500 N Chenango
Angleton, Texas 77515
979-849-7792
Fax 979-849-7984

October 18, 2011

Honorable Norma Garcia
Mayor of Freeport
200 W. 2nd
Freeport, TX 77541

Dear Honorable Norma Garcia,

Thirty voting taxing units were entitled to submit by written resolution, nominations to fill the five member board of directors of the Brazoria County Appraisal District. Attached is the official ballot with the nominations we received.

CITY OF FREEPORT IS ENTITLED TO CAST 28 VOTE(S).

Each voting unit must vote by **Written Resolution** and submit it to the chief appraiser before **December 15, 2011**. The governing body of the taxing unit may cast all of its votes for one candidate or distribute the votes among any number of candidates. When you add the column of your votes, your total should not be greater than your allotted number.

A voting unit must cast its votes for a person nominated and named on the ballot. There is no provision for write-in candidates. The chief appraiser may not count votes cast for someone not listed on the official ballot.

Complete the ballot and return to Cheryl Evans, Chief Appraiser, 500 North Chenango, Angleton, Texas 77515, **along with an Attached Written Resolution** before **December 15, 2011**. If you have any questions about the format of your resolution or any other matter, give me a call immediately.

It is important that you return your **Ballot and Resolution** to the chief appraiser before **December 15, 2011**, so that we may count the votes, declare the winners, and notify all taxing units and candidates of the results.

Sincerely,



Cheryl Evans
Chief Appraiser

CE/td
Enclosure

**BRAZORIA COUNTY APPRAISAL DISTRICT
BOARD OF DIRECTORS ELECTION 2012-2013**

OFFICIAL BALLOT

<u>NOMINATIONS/CANDIDATES</u>	<u>VOTE(S) CAST</u>
1. <u>Ryan Cade</u>	1. _____
2. <u>H. V. Ferguson III</u>	2. _____
3. <u>Ro'Vin Garrett</u>	3. _____
4. <u>William (Bill) Hasse</u>	4. _____
5. <u>Jesse Hibbetts</u>	5. _____
6. <u>Thomas Hoelewyn</u>	6. _____
7. <u>Rubye Jo Knight</u>	7. _____
8. <u>Susie Patton</u>	8. <u>*</u>
9. <u>Glenn Salyer</u>	9. _____
10. _____	10. _____
11. _____	11. _____
12. _____	12. _____
13. _____	13. _____

*** Susie Patton wishes to decline a position on the Board of Directors at this time.**

SUBMITTED BY: _____

VOTES ENTITLED TO: _____

VOTES CAST: _____

RESOLUTION NO. 2011-2272

WHEREAS, the official ballot containing the names of the duly nominated candidates for the Board of Directors of the Brazoria County Appraisal District has been received from the Chief Appraiser of the Brazoria County Appraisal District; and

WHEREAS, the _____ wishes to cast its votes thereon;

NOW, THEREFORE, BE IT RESOLVED, the _____ does hereby determine and cast its votes for the candidates for the Board of Directors of the Brazoria County Appraisal District as follows:

BE IT FURTHER RESOLVED that the official ballot be marked in accordance with this resolution and returned to the Chief Appraiser of the Brazoria County Appraisal District with a copy of this resolution attached hereto prior to December 15, 2011.

PASSED AND APPROVED this _____ Day of _____, 2011.

Presiding Officer

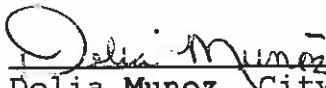
ATTEST:

Secretary

CITY OF FREEPORT

Notice of Public Hearing on New Freeport Exemption

Notice is hereby given that the City Council of the City of Freeport Brazoria County, Texas, will conduct a public hearing on Monday, December 5, 2011, beginning at 6:00 p.m., at the Police Department Municipal Courtroom of the City of Freeport, Texas, located therein at 430 North Brazosport Boulevard, at which time the City Council will consider comments from those in attendance regarding the consideration by the City Council of an ordinance to continue to tax tangible personal property in transit which would otherwise be exempt pursuant to Texas Tax Code, Section 11.253.



Delia Munoz, City Secretary
City of Freeport, Texas

NOTE: Publish once in the Brazosport Facts prior to hearing.

Texas Tax Code § 11.253. Tangible Personal Property in Transit

(a) In this section:

(1) "Dealer's motor vehicle inventory," "dealer's vessel and outboard motor inventory," "dealer's heavy equipment inventory," and "retail manufactured housing inventory" have the meanings assigned by Subchapter B, Chapter 23.

<Text of subsec. (a)(2) effective until Jan. 1, 2012>

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is detained at a location in this state in which the owner of the property does not have a direct or indirect ownership interest for assembling, storing, manufacturing, processing, or fabricating purposes by the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

<Text of subsec. (a)(2) effective Jan. 1, 2012>

(2) "Goods-in-transit" means tangible personal property that:

(A) is acquired in or imported into this state to be forwarded to another location in this state or outside this state;

(B) is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in this state that are not in any way owned or controlled by the owner of the personal property for the account of the person who acquired or imported the property;

(C) is transported to another location in this state or outside this state not later than 175 days after the date the person acquired the property in or imported the property into this state; and

(D) does not include oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory.

(3) "Location" means a physical address.

(4) "Petroleum product" means a liquid or gaseous material that is an immediate derivative of the refining of oil or natural gas.

<Text of subsec. (a)(5) effective Jan. 1, 2012 >

(5) "Bailee" and "warehouse" have the meanings assigned by Section 7.102, Business & Commerce Code.

<Text of subsec. (a)(6) effective Jan. 1, 2012 >

(6) "Public warehouse operator" means a person that:

(A) is both a bailee and a warehouse; and

(B) stores under a contract of bailment, at one or more public warehouse facilities, tangible personal property that is owned by other persons solely for the account of those persons and not for the operator's account.

(b) A person is entitled to an exemption from taxation of the appraised value of that portion of the person's property that consists of goods-in-transit.

(c) The exemption provided by Subsection (b) is subtracted from the market value of the property determined under Section 23.01 or 23.12, as applicable, to determine the taxable value of the property.

(d) Except as provided by Subsections (f) and (g), the chief appraiser shall determine the appraised value of goods-in-transit under this subsection. The chief appraiser shall determine the percentage of the market value of tangible personal property owned by the property owner and used for the production of income in the preceding calendar year that was contributed by goods-in-transit. For the first year in which the exemption applies to a taxing unit, the chief appraiser shall determine that percentage as if the exemption applied in the preceding year. The chief appraiser shall apply that percentage to the market value of the property owner's tangible personal property used for the production of income for the current year to determine the appraised value of goods-in-transit for the current year.

(e) In determining the market value of goods-in-transit that in the preceding year were stored in this state, the chief appraiser shall exclude the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state. For component parts held in bulk, the chief appraiser may use the average length of time a component part was held by the owner of the component parts during the preceding year at a location in this state that was not owned by or under the control of the owner of the component parts in determining whether the component parts were transported to another location in this state or outside this state before the expiration of 175 days.

(f) If the property owner was not engaged in transporting goods-in-transit to another location in this state or outside this state for the entire preceding year, the chief appraiser shall calculate the percentage of the market value described in Subsection (d) for the portion of the year in which the property owner was engaged in transporting goods-in-transit to another location in this state or outside this state.

(g) If the property owner or the chief appraiser demonstrates that the method provided by Subsection (d) significantly understates or overstates the market value of the property qualified for an exemption under Subsection (b) in the current year, the chief appraiser shall determine the market value of the goods-in-transit to be exempt by determining, according to the property owner's records and any other available information, the market value of those goods-in-transit owned by the property owner on January 1 of the current year, excluding the cost of equipment, machinery, or materials that entered into and became component parts of the goods-in-transit but were not themselves goods-in-transit or that were not transported to another location in this state or outside this state before the expiration of 175 days after the date they were brought into this state by the property owner or acquired by the property owner in this state.

(h) The chief appraiser by written notice delivered to a property owner who claims an exemption under this section may require the property owner to provide copies of property records so the chief appraiser can determine the amount and value of goods-in-transit and that the location in this state where the goods-in-transit were detained for storage was not owned by or under the control of the owner of the goods-in-transit. If the property owner fails to deliver the information requested in the notice before the 31st day after the date the notice is delivered to the property owner, the property owner forfeits the right to claim or receive the exemption for that year.

(i) Property that meets the requirements of this section constitutes goods-in-transit regardless of whether the person who owns the property on January 1 is the person who transports the property to another location in this state or outside this state.

(j) The governing body of a taxing unit, in the manner required for official action by the governing body, may provide for the taxation of goods-in-transit exempt under Subsection (b) and not exempt under other law. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit, or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-1) Notwithstanding Subsection (j) or official action that was taken under that subsection before October 1, 2011, to tax goods-in-transit exempt under Subsection (b) and not exempt under other law, a taxing unit may not tax such goods-in-transit in a tax year that begins on or after January 1, 2012, unless the governing body of the taxing unit takes action on or after October 1, 2011, in the manner required for official action by the governing body, to provide for the taxation of the goods-in-transit. The official action to tax the goods-in-transit must be taken before January 1 of the first tax year in which the governing body proposes to tax goods-in-transit. Before acting to tax the exempt property, the governing body of the taxing unit must conduct a public hearing as required by Section 1-n(d), Article VIII, Texas Constitution. If the governing body of a taxing unit provides for the taxation of the goods-in-transit as provided by this subsection, the exemption prescribed by Subsection (b) does not apply to that unit. The goods-in-transit remain subject to taxation by the taxing unit until the governing body of the taxing unit, in the manner required for official action, rescinds or repeals its previous action to tax goods-in-transit or otherwise determines that the exemption prescribed by Subsection (b) will apply to that taxing unit.

(j-2) Notwithstanding Subsection (j-1), if under Subsection (j) the governing body of a taxing unit, before October 1, 2011, took action to provide for the taxation of goods-in-transit and pledged the taxes imposed on the goods-in-transit for the payment of a debt of the taxing unit, the tax officials of the taxing unit may continue to impose the taxes against the goods-in-transit until the debt is discharged, if cessation of the imposition would impair the obligation of the contract by which the debt was created.

(k) A property owner who receives the exemption from taxation provided by Subsection (b) is not eligible to receive the exemption from taxation provided by Section 11.251 for the same property

Dr. Martin Luther King, Jr.
Brazoria County, Texas
Celebration Committee



216 Banyan Dr.
Lake Jackson, TX 77566
Contact: Mr. Will J. Brooks
Phone: (979) 202-7590 Cell
Phone: (979) 297-2801 Home

November 17, 2011
Attention: Ms. Delia Munoz
200 West 2nd Street
Freeport, TX 77541

To the City Council of Freeport:

It is my pleasure to inform you about the 26th annual Dr. Martin Luther King, Jr. Celebration Committee (MLKCC). We are a non-profit, 501(c) 3 organization. Since 1986, MLKCC – Brazoria County has sponsored events to celebrate the state and federal holiday honoring the birthday of the late Dr. Martin Luther King, Jr. and to perpetuate his memory and the legacy of his achievements for future generations. Additionally, our MLKCC seeks to honor Dr. King's admonition of service to the community by sponsoring both the MLKCC and Dennis R. Edwards Memorial scholarships to deserving Brazoria County high school graduates. This celebration also conducts various worthy community uplifting projects, and encourages its members to take roles in numerous civic, charitable, and cultural endeavors. This annual celebration is a time of unity and togetherness promoted through events including a Community Worship Service, MLKCC Commemorative Banquet, Parade & Rally, and Health Fair.

Dr. Martin Luther King, Jr. Celebration Committee request permission to close portions of the following streets during the Parade to be held on Monday, January 16, 2012. The parade will start at 12:00 noon and the set up (staging area) will start at 10:00 am on Cherry, East Park and Fourth Street. The parade route will begin at East Park Avenue and Fourth Street and continue along 2nd Street to 288-B to the Freeport Municipal Park. The celebration will continue through the Rally at the Freeport Municipal Park until 5:30 pm. In order to move forward with success, we are requesting your permission, support and participation in the 26th Annual Dr. Martin Luther King, Jr. Celebration.

Thank you in advance for your consideration and we look forward to celebrating the legacy of Dr. Martin Luther King, Jr. with you.

Sincerely,

☉★~ ❧ ❧ ❧

Will J. Brooks
Parade Chairman
On behalf of MLKCC-BC Parade & Rally Committee