TAX ABATEMENT AGREEMENT BETWEEN THE CITY OF AMARILLO, HAPPY HORIZONS PROPERTIES L.P., ET AMARILLO, LLC, AND AMAZON.COM SERVICES LLC

STATE OF TEXAS §
§
COUNTY OF POTTER §

This Tax Abatement Agreement ("***Agreement***"), is entered into as of this 26 day of January, 2021 ("***Effective Date***"), by and between the City of Amarillo, Texas ("***City***"), a home rule city and municipal corporation located in Potter and Randall Counties, Texas, duly acting herein by and through its City Manager or other designated representative, Happy Horizons Properties L.P., a Texas limited partnership ("***Happy Horizons***"), ET Amarillo, LLC, a Delaware limited liability company ("***Elm Tree***"), and Amazon.com Services LLC, a Delaware limited liability company ("***Amazon***").

WITNESSETH:

WHEREAS, the City Council of the City of Amarillo, Texas ("***City Council***") indicated its election to be eligible to participate in Tax Abatements in the Resolution Adopting Guidelines and Criteria for Tax Abatement in the City of Amarillo ("***Policy Statement***"), by the passage of Resolution No. 7-26-88-1 on the 21st day of July, 1988; and

WHEREAS, on the 20th day of August, 2019, the City Council readopted the Policy Statement by the passage of Resolution No. 08-20-19-2; and

WHEREAS, the City's current Policy Statement entitled:

RESOLUTION ADOPTING GUIDELINES
AND CRITERIA FOR TAX ABATEMENT WITHIN REINVESTMENT ZONES
FOR THE
CITY OF AMARILLO

Is attached as Exhibit A hereto; and

WHEREAS, the Policy Statement constitutes appropriate "guidelines and criteria" governing tax abatement agreements which may be entered into by the City as contemplated by the Texas Tax Code ("***Tax Code***"), and provides for the availability of tax abatement for both new facilities and structures and for the contemplated expansion or modernization of existing facilities or structures; and

WHEREAS, entering into this Agreement will produce public benefits:

1) enhancing and diversifying the economic and industrial bases of the Amarillo area;

2) contributing to the retention and expansion of primary employment; and

3) attracting major investment that will be of benefit to the Premises (as hereafter defined) and that will contribute to the economic development of the City; and

WHEREAS, on the 26th day of January, 2021, the City Council adopted Ordinance No. 7901 establishing City of Amarillo Reinvestment Zone No. 12 ("***Zone***") for commercial/industrial tax abatement, as authorized by Tax Code Chapter 312; and

WHEREAS, Happy Horizons currently holds title to the Premises, but Elm Tree expects to receive title to the Premises under a real estate purchase contract between Happy Horizons and Elm Tree ("***Purchase Agreement***"); and

WHEREAS, Elm Tree and Amazon expect Amazon to lease the Premises from Elm Tree after the closing of the Purchase Agreement; and

WHEREAS, the contemplated uses of the Premises (a distribution center), the contemplated improvements to the Premises as set forth in this Agreement, the contemplated equipment, and other business personal property, and the other terms of this Agreement will encourage development of the Zone, are in accordance with the purposes for its creation, and are in compliance with the Policy Statement, the Ordinance, and all applicable laws; and

WHEREAS, Amazon's use of the Premises is expected to favorably influence the economic and employment base of the City, to wit: within 24 months to provide 500 new full time warehousing, transportation, and management positions; and

WHEREAS, the City Council finds that the improvements sought are feasible and practical and will be of benefit to the Premises, the Zone, and to the City after expiration of this Agreement; and

WHEREAS, the City Council finds that the terms of this Agreement and the proposed Qualified Facilities and Qualified Personal Property (as hereafter defined) subject to this Agreement meet the applicable guidelines and criteria previously adopted by the City Council; and

WHEREAS, a copy of this Agreement has been furnished, in the manner prescribed by the law, to the presiding officers of the governing bodies of each of the taxing units in which the Premises subject to the Agreement is located;

NOW, THEREFORE, the City for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, which consideration includes the attraction of major investment to the Zone and business activity which contributes to the overall economic development of the City and enhancement of the tax base in the City; Happy Horizons, Elm Tree, and Amazon for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged by each, which consideration includes the tax abatement set forth below, as authorized by Tax Code Chapter 312, Subchapter B, do hereby contract and agree as follows:

1. Definitions

Wherever used in this Agreement, the following terms shall have the meanings ascribed to them:

1) "Tax Code" means the relevant provisions of Texas Tax Code.

2) "Eligible Property Value" shall mean the value of Elm Tree's Qualified Facilities and Amazon's Qualified Personal Property that:

   a) is eligible for tax abatement under Tax Code Chapter 312 (which shall not include the real property's current value – only increase in value of the real property may be exempted); and

   b) has taxable situs in the Zone on January 1 of the first tax year as set forth in Section 3 or on January 1 of any subsequent tax year as set forth in Section 3.

However, pursuant to Tax Code Section 312.204, tangible personal property that was located on the Premises before the beginning date of the abatement period shall not be eligible for tax abatement. Supplies and inventory located in the Zone at any time shall not be eligible for tax abatement.

3) "Qualified Facilities" shall mean the buildings and other improvements constructed by or for the benefit of Elm Tree for design, assembly, manufacturing, storage, training, repair, or other purposes in the Zone, consisting of a minimum of an approximately 1,000,000 ft^2 distribution warehouse expected to cost at least approximately $70,000,000.

4) "Qualified Personal Property" shall mean Amazon's machinery, equipment, furniture, fixtures, and other tangible personal property that are eligible for tax abatement under Tax Code Chapter 312, consisting of furniture, fixtures, and equipment sufficient to carry on consumer goods warehousing and distribution and expected to cost approximately $30,000,000, and that:

   a) is owned by Amazon or a third party as described in Section 2(11)(b);

   b) is located in the Zone; and

   c) but for this Agreement would be subject to appraisal by the Potter-Randall Appraisal District or its successor for the applicable tax year.

5) "Premises" shall mean the parcel of land described on Exhibit B, which is attached hereto and incorporated by reference, and is located within the Zone.

6) "Abatement" shall mean the tax abatement rate in those percentages set forth in Section 5 for each applicable year.

2. General Provisions

1) Elm Tree and Amazon agree that their use of the Premises will be in accordance with applicable state and local laws and regulations.

2) Intentionally omitted.

3) The procedures followed by the City in the enforcement and administration of this Agreement will conform to the requirements of the Tax Code and other applicable law.

4) The Premises are presently owned by Happy Horizons and are to be owned by Elm Tree under the Purchase Agreement. Happy Horizons joins herein solely as an accommodation party currently owning the Premises which are to be transferred to Elm Tree under such Purchase Agreement; provided, however, that all parties hereto agree that the Purchase Agreement is the sole agreement between Happy Horizons and Elm Tree with respect to the purchase and sale of the Property, and this Agreement does not create, and shall not be construed to create, an independent obligation of Happy Horizons to convey the Property to Elm Tree. The Premises are located solely within the corporate limits of the City and within the Zone.

5) The City acknowledges that Premises and Qualified Facilities are not an improvement project financed by tax increment bonds.

6) Happy Horizons, Elm Tree and Amazon acknowledge that this Agreement is entered into subject to the rights of the holders of outstanding bonds of the City.

7) The City represents and warrants that Premises and Qualified Personal Property are not owned or leased by any member of the Amarillo City Council or any member of the Planning and Zoning Commission of the City or a member of the governing body of any taxing units joining in or adopting this Agreement.

8) The City represents and warrants that it has adopted guidelines and criteria governing tax abatement agreements and it has the authority to enter into this Agreement.

9) The parties acknowledge that this Agreement is intended to comply with the requirements of law and is authorized by the Texas Property Redevelopment and Tax Abatement Act, Tax Code Chapter 312, Policy Statement, and by resolution of the City Council of the City of Amarillo authorizing execution of this Agreement.

10) During the period of tax abatement herein authorized, Elm Tree and Amazon shall be subject to taxation on all real and personal property not abated or otherwise exempted.

11) This Agreement shall apply to Qualified Facilities and Qualified Personal Property which is owned by:

a) Elm Tree or Amazon; or

b) A third party when

i) Elm Tree or Amazon is contractually obligated to pay taxes on said personal property; and

ii) Elm Tree or Amazon renders said personal property for taxation.

12) The construction and development of the Qualified Facilities and Qualified Personal Property contemplated by this Agreement will be diligently pursued by Elm Tree and Amazon and may occur in Phases. Each Phase will be created as set forth in Section 4 of this Agreement.

3. Term and Abatement Period

A five (5) year tax abatement is hereby granted to Elm Tree and Amazon subject to meeting the conditions herein. The five (5) year abatement period commences beginning on January 1 of the first tax year for which Elm Tree or Amazon files an approved abatement application with the Potter-Randall Appraisal District (the "Abatement Application"). For any subsequent Phase, the five (5) year abatement period commences on January 1 of the first tax year for which Elm Tree or Amazon timely files an approved Abatement Application for that Phase with the Potter-Randall Appraisal District. Notwithstanding any other provision of this Agreement, Amazon has the right to terminate this Agreement for any reason or no reason by delivering notice to the City at least 5 business days prior to the desired termination date.

4. Construction May Occur in Phases

At its option, Elm Tree or Amazon may elect to stage development of the Qualified Facilities and Qualified Personal Property to occur at different times within the Zone. If Elm Tree or Amazon chooses to make this election, each individual Phase shall be eligible for Abatement under the terms of this Agreement for a period of five (5) years.

Elm Tree and Amazon will designate each Phase by metes and bounds or by description of the improvement or property sought to be abated, to be submitted with the first Abatement Application filed on each Qualified Facility or Qualified Personal Property in that Phase. Each Phase so designated will be sequentially numbered as Phase 1, Phase 2, and so forth. Thereafter, the Qualified Facilities and Qualified Personal Property in each Phase shall be the subject of a separate Abatement Application as may be required by law. For purposes of identifying property within a Phase, it shall be sufficient to generally identify the improvement or property by its use or purpose and relative geographic location to other existing improvements.

The deadline for designating a Phase under Section 4 of this Agreement coincides with the expiration of the Zone, being the fifth (5^{th}) anniversary of the establishment of the Zone, unless renewed or extended to a later date by the City.

5. Rate of Abatement

The rate and scope of tax abatement shall be as follows:

1) Scope of Abatement. The annual rate of abatement will be applied as set forth below to the Eligible Property Value.

2) Annual Rate of Abatement. The following shall be the annual rate of tax abatement. The rate of abatement shall be applied separately to the Eligible Property Value in each Phase created under this Agreement for each applicable tax year.

Year of Abatement	Rate of Abatement on Incremental Increase
1	50%
2	50%
3	50%
4	50%
5	50%

6. Records and Audits

1) Before December 31 of each year, Elm Tree or Amazon must certify in writing to the governing body of each participating taxing unit that it is in compliance with each term of this Agreement; provided, however, that Elm Tree and Amazon shall not be considered in default hereunder until the applicable party has received notice of non-compliance, and has had a period of time (not to exceed 30 days) to provide the required certification.

2) To the extent that the City has questions about the data supplied by Amazon in any report, application, filing or other document provided under this Agreement, the parties will engage in good faith efforts to resolve such questions and, upon the City's reasonable request, Amazon will furnish back-up documentation reasonably sufficient to verify the accuracy and completeness of report, application, filing or other document, and to demonstrate the manner in which such items or their contents were calculated or prepared. If, notwithstanding the good faith efforts of the parties to resolve any questions concerning such items, the parties are unable to resolve such issues, during the term of this Agreement and for six (6) months thereafter, the City's independent third-party certified public accountant (and their agents and colleagues) who is reasonably acceptable to Amazon (any such independent third-party accountant to be retained on a non-contingency fee basis), may examine and audit such books and records of Amazon as are reasonably sufficient to verify the accuracy of such items. Any such audit must: (i) not be disruptive to Amazon's business and must take place at a mutually agreed time during Amazon's normal business hours; (ii) not occur more than once during any 12-consecutive-month period; (iii) only cover statements rendered since the last audit conducted by the City (if any) and during the 24 months prior to the date the audit is commenced; (iv) take place on at least thirty (30) days' prior written notice; (v) be completed within thirty (30) days from commencement; and (vi) be conducted by the City or its accountant (as described above) alone and not in conjunction or cooperation with any other party. The City may not schedule an

audit to take place in the fourth calendar quarter of any year. The City agrees that any information learned or disclosed in connection with any such audit is confidential information of Amazon and subject to the security, nondisclosure and nonuse obligations set forth herein. In the event the City's examination reveals a payment deficiency or discrepancy, the parties will cooperate in good faith to address and resolve such deficiency or discrepancy. The City will be solely responsible for all costs of any audit it conducts. Information, documents and materials that do not constitute public records under the Texas Public Information Act or similar (TPIA) or are exempt from disclosure under the TPIA learned by the City's auditor in connection with any such audit shall be treated as confidential information of Amazon and the City agrees to maintain the confidentiality of such information to the maximum extent permitted by applicable law. Information, documents and materials provided by Amazon that constitute public records under TPIA shall be treated as described in this Agreement. Notwithstanding the foregoing or any other provision of this Agreement, Amazon shall not be required to disclose, permit the inspection of or examination of, or discuss, any document, information or other matter that (a) constitutes trade secrets or proprietary information, (b) in respect of which disclosure is prohibited by law or any binding agreement or (c) is subject to attorney-client or similar privilege, employee privacy or constitutes attorney work product.

7. Performance Requirement

Elm Tree and Amazon shall not be entitled to any Eligible Property Value tax abatement under this Agreement for any tax year during which Elm Tree or Amazon is in Full Default (as defined below) of this Agreement or for any year during which or following Amazon exercises its right of termination of this Agreement

8. Breach and Default

In the event that Elm Tree or Amazon:

1) fails to make the improvements or repairs;

2) allows *ad valorem* taxes on the Premises, Qualified Facilities, or Qualified Personal Property subject to abatement to become delinquent and fails to timely and properly follow the legal procedures for the protest and/or appeal of such *ad valorem* taxes,

3) fails or refuses to timely file required documents with the State Comptroller or local tax appraisal district in connection with the tax abatement set forth in this Agreement; or

4) breaches any of the terms or conditions of this Agreement;

then Elm Tree and Amazon shall be in default of this Agreement.

If Elm Tree or Amazon defaults in its performance of 1, 2, 3, or 4 above, the City shall give Elm Tree and Amazon written notice of default. If Elm Tree or Amazon, as appropriate, has not cured such default within ninety (90) days of receipt of written notice, or, if such default cannot be cured by the payment of money or posting of a bond or other collateral, Elm Tree and Amazon shall be in "Full Default" for that tax year. However, if such default is not reasonably susceptible of cure within such ninety (90) day period, whether or not due to causes within the control of Elm Tree or Amazon, and Elm Tree and Amazon, as appropriate, has begun efforts to cure the default, then after first advising the City of its efforts, Elm Tree or Amazon may utilize an additional one hundred eighty (180) days to cure the default. Time in addition to the foregoing two hundred seventy (270) day cure period may be authorized by the City, in its sole and absolute discretion.

Failure to timely cure any default will result in the cancellation of this Agreement and the retroactive loss of the tax abatement. Additionally after the expiration of the applicable notice and cure periods, all taxes which would have otherwise been paid to the City during the tax year in which the Full Default occurs without the benefit of abatement plus ten percent (10%) interest beginning on the date of expiration of the cure period will be owed by Elm Tree or Amazon, as appropriate, to the City as liquidated damages. This amount shall be due and owing to the City within sixty (60) days of the expiration of the above referenced cure period, subject to all lawful offsets, settlements, deductions, or credits to which Elm Tree or Amazon may be entitled. The parties acknowledge that actual damages in the event of Full Default would be speculative and difficult to determine. Notwithstanding anything to the contrary in this Agreement, neither Amazon nor any of its affiliates shall be subject to the remedy of specific performance nor liable for: (a) any indirect, reliance, exemplary, incidental, speculative, punitive, special, consequential or similar damages that may arise in connection with this Agreement, (b) any lost or foregone tax revenues, or (c) any damages, liabilities, fees, costs, expenses, penalties, diminishments in value, losses or payments (including any lost or foregone tax revenues that exceed, in the aggregate, the amount received by Amazon under this Agreement.

If the default is cured after the expiration of the two hundred seventy (270) day cure period provided but no later than three hundred sixty-five (365) days after default, then the terms and conditions of this Agreement may be reinstated for the remaining number of years available under Section 3 in which an abatement has not yet been enjoyed.

9. Sale, Assignment, or Lease of Property; Termination

1) This Agreement may be assigned by Elm Tree or Amazon to an entity controlling, controlled by, or under common control with Elm Tree or Amazon without further consent of the City.

2) This Agreement may be assigned by Elm Tree or Amazon to any other entity only with the consent of the City, which consent shall not be unreasonably withheld.

10. Indemnity

It is understood and agreed among the parties that Elm Tree and Amazon, in performing their obligations hereunder, are acting independently of City and Happy Horizons. City and Happy Horizons assume no responsibilities or liabilities in connection therewith to Elm Tree, Amazon, or third parties, and City agrees that Happy Horizons has no responsibility or liability under this Agreement with respect to the obligations of Elm Tree or Amazon. Elm Tree and Amazon agree to indemnify and hold City and their agents, employees, and officers harmless from penalties, fines, damages of every kind, attorney fees, costs, and interest that arise out of or relate to Elm Tree's or Amazon's acts or omissions relating to the Premises, Qualified Facilities, Qualified Personal Property, or the performance or benefits of this Agreement, provided, that the amount of Amazon's liability under this Section 10 shall not exceed the amount of the total cumulative benefit of the incentive to be received by Amazon under this Agreement.

11. Notice

Any notice called for or required by this Agreement shall be considered delivered when actually received by a party at the following address, or at such other address as may be designated in writing.

For Amazon:

Amazon.com Services LLC
Attn: Director, Economic Development (AMA1)
410 Terry Ave. North
Seattle, Washington 98121

with a copy to (which shall not constitute notice):
Amazon.com Services LLC
Attn: Economic Development Compliance (AMA1)
2121 7th Avenue
Seattle, Washington 98121
Email:contracts-legal@amazon.com

For Elm Tree:

ET Amarillo, LLC
Attn: ___________
____
____
Telephone: _______________
Email: _______________

with a copy to (which shall not constitute notice):
____
Attn: _______________
____
____
Telephone: _______________
Email: _______________

For Happy Horizons
Happy Horizons Properties L.P.
c/o Happy Horizons, Inc., General Partner
3905 Bell Street
Amarillo, Texas 79109
Telephone: 806-353-6671
Email: matt@rockroseamarillo.com
Email: wdavies@attebury.com

For City of Amarillo, Texas:

City Manager
City of Amarillo
P.O. Box 1971
Amarillo, Texas 79186-1971
Fax (806) 378-8394

12. City Authorization

This Agreement was authorized by Resolution of the Amarillo City Council approved by a majority of the City Council at a regularly scheduled meeting in accordance with applicable provisions of the Tax Code. The resolution authorized the City Manager, or designee, to execute this Agreement on behalf of the City.

13. Elm Tree, Amazon, and Happy Horizons Authorization

This Agreement was entered into by Elm Tree, Amazon, and Happy Horizons pursuant to proper authority whereby an authorized executive officer of Elm Tree, Amazon, and Happy Horizons, each signing below, were authorized to execute this Agreement on behalf of each entity as shown.

14. Severability

If any section, subsection, paragraph, sentence, phrase, or word of this Agreement is held invalid, illegal, or unconstitutional, the balance of this Agreement shall be enforceable and read as if the parties intended at all times to delete the invalid section, subsection, paragraph, sentence, phrase, or word.

15. Estoppel Certificate

Any party hereto may request an estoppel certificate from another party if the certificate is requested in connection with a bona fide business purpose. The estoppel certificate will be addressed as requested by the party, and shall include, but not necessarily be limited to, statements that this Agreement is in full force and effect without default (or if default exists, the nature of default and curative action, which should be undertaken to cure same), the remaining term of this Agreement, the levels of primary Abatement in effect, and such other matters reasonably requested by the party.

16. Elm Tree and Amazon Standing

Elm Tree and Amazon shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same and Elm Tree and Amazon shall be entitled to intervene in said litigation.

17. Applicable Law

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Potter County, Texas. This Agreement is performable in Potter County, Texas. Each party waives its right to trial by jury.

18. Recordation of Agreement

A certified copy of this Agreement in recordable form shall be recorded in the Deed Records of Potter County, Texas.

19. Entire Agreement

This Agreement contains the entire agreement of the parties on the subject matter herein. This Agreement supersedes any prior written or oral tax abatement agreements or representations between the parties. It may only be modified by written instrument signed by the parties.

Notwithstanding the foregoing provisions, this Agreement does not modify, alter, or amend any other agreement or instrument between the City, Elm Tree, and/or Amazon relating to matters other than the abatement of ad valorem taxes on the Eligible Property Value. This Agreement is being executed in multiple originals which are being distributed for execution to Elm Tree, Amazon, Happy Horizons, and the City. Each party agrees that its sole execution of an original shall constitute its consent to, and acceptance of the Agreement, without the necessity of a single copy being executed by all parties.

{Signature Pages Follow}

Executed to be effective as of the Effective Date.

CITY OF AMARILLO, TEXAS

By: ______________________

Jared Miller, City Manager

Attest:

____

Frances Hibbs, City Secretary

Approved as to form:

____

Bryan S. McWilliams, City Attorney

VP of Worldwide Economic Development

City's Acknowledgment

STATE OF TEXAS §

§

COUNTY OF POTTER §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Jared Miller, City Manager of the City of Amarillo, Texas, a municipal corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the City of Amarillo, Texas, a municipal corporation, that he was duly authorized to perform the same by appropriate resolution of the City Council of the City of Amarillo, and that he executed the same as the act of the said City for purpose and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of March, 2021.

Jan Sanders

Notary Public, State of Texas

JAN SANDERS
Notary Public, State of Texas
Notary ID #004900110
My Commission Expires 04-29-2021

ET AMARILLO, LLC,
a Delaware limited liability company

By: ____________________
Printed Name: Jason Ridgway
Title: Senior Vice President

Elm Tree Acknowledgment

ET AMARILLO, LLC

STATE OF MO §
§
COUNTY OF St. Louis §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Jason Ridgway, as Senior Vice President of ET Amarillo, LLC, a Delaware limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said ET Amarillo, LLC, that he/she was duly authorized to perform the same by appropriate resolution of such corporation, and that he/she executed the same as the act of the said corporation for purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4th day of March, 2021.

KAREN L. GERLING
MY COMMISSION EXPIRES 2-18-2024
NOTARY SEAL
#12296163
ST. LOUIS COUNTY
NOTARY PUBLIC, STATE OF MISSOURI

____
Notary Public, State of MO

AMAZON.COM SERVICES LLC

By: Holly Sullivan

Printed Name: Holly Sullivan

Title: VP of Worldwide Economic Development

Amazon Acknowledgment

AMAZON.COM SERVICES LLC

STATE OF Washington §
§
COUNTY OF King §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Holly Sullivan, as VP of Worldwide Economic Development of Amazon.com Services LLC, a Delaware limited liability company, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Amazon.com Services LLC, that he/she was duly authorized to perform the same by appropriate resolution of such corporation, and that he/she executed the same as the act of the said corporation for purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 10th day of March, 2021.

JOHN VOGAN
Notary Public
State of Washington
Commission # 204353
My Comm. Expires Jan 9, 2023

Notary Public, State of Washington

HAPPY HORIZONS PROPERTIES L.P.

By: Happy Horizons, Inc., a Texas corporation, its general partner

By: Suzanne Boyce
Suzanne Boyce, President

Happy Horizons Acknowledgment

HAPPY HORIZONS PROPERTIES L.P.

STATE OF TEXAS §
§
COUNTY OF Randall §

BEFORE ME, the undersigned authority, a Notary Public in and for said State, on this day personally appeared Suzanne Boyce, as President of Happy Horizons, Inc., as General Partner of Happy Horizons Properties L.P., a Texas limited partnership, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said Happy Horizons Properties L.P., that she was duly authorized to perform the same by appropriate resolution of such corporation, and that she executed the same as the act of the said corporation for purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 5th day of March, 2021.

Beatrice R. Gamble
Notary Public, State of Texas

BEATRICE R. GAMBLE
Notary Public, State of Texas
Notary ID #5908235
My Commission Expires 08-15-2023

EXHIBIT A
POLICY STATEMENT

RESOLUTION NO. 08-20-19-_2_

A RESOLUTION OF THE CITY OF AMARILLO, TEXAS CITY COUNCIL: ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT WITHIN REINVESTMENT ZONES FOR THE CITY OF AMARILLO; PROVIDE A SEVERANCE CLAUSE; PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Amarillo desires to participate in tax abatements from time to time as the City Council may find appropriate, in accordance with the criteria and guidelines herein adopted:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AMARILLO, TEXAS, THAT:

SECTION 1. That for tax abatements in reinvestment zones adopted by the City of Amarillo, the fundamental purpose is to stimulate growth and create jobs, and the following guidelines and general criteria will apply:

A. Tax abatements may be provided for both new facilities and structures and for the expansion or modernization of existing facilities and structures. Each project proposed for tax abatement shall be considered individually on its own merits, benefit to the public, and in context of any other economic inc VP of Worldwide Economic Development existing in the reinvestment zone.

B. The developer, property owner, project owner, or other recipient of a tax abatement must annually certify in writing to the governing body of each participating taxing unit that the developer, owner or recipient is in compliance with each applicable term of the agreement.

C. Only the taxable value of improvements to real property or tangible personal property that is brought to the real property after the execution of a tax abatement agreement will qualify for tax abatement.

D. A tax abatement agreement must ensure that the periods of abatement are directly proportional to the capital expenditures for improvements and the number of permanent full-time jobs created.

E. Expansion or modernization of existing facilities qualifies for tax abatement if the expansion meets the qualifications for capital expenditures and retention of or creation of new jobs nets new jobs. The number of jobs created must be new jobs and not replacement of jobs which were in the payroll within the year immediately prior to application for tax abatement. A tax abatement shall not be granted if the facility has been the subject of or included in a prior tax abatement agreement.

F. If a new facility is constructed to replace an existing facility, and the existing facility is abandoned by the developer, property owner, project owner, or other recipient of a tax abatement, only the difference in taxable value of the new facility over the existing facility will qualify for tax abatement.

G. An agreement will be executed by the developer, property owner, project owner, or other recipient of a tax abatement which incorporates the terms of this resolution and includes any other site and development specific terms which might be found applicable at the time.

H. The tax abatement agreement will require, among other things, that the City of Amarillo will have the right of access to the site and books and records of the applicant for tax abatement to determine compliance with statutory requirements and the agreement. Failure to fulfill any of the requirements of the agreement will result in cancellation of the agreement and retroactive loss of tax abatement.

SECTION 2. If any provision, section, subsection, sentence, clause or the application of same to any person or set of circumstances for any reason is held to be unconstitutional, void or invalid or for any reason unenforceable, the validity of the remaining portions of this resolution or the application thereby shall remain in effect, it being the intent of the City Council of the City of Amarillo, Texas in adopting this resolution, that no portion thereof or provision contained herein shall become inoperative or fail by any reasons of unconstitutionality of any other portion or provision.

SECTION 3. This Resolution is immediately effective upon passage.

INTRODUCED AND PASSED by the City Council of the City of Amarillo, Texas, on this the 20th day of August, 2019.

CITY OF AMARILLO

Ginger Nelson, Mayor, City of Amarillo

ATTEST:

Frances Hibbs, City Secretary

APPROVED AS TO FORM:

Bryan S. McWilliams, City Attorney

EXHIBIT B

Property Description

BEING a 110.3886 acre (4,808,529 square foot) tract of land situated in Section 93, Block 2, AB&M Survey, Abstract No. 31, City of Amarillo, Potter County, Texas; said tract being part of that tract of land described in Warranty Deed to Happy Horizons Properties, L.P. recorded in Volume 3026, Page 467 of the Deed Records of Potter County, Texas; said tract being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod with cap stamped "KHA" set at the west end of a right-of-way corner clip at the intersection of NE 24th Avenue (a variable width right-of-way) and the west right-of-way line of Loop Highway No. 335 (a variable width right-of-way);

THENCE South 43°56'33" East, along the southwest line of said corner clip, a distance of 69.32 feet to a 5/8-inch iron rod with cap stamped "KHA" set at the east of said right-of-way corner clip;

THENCE along the said west line of Loop Highway No. 335 the following three (3) calls:

South 0°05'53" West, a distance of 654.71 feet to an aluminum disk found for corner;
South 7°28'23" East, a distance of 631.28 feet to an aluminum disk found for corner;
South 0°13'05" West, a distance of 539.60 feet to a 5/8-inch iron rod with cap stamped "KHA" set for corner;

THENCE South 89°54'37" West, departing the said west line of Loop Highway No. 335, a distance of 2584.82 feet to a 5/8-inch iron rod with cap stamped "KHA" set for corner;

THENCE North 0°12'00" East, a distance of 1900.80 feet to a 5/8-inch iron rod with cap stamped "KHA" set for corner in the said south line of NE 24th Avenue;

THENCE along the said south line of NE 24th Avenue, the following three (3) calls:

North 89°54'37" East, a distance of 1956.32 feet to a 5/8-inch iron rod with cap stamped "KHA" set for corner;
South 73°25'43" East, a distance of 104.33 feet to a 5/8-inch iron rod with cap stamped "KHA" set for corner;
North 89°59'12" East, a distance of 394.84 feet to the **POINT OF BEGINNING** and containing 110.3886 acres or 4,808,529 square feet of land, more or less.